



OTHER REPORT

Report Date: March 10, 2009
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Meeting Date: April 9, 2009

TO: Standing Committee on Planning and Environment
FROM: Vancouver Heritage Foundation
SUBJECT: Vancouver Heritage Foundation - 2008 Annual Report

RECOMMENDATION

That Council approve the 2008 Annual Report of the Vancouver Heritage Foundation attached as Appendix A; and authorize payment of \$110,000 for the second year of the three-year operating agreement. Funding is included in the 2009 Operating Budget.

CITY MANAGER'S COMMENTS

The City Manager RECOMMENDS approval of this report.

COUNCIL POLICY

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

On January 1, 1998 the Mayor & 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. Included in the annual report is the progress on the generation of an operating endowment fund. Council authorized the Director of Legal Services to execute an operating agreement and a contract with the Vancouver Heritage Foundation, to be drawn to the satisfaction and approval of the General Manager of Community Services and the City Manager.

On April 30, 2002, Council approved the 2001 Annual Report of the VHF; 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 instructed staff to draft a new three-year operating agreement for the VHF from 2008-2010 at an annual cost of \$106,000 including inflationary increases.

On April 17, 2008 Council approved the 2007 Annual Report of the VHF and authorized payment for the first year of a three-year operating agreement (2008-2010), and further authorized the continuation of the practice of the previous operating agreements to add inflationary increases for the duration of the agreement.

PURPOSE

This report seeks Council approval of the Vancouver Heritage Foundation (VHF) 2008 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 2009 operating funds.

BACKGROUND

The 2008-2010 Vancouver Heritage Foundation operating agreement stated that the release of operating funds was subject to the approval of an annual report to Council by VHF. This report fulfils the annual report requirement of the VHF operating agreement with the City of Vancouver.

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 building related resources including organizations, businesses, trades & professionals; and
4. fundraising to grow an endowment fund to benefit heritage conservation activities into the future.

The 2008 Annual Report is attached. Highlights are:

- The VHF is gaining a reputation as a leader in raising awareness and providing education on the nexus between heritage buildings and creating a sustainable city. Because the demolition of buildings wastes resources and adds to the landfill, the VHF in 2008:
 - Published a 22 page resource guide: 'New Life Old Buildings: Your Green Guide to Heritage Buildings' which is also available on-line.
 - Presented a Heritage & Sustainability report at the Cascadia Green Building Forum.

- Focused the 2008 Heritage House Tour on greening heritage buildings, including the pre-tour lecture by Martin Neilson of Busby Perkins Will Architect.
- The financial performance of the VHF has been affected by the global economic crisis, however past operating surpluses more than cover the current operating deficit.
 - The operating budget is now three times the COV operating grant
 - In 2008, \$26,722 of the operating budget came from endowment and investment interest.
 - With new accounting practices the Vancouver Foundation has had to re-assess the value of all Funds at their year end to reflect even temporary values. The VHF funds at the Vancouver Foundation lost \$71,971 in 2008.
 - Although fundraising revenues were generally below target, the VHF was successful in raising long term endowment money and funding for the Old School: Courses for Building Conservation certificate program.
- As of December 31, 2008 the VHF has \$432,000 restricted for endowment purposes with an additional \$132,000 set aside for the Save the Buildings Fund to rescue threatened heritage buildings. A further \$100,000 is invested by the VHF as we await matching funds committed by the Province of BC prior to March 31, 2009. The Foundation has raised a further \$350,000 in Endowment Fund Pledges to be paid over 3-5 years.
- The VHF has expanded its program and volunteer base by introducing:
 - Old School: Courses for Building Conservation, which is a certificate program for trades, professionals and the interested public. The program is funded by the Province of BC, the Real Estate Foundation and private donors. 100 people registered in the certificate program in its first year of operation. Year one offered two cohorts of the mandatory core course, and four electives. Currently discussions are underway with *Tradeworks.bc.ca* to launch scholarship opportunities in the program.
 - A new granting program, Conservation Plans, to encourage people to step back and look at their whole building instead of focusing on one project at a time.
 - Launched a lecture and tour event focused on the re-use of Vancouver Specials.
- A new Development Director was hired in October 2008 and a \$3 million major gift campaign is underway with \$900,000 already committed for endowment and special project purposes.
- Work with City staff to develop map guides to Japantown, Chinatown and the Carrall Street Greenway that will be published early in 2009. In the coming years the partnership will continue to produce additional guides.
- As a beneficiary of the 2008 Endeavour Gala Auction & Dinner, the VHF raised \$24,000. With Endeavour Auction's declining revenues, and because the Endeavour Auction does not further the education and public awareness mandate of the VHF, in 2009 the VHF will launch its own summer outdoor grassroots family oriented fundraising event, 'Hotdogs for Heritage'.

