

Date: October 21, 2010



TO: Board Members – Vancouver Park Board
FROM: General Manager – Parks and Recreation
SUBJECT: Financial Statements to September 30, 2010

RECOMMENDATION

THAT the Board receive this report for information

POLICY

There is no applicable policy.

BACKGROUND

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

DISCUSSION

2010 Operating Budget

As of September 30, 2010, the Board had spent \$41.4 million or 69% of its net operating budget, with total revenues of \$36.2 million and gross expenditures of \$77.7 million.

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

- Appendix I – Operating Statement to the end of September 30, 2010, which provides a breakdown of Revenues and Expenditures by District
- Appendix II – 2009 & 2010 September Revenues & Expenses by Program

Revenues

The Park Board total revenues to the end of September 2010 are \$36.2 million or 86% of budget. For the same period in 2009, revenues were \$33.2 million or 85% of budget, reflecting an increase of \$3 million by the third quarter of 2010. As noted in Appendix I, revenues are up in all areas.

Appendix II provides a breakdown of gross revenue by program, with comparisons to 2009. Revenue from income operations is up in marinas, leases, and reserve funds but is down in parking, golf, pitch and putt and concessions. The revenue from the income

operations group has decreased by \$46,000 and stands at 85% of the annual budgeted revenue compared to 92% of budgeted revenue at the end of September 2009.

Revenues from Park Operations are up \$353,000 from 47% of budget in 2009 to 53% 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 \$2,708,000 from 85% to 98% of budgeted revenues. This increase is spread across all recreation areas except outdoor pools, which experienced a decline due to poor weather in June.

Gross Expenditures

To the end of September 2010 gross expenditures total 76% of budget (or \$77.7 million) while for the same period in 2009 expenditures were at 75% of budget (or \$75.6 million). This represents an increase of \$2,042,000. In looking at the types of expenditures over the first nine months, payroll costs are up by \$1,925,000, utility costs are down by \$575,000, city equipment costs are down by \$406,000, and increases in expenses and transfers make up the remaining \$1,098,000 in increased expenditures.

As noted in Appendix I, gross expenses are up in the Stanley and Queen Elizabeth districts and in Corporate Services, and are down the Vancouver East district and Planning & Operations.

Appendix II provides a breakdown of expenditures by the major programs. Spending is up \$1,018,000 in income operations, up \$1,747,000 in recreation and down by over \$722,000 for Park Operations. The Park Operation savings are in two areas: changes in the Sanitation services area and a return to historic spending levels in the Building and Facility Maintenance group (after increased expenditures in early 2009 resulting from significant snowfall).

Net Expenditures

To the end of September the Board has incurred net costs of \$41.4 million, compared to \$42.4 million for the same period in 2009, a reduction of \$937,000. However, the percent of budget spent to the end of September has remained consistent at 69%, reflecting the \$1.4 million decrease in net operating budget between 2009 and 2010.

As noted above, utility costs are down by \$575,000 to the end of September; if the same expenditure pattern as 2009 continues this year, utility savings may total as much as \$1 million by year end. At this point it is anticipated that the Board will have a surplus of between \$700,000 and \$1,000,000 due to utility savings.

2010 Donation Program

As of September 30, 2010, \$926,109 in donation revenue was secured with \$1,063,600 of donation pledges forecasted for 2010. A detailed breakdown of donations received as of

September 30, 2010 is attached in Appendix III. Activities during this period were as follows:

Park Amenities - \$372,368 has been raised and designated to park benches, picnic tables and drinking fountains. The 2010 park amenity renewal appeal has achieved a 54% renewal rate with forty-three donors from 2000 renewing their support resulting in \$75,400 raised through this annual initiative.

Park Monuments - \$25,549 has been secured of which \$25,000 has been designated to the Komagata Maru Monument and the remaining funds designated to the Harry Jerome statue in Stanley Park.

Park Conservation - \$216,930 has been raised to support park conservation through the David Lam Park Cherry Tree Project and the Stanley Park Environmental Art Project. In-Memory gifts and donations through the Adopt-A-Tree Program were designated to support a conservation of various community parks.

Recreation Programming - \$8,195 was raised through Active Communities, Granville Lawn Bowling Club, and the Fraserview Junior Golf Program.

Special Projects - \$266,500 in pledge commitments were received for two 2010 Legacies Now projects – Kits Beach Accessible Playground and the Ray-Cam Sport Court.

Endowments - \$36,567 has been raised through the endowment appeal. One new endowment, the Loo Family Park Conservation Endowment has been fully funded and the Andrew and Crystal Johns Endowment for Park Conservation is to be fully funded by year-end.

Overall, the Donation Program raised \$926,109 in the past nine months of 2010. After all project designations and program expenses, the net increase of \$465,491 brings the total donation balance as of September 30, 2010 to \$3,163,278.

Stanley Park Restoration Project

As detailed in Appendix IV, the Stanley Park Restoration received funds totaling \$13,380 between January 1 and September 30, 2010 from interest earned on the Stanley Park Restoration Reserve.

In terms of expenditures, for the period between January 1 and September 30, 2010, \$176,577 was spent on the Restoration Project, with \$144,692 of that for public consultation and execution of the Forest Management Plan. A total of \$2,843 was spent on seawall repairs, escarpment stabilization, park pathways and roads and \$16,682 was spent on Prospect Point road realignment. \$25,740 was spent on the Stanley Park Restoration Legacy.

A balance of \$736,653 remains in the fund at the end of September 30, 2010. The remaining funds will continue to be spent on the implementation of the Forest Management Program.

SUMMARY

Overall the Board has spent \$41.4 million or 69% of its budget to the end of September 30, 2010, the same as the expenditures to the end of September 2009. Utility costs are down by \$575,000 to the end of September. At this point it is anticipated that the Board will have a surplus of between \$700,000 and \$1,000,000 due to utility savings, if the remainder of 2010 follows the same expenditure pattern as 2009.

The Donation program received \$926,109 in donation revenue to the end of September 30, 2010. After all program expenses were deducted, the net increase of \$465,491 brings the total donation balance as of September 30, 2010 to \$3,163,278.

During the first three quarters of 2010, the Stanley Park Restoration Project earned \$13,380 in interest. Once expenses of \$189,957 are accounted for, a balance of \$736,653 remains in the fund to provide for the forest management plan approved by the Board in September 2009.

Prepared by:

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