

Date: August 29, 2008



TO: Board Members – Vancouver Park Board
FROM: General Manager – Parks and Recreation
SUBJECT: Financial Statements to the end of July 31, 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 July 31, 2008, the Park Board has spent \$36,103,404 of a total budget of \$59,635,092 or 60.5% of budget. By comparison, at the end of July 2006 net expenditures were 58.6% of budget (see Appendix I for further details). Due to the 12 week work stoppage in 2007, all comparisons will be made to 2006, which provides a more relevant basis for comparison.

Revenues

Gross revenues are \$22,050,415 or 58.0% of budget. This is slightly below the July 2006 level of 58.8%.

Revenues from income-oriented operations are at virtually the same level as 2006 (57.3% of budget, vs 57.5% in 2006 – please see Appendix II). In comparing to 2006, revenues

are down in Golf (\$330,000), Pitch & Putts (\$90,000) and leases (\$110,000), and up in Concessions (\$230,000), Parking (\$100,000), and Marinas (\$150,000).

Revenues from recreation are at 65.9% of budget compared to 64.5% in 2006, an increase after inflation of approximately \$150,000. The only decline is in outdoor pool revenues, which reflects the closure of Sunset Pool.

Revenues from operations in parks are down \$290,000 from 2006 at 40.2% of budget, compared to 47.9% 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.

In looking at the overall revenue picture, revenues are approximately \$280,000 below the same level as July 2006.

Expenditures

Gross expenditures are currently \$58,153,819, which is 59.6% of budget. This is above the 2006 level of 58.7%. The type of expenses that account for the increases are mostly for City equipment and payroll costs. (As noted in the April review, increases in costs for City equipment will be addressed by the City as per the global budget arrangement.)

Most of the increases are in income-oriented programs (up 2% at 59.5% in 2008 vs 57.5% in 2006), with smaller increases for recreation programs (0.5%) and park and facility maintenance (0.5%).

For income related operations, expenses are up for Golf, reflecting the planned work on course maintenance and consultant costs. Marina costs are also up, reflecting increased utilities and an increased return to the City's property endowment fund (directly related to increased revenues at Heather Marina). These have been partially offset by small reductions in parking, and concessions.

Net Budget Position

Overall, net operating expenditures are up from last year's experience, at \$36,103,404 or 60.5% of budget, compared to 58.6% for 2006. This results from a combination of decreased revenues (down by 0.8%) and increased expenses (up by 0.9%) as detailed above. 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 August and September. However, at the end of August, Park operations slow down, which will result in decreased expenditures on supplies and payroll.

As noted in the April 2008 financial report to the Board, steps have been taken to address revenue issues and contain related costs in areas of concern. Staff are continuing to closely monitoring expenses and will implement further actions to balance the budget without affecting service levels where appropriate and report back to the Board as the year progresses.

2008 Donation Program

Between January 1 and July 31, 2008, donations totaling \$574,614 were raised by the Park Board. Donations can be designated to one of three priority programs: park amenities, special projects and endowments. Donation program expenses for the same period totaled \$361,109, with specific expenditures as detailed below and in Appendix III.

The park amenity program raised \$291,847 during the first seven months of 2008. Of this, \$203,256 was designated to fund 10 existing park benches in perpetuity, \$30,000 was designated to renew 28 existing park benches. Just over \$50,000 was designated for 20 new park benches and \$6330 was designated to plant three commemorative trees. Expenses related to park amenity installations and maintenance totaled \$36,388 for the same period.

Special projects generated \$187,056 in revenues in the first seven months of 2008. Of this, \$100,000 was designated for 36 interpretive signs in Stanley Park, \$30,000 for a climbing rock at West Point Grey Park playground and almost \$25,000 was designated for the Active Communities Red Fox Walking project. In addition, \$15,000 was designated to three projects including maintenance of the Wind Swimmer kinetic sculpture at Kitsilano pool, maintenance of the David Oppenheimer statue in Stanley Park and park enhancements at Margaret Pigott Park. During the same period, \$229,266 was spent on special projects, including \$175,000 on an historical exhibit celebrating the 120th anniversary of Stanley Park, \$30,000 on the West Point Grey Playground climbing rock, and, more recently, \$21,918 for a custom bench shelter in Stanley Park.

The remaining funds raised are for the endowment program, with \$95,710 received to date in 2008 for 3 new endowments designated for park conservation projects in Stanley Park and Jericho Beach Park. To 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 in donations for 2008. Efforts will continue to be focused on securing new endowments, amenities in perpetuity and major gifts for priority projects to create a steady revenue stream that will provide the Park Board with funding for parks and recreation 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 July 2008.

To date all the major contracts have been let and are detailed in Appendix IV and below. There are a few small projects on hold until costs are finalized for larger contracts, after which work on these small items will be reinitiated.

As noted in Appendix IV, the Stanley Park Restoration Project has funding of \$10,217,779. Donations of \$2 million each have been received from the federal, provincial governments and the City of Vancouver. Public donations totaling \$3,340,955 have also been received. Log sales have generated another \$517,556 in funds and to date interest of \$359,268 has been earned on funds in the Stanley Park Reserve.

To the end of July 31, 2008, \$8,538,847 has been spent, with major expenditures for forestry (\$3,383,592), the Prospect Point road realignment (\$2,070,045), seawall, escarpment, road and trail costs (\$2,033,661), public consultation and plan development (\$910,770), and legacy project costs (\$140,779).

The residual of \$1,678,932 in funding remains in the Stanley Park Restoration Reserve and continues to earn interest for the project.

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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