Vancouver Folk Music Festival

THE JOURNEY TO TODAY

Key Considerations

1980-2023+	2020 & 2021	2022	2023
In its 45-year-old history, the Festival has been fiscally challenged	Two Years of COVID Shut Down	First Post-Pandemic Festival Net Deficit -$24,891.00	The current estimated budget for the 2023 year shows a projected loss of -$460,600.
The increased costs will continue into the foreseeable future.	Virtual Programming	Budget Includes Pandemic One-Time Funding Significant cuts were made to all areas of operations.	There is a need to repay the Canada Emergency Business Account (CEBA) Loan. $30,000 is due by the end of December 2023.
	Gov't COVID related grants allowed Society to be in a positive financial position.	Site and production costs have risen by almost 50% since 2019.	

Summary

The Vancouver Folk Music Festival's financial position at the end of August 2022 shows a net surplus budget of **$160,992**. Through it's 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.**

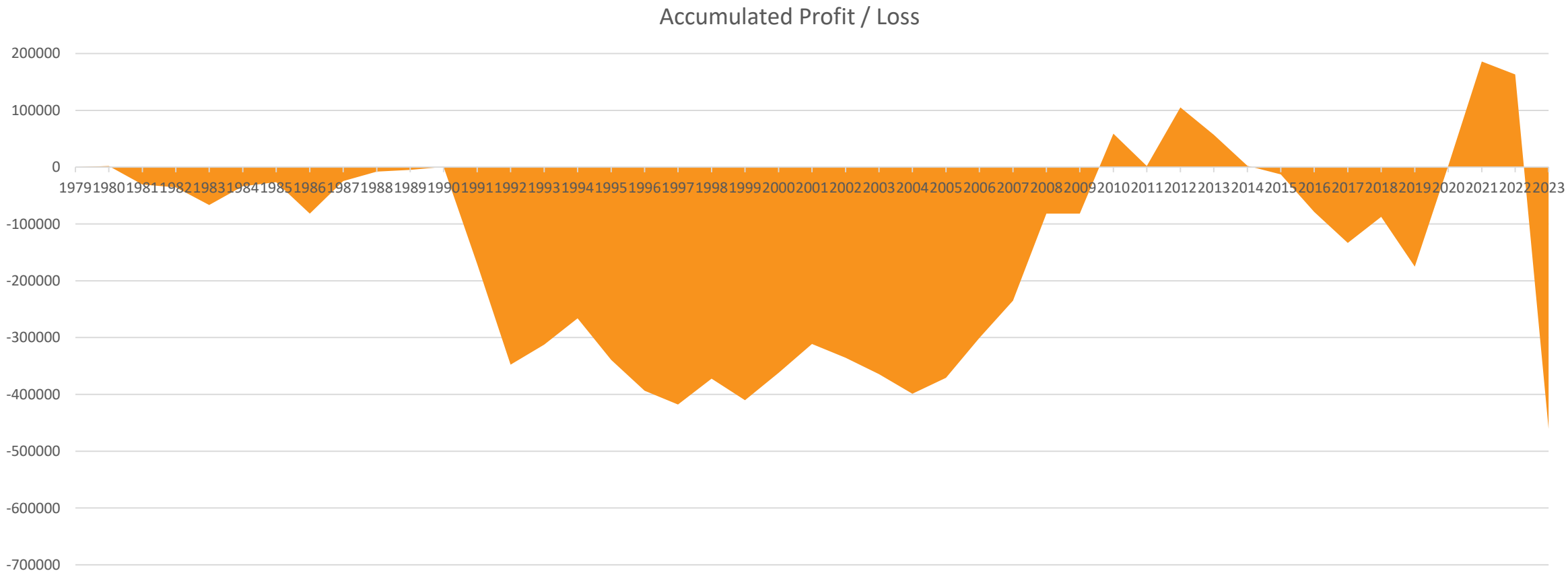
Despite difficult changes to the Festival to save money (fewer artists/lowered artistic spend; 3 daytime rather than 5-6 stages; starting performances 2 hours later Saturday & Sunday; Mainstage only rather than a 2nd evening stage; cutting full time staff by 1 position; cutting the kitchen for volunteers/artists; 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.**

