

Date: April 22, 2010



TO: Board Members – Vancouver Park Board
FROM: General Manager – Parks and Recreation
SUBJECT: Financial Statements to March 31, 2010

RECOMMENDATION

THAT the Board receive this report for information

POLICY

There is no applicable policy.

BACKGROUND

This report discusses the Board's March 2010 financial positions for the Operating Budget, the Donation Program and the Stanley Park Restoration Project.

DISCUSSION

2010 Operating Budget

As of March 31, 2010, the Board had spent \$16.0 million or 26.6% of its net operating budget, with total revenues of \$7.0 million and gross expenditures of \$22.9 million.

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

- Appendix I – Operating Statement to the end of March 31, 2010, which provides a breakdown of Revenues and Expenditures by District
- Appendix II – 2009 & 2010 March Revenues & Expenses by Program

Revenues

The Park Board total revenues to the end of March 2010 are \$7.0 million or 16.5% of budget. For the same period in 2009, revenues were \$5.9 million or 15.1% of budget, reflecting an increase of \$1.1 million in the first quarter of 2010.

As noted in Appendix I, revenues are up in the all districts and Corporate Services, while there was a slight decline in Planning and Operations revenue.

Appendix II provides a breakdown of gross revenue by program, with comparisons to 2009. Revenue from income operations is up in all areas except leases, with the entire income operations group having an increase of \$560,000 or 11.2% of the annual budgeted revenue compared to 9.6% of budgeted revenue at the end of March 2009. Over \$300,000 of this increase comes from Golf operations, which had a revenue shortfall in the first 3 months of 2009 due to the snow-related closure of Fraserview Golf Course in January.

Revenues from Park Operations are up \$92,000 from 9.2% of budget in 2009 to 10.8% in 2010, with most of that increase in the three destination parks of Stanley Park, Queen Elizabeth Park and VanDusen. Total recreation revenues are up \$440,000 from 27.7% to 28.3% of budgeted revenues. This increase is spread across all recreation areas except indoor pools, which experienced a decline of \$120,000 due to the closure of Renfrew Pool for renovation.

In looking at the overall year to date revenue change between 2009 and 2010, it is important to note that revenues in early 2009 were impacted by poor weather and were down from 2008 levels by 4% or \$240,000. The March 2010 revenue level of 16.5% of annual budget is an improvement over the same period for 2009 (at 15.1%), and represents a return to historical levels (16.1% to March 2008 and 16.5% to March 2007).

Gross Expenditures

To the end of March 2010 gross expenditures total 22.5% of budget (or \$22.9 million) while for the same period in 2009 expenditures were at 23.0% of budget (or \$23.1 million) which represents a reduction of \$140,000. In looking at the types of expenditures over the first three months, payroll costs are up by \$600,000, utility costs are down by \$600,000, city equipment costs are down by \$100,000, and reductions in expenses and transfers make up the remaining \$40,000 in reduced expenditures.

As noted in Appendix I, Gross expenses are up in the Stanley and Queen Elizabeth districts and in Corporate Services, are relatively unchanged in the Vancouver East district and are down by \$500,000 in Planning & Operations. In 2009 this group undertook urgent repair work at Portside Park pier during the first three months which made the Planning & Operations 2009 expenses higher than usual. The decrease in Planning & Operations costs between 2009 and 2010 reflects a return to the usual pattern of expenditures.

Appendix II provides a breakdown of expenditures by the major programs. Comparing March 2010 gross expenses to the same period in 2009, expenses have decrease by approximately \$140,000. Spending is up \$300,000 in income operations, relatively unchanged in recreation and down by over \$440,000 for Park Operations for the reasons noted above.

Net Expenditures

To the end of March the Board has incurred net costs of \$16.0 million, compared to \$17.2 million for the same period in 2009, for a reduction of \$1.2 million. However, the Board's overall 2010 operating budget was reduced from \$61.4 million in 2009 to \$60.0 million in 2010, despite receiving increases for inflation and to provide new services at the Hillcrest Pool and the new community centre at South East False Creek. It would appear that the Board is on track to meet its 2010 budget, but it is too early to accurately predict the year end position as over 60% of the \$42 million revenue budget is generated between April and September. To provide context for the first quarter results, net expenses to the end of March 2010 were 26.6% of the annual budget, which compares favourably to the same period in 2008 (28.6%) and 2009 (28.0%).

2010 Donation Program

As of March 31, 2010, \$99,296 in donation revenue was received out of a total \$1,063,600 in pledged donation commitments for 2010. A detailed breakdown of donations received as of March 31, 2010 is attached in Appendix III. Activities during this period were as follows:

Park Amenities - \$50,200 has been raised and designated to park benches. In March, our annual bench renewal appeal was sent to 80 donors, and to date 10 donors have renewed.

Park Conservation - \$4,055 was designated through In Memory donations.

Recreation Programming - \$4,500 was designated to the Active Communities Project and Granville Lawn Bowling.

Special Projects - \$40,300 was designated to projects underway including the Kits Beach Accessible Playground Project.

Overall, the Donation Program raised \$99,296 in the first three months of 2010. After all program expenses were deducted, the net increase of \$6,290 brings the total donation balance as of March 31, 2010 to \$2,704,076.

Stanley Park Restoration Project

As detailed in Appendix IV, the Stanley Park Restoration received funds totaling \$4,721 between January 1 and March 31, 2010, which was from interest earned on the Stanley Park Restoration Reserve.

In terms of expenditures, for the period between January 1 and March 31, 2010, \$150,225 was spent on the Restoration Project, with \$135,197 of that for ongoing work related to the Forest Management Plan, \$2,843 for seawall repairs and escarpment stabilization, park pathways and roads and \$12,185 for the completion of the Prospect Point road realignment.

A balance of \$767,726 remains in the fund at the end of March 31, 2010. The remaining funds will be spent on the implementation of the Forest Management Program approved by the Board in March 2009.

SUMMARY

Overall the Board has spent \$16.0 million or 26.6% of its budget to the end of March 30, 2010. This is approximately \$1.2 million less than the net expenditures during the first quarter of 2009. To provide context for this saving, the Board's overall 2010 operating budget was reduced from \$61.4 million in 2009 to \$60.0 million in 2010, despite receiving increases for inflation and to provide new services at the Hillcrest Pool and the new community centre at South East False Creek. While it would appear that the Board is on track to meet its 2010 budget, it is too early to accurately predict the year end position as over 60% of the \$42 million revenue budget is generated between April and September.

The Donation program received \$99,296 in donation revenue out of a total \$1,063,600 in pledged donation commitments for 2010 to the end of March 31, 2010. After all program expenses were deducted, the net increase of \$6,290 brings the total donation balance as of March 31, 2010 to \$2,704,076.

During the first quarter of 2010, the Stanley Park Restoration Project earned \$4,721 in interest. Once expenses of \$150,225 are accounted for, a balance of \$767,726 remains in the fund to provide for the forest management plan approved by the Board in March 2009.

Prepared by:

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