

Financial Report

Summary

The Vancouver Folk Music Festival's financial position at the end of August 2022 shows a net surplus budget of **\$160,992**. Through its 45-year history, the Festival has had very few surplus budgets, so starting the year with a strong surplus budget was great. Despite many challenges with Covid protocols and a 2 year gap since the last "live" festival, VFMF was blessed with excellent ticket and site revenue/sales \$1,098,481; donor/sponsor support \$210,937; and grant revenue \$630,721. Total Revenue was **\$1,940,139**. Despite difficult changes to the Festival to save money (fewer artists/lowered artistic spend; 3 daytime rather than 5-6 stages; starting performances 2 hours later Saturday & Sunday; Mainstage only rather than a 2nd evening stage; cutting full time staff by 1 position; cutting the kitchen for volunteers/artists; closing west gate; combining folk bazaar and artisan market; going cashless), unexpected and significant increases to site contracts, supplies and production costs brought our total Expenses to **\$1,968,685**, for a net deficit of **-\$24,891**.

A key element affecting cash flow in any future budgets is the need to now pay full supplier bills in advance of receiving ticket revenue. The Festival does not have the cash reserves to pay the upfront costs of suppliers. The current estimated budget for the 2023 year shows a projected loss of **-\$460,600**. The loss is primarily due to a loss in grant revenue from one time Covid support grants received in 2021, that won't be renewed; adding back an essential 3rd full time staff position; and inflation costs for everything from artist fees and travel costs, merchandise and supply costs, to volunteer/artist meal vouchers.

Notes and Links:

- There is a need to repay the Canada Emergency Business Account (CEBA) Loan. \$30,000 is due by the end of December 2023.
- We have an Endowed fund with the Vancouver Foundation of approximately \$43,049 which can be used only toward approved capital investments or dissolution costs.