



CITY OF VANCOUVER

CITY OF VANCOUVER

OTHER REPORT

Report Date: March 27, 2008
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VanRIMS No.: 08-3000-11
Meeting Date: April 17, 2008

TO: Standing Committee on Planning and Environment
FROM: Vancouver Heritage Foundation
SUBJECT: Vancouver Heritage Foundation 2007 Annual Report

RECOMMENDATION

- A. That Council approve the 2007 Annual Report of the Vancouver Heritage Foundation attached as Appendix A; and authorize payment of \$108,100 for the first year of the three-year operating agreement which represents \$106,000 of base funding previously approved by Council plus an additional payment of \$2,100 to offset increased costs due to inflationary pressures. Funding has been included in the 2008 operating budget.
- B. That Council approve additional funding of \$4,300 for fiscal 2009 and \$6,600 for fiscal 2010, in addition to the base annual cost of \$106,000, to offset increased costs due to inflationary pressures, with funding to be added without offset in advance of the 2009 and 2010 operating budget.

CITY MANAGER'S COMMENTS

The City Manager RECOMMENDS approval of this report.

COUNCIL POLICY

In June 1992 Council approved the creation of the City of Vancouver Heritage Conservation Foundation, known as the Vancouver Heritage Foundation (VHF), with the Mayor and Council as its Directors.

On January 1, 1998 the Mayor and Council relinquished day-to-day governance to an independent Board of Directors appointed by City Council, who remain as Honorary Patrons.

On September 13, 2001 Council approved a three-year contract (2002 - 2004) with the VHF at an annual cost of \$100,000, subject to an annual report from the Foundation. On April 30, 2002, Council approved the 2001 Annual Report of the VHF; and on April 22, 2003, Council approved the 2002 Annual Report of the VHF.

On April 22, 2004, Council approved the 2003 Annual Report and approved a new 3 year operating agreement (2005 - 2007), at a base annual cost of \$100,000, plus inflationary increases. On May 12, 2005, Council approved the 2004 Annual Report of the VHF; and on May 4, 2006, Council approved the 2005 Annual Report of the VHF.

On April 19, 2007, Council approved the 2006 Annual Report of the VHF, and approved a new three-year operating agreement (2008 - 2010) at a base annual cost of \$106,000 including inflationary increases.

PURPOSE

This report seeks Council approval of the Vancouver Heritage Foundation (VHF) 2007 Annual Report as required pursuant to its 2008 - 2010 operating agreement with the City. Upon approval of the annual report the VHF will receive their 2008 operating funds.

This report also recommends that additional funding be provided to offset increased costs due to inflationary pressures for the 2008 - 2010 operating agreement.

BACKGROUND

In April 2007, Council renewed a three-year operating agreement (2008 - 2010) with the VHF. The agreement specifies that the funding is subject to the approval of an annual report to Council by the VHF. This report fulfils that requirement. This is the third three-year operating agreement with the VHF.

The 2005 - 2007 operating agreement included annual inflationary increases. While the intent was to continue this practice, the 2007 Council report representing the 2008 - 2010 operating agreement was, in error, worded "at an annual cost of \$106,000 *including* inflationary increases". Instead, this should have read "at an annual cost of \$106,000 *plus* additional funding to offset increased costs due to inflationary pressures estimated to be \$2,100 in 2008, \$2,200 in 2009 and \$2,300 in 2010".

DISCUSSION

The Vancouver Heritage Foundation (VHF) supports the conservation of the city's heritage buildings in recognition of their contribution to the city's culture, economy and sustainability. The VHF supports the conservation of the city's built heritage through:

1. education and public awareness activities;
2. granting programs that act as economic incentives for the repair and maintenance of designated heritage buildings;
3. the creation of a network of heritage buildings related resources including organizations, businesses, trades and professionals; and
4. fundraising to grow an endowment fund to benefit heritage conservation activities into the future.

