

Date: May 19, 2009



TO: Board Members – Vancouver Park Board
FROM: General Manager – Parks and Recreation
SUBJECT: Financial Statements to March 31, 2009

RECOMMENDATION

THAT the Board receive this report for information

POLICY

There is no applicable policy

BACKGROUND

This report discusses the Board's March 2009 financial positions for the Operating Budget, the Donation Program and the Stanley Park Restoration Project. The operating budget statement was discussed with the Services and Budgets Committee at its meeting on April 28, 2009.

DISCUSSION

2009 Operating Budget

As of March 31, 2009, the Board had spent \$17,206,019 or 28.0% of its budget, with total revenues of \$5,862,168 and gross expenditures of \$23,068,187.

Details of the Board's financial position are attached as follows:

- Appendix I – Operating Statement to the end of March 31, 2009, which provides a breakdown of Revenues and Expenditures by District
- Appendix II – 2008 & 2009 March Revenues & Expenses by Program

Revenues

The Park Board total revenues to the end March 2009 are \$5,862,168 or 15.1% of budget. For the same period in 2008, revenues were \$6,105,628 or 16.1% of budget, reflecting a decline of approximately \$250,000 in the first three months of 2009.

As noted in Appendix I, revenues in all Districts were below the same period last year, while Corporate Services and Planning & Operations are up slightly.

Appendix II provides a breakdown of gross revenue by program. Comparing 2009 revenues to 2008 March revenues, total revenues are down 4%. Income from revenue operations is down in all areas except Marinas, with the entire income operations group having 17% less revenue than at the end of March 2008. Revenues from Park Operations are also down by 16% from the previous year. Recreation revenues, however, are up by a 9% with the increases in fitness centres and indoor pools.

Overall, the revenue drop of almost \$250,000 is of concern, given that in 2008 Board revenues were \$0.9 million short of budget. As well, the Board is required to increase its revenues by almost \$1.7 million above the 2008 budget levels to meet the inflationary increase set by the City. This leaves the Board with a potential revenue shortfall of \$2.6 million for 2009.

Gross Expenditures

As noted in Appendix I, to the end of March 2009 gross expenditures total \$23,068,187 while for the same period in 2008 expenditures were \$23,159,775. This is a drop of almost \$100,000 in the first three months. Gross expenses are down in all areas with the exception of Planning & Operations, which has undertaken repair work at Portside Park pier early in the year.

Appendix II provides a breakdown of expenditures to the major programs. Comparing March 2009 gross expenses to the same period in 2008, expenses are virtually unchanged with a 0% increase. However, there are fluctuations between areas, with gross expenses for income operations down 13%, Parks and Operations up 2% (for the Portside Park pier work noted above) and recreation expenses are up 1%.

Overall, expenses have not increased despite increases in wages due to collective agreements and inflationary increases for supplies and contracted services. At this point the Board looks to be on track to meet its expenditure budget at year end.

Next Steps

To the end of March, expenses are on track to meet budget by the end of the year, while revenues are \$250,000 below the March 2008 levels. However, approximately 48% of revenues are generated between May 1 & August 31. At the Services and Budgets Committee meeting of April 28, 2009, the Committee agreed to closely monitor revenues and expenses and requested that staff look at other areas for potential cost savings which could be implemented to offset the revenue shortfall. At the May 26 Committee meeting, the updated April 2009 operating statement report will be provided, along with a budget management plan.

2009 Donation Program

As of March 31, 2009, \$86,027 was raised through park amenities, special projects and endowments. A detailed breakdown of the Donation Program including donations and expenses is attached in Appendix III, but highlights of funds received year to date include:

Park Amenities

Donations made to fund park amenities such as park benches, picnic tables, drinking fountains and trees totaled \$76,400 in the first three months of 2009. To date, 7 new park bench donors, 3 new park amenity donors and 1 tree donor were acquired. In addition, the annual 10-year bench renewal direct mail appeal was sent to 85 donors from 1999. To date, 7 donors have renewed their support. Based on our annual renewal rate of 30%, it is anticipated that 26+ donors will renew their support, i.e., fund a replacement park amenity or pay for maintenance. Year to date, expenses for the program totaled \$11,732 leaving a net contribution of \$64,668 and bringing the total Park Amenity balance to \$1,653,872.

Special Projects

This program enables donors to designate gifts for park enhancement projects or recreation programming. \$9,627 was raised in the first three months of 2009 of which \$5,250 was funded by UBCM for the Active Communities Red Fox Walking Project offered through Community Centres and \$3,657 was designated as In-Memory gifts. Expenses relating to special projects in the first three months of 2009 totaled \$2,000 resulting in a net increase of \$7,627 to the special projects fund year to date and bringing the balance to \$147,662.