- The 2008 Vancouver Heritage House Tour, Pre-Tour Lecture and VIP Tour, which opened 10 houses on both the west & east sides of the City to 2000 visitors, raised \$66,000 in fundraising revenue and involved 150 volunteers. The 2009 tour is on June 7, 2009.
- Restore It! and True Colours grant programs awarded \$24,000 in grants to homeowners spread throughout the City for painting, restoration and maintenance projects.
- Mid-Century Modern events continued to raise awareness about the architecturally significant stock of post WWII buildings in our city. These included: a downtown walking tour and a bus tour of 5 residences.
- VHF Tour guide, John Atkin, led 5 summer walking tours of Strathcona, Chinatown and the Downtown Eastside.
- 5,000 people participated in VHF programs & events in 2008.
- More than 400 people volunteer for VHF programs and activities.
- *Old News* and *Old E-News*, the VHF newsletter, go out to 5,500 Vancouver area homes.
- vancouverheritagefoundation.org had 85,000 visitors and almost 2 million hits in 2008.
- 'How to Research the History of your House' workshops continue in partnership with the City Archives and the Vancouver Public Library. About 300 people have participated in 17 workshops in the last 3 years.
- VHF Reading Room which is used as a public resource on heritage conservation information has expanded to 400 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.

FINANCIAL IMPLICATIONS

Approval of this report will authorize the payment of \$110,000 including cost of living of 2% for 2009, as per the second year of a three-year operating agreement. Funding is included in the 2009 Operating Budget.

CONCLUSION

The Vancouver Heritage Foundation continues to expand its education, public awareness and granting programs that support the conservation of the city's heritage buildings. The Foundation does this because heritage buildings contribute to the revitalization of city's neighbourhoods, help to create a culturally and environmentally sustainable city, and they are attractive places for tourists and locals to live and visit. The Foundation now serves 5,000 people annually through its tours, lectures and workshops. According to the audited financial statements, the VHF operating revenues in 2008 were \$349,772 up from \$327,000 in 2007. Of this, \$108,000 came from the COV. As required by the COV Operating Agreement, the VHF is growing its endowment fund and now has \$900,000 in gifts and pledges set aside for Endowment Fund and Save the Buildings Fund purposes. A further \$350,000 in Endowment

Funds is committed from the Provincial Government prior to March 31, 2009. The VHF has established themselves as an organization that is a leader in heritage conservation education and public awareness across the country.