The 2007 Annual Report is attached. Highlights are:

- The VHF has grown its programs, its volunteer base and its fundraising revenues over the past four years. Revenues outside of the operating grant have grown at a rate of 13% over the last four years. The COV operating grant has gone from 40% of total revenue to 29%, and while the operating grant remains our fundamental facilitator, we have been able to make increasing leverage of these critical funds.
- \$446,000 is restricted for endowment purposes with an additional \$127,000 set aside for the Save the Buildings Fund to rescue threatened heritage buildings. Not all endowment money (\$100,000) has been deposited in the Vancouver Foundation while the VHF continues to lobby for matching funds from the Province.
- The VHF Board of Directors and staff, with financial assistance from the Province and private donors in 2008, made the decision to develop a certificate course in heritage conservation. The core course curriculum is developed, instructors are on board and registration is almost full for the first course '*Old School: Course in Heritage Conservation*' to be held on May 3, 2008.
- The 2006 Major Gifts Plan, which lays out a three-year \$3 million fundraising plan for the Foundation, is being implemented. A professional Development Director was hired in October 2007 and the campaign is being launched in Spring 2008.
- As a beneficiary of the 2007 Endeavour Gala Auction & Dinner, the VHF raised \$55,000.
- The 2007 Vancouver Heritage House tour, pre-tour lecture and VIP tour, which opened ten houses on the west and east sides of the City to 2000 visitors, raised \$70,000 in fundraising revenue and involved 150 volunteers. The 2008 tour is on June 1, 2008.
- Restore It! and True Colours grant programs awarded \$17,000 in grants to homeowners throughout the City for painting, restoration and maintenance projects.
- Administrative assistance was given to the Chinatown Revitalization Committee to manage donations for the restoration of Society owned buildings in Chinatown.

- Mid-Century Modern events continued to raise awareness about the stock of post WWII buildings in our city. These events included: re-publishing the Downtown Modernist Map Guide that won a 2007 Heritage Award; holding a downtown walking tour and a bus tour of 5 residences; and an art exhibit of 1950s and 60s Vancouver art. About 250 people were involved in the Mid-Century Modern programs.
- VHF tour guide, John Atkin, led five summer walking tours of the West End using Roedde House Museum as a home base. About 200 people participated in the tours over the summer. In 2008 the summer walking tours will visit Strathcona, Chinatown and the Downtown Eastside, and will include a Q&A session following the tours.
- More than 3,500 people participated in VHF programs and events in 2007.
- More than 400 people volunteered for VHF programs and activities.
- The VHF newsletter, *Old News* and *Old E-News*, was distributed to 5,500 Vancouver area homes.
- '*How to Research the History of your House*' workshops continue in partnership with the City Archives and the Vancouver Public Library. More than 250 people have participated in 13 workshops.
- The VHF Reading Room has expanded to 350 volumes on local history, restoration and maintenance how-to books, periodicals and documents to assist people in finding the solutions to their restoration challenges. The Reading Room acquisitions are funded by a private donor.

The VHF website (vancouverheritagefoundation.org) had in excess of 85,000 visitors and almost 2 million hits in 2007.

FINANCIAL IMPLICATIONS

Approval of this report will authorize a payment of \$108,100 which includes base funding of \$106,000 plus additional funding of \$2,100 for fiscal 2008, the first year of the three year operating agreement. The source of the additional \$2,100 will be the existing 2008 operating budget.

For the second and third years of the operating agreement, additional funding of \$4,300 for 2009 and \$6,600 for 2010 is to be added to the base allocation of \$106,000 previously approved by Council. The additional funding is to be added to the 2009 and 2010 operating budget without offset.

CONCLUSION

The Foundation has effectively used their public activities and granting programs to promote the conservation of heritage buildings in recognition of their benefit to the City. The VHF works with individuals, neighbourhood groups, and related trades, businesses and

professionals to educate and raise awareness about the public benefit of keeping our older buildings.

The VHF has leveraged the COV annual operating funds of \$100,000 to build annual operating revenues of more than \$300,000 in 2007. Further, \$250,000 in endowment funds gifted through the COV to the VHF from the sale of the Robson Street VPL has grown to \$446,000 with an additional \$127,000 invested for the Save the Buildings Fund.

The 2007 VHF Annual Report is attached as Appendix A.

Audited Financial Statements are attached as Appendix B.

The 2008 budget is attached as Appendix C.

The 2008 work plan is attached as Appendix D.

