

Date: July 10, 2009



TO: Board Members – Vancouver Park Board
FROM: General Manager – Parks and Recreation
SUBJECT: Financial Statements to June 30, 2009

RECOMMENDATION

THAT the Board receive this report for information

POLICY

There is no applicable policy.

BACKGROUND

This report discusses the Board's June 2009 financial position for the Operating Budget, the Donation Program and the Stanley Park Restoration Project.

DISCUSSION

2009 Operating Budget

As of June 30, 2009, the Board had spent \$31,046,543 or 50.6% of its budget, with total revenues of \$17,727,912 and gross expenditures of \$48,774,455.

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

- Appendix I – Operating Statement to the end of June 30, 2009, which provides a breakdown of Revenues and Expenditures by District
- Appendix II – 2008 & 2009 June Revenues & Expenses by Program

Revenues

The Park Board total revenues to the end June 2009 are \$17,727,912 or 45.6% of budget. For the same period in 2008, revenues were \$16,278,313 or 42.8% of budget, reflecting an increase of approximately \$1,450,000 in the first six months of 2009.

As noted in Appendix I, revenues in all areas were above the same period last year, while Planning & Operations is down slightly.

Appendix II provides a breakdown of gross revenue by program. Comparing 2009 revenues to 2008 June revenues, total revenues are up 9%. Income from Revenue Operations is up in all areas except leases, with the entire income operations group having 6% more revenue than at the end of June 2008. Revenues from Park Operations are up by 7% from the previous year. Recreation revenues are up by 13% with the increases in all programs.

Overall, the revenue increase of almost \$1,450,000 is showing a continued improvement during 2009. Given that in 2008, the operating revenues were \$0.9 million short of budget. In 2009, the Board is required to increase its revenue by almost \$1.7 million above the 2008 budget levels to meet the inflationary. This leaves the Board with a requirement to increase revenue by \$2.6 million in order to balance the operating budget. While 49% of revenues were generated between May to September each year, the increase of \$1.4 million in the first 6 months of 2009 confirms that the Board is on track in meeting its revenue budget.

Gross Expenditures

As noted in Appendix I, to the end of June 2009 gross expenditures total \$48,774,455 while for the same period in 2008 expenditures were \$48,368,356. This is an increase of just over \$400,000 in the first six months. Gross expenses are down in all areas with the exception of Planning & Operations, which has undertaken repair work at Portside Park pier and the Stanley Park soil shed. These costs will be recovered during the year from insurance claims. Planning & Operations also purchased small equipment earlier in 2009 which were within the 2009 budget.

Appendix II provides a breakdown of expenditures to the major programs. Comparing June 2009 gross expenses to the same period in 2008, expenses have increase by \$406,099 or 1%. After adjusting for inflation and one-time expenditures, the 2009 gross expenditures are \$1.1 million less than the same period in 2008 which is aligned to the 2009 budget initiatives of \$2 million reduction. At this point, the Board looks to be on track to meet its expenditure budget at year end.

2009 Donation Program

As of June 30, 2009, \$234,775 was raised through park amenities, special projects and endowments. A detailed breakdown of donations and expenses is attached in Appendix III. 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 \$208,100 in the first six months of 2009. To date, 26 park benches, 3 amenities in perpetuity, 1 bicycle rack and 2 trees were funded by new donors.

In light of the economic downturn, the donation program has been slow. To offset the decrease in donation, a new initiative has been developed to build awareness in bench renewal. Renewal appeal has gone out to all donors whose benches expire in 2009. In addition, separate appeals to all lapsed donors are also made. To date, 13 existing donors and 22 lapsed donors have renewed their support resulting in a 30% renewal rate within the first 6 months.

Expenses relating to park amenities totaled \$44,989 resulting in a net increase of \$163,111 bringing the Park Amenity balance to \$1,752,315.

Special Projects

This program provides opportunities for residents and visitors to designate gifts for park enhancement projects or recreation programming. \$26,675 was raised in the first six months of 2009 of which \$9,625 was funded by UBCM for two Active Communities Projects – the Red Fox Walking and Healthy Food Choices – offered through Community Centres and \$10,575 was designated through the In-Memory Fund. Expenses relating to Special Projects totaled \$17,125 resulting in a net increase of \$9,550 bringing the Special Project balance to \$149,545.

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 as designated in the endowment. To date, the Park Board has received confirmation of two new endowments that will be established.

Overall, \$234,775 was raised in the first six months of 2009. After all program expenses were deducted, the net increase of \$75,341 brings the total balance for June 30, 2009 to \$2,382,141.

Stanley Park Restoration Project

As detailed in Appendix IV, the Stanley Park Restoration received funds totaling \$37,166 between January 1 and June 30, 2009. This included \$4,870 from individuals and corporations, \$6,720 from log sales and \$25,576 of interest earned on the Stanley Park Restoration Reserve.

In terms of expenditures, for the period between January 1 and June 30, 2009, \$1,043,344 was spent on the Restoration Project, with \$184,595 of that for public consultation and plan development to guide the Forest Management Plan.

For the six months ending June 30, 2009 \$12,670 was spent on forestry work. In addition to the forestry work, \$145,558 has been spent on seawall repairs and escarpment

stabilization, park pathways and roads. A total of \$660,822 has been spent on Prospect Point road realignment and \$39,699 on the Legacy program during the first six months of 2009.

A balance of \$932,374 remains in the fund at the end of June 30, 2009. The remaining funds will be spent on finalizing the Prospect Point redevelopment, pathway and road repairs, park repairs and implementation of the Forest Management Program.

SUMMARY

Overall the Board has spent \$31,046,543 or 50.6% of its budget to the end of June 30, 2009. This is approximately \$1.1 million less than the net expenditures during the first six months of 2008. While the Board's 2009 operating budget has been reduced by \$2 million, the decrease in net expenditures of \$1.1 million confirms that the Board is on track to meet the 2009 operating budget.

The Donation program collected \$234,775 in funds in the first six months of 2009. After all program expenses were deducted there is a net increase of \$75,341, which brings the total donation balance as of June 30, 2009 to \$2,382,141. Once the loan to the Celebration Pavilion is accounted for, the balance in the account is \$1,637,011.

During the first six months of 2009, the Stanley Park Restoration Project collected \$4,870 in donations, earned \$25,576 in interest and generated \$6,720 in revenue from log sales for a total increase in funds of \$37,166. Once expenses of \$1,043,344 are accounted for, the Project spent a total of \$1,006,178 to the end of June 30, 2009, leaving a balance of \$932,374 remaining in the fund to complete the restoration and legacy work for Stanley Park.

Prepared by:

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