2007 VHF Annual Report is attached as Appendix A

Audited Financial Statements are attached as Appendix B

2008 budget is attached as Appendix C

2008 work plan is attached as Appendix D

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The Vancouver Heritage Foundation (VHF)

The Vancouver Heritage Foundation was established as a charitable organization in 1992 by Mayor & 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 & 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 2008

I. PUBLIC AWARENESS AND EDUCATION PROGRAMS

- Created public awareness about the **important nexus between heritage conservation and sustainable cities** by publishing the first Canadian guide to greening heritage buildings. *New Life Old Buildings: Your Green Guide to Heritage Conservation* was launched at the Green Building Council's Heritage & Sustainability Forum in January. Funding assistance came from the Province of BC and the Vancouver Foundation.
- **Launched Old School: Courses for Building Conservation** which is a certificate program for trades, professionals and the interested public which brings together the theory and practice of rehabilitating old buildings.
- Launched the first of our **Vancouver Special events** with a lecture and house tour aimed at promoting the re-use, and rehabilitation of this particular stock of Vancouver houses.
- **Worked with COV staff to develop map guides** of the historic neighbourhoods of Japantown, Chinatown, and Carrall Street Greenway. The guides will be published early in 2009. The partnership will continue to produce historic map guides in the future.

- **2,000 people visited 10 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.
- Coordinated **5 walking tours of the Downtown Eastside's** Japantown, Chinatown, Strathcona, and the Hastings Street Corridor. More than 200 people participated in the tours.
- Continued **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.
- Opened **5 Modernist homes** on the 4th Modernist bus tour; and 50 people participated in the **Downtown Modernist Walking Tour**.
- Worked with the more than **400 VHF volunteers** to involve them in implementing events, and to provide education and recognition for them.
- Set up an information booth on Greening Older Buildings at the **Greenliving show at BC Place**.
- Continued to keep the VHF website vancouverheritagefoundation.org current. The website offers an interactive experience that was visited by 85,000 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 and e-news to 5,500 lower mainland homes keeps the interested public informed about the VHF activities.

II. FUNDRAISING FOR OPERATIONS AND ENDOWMENT:

Since 1998 the VHF has established a remarkable track record of achievements in fundraising and programming. Despite what we hope is a temporary dip in the value of the funds held at the Vancouver Foundation, the Foundation continues to work at building up a \$3 million pool of funds from which to run our programs. As of March 2009 the VHF has raised \$900,000 in cash and pledges towards this goal. The VHF has received a verbal commitment from the Provincial government for \$1 million in matching endowment funds. In 2008 the VHF leveraged the COV annual operating grant of \$108,000 by three times to reach \$350,000 in operating revenues. Although we fell short of our operating revenue targets generally due to the disappointing results of the Endeavour Auction and the reduction in the value of our funds at the Vancouver Foundation, we were very successful in raising funds for the new Old School education program, and in attracting long term endowment gifts.

- **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.
- **Interest on VHF managed and Vancouver Foundation managed funds** yielded more than \$26,700 in interest which was directed to the VHF granting and education programs. In 2009 we expect more than a 50% reduction in interest income.
- **ENDEAVOUR GALA AUCTION** raised \$24,800 for the VHF. The VHF has made the decision to leave Endeavour and go from the 'ballroom to the backyard' with our own new event, "Hotdogs for Heritage" which will be a family focused summer backyard picnic with an architectural salvage sale and silent auction, and an entrance by donation.

- Grants from **YOUNG CANADA WORKS** allowed the VHF to hire a summer student to work as an Administrative Assistant from May to September.
- **PUBLIC PROGRAMS** including the Heritage House Tour, walking tours, workshops, Vancouver Special, Old School and Modernist events raised more than \$140,000 to further the programming goals of the VHF.

III. 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 40 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 9 years the VHF has awarded 70 grants to heritage buildings totalling \$150,000.

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 2008 the VHF launched the **NEW! CONSERVATION PLAN GRANTING PROGRAM** to encourage building owners to step back from the building's immediate needs and assess the overall value of the site, its character defining elements, and establish a long term plan for the repair, rehabilitation and maintenance of the building. The VHF pays up to 50% of the cost of the professionally prepared plan to a maximum of \$2,500.

In 2008 nine grants were awarded for work on:

- Painting at 2426 East 23rd, 2543 Pandora St., 3589 Commercial St.
- Roof replacement at 2525 Quebec, 5055 Connaught
- Masonry work at 2404 Carolina.
- Conservation Plan for 906 Salisbury.