Endowment Program

The endowment program provides opportunities for residents to create a legacy in their community by providing sustainable funds for park conservation or recreation programming. The original gift is preserved and the interest earned on that gift is used for a purpose outlined in the endowment. As a result of the economic downturn, it is forecasted that only 2 new endowments will be secured in 2009. To date, no funding has been received, nor any expenses incurred.

Overall, the Donation Program has raised \$86,027 in the first three months of 2009. After all program expenses were deducted, the net increase of \$26,128 brings the total donation balance as of March 31, 2009 to \$2,332,929.

Stanley Park Restoration Project

As detailed in Appendix IV, the Stanley Park Restoration received funds totaling \$30,592 between January 1 and March 31, 2009. This included \$4,712 from individuals and corporations, \$6,720 from log sales and \$19,160 of interest earned on the Stanley Park Restoration Reserve.

In terms of expenditures, the Board has received a number of updates on the progress of the Stanley Park Restoration Project; the most recent Board report was on the Stanley Park Forest Management Plan presented at the March 23, 2009 Board meeting. For the period between January 1 and March 31, 2009, \$675,463 was spent on the Restoration Project, with \$98,759 of that for public consultation and plan development to guide the Forest Management Plan.

For the three months ending March 31, 2009 \$9,263 was spent on forestry work. In addition to the forestry work, \$98,717 has been spent on seawall repairs, escarpment stabilization work previously reported to the Board, and park pathways and roads. A total of \$417,062 has been spent on Prospect Point road realignment and \$51,662 on the Legacy program during the first three months of 2009.

A balance of \$1,293,681 remains in the fund at the end of March 31, 2009. The remaining funds will be spent on finalizing the Prospect Point redevelopment, pathway and road repairs, park repairs and the legacies program.

SUMMARY

Overall the Board has spent \$17,206,019 or 28.0% of its budget to the end of March 31, 2009. This is approximately \$150,000 more than the funds spent during the first three months of 2008. In looking at the detail compared to 2008, expenses are down \$100,000 from the previous year, while revenues are down \$250,000. This statement was provided to the Services and Budgets Committee meeting at its meeting of April 28, 2009, and the Committee directed staff to closely monitor the budget and requested that staff look at areas for potential cost savings which could be implemented to offset the revenue shortfall. The Committee at its meeting on May 26 will discuss the April 2009 operating statement report and determine if further initiatives are required.

The Donation program collected \$86,027 in funds in the first three months of 2009. After all program expenses were deducted there is a net increase of \$26,128, which brings the total donation balance as of March 31, 2009 to \$2,332,929. Once the loan to the QE Pavilion is accounted for, the balance in the account is \$1,587,800.

During the first three months of 2009, the Stanley Park Restoration Project collected \$4,712 in donations, earned \$19,160 in interest and generated \$6,720 in revenue from log sales for a total increase in funds of \$30,592. Once expenses of \$675,463 are accounted for, the Project spent a total of \$644,871 to the end of March 31, 2009, leaving a balance of \$1,293,681 remaining in the fund to complete the restoration and legacy work for Stanley Park.

Prepared by:

Corporate Services
Vancouver Board of Parks and Recreation
Vancouver, BC

Vancouver Board of Parks and Recreation

Appendix I

Operating Statement for the period ending March 31, 2009 (unaudited)

91/366 days = 24.9%

	Annual Budget	Adjusted Actual	Percent of Budget	2008 Budget	2008 Actual	Percent of Budget
Stanley District						
Revenues	(16,143,700)	(2,273,747)	14.1%	(15,497,500)	(2,334,015)	15.1%
Expenditures	24,588,300	4,854,013	19.7%	24,283,000	4,905,767	20.2%
	<u>8,444,600</u>	<u>2,580,266</u>	<u>30.6%</u>	<u>8,785,500</u>	<u>2,571,752</u>	<u>29.3%</u>
Queen Elizabeth District						
Revenues	(8,749,900)	(1,857,590)	21.2%	(8,007,000)	(1,977,119)	24.7%
Expenditures	25,542,600	6,007,014	23.5%	24,176,500	6,215,872	25.7%
	<u>16,792,700</u>	<u>4,149,424</u>	<u>24.7%</u>	<u>16,169,500</u>	<u>4,238,753</u>	<u>26.2%</u>
Vancouver East District						
Revenues	(13,891,600)	(1,665,284)	12.0%	(14,296,500)	(1,745,572)	12.2%
Expenditures	30,055,000	7,014,116	23.3%	30,136,600	7,043,517	23.4%
	<u>16,163,400</u>	<u>5,348,833</u>	<u>33.1%</u>	<u>15,840,100</u>	<u>5,297,944</u>	<u>33.4%</u>
Planning & Operations						
Revenues	(119,800)	(49,398)	41.2%	(115,200)	(40,999)	35.6%
Expenditures	14,839,680	3,946,698	26.6%	14,233,192	3,758,900	26.4%
	<u>14,719,880</u>	<u>3,897,300</u>	<u>26.5%</u>	<u>14,117,992</u>	<u>3,717,901</u>	<u>26.3%</u>
Corporate Services						
Revenues	(7,800)	(16,150)	207.0%	(38,300)	(7,924)	20.7%
Expenditures	5,253,300	1,246,345	23.7%	4,760,300	1,235,719	26.0%
	<u>5,245,500</u>	<u>1,230,195</u>	<u>23.5%</u>	<u>4,722,000</u>	<u>1,227,795</u>	<u>26.0%</u>
Park Board Totals						
Revenues	(38,912,800)	(5,862,168)	15.1%	(37,954,500)	(6,105,628)	16.1%
Expenditures	100,278,880	23,068,187	23.0%	97,589,592	23,159,775	23.7%
Net	<u>61,366,080</u>	<u>17,206,019</u>	<u>28.0%</u>	<u>59,635,092</u>	<u>17,054,147</u>	<u>28.6%</u>