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2007 ANNUAL REPORT

THE Vancouver Heritage Foundation (VHF)

The Vancouver Heritage Foundation was established as a charitable organization in 1992 by Mayor and Council, who were its inaugural governing body and remain the Foundation's Honorary Directors. Since 1998 the Foundation has been governed by a citizen Board of Directors appointed by Mayor and Council.

The VHF Mission

The Vancouver Heritage Foundation is a registered charity supporting the conservation of heritage buildings and structures in recognition of their contribution to the city's economy, sustainability and culture. The Foundation does this by:

- Developing practical tools, information and incentives to help in the successful conservation of heritage buildings and structures.
- Creating opportunities to access and learn about Vancouver's heritage buildings.
- Fundraising in the public and private sectors to build an endowment that will protect our built heritage into the future.
- Promoting relationships that support heritage conservation.

Why Preserve Heritage Buildings?

The Vancouver Heritage Foundation is working to encourage the conservation of our city's past as a legacy for future generations. The built environment is an important cultural asset which helps to define who we are as a city by paying tribute to the people and enterprises that built Vancouver. Our unique history adds to the attractiveness of our city to tourists and heritage buildings support the distinctiveness of city neighbourhoods. Restored and re-used older buildings contribute to the city's sustainability by ensuring the natural and human energy embodied in these buildings is not discarded into the landfill.

HOW THE VHF SUPPORTED BUILDING CONSERVATION IN 2007

1. FUNDRAISING FOR OPERATIONS AND ENDOWMENT:

Since 1998 the VHF has established a remarkable track record of achievements in fundraising and programming. The Foundation has almost doubled the original \$250,000 earmarked for endowment and given to the Foundation from the COV through the sale of the old library. A further \$100,000 is held in term deposits while the VHF lobbies the Provincial government for matching funds; and \$127,000 is held for the Save the Buildings Fund for the rescue of threatened heritage buildings. In 2007 the VHF leveraged the COV annual operating grant of \$106,000 by three times to exceed \$300,000 in operating revenues.

- **Two-thirds** of the VHF operating funds come from program and fundraising revenues. **One-third** of the VHF's operating funds come from the City of Vancouver Operating Grant. The VHF appreciates the City's operating grant.
- The **Save the Buildings Fund** established to rescue heritage buildings threatened by demolition was launched with a leadership gift of \$100,000 from Amacon and a \$25,000 gift from Yosef Wosk.

- Interest on VHF managed and Vancouver Foundation managed funds yielded more than \$30,000 in interest which was directed to the VHF granting and education programs.
- Endeavour Gala Auction raised \$55,000 for the VHF.
- Grants from Young Canada Works and HRSDC allowed the VHF to hire a SFU Co-op student to work as an Administrative Assistant from May to December.
- Public Programs including Open Vancouver Heritage House Tour, walking tours, workshops, and modernist events raised more than \$100,000 for the programs of the Foundation.

2. GRANTS TO STIMULATE BUILDING MAINTENANCE & RESTORATION

The VHF is committed to residential granting programs that strengthen the City's distinct neighbourhoods. Once one building in a neighbourhood begins restoration work others soon follow suit. With a small economic investment homeowners are inspired to maintain and restore their homes, and to designate their homes as heritage properties. VHF grant programs have attracted 36 new designations to the COV.

Restoring and maintaining an old house is a costly undertaking. Sourcing and locating supplies that accurately match the existing building, or finding a tradesperson with the right skills is time consuming and expensive. In recognition of this hardship and to offer heritage homeowners an incentive to maintain and preserve their houses, the Foundation offers grants to legally protected heritage houses.