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

Vancouver, B.C.

FINANCIAL STATEMENTS

December 31, 2008

DRAFT - For discussion purposes only

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, 2008 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, 2008 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 10, 2009

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

STATEMENT OF REVENUES AND EXPENDITURES

For the year ended December 31, 2008

	2008	2007
	\$	\$
Revenue		
Donations and fundraising	57,082	110,005
Grants - City of Vancouver	108,100	106,000
Other grants	17,850	5,976
Interest	26,722	29,217
Heritage house tour	66,024	70,683
Old school: Courses for building conservation	56,303	-
Other program revenue	17,691	5,620
	<u>349,772</u>	<u>327,501</u>
Expenditures		
Bank charges and interest	4,586	3,469
GST - Foundation	3,771	1,633
Insurance	1,539	1,530
Office utilities, expenses and supplies	25,264	18,093
Rent (Note 8)	27,515	25,600
Board of directors	2,098	1,775
Professional fees: legal, audit	5,732	4,645
Staff and contract workers	189,055	122,862
Marketing and communications	23,024	21,567
Fundraising	20,420	20,905
Heritage house tour	17,227	12,532
Old school: Courses for building conservation	25,350	-
Other programs and special projects	46,871	37,507
	<u>392,452</u>	<u>272,118</u>
Excess (deficiency) of revenues over expenditures	(42,680)	55,383

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

STATEMENT OF FUND BALANCES

For the year ended December 31, 2008

	Restricted for endowment	Save the Building Fund	Unrestricted	2008 \$	2007 \$
Balance, beginning as previously reported	446,000	127,465	210,926	784,391	740,270
Adjustment for fair value of investment and funds held by Vancouver Foundation	25,794	-	-	25,794	(25,000)
Balance, beginning, as restated	471,794	127,465	210,926	810,185	715,270
Excess (deficiency) of revenues over expenditures	-	-	(42,680)	(42,680)	55,383
Endowment contributions	32,546	-	-	32,546	-
Interest earned	-	5,432	-	5,432	-
Adjustment for change in fair value of investments and funds held by Vancouver Foundation during the year	(71,971)	-	-	(71,971)	25,794
Balance, ending	432,369	132,897	168,246	733,512	810,185

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

BALANCE SHEET

December 31, 2008

	2008	2007
	\$	\$
Assets		
Current		
Cash (Note 3)	60,070	130,610
Temporary investments (Note 4 and 7)	368,705	307,465
Receivables	24,892	57,665
Lane House hold backs	-	12,500
Inventory	7,030	7,830
Prepaid expenses	7,678	7,550
	<u>468,375</u>	<u>523,620</u>
Heritage Endowment Fund (Note 7)	299,823	371,794
	<u>768,198</u>	<u>895,414</u>
Liabilities		
Current		
Payables and accruals	23,036	14,977
Chinese Benevolent Fund (Note 3)	11,650	11,650
Chinatown Heritage Building Fund (Note 3)	-	58,602
	<u>34,686</u>	<u>85,229</u>
Fund Balances		
Save the Building Fund (Note 4)	132,897	127,465
Restricted for endowment purposes (Note 7)	432,369	471,794
Unrestricted	168,246	210,926
	<u>733,512</u>	<u>810,185</u>
	<u>768,198</u>	<u>895,414</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, 2008

	2008	2007
	\$	\$
Cash provided by operating activities		
Excess of revenues over expenditures	(42,680)	69,121
Net change in non-cash working capital		
Decrease in receivables	45,272	28,490
Decrease in inventory	800	-
Increase in prepaids	(128)	-
Increase (decrease) in payables and accruals	(45,110)	122,456
	<u>(41,846)</u>	<u>220,067</u>
Cash flows related to financing activities		
Endowment fund contributions	32,546	-
	<u>(9,300)</u>	<u>220,067</u>
Net increase in cash	(9,300)	220,067
Cash, beginning	438,075	218,008
	<u>428,775</u>	<u>438,075</u>
Cash, ending	428,775	438,075
Cash represented by:		
Cash on hand and balances with banks	60,070	130,610
Term deposits	368,705	307,465
	<u>428,775</u>	<u>438,075</u>

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

NOTES

For the year ended December 31, 2008

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 and funds held by Vancouver Foundation are classified as available for sale and are measured at fair value.