Vancouver Board of Parks and Recreation
Operating Statements for the period ending March 31 (unaudited)

Program	March 2009 Revenue		March 2008 Revenue		% change in Actuals	March 2009 Expenses		March 2008 Expenses		% change in Actuals
	Budget	Actual	Budget	Actual		Budget	Actual	Budget	Actual	
Concessions	(3,223,000)	(81,581)	(3,101,700)	(116,692)	-30%	2,832,600	191,677	2,739,400	204,253	-6%
Parking	(4,269,100)	(512,194)	(4,108,200)	(569,387)	-10%	527,100	7,084	738,800	72,344	-90%
Golf	(9,628,600)	(582,642)	(10,745,200)	(831,518)	-30%	9,653,200	2,072,920	11,104,500	2,499,946	-17%
Pitch & Putts	(1,376,100)	(53,446)	(1,324,100)	(55,395)	-4%	1,089,600	143,581	1,046,300	171,548	-16%
Marinas	(2,341,800)	(611,634)	(2,253,700)	(587,569)	4%	1,621,700	509,321	1,557,500	381,511	34%
Leases	(2,001,100)	(331,536)	(1,974,700)	(458,299)	-28%	254,600	16,474	307,500	65,430	-75%
Total Income Operations	(22,839,700)	(2,173,033)	(23,507,600)	(2,618,860)	-17%	15,978,800	2,941,057	17,494,000	3,395,032	-13%
Stanley Park, QE Park, VanDusen	(3,718,500)	(308,818)	(3,433,100)	(357,886)	-14%	10,907,500	1,785,179	10,680,800	2,085,576	-14%
Neighbourhood Park and Beach Maintenance	(119,100)	(4,392)	(14,500)	(832)	428%	10,621,500	3,135,511	10,548,000	2,818,899	11%
Street Trees, Nursery & Wildlife Services	(127,500)	(11,284)	(122,700)	(47,774)	-76%	7,126,300	1,790,891	6,716,600	2,008,218	-11%
Sanitation & Janitorial	(54,000)	(6,828)	(52,000)	(6,516)	5%	2,721,600	440,689	2,808,400	475,849	-7%
Building & Facilities Maintenance	(119,800)	(48,830)	(115,300)	(40,223)	21%	12,571,880	3,611,744	11,854,792	3,146,932	15%
Total Parks & Operations	(4,138,900)	(380,152)	(3,737,600)	(453,231)	-16%	43,948,780	10,764,014	42,608,592	10,535,474	2%
Community Centres	(2,106,200)	(410,693)	(1,758,000)	(454,812)	-10%	20,572,400	5,108,142	19,896,400	4,979,615	3%
Fitness Centres	(1,672,500)	(702,198)	(1,592,600)	(562,367)	25%	1,801,900	382,006	1,317,400	329,880	16%
Rinks and Central Ice Services	(1,935,800)	(449,799)	(1,399,700)	(481,725)	-7%	4,355,600	874,145	2,920,500	725,679	20%
Indoor Pools	(4,676,200)	(1,652,524)	(4,494,500)	(1,432,797)	15%	8,990,900	2,383,050	8,847,100	2,360,253	1%
Outdoor Pools	(877,500)	(1,623)	(833,000)	47	-3553%	2,285,700	91,513	2,203,700	70,059	31%
Arts, Multicultural, Special Events & Film, Playgrounds, Fields, Rangers, Leisure Access, SP Nature House,	(666,000)	(92,146)	(631,500)	(101,883)	-10%	2,344,800	524,260	2,301,900	763,783	-31%
Total Recreation	(11,934,200)	(3,308,983)	(10,709,300)	(3,033,537)	9%	40,351,300	9,363,116	37,487,000	9,229,269	1%
Park Board Total	(38,912,800)	(5,862,168)	(37,954,500)	(6,105,628)	-4%	100,278,880	23,068,187	97,589,592	23,159,775	0%