- Over the last 8 years the VHF has awarded 62 grants to heritage buildings totalling \$140,000.
- RESTORE IT! supports building owners with their maintenance and restoration projects by awarding cash grants for 50% of a project up to a maximum of \$5,000 per project. Siding, roofs, porches, masonry and original window restoration are all eligible projects for funding.
- TRUE COLOURS: Strathcona Mahogany, Dunbar Buff, Pendrell Green & Hastings Red are some of the original colours of Vancouver. True Colours is a grant program of the VHF which developed a palette of 35 original colours for Vancouver by scraping and colour matching the original layer of paint on almost 50 houses in the city. The program is a partnership between the VHF and Benjamin Moore who donates paint for each grant project and prints the colour card available in Benjamin Moore retailers. The VHF awards a \$2,000 cash grant to up to 5 paint projects per year.
- In 2007 nine grants were awarded for:
 - Painting at 827 East Georgia St., 4446 James Street, 1050 Odium Drive. Two other grants were postponed due to the large scope of the projects: Canuck Place at 1690 Matthews, and 5055 Connaught Drive.
 - Neon sign restoration at 412 Carrall Street
 - Roof replacement at 1932 Ferndale Street.
 - Grants for 410 E. Waterfront (Mission to Seafarers), 906 Salisbury, and 935 East 29th are still under discussion with the building owners as the requested projects for siding, front façade and door restoration were not viewed by the grant committee to be appropriate for the style and era of the building.

3. PUBLIC AWARENESS AND EDUCATION PROGRAMS

- 2,000 people visited 11 heritage houses spread throughout the city on the 5th Annual Heritage House Tour. The tour is a one-day, self-guided tour where visitors use a 30 page guidebook giving the history of each house.
- Raised awareness that the “Greenest Building is the One that is Already Built” by publishing a ‘Green’ heritage building calendar for 2008, and applied for grants for 2008 programming on the connection between heritage and sustainability.
- Coordinated 5 walking tours of the West End using Roedde House Museum as a base. More than 200 people participated in the tours.
- 75 people attended sold-out workshops, developed in partnership with the City of Vancouver Archives and Vancouver Public Library, to encourage the public to use the resources of the archives and library to research Vancouver building history.
- 75 people visited 5 Modernist homes on the second Modernist bus tour; 65 people attended a Vancouver Modern Art Exhibit at the Equinox Gallery; and 50 people participated in the Downtown Modernist Walking Tour.
- Worked with insurer, Johnston Meier to develop a specialized heritage house insurance program to ensure that all heritage homeowners can find insurance.
- Coordinated four public lectures: Early Public Transportation in Vancouver with Henry Ewert; Gardens of the Arts & Crafts Movement with Judith Tankard; Carol Hvrol Flores on Designer Owen Jones; and Graham Elvidge on the Anatomy of a Heritage House Restoration - the Homeowner’s Perspective.
- Having a presence at the BC Home & Garden Show to talk with visitors about their restoration projects and about the city’s heritage program.
- Maintaining vancouverheritagefoundation.org, an interactive website that was visited by 75,000 visitors and had 2 million hits last year. The Homeowner Forum, which gives homeowners answers to their restoration questions, was visited by an average of 1,500 people per month.
- *Old News*, the VHF newsletter to 5,500 lower mainland homes keeps the interested public informed about the VHF activities.

4. SPECIAL PROJECTS

- Partnered with the Chinatown Revitalization Committee, and the Building Cultural Legacy Committee to administer the funds raised for the business plans and drawings for the restoration of the society owned buildings in Chinatown.
- Using an annual private donation, the VHF acquired new resources and for the VHF reading room to assist the public source answers to restoration challenges. The reading room to be housed in the VHF office, has gathered over 350 books, related periodicals and local planning documents related to heritage buildings, history and building conservation.
- The VHF received the second instalment of a \$20,000 donation to support BC Hydro’s proposed restoration of the Dal Grauer Substation on Burrard Street. The funds are held by the VHF until the restoration proceeds. If the restoration falls through, the funds are directed to the VHF endowment fund.

**THE CITY OF VANCOUVER HERITAGE
CONSERVATION FOUNDATION (OPERATING
AS VANCOUVER HERITAGE FOUNDATION)**

Vancouver, B.C.