Receivables are classified as loans and receivables 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, 2008

Note 3 Restrictions on Cash

The Foundation has restricted \$11,650 of the cash balance from use of the Foundation's day-to-day operations. The amount 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.

During the year \$58,602 was paid out to the Chinatown Heritage Building initiative.

Note 4 Restrictions on Term Deposit

The Foundation has a term deposit of \$132,897 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

Items that meet the definition of a financial instrument include cash, accounts receivable, term deposits, and payables and accruals. Unless otherwise stated, the fair value of financial instruments approximate their carrying value. 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 Capital

The Foundation's primary objective is to operate programs promoting the preservation, maintenance and restoration of Vancouver city buildings, structures and lands with historical or architectural significance. The Foundation considers its capital structure to consist of accumulated general fund balances. The Foundation has customary external restrictions on many of its general fund balances as disclosed in Notes 4 and 7, and is in compliance with these restrictions. The Foundation's capital structure as at December 31, 2008 and 2007 was as follows:

	2008	2007
	\$	\$
General Fund		
Save the Building Fund	132,897	127,465
Restricted for endowment	432,369	471,794
Unrestricted	168,246	210,926
	<u>733,512</u>	<u>810,185</u>

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

NOTES

For the year ended December 31, 2008

Note 7 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 \$432,369 for the fund. The Vancouver Foundation currently holds \$299,823 (2007: \$371,794) 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 \$132,546 is internally restricted for endowment purposes and is held in term deposit.

During the year, the Foundation recognized a unrealized loss of \$71,971 (2007: \$25,794 gain) in the fund balances due to a change in the market value of the Foundation's funds held by Vancouver Foundation.

Note 8 Commitments

In March 2006, Vancouver Heritage Foundation entered into a three year lease agreement which ends February 28, 2009. Obligation under the premises lease for January and February total \$4,500.

The Vancouver Heritage Foundation is currently renegotiating the lease. Included in prepaid expenses is \$1,550 to be applied to last month rent.

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2009 Budget - Report to Council