**Vancouver Board of Parks and Recreation
Donations Program
Statement as at Mar 31, 2009 (unaudited)**

	Adjusted Carry Forward 2008	Add: 2009 Donations	Less: 2009 Expenses	2009 Net	March 31, 2009 Closing Balance
Park Amenities					
	\$	\$	\$	\$	\$
AMENITIES IN PERPETUITY	681,711	37,000		37,000	718,711
BENCH & TABLE DONATIONS	761,593	37,400	10,977	26,423	788,015
FOUNTAIN DONATIONS	20,255			-	20,255
TREE DONATIONS	68,300	2,000	755	1,245	69,545
VANDUSEN BENCH DONATIONS	57,346				57,346
Total Park Amenities	1,589,204	76,400	11,732	64,668	1,653,872
Special Projects					
ACTIVE COMMUNITIES PROJECT	5,000	5,250		5,250	10,250
DAVID OPPENHEIMER STATUE MAINTENANCE	4,969			-	4,969
FRASERVIEW JUNIOR GOLF PROGRAM	1,360			-	1,360
GRAEME STAMP DEDICATION	26,000			-	26,000
GRANVILLE LAWN BOWLING	1,200			-	1,200
IN MEMORY FUNDS	7,225				7,225
INUKSHUK LIGHTING UPGRADE (COAST)	25,410			-	25,410
KHENKO PUBLIC ART WORK - MAINTENANCE	9,937			-	9,937
MAJOR GIFTS	10,643			-	10,643
MISCELLANEOUS DONATIONS	23,535	3,675	2,000	1,675	25,210
RICHARD PYTEL MEMORIAL FUND	1,293	100		100	1,393
SPECIAL PROJECTS	4,460			-	4,460
STANLEY PARK ENVIRONMENTAL ART PROJECT	12,000			-	12,000
STANLEY PARK HOLLOW TREE FUND	-	100		100	100
VANCOUVER FDN - PARK FDN / HARRY W JEROME FUND	2,080	502		502	2,582
WINDSWIMMER PROJECT AT KITSILANO POOL	4,883			-	4,883
Total Special Projects	139,995	9,627	2,000	7,627	147,662
Endowments					
Total Endowments	577,602	-	-	-	577,602
Administration					
			46,166	(46,166)	(46,166)
Subtotal	2,306,801	86,027	59,899	26,128	2,332,929
LOAN TO QE PAVILLION (See Schedule 1)	(745,130)			-	(745,130)
	\$ 1,561,672	\$ 86,027	\$ 59,899	\$ 26,128	\$ 1,587,800

Schedule 1

Loan to Celebration Pavillion \$700,000 at 6% Interest

Opening Balance	700,000.00
Add: Interest	43,174.47
Less: Repayment	(189.73)
Balance year ended Dec 31, 2007	742,984.74
Add: Interest	45,825.68
Less: Repayment	(43,680.82)
Balance year ended Dec 31, 2008	745,129.60

**Operating Statement for the Stanley Park Restoration Project
Total Since Inception to March 31, 2009**

<u>Revenues</u>	March 31, 2009		
	Jan 1, 2009 Opening Balance	Revenue and Expenditures	March 31, 2009 Closing Balance
Donations: Private and Corporate	\$ (3,445,117)	\$ (4,712)	\$ (3,449,829)
City of Vancouver	(2,000,000)	0	(2,000,000)
BC Government	(2,000,000)	0	(2,000,000)
Government of Canada	(2,000,000)	0	(2,000,000)
Log Sales	(645,990)	(6,720)	(652,710)
Interest Income	(455,265)	(19,160)	(474,425)
Revenues Total	(10,546,372)	(30,592)	(10,576,964)
<u>Expenditures</u>			
Forestry - Site Clearing/Preparation Contractors	2,179,770	0	2,179,770
Forestry - Site Clearing/Preparation Consultants	456,742	4,808	461,550
Forestry - Emergency Response	739,735	4,455	744,190
Legacy	201,833	51,662	253,495
Public Consultation/Plan Development/Administration	1,095,447	98,759	1,194,206
Prospect Point Road Realignment	1,853,256	417,062	2,270,318
Seawall/Escarpment/Circulation	2,081,037	98,717	2,179,754
Expenditures Total	8,607,820	675,463	9,283,283
Net Project Total	\$ (1,938,552)	\$ 644,871	\$ (1,293,681)