FINANCIAL STATEMENTS

December 31, 2007

AUDITORS' REPORT

To the Members of The City of Vancouver Heritage Conservation Foundation (Operating as Vancouver Heritage Foundation):

We have audited the balance sheet of The City of Vancouver Heritage Conservation Foundation (Operating as Vancouver Heritage Foundation) as at December 31, 2007 and the statements of revenues and expenditures, fund balances, and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Foundation also derives revenue from donations and special events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of donation and special events revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to donation and special events revenues, excess of revenue over expenditures, assets and fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of donation and special events revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

CHARTERED ACCOUNTANTS

Vancouver, B.C.
February 27, 2008

**THE CITY OF VANCOUVER HERITAGE CONSERVATION
FOUNDATION (OPERATING AS VANCOUVER HERITAGE
FOUNDATION)**

STATEMENT OF REVENUES AND EXPENDITURES

For the year ended December 31, 2007

	2007	2006 (restated)
	\$	\$
Revenue		
Donations and fundraising	110,005	87,859
Grants - City of Vancouver	106,000	104,000
Other grants	5,976	12,160
Interest	29,217	19,870
Open Vancouver heritage house tour	70,683	61,278
Program revenue	13,738	14,158
Other revenue and material sales	5,620	4,997
	<u>341,239</u>	<u>304,322</u>
Expenditures		
Bank charges and interest	3,469	3,410
Board of directors	1,775	922
Fundraising	20,905	21,527
GST - Foundation	1,633	895
Insurance	1,530	1,592
Marketing	21,567	21,663
Office utilities, expenses and supplies	18,093	22,564
Open Vancouver heritage house tour	12,532	9,826
Professional fees	4,645	5,428
Programs and special projects	37,507	49,793
Rent	25,600	20,500
Staff and contract workers	122,862	103,154
	<u>272,118</u>	<u>261,274</u>
Excess of revenues over expenditures	69,121	43,048

**THE CITY OF VANCOUVER HERITAGE CONSERVATION
FOUNDATION (OPERATING AS VANCOUVER HERITAGE
FOUNDATION)**

STATEMENT OF FUND BALANCES

For the year ended December 31, 2007

	Restricted for endowment	Unrestricted	2007	2006 (restated)
Balance, beginning as previously reported	423,908	188,897	612,805	531,757
Prior period adjustment	-	(25,000)	(25,000)	-
Balance, beginning	423,908	163,897	587,805	531,757
Excess of revenues over expenditures	-	69,121	69,121	43,048
Endowment contributions	-	-	-	13,000
Transfer between funds	22,092	(22,092)	-	-
Balance, ending	446,000	210,926	656,926	587,805

**THE CITY OF VANCOUVER HERITAGE CONSERVATION
FOUNDATION (OPERATING AS VANCOUVER HERITAGE
FOUNDATION)**

BALANCE SHEET

December 31, 2007

	2007	2006 (restated)
	\$	\$
Assets		
Current		
Cash (Note 3)	130,610	65,805
Term deposits (Note 4 and 6)	307,465	152,203
Receivables	57,665	86,155
Lane House hold backs	12,500	12,500
Inventory	7,830	7,830
Prepaid expenses	7,550	7,550
	<u>523,620</u>	<u>332,043</u>
Heritage Conservation Endowment Fund (Note 6)	346,000	346,000
	<u>869,620</u>	<u>678,043</u>
Liabilities		
Current		
Payables and accruals	14,977	53,588
Chinese Benevolent Fund (Note 3)	11,650	11,650
Chinatown Heritage Building Fund (Note 3)	58,602	-
	<u>85,229</u>	<u>65,238</u>
Save the Building Fund (Note 4)	127,465	25,000
	<u>212,694</u>	<u>90,238</u>
Fund Balances		
Restricted for endowment purposes	446,000	423,908
Unrestricted	210,926	163,897
	<u>656,926</u>	<u>587,805</u>
	<u>869,620</u>	<u>678,043</u>

Approved by Directors:

**THE CITY OF VANCOUVER HERITAGE CONSERVATION
FOUNDATION (OPERATING AS VANCOUVER HERITAGE
FOUNDATION)**

STATEMENT OF CASH FLOWS

For the year ended December 31, 2007

	2007	2006 (restated)
	\$	\$
Cash provided by operating activities		
Excess of revenues over expenditures	69,121	43,048
Net change in non-cash working capital		
(Increase) decrease in receivables	28,490	(53,412)
Decrease in inventory	-	2,222
Increase in prepaids	-	(1,550)
Increase in payables and accruals	122,456	37,164
	<u>220,067</u>	<u>27,472</u>
Cash flows related to financing activities		
Endowment fund contributions	-	13,000
	<u>220,067</u>	40,472
Net increase in cash	220,067	40,472
Cash, beginning	218,008	177,536
Cash, ending	438,075	218,008
Cash represented by:		
Cash on hand and balances with banks	130,610	65,805
Term deposits	307,465	152,203
	<u>438,075</u>	218,008