VANCOUVER HERITAGE FOUNDATION OPERATING BUDGET

Revenue	2005 Actuals	2006 Actuals	2007 Actuals	2008 Actuals	2009 Budget
City of Vancouver	\$102,000	\$104,000	\$106,000	\$108,000	\$110,000
Interest	\$15,751	\$19,869	\$31,000	\$32,399	\$20,000
Program Revenue	\$11,580	\$28,113	\$19,000	\$17,200	\$20,000
Charitable Donations	\$30,000	\$6,000	\$24,000	\$27,000	\$50,000
Endeavour Gala Auction	\$29,000	\$51,000	\$55,000	\$24,000	\$0
VHF Fundraising Event					\$50,000
Heritage House Tour	\$62,800	\$61,348	\$68,000	\$66,000	\$65,000
Special Project Grants (HRDC/ YCW/ Vanc. Fndtn, Prov. Of BC, HLF)	\$3,746	\$12,160	\$6,000	\$16,000	\$40,000
Old School - sponsorship & fees				\$56,000	\$54,500
TOTAL INCOME	\$254,878	\$282,490	\$309,000	\$346,599	\$409,500
Expenses					
GST Expense VHF portion	\$3,161	\$0	\$0	\$0	\$0
Dues, Fees, Licenses	\$224	\$717	\$650	\$1,000	\$1,000
Interest, Bank Charges	\$2,314	\$3,260	\$5,000	\$4,500	\$4,000
Insurance	\$1,554	\$1,592	\$1,500	\$1,500	\$1,500
Office expenses (includes supplies / equipment / utilities)	\$16,738	\$9,827	\$5,500	\$12,400	\$12,000
Courier, Postage	\$1,538	\$2,290	\$2,000	\$500	\$1,500
Printing & Copying	\$1,644	\$670	\$1,800	\$1,600	\$1,500
Board of Directors	\$1,736	\$922	\$1,800	\$2,000	\$1,500
Marketing (newsletter, website,	\$19,118	\$21,577	\$21,500	\$25,000	\$25,000
Fundraising	\$8,553	\$23,283	\$12,600	\$17,300	\$16,000
Rent		\$15,500	\$20,000	\$27,500	\$27,000
Capital Expenses		\$9,100	\$3,000	\$7,400	\$1,000
Consulant Fees & Payroll					
Payroll (ED, Program Coord, Admin Asst, Devel. Dir)	\$96,700	\$106,600	\$148,000	\$189,000	\$200,000
Book keeping & Audit	\$3,223	\$4,128	\$4,600	\$5,700	\$7,500
Program Expense					
Grant Programs (TC / Restore It)	\$9,446	\$20,211	\$14,000	\$25,000	\$34,000
Open Vancouver House Tour	\$12,558	\$10,866	\$17,500	\$17,000	\$12,000
Other programs (lectures, tours, workshops)	\$1,598	\$5,500	\$10,000	\$8,600	\$8,000
Special Projects	\$29,051	\$8,955	\$13,500	\$18,000	\$28,000
Old School				\$26,000	\$28,000
TOTAL EXPENSE	\$206,147	\$244,998	\$282,950	\$391,000	\$409,500



2009 WORK PLAN

In 2009 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 culture 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.

- Launch the Heritage & Sustainability Guide with a presentation at the Cascadia Green Building Council Heritage & Sustainability Forum. Distribute 2,500 copies of the guide.
- Continue to develop and administer *Old School: Courses for Building Conservation* a certificate program bringing together the theory and practice of conserving heritage buildings.
 - Run 2 Core Courses - Heritage 101: Understanding Heritage Conservation in the Spring and Fall. The Core Course must be taken by all new Old School Certificate Program registrants. These 2 courses will bring 50 new registrants into the Old School Certificate Program. This will bring the number of people registered in the certificate program to 200 by the end of 2009.
 - Develop at least 4 new Old School electives: Exteriors of Heritage Buildings; Planning & Managing a Heritage Project; Local Case Studies in Heritage Conservation; and Working with Local Government.
 - Continue offering existing Old School electives including Researching the history of your house in partnership with the COV Archives & VPL; 'Windows and their Conservation; and Tour electives.
 - Explore scholarship program with Tradeworks.bc.ca
- Publish, launch and distribute 3 new map guides in partnership with COV staff on the historic neighbourhoods of Japantown, Chinatown, and Carrall Street Greenway.
- Open older buildings to the public.
 - Heritage House Tour (June 7, 2009) - 10 houses, 2,000 people, 150 volunteers
 - Heritage House Tour Pre-Tour public lecture - '*HomeGrown: Urban farms Past and Present*' by Herb Barbolet of Farm Folk City Folk
 - Modernist Residential Tour - 5 houses on bus tour
 - Vancouver Special self-guided tour of 5 homes
 - 3-4 tours of interesting and unique heritage projects and spaces for VHF stakeholders - including Dal Grauer and BC Sugar Refinery

- Offer 4 walking tours during July & August. Three to launch the new map guides: Japantown, Chinatown & Carrall St. Greenway, and one on downtown Modernist buildings.
- 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.

