

Regarding the C19 Financial update #2

As with the previous update, there are several items that are internal transactions such as departmental and reserve transfers. These have no effect on the Town's financial state as they are not third-party transactions and have no cash impact. They should not be included in the update.

Impact on Revenue (reduction):	\$1,988,000
Less: Parking revenue transfers to Finance	- 10,000
Parks	- <u>75,000</u>
Revised Revenue Impact (reduction)	\$ <u>1,903,000</u> A

Impact on Operating Expenditures:

Additional amounts (increase):	\$ 262,000
Less Transfer:	
Parking to Beach Washroom	-52,000
Parking to Parks	- 7,500
Marina to Harbour	- <u>17,500</u>
Additional Amounts Revised Total	\$ <u>185,000</u> B

Reduced Expenditures (decrease):	\$ 1,142,285
Less Parking Transfers:	
To Marina and Parks	- 164,500
To Finance	-10,000
To Parking Reserve	- <u>157,575</u>

Net Projected Savings Revised Total \$ 810,210 C

Net Reduction of Operating Expenditures Revised \$ 625,210 D = C-B

Net Reduction of Operating Expenditures Original \$ 880,285

Difference: Reduction in Projected Savings \$ 255,075

Projected Shortfall Revised \$ 1,277,790 A-D

Projected Shortfall Original \$ 1,107,715

Shortfall increase \$ 170,075

Financial Summary Revised:

Surplus as Originally Stated	\$ 261,445
Revenue Impact Reduction	85,000
Expenditure Impact Increase	<u>-255,075</u>
Net Surplus Revised	\$ <u>91,370</u>

The way this was originally presented is counter intuitive as the "surplus" is shown with a minus (-) sign.

For example, the impact (reduction) on revenue is shown as a positive (+) amount, whereas the reduced conference spending is shown as a minus (-) If you reverse all of the signs, the schedule is easier to understand.

Removing the internal departmental and reserve transfers reduces the "surplus" by \$170,075

Some other items of note:

The CCC has a net shortfall of \$794K:

Revenue reduction 980K,
Expense reduction 166K

The VPC "reduced" contribution to Town is a \$31,650 net profit reduction based on a 25% reduction from \$126,600 (budget??)

The Concert Hall has a net shortfall of \$103K:

Revenue reduction 163K,
Expense reduction 60K

Venture 13 has a net shortfall of \$11,250:

Revenue reduction 23,750,
Expense reduction 12.500

Staff Cost savings (schedule D) \$1,009,547. This is a surprise given that no staff were laid off (??)

Transfer to vehicle replacement reserve (Schedule E) \$523,610, is marginally useful and nice to know in some way. However, these are internal surplus allocations and do not affect the Town's financial position. These are non-cash transactions.