**THE CITY OF VANCOUVER HERITAGE CONSERVATION
FOUNDATION (OPERATING AS VANCOUVER HERITAGE
FOUNDATION)**

NOTES

For the year ended December 31, 2007

Note 1 General

The City of Vancouver Heritage Conservation Foundation (Operating as Vancouver Heritage Foundation) was incorporated in 1992 under the Society Act of British Columbia. Its principal business activity is operating programs promoting the preservation, maintenance, and restoration of Vancouver city buildings, structures and lands with historical or architectural significance, in recognition of their public benefit. The Foundation was registered effective January 1, 1993 as a charitable organization under the Income Tax Act.

Note 2 Significant Accounting Policies

Revenue Recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as receipts when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Financial Assets and Financial Liabilities

The Foundation accounts for its financial instruments in accordance with Section 3855 of the CICA Handbook, "Financial Instruments - Recognition and Measurement". This section requires all financial instruments to be classified into one of the following five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are measured at fair value, except for loans and receivables, held-to-maturity investments and other financial liabilities, which are measured at amortized cost. It also specifies how financial instrument gains and losses are to be recognized depending on their classification. Depending on the financial instruments' classification, changes in subsequent measurements are recognized in net income or directly in members' equity. The Foundation's designation are as follows:

Cash is designated as held-for-trading and are measured at fair value.

Term deposits are classified as available for sale and are measured at fair value.

Receivables are classified as held to maturity and are measured at amortized cost.

Payables and accruals are classified as other financial liabilities and are measured at amortized cost.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**THE CITY OF VANCOUVER HERITAGE CONSERVATION
FOUNDATION (OPERATING AS VANCOUVER HERITAGE
FOUNDATION)**

NOTES

For the year ended December 31, 2007

Note 3 Restrictions on Cash

The Foundation has restricted \$70,252 of the cash balance from use of the Foundation's day-to-day operations. \$58,602 is being held on behalf of the Chinatown Society Heritage Buildings Committee which was established in 2006 to support the renovations of the heritage buildings owned by the Chinese family associations. The remaining \$11,650 is being held on behalf of the Chinese Benevolent Association for the restoration of the Chinese Benevolent Association building at 108 East Pender Street in Vancouver. The balance includes interest earned on the funds received.

Note 4 Restrictions on Term Deposit

The Foundation has a term deposit of \$127,465 that is restricted for the Save the Building Fund. These funds are managed by the Vancouver Heritage Foundation to purchase heritage buildings as a last resort that are under threat through demolition in order to protect their heritage designation.

Note 5 Financial Instruments

The fair value of all items that meet the definition of a financial instrument approximate their carrying values. These items include cash, term deposits, receivables, and payables and accruals. Unless otherwise stated, it is management's opinion that the Foundation is not exposed to significant credit, currency or interest rate risk arising from these financial instruments.

Note 6 Restriction on General Fund Balance

In 1997, the Foundation established the Vancouver Heritage Conservation Endowment Fund with the Vancouver Foundation. The board of directors have internally restricted \$446,000 for the fund. The Vancouver Foundation currently holds \$346,000 (2006: \$346,000) for the fund. These funds are held permanently in trust and the interest earned on the fund is recorded annually in the books of the Foundation. The balance of the \$100,000 of the restricted amount is included in the term deposit.

Note 7 Prior Period Adjustment

During the year, the company changed its policy for accounting for the Save the Building fund. The change in accounting policy was applied retroactively with restatement of prior period financial statements. At January 1, 2007, contributions to the Save the Building Fund of \$25,000 were recorded and the donations revenue of \$25,000 was reversed.