II. Communication to VHF stakeholders and the interested public

- Publish 2 issues of "Old News" the VHF newsletter distributed to 5,500 homes, including 1,000 Old-E-News subscribers, and introduce e-news updates.
- Maintain vancouverheritagefoundation.org with current information about VHF activities and conservation information.
- Partner with local business, government, related organizations and related professionals to:
 - Centre VHF as a key heritage organization;
 - Produce quality programs and publications that the VHF cannot develop on our own; and
 - Broaden the community of heritage stakeholders.
- Publish annual CD case calendar which has a 2010 Olympic appeal.
- Establish Publication Endowment Advisory Committee and continue to explore writing and publishing a True Colours book.
- Work with BC 150 and Hal Kalman on the publishing of the 4th edition of Exploring Vancouver.
- Develop a communications and marketing plan for the VHF that gives an accurate and compelling message about the contribution heritage preservation makes to the community, and that will raise public awareness about the programs of the VHF.

III. Fundraising in the public and private sectors to protect our built heritage into the future, and sustain the operations of the VHF.

- **Operating Fundraising**
 - Submit the Annual Report to the COV in April to facilitate the release of the 2009 operating funds which is the second year of a three year operating grant.
 - Raise \$65,000 through the Heritage House Tour from ticket sales and corporate sponsorship.
 - Raise \$50,000 through new VHF Fundraising events.
 - Increase Annual Friends of the VHF revenue to \$40,000.
 - Apply for grants:
 - Seek grants and/ or corporate partner to support a review and implementation plan for the VHF branding and communications material.
 - Seek Canada Council Grant to develop a Modernist Architecture documentary that builds on the video session with Barry Downs and Peter Oberlander.
 - Seek \$30,000 grants and corporate sponsorship for Old School.
- **Endowment Fundraising**
 - The VHF has a set a Major Gifts Campaign goal of \$3 million: \$1 million for Education & Public Awareness; \$1 million for Granting; and \$1 million for the Save the Buildings Fund, a revolving fund to rescue

threatened buildings. The goal in 2009 is to raise \$350,000 in new Endowment money, and to secure a \$350,000 match from the Provincial Government

- Seek private and public Foundation sources of funding
- Find funding and artist partner to create a public art Donor Wall to recognize major VHF donors.

- **Special Project Fundraising**
 - Try to garner interest among heritage building owners and corporate partners to enhance older buildings and their neighbourhoods through new, energy efficient lighting schemes.
 - Develop and publish one new map guide.
 - 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.
 - Explore the opportunity for a social enterprise recycling architectural salvage from historic buildings.
 - Seek funding for additional projects such as walking tours, map guides, Old School scholarships, a Social Enterprise to benefit the VHF, an architectural history exhibit, and sacred sites grants.

IV. Awarding grants that act as an incentive for the maintenance, restoration and exterior painting of historic buildings.

- True Colours exterior painting grants - \$2,000 each project plus free paint from Benjamin Moore.
 - Award up to 4 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.
- Conservation Plan Grants for the writing of comprehensive rehabilitation and maintenance plans for heritage buildings.
 - Award up to 2 grants of up to 50% of a professional completed plan to a maximum of \$2,500.
- Award up to two (2) Conservation Assessment Grants of up to \$500 each for an abbreviated Conservation Plan for small projects.

V. Maintaining an efficient and effective organization that (1) treats its staff and contractors with respect and encourages their growth and development; (2) is fiscally responsible; (3) values its donors and volunteers; and (4) contributes to a sustainable city by making smart decisions about how we behave and what we purchase.

- Initiates performance reviews for staff.
- Have Board of Directors complete a self-evaluation.

- Develop a strong committee structure for the Board of the VHF: Finance Committee, Governance Committee, Fund Development Committee, Special Event committees, and Granting Committee.
- Continue to refine & 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. (Vol. 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.
- Explore and implement (1) purchase 'green' policy; and a (2) reduce energy consumption in the office policy.