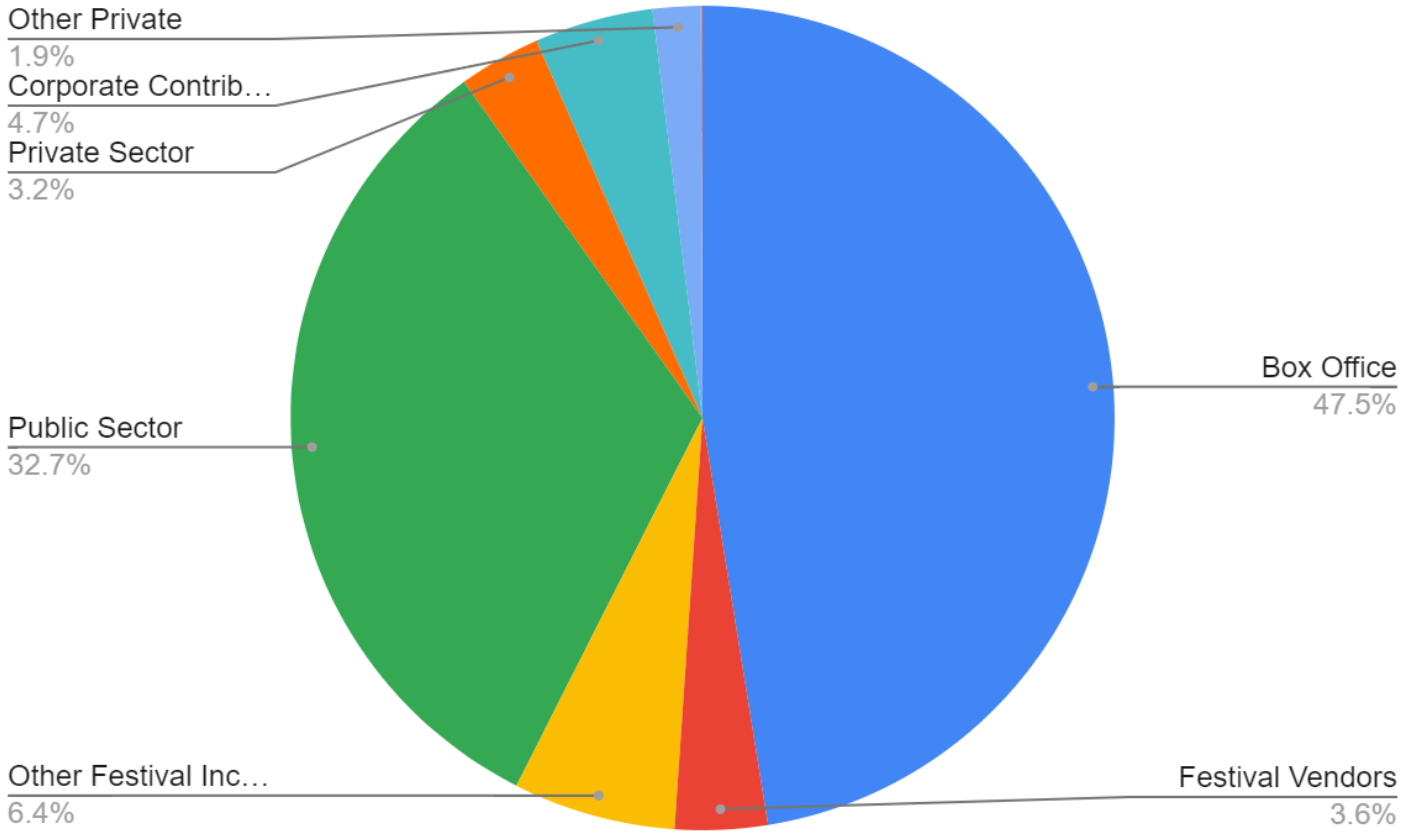
The loss is primarily due to a loss in grant revenue from one-time COVID support grants received in 2021, that won't be renewed; adding back an essential 3rd full time staff position; and inflation costs for everything from artist fees and travel costs, merchandise and supply costs, to volunteer/artist meal vouchers.