**THE CITY OF VANCOUVER HERITAGE CONSERVATION
FOUNDATION (OPERATING AS VANCOUVER HERITAGE
FOUNDATION)**

NOTES

For the year ended December 31, 2007

Note 8 Commitments

In March 2006, Vancouver Heritage Foundation entered into a three year lease agreement. Obligation under the premises lease are as follows:

	\$
2008	26,800
2009	4,500

2008 Budget - Report to Council

VANCOUVER HERITAGE FOUNDATION
OPERATING BUDGET

Revenue	2005 Actual	2006 Actual	2007 Actual	2008 Budget
City of Vancouver	\$102,000	\$104,000	\$106,000	\$108,000
Interest	\$15,751	\$19,869	\$31,000	\$30,000
Program Revenue	\$11,580	\$28,113	\$19,000	\$15,000
Charitable Donations	\$30,000	\$6,000	\$24,000	\$50,000
Endeavour Gala Auction	\$29,000	\$51,000	\$55,000	\$55,000
Heritage House Tour	\$62,800	\$61,348	\$68,000	\$65,000
Grants (HRDC/YCW/Vanc. Fndtn, Prov. Of BC, HLF)	\$3,746	\$12,160	\$6,000	\$25,000
Old School - sponsorship & fees				\$20,000
TOTAL INCOME	\$254,878	\$282,490	\$309,000	\$368,000
Expenses				
GST Expense VHF portion	\$3,161	\$0	\$0	\$0
Dues, Fees, Licenses	\$224	\$717	\$650	\$1,000
Interest, Bank Charges	\$2,314	\$3,260	\$5,000	\$5,000
Insurance	\$1,554	\$1,592	\$1,500	\$1,500
Office expenses (includes supplies /equipment/utilities)	\$16,738	\$9,827	\$5,500	\$12,400
Courier, Postage	\$1,538	\$2,290	\$2,000	\$2,000
Printing & Copying	\$1,644	\$670	\$1,800	\$1,800
Board of Directors	\$1,736	\$922	\$1,800	\$1,800
Marketing	\$19,118	\$21,577	\$21,500	\$25,000
Fundraising	\$8,553	\$23,283	\$12,600	\$16,000
Rent		\$15,500	\$20,000	\$21,000
Capital Expenses		\$9,100	\$3,000	\$7,500
Consultant Fees & Payroll				
Payroll (ED, Program Coord, Admin Asst, Devel. Dir)	\$96,700	\$106,600	\$148,000	\$179,000
Accounting & Audit	\$3,223	\$4,128	\$4,600	\$5,000
Program Expense				
Grant Programs (TC/Restore It)	\$9,446	\$20,211	\$14,000	\$25,000
Open Vancouver House Tour	\$12,558	\$10,866	\$17,500	\$16,000
Other programs (lectures, tours, workshops)	\$1,598	\$5,500	\$10,000	\$10,000
Special Projects	\$29,051	\$8,955	\$13,500	\$18,000
Old School				\$20,000
TOTAL EXPENSE	\$206,147	\$244,998	\$282,950	\$368,000



2008 WORK PLAN

In 2008 the Vancouver Heritage Foundation will support the conservation of the city's heritage buildings & structures in recognition of their contribution to Vancouver's economy, sustainability and cultural legacy by:

- I. **Creating opportunities for the public to access and learn about heritage structures; and developing education opportunities to help in the successful conservation of heritage buildings.**
 - NEW - Develop & launch 'Old School: Courses for Heritage Conservation' with private and provincial funding. Run one core course in the Spring and three to four electives in the Fall.
 - NEW - Research, write & print an information guide to the Heritage - Sustainability Nexus, in partnership with a green building consultant and funded by Vancouver Foundation and Provincial Government funding. Hold a walking tour and lecture to launch the guide.
 - Open heritage buildings to the public.
 - Heritage House Tour (June 1, 2008) - 10 houses + public lecture.
 - Modernist Residential Tour - 5 houses.
 - Offer at least four workshops on researching the history of your house in partnership with the COV Archives and VPL. More than 200 people have completed the course in the last two years.
 - Offer five Saturday morning walking tours from May to September in DTES, Strathcona and Chinatown. Each summer about 200 people participate in the tours.
 - Offer a Downtown Modernist Walking Tour following the published map guide using volunteer guides. Over the last two year 150 people have participated in this ½ day tour.
 - Continue to build up the VHF Reading Room resources using an annual \$1,000 donation from a private donor. The Reading Room is open to the public.
 - Have a presence at the February Green-Living Show to promote 'The Greenest Building is the one that is Already Built'.
 - Publish 2 issues of "Old News" distributed to 5,000 homes and send the electronic version to 500 homes.
 - Maintain vancouverheritagefoundation.org with current information about VHF activities and with heritage conservation resources.
 - Expand the VHF website to include greater number of education resources.

