

Date: May 27, 2008



TO: Board Members – Vancouver Park Board
FROM: General Manager – Parks and Recreation
SUBJECT: Financial Statements to the end of April 30, 2008

RECOMMENDATION

THAT the Board receive this report for information

POLICY

There is no applicable policy.

BACKGROUND

Periodic financial statements are submitted to ensure that the Board is kept fully informed of the current expenditures and revenues in relation to the approved budget appropriation.

DISCUSSION

Financial reports for three accounts are provided for the Board's information: the 2008 Operating Statement, a statement on Donations and a statement on the Stanley Park Restoration Project. The results of the staff reviews are summarized below.

2008 Operating Budget

As of April 30, 2008, the Park Board has spent \$22,154,186 of a total budget of \$60,030,444 or 36.9% of budget. By comparison, at the end of April 2007 and April 2006 net expenditures were 35.2% and 35.0% of budget respectively (see Appendix I for further details).

Revenues

Gross revenues are \$8,596,922 or 22.4% of budget. This is slightly below the April 2007 level of 23.1% and the April 2006 level of 23.2%. It is expected that revenues will be low at this time of year since the majority of revenues are collected over the summer.

Revenues from income-oriented operations are at the same level as last year (17.0% of budget). Revenues are up in concessions (\$51,000), parking (\$77,000), marinas (\$87,000) and leases (\$80,000). Golf revenues are at the same level as April 2007 (\$1,388,000) while pitch & putt revenues have dropped (down \$44,000).

Revenues from recreation are down slightly (\$47,000) for 2008, totaling \$4,025,108 compared to \$4,072,582 in 2007. The only significant decline is in rink revenues (down \$186,000 from 2007) and is due to the closure of Killarney and Trout Lake rinks for construction; in both cases there are offsetting expense savings.

Revenues from operations in parks are down \$26,000 from 2007 at 15.5% of budget, compared to 17.4% of budget for the same period last year. This is due to decreases in cost recoveries in Arboriculture and is offset by lower expenses in the affected areas.

Overall, revenues are at the same level as last year and slightly below the 2008 budget level. Steps are being taken to address issues and contain related costs in areas of concern. Staff will continue monitoring the situation and report changes to the Board.

Expenditures

Gross expenditures are currently \$30,751,108, which is 31.2% of budget. This is above the 2007 and 2006 levels, which were both 30.4%. These increases are spread throughout our income-oriented programs, recreation programs and park and facility maintenance and are mostly due to spending on 2007 approved NNRS (that were carried forward to complete), and increased city equipment and utility costs. However, increases in costs for both City equipment and utilities will be addressed by the City as per the Global Budget arrangement.

Net Budget Position

Overall, net operating expenditures are up from last year's experience, at \$22,154,186 or 36.9% of budget, compared to 35.2% for 2007. This results from a combination of decreased revenues (down by 0.7%) and increased expenses (up by 0.8%) as detailed above.

Staff are closely monitoring expenses and will implement actions to balance the budget without affecting service levels where appropriate. At this point in the year, it is difficult to accurately predict the year end expense position as it is dependant on activities and weather in the summer months. Staff will continue to report back to the Board as the year progresses.

2008 Donation Program

Between January 1 and April 30, 2008 total donations of \$360,052 were received by the Park Board, which is more than double the \$173,121 received during the same period in 2007 (please see Appendix II for details). Total donation program expenses for the first four months of 2008 are \$292,335, with specific program expenditures as detailed below. Donations are allocated for one of three designated programs: park amenities, special projects and endowments.

The park amenity program received \$182,482, up from the \$99,080 received over the same period in 2007. During the first four months of 2008 expenses for park amenity installations and maintenance totaled \$32,912.

Special projects generated \$115,461 in revenues in the first four months of 2008. During the same period, \$205,625 was spent on special projects, including \$30,000 on the West Point Grey playground climbing rock and \$175,000 on a historical exhibit at the Vancouver Museum to celebrate the 120th anniversary of Stanley Park.

The remaining funds generated are for endowments, with \$62,109 received during the first four months of 2008. At this point, no expenses have been incurred relating to endowments.

Overall the Donation program is on-track to achieve its target of \$1.2 million for 2008 and will continue to focus efforts on securing funds for endowments to create a steady revenue stream to fund expanded programs.

Stanley Park Restoration Project

The Board has received a number of detailed reports on this project throughout the process. The statement below details revenues and expenditures to the end of April 2008.

As noted in Appendix III, the Stanley Park Restoration Project has funding of \$9.9 million. Donations of \$2 million each have been received from the Federal and Provincial governments and the City of Vancouver. Public donations totaling \$3,310,152 have also been received. Log sales have generated another \$321,075 in funds and to-date interest of \$303,936 has been earned on funds in the Stanley Park Reserve.

To the end of April 30, 2008 almost \$5.4 million has been spent, with major expenditures for forestry site clearing and preparation (\$2.8 million), seawall, escarpment, road and trail costs (\$1.0 million), public consultation and plan development (\$749,000) and emergency forestry work (\$709,000). Legacy projects are also now underway, with \$37,000 spent to the end of April 30, 2008.

At end of April 2008, the balance remaining in the Stanley Park Restoration Project is \$4,565,971 which will continue to be used to complete the restoration work.

SUMMARY

Financial reports for the above-noted three accounts are provided for the Board's information. Updated reports will be made available throughout the year to ensure that the Board is informed of spending on its various programs.

Prepared by:

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