Notes There is a need to repay the Canada Emergency Business Account (CEBA) Loan. $30,000 is due by the end of December 2023.

Accumulated Profit / Loss

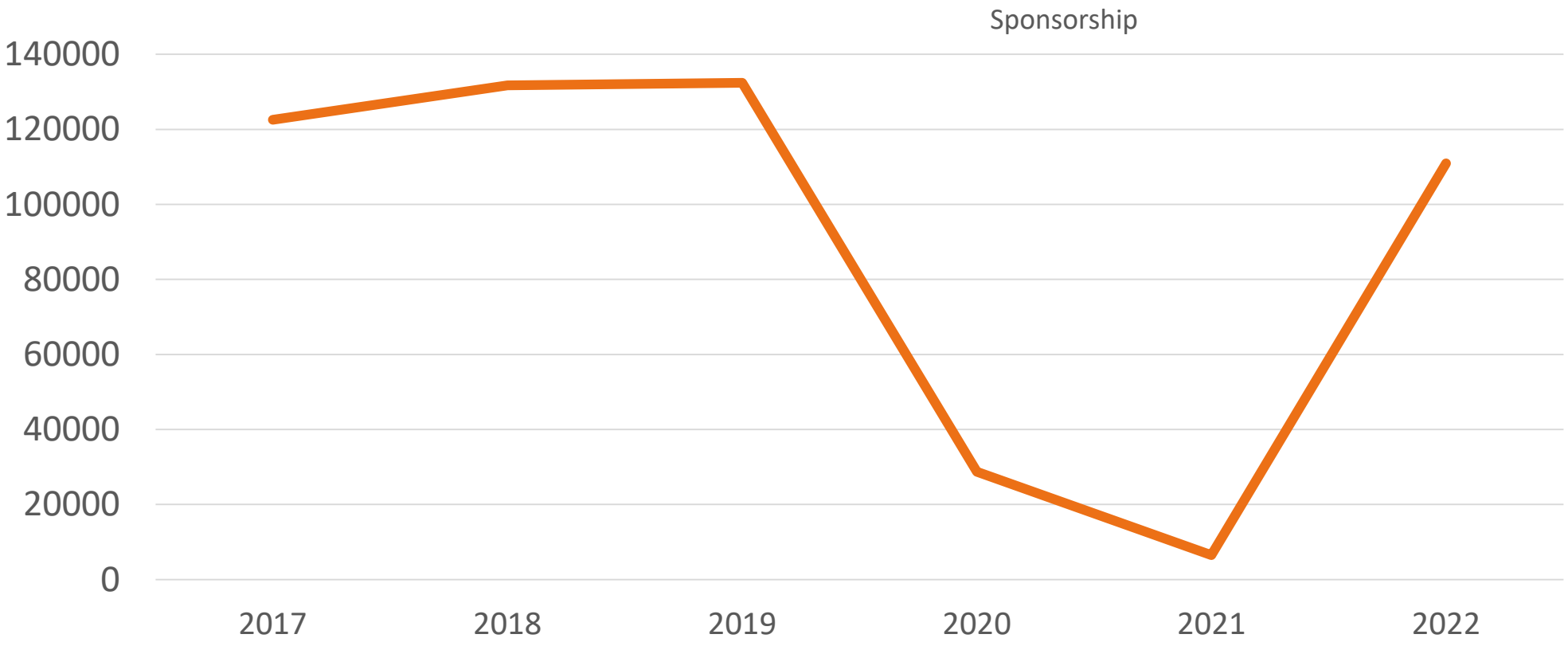


81% of the income comes from 2 sources



1. **Box Office**
2. **Public Sector**