- Publish annual CD case calendar for 2009.
 - Continue to explore writing and publishing a True Colours book.
- II. Fundraising in the public and private sectors to build an endowment that will protect our built heritage into the future, and that will sustain the operations of the VHF.**
- **Operating Fundraising**
 - Prior to April 2008, work with the COV to draft a new three-year operating agreement for 2008 - 2010 which was approved at the April 19th P&E Standing Committee meeting of Council.
 - Submit Annual Report to the COV in April to facilitate the release of the 2008 operating funds which is the first year of a new three year operating
 - Raise \$65,000 through the Open Vancouver Heritage House Tour.
 - Raise \$55,000 at the Endeavour Auction or alternate activity
 - Apply for grants:
 - YCW and HRDC to hire a summer student.
 - Utilize grants that might be realized through 2007 applications that include: Vancity Community projects, Arts Now Engaging Communities, Vancouver Foundation.
 - Seek further grants (Heritage Canada Building Community through Arts & Heritage, Heritage Legacy Fund, Vancouver Foundation Arts & Culture) to support VHF programs.
 - **Endowment Fundraising**
 - Work with Fund Development Committee of the Board and the VHF Development Director to implement the KCI Major Gifts Fundraising recommendations including: development of the campaign plan, writing the case statement, identifying and researching donor prospects, enlisting Campaign Chair(s), establishing a volunteer campaign team and have begun soliciting the leadership gifts (\$75,000 - \$500,000) to raise \$250,000 in 2008.
 - **Continue to strategize to secure Provincial Government Endowment Matching Funds to benefit heritage organizations.**
 - **Special Project Fundraising**
 - Try to garner interest among West Hastings heritage building owners to enhance the district through new, energy efficient lighting schemes that draw celebrate the city's heritage buildings.
 - Manage the \$1,000 annual donation to purchase books and materials for the VHF Reading Room.
 - Continue to work with and encourage Benjamin Moore's continuation as the sponsor of True Colours.
 - Work to attract corporate sponsors for other VHF activities and programs: specifically Heritage House Tour and Old School
- III. Awarding grants that act as an incentive for the maintenance, restoration and exterior painting of buildings.**
- With a small task force undertake a review of Restore It! and make recommendations to the VHF Board about its future.

- True Colours exterior painting grants - \$2,000 each project plus free paint from Benjamin Moore.
 - Award up to 5 grants to designated heritage houses based on their readiness to paint, a geographic spread, public visibility, and a variety of architectural styles. The projects act as demonstration projects and a catalyst for neighbouring buildings.
 - Restore It! grants for the maintenance and restoration of the exterior fabric of designated heritage houses.
 - Award up to 5 grants of up to 50% of a single project to a maximum of \$5,000 for the restoration of roofs, windows, porches, siding & masonry.
- IV. Maintaining an efficient and effective organization that treats its staff and contractors with respect and encourages their growth and development; is fiscally responsible; and values its donors and volunteers.**
- Complete performance reviews for staff.
 - Have Board of Directors complete a self-evaluation.
 - Continue to refine and develop a volunteer recognition program for event, program and board volunteers. Introduce 2 annual volunteer awards in addition to the bronze/silver/gold level volunteer recognition pins.
 - Offer at least 2 donor and volunteer recognition/appreciation opportunities. (Volunteer reception for Open Vancouver, Open Vancouver VIP tour, complimentary tickets to attend walking tour or workshop, holiday reception and special donor receptions).
 - Provide at least one continuing education opportunity for staff.
 - Examine the efficacy of, and potentially develop, a Friend of the VHF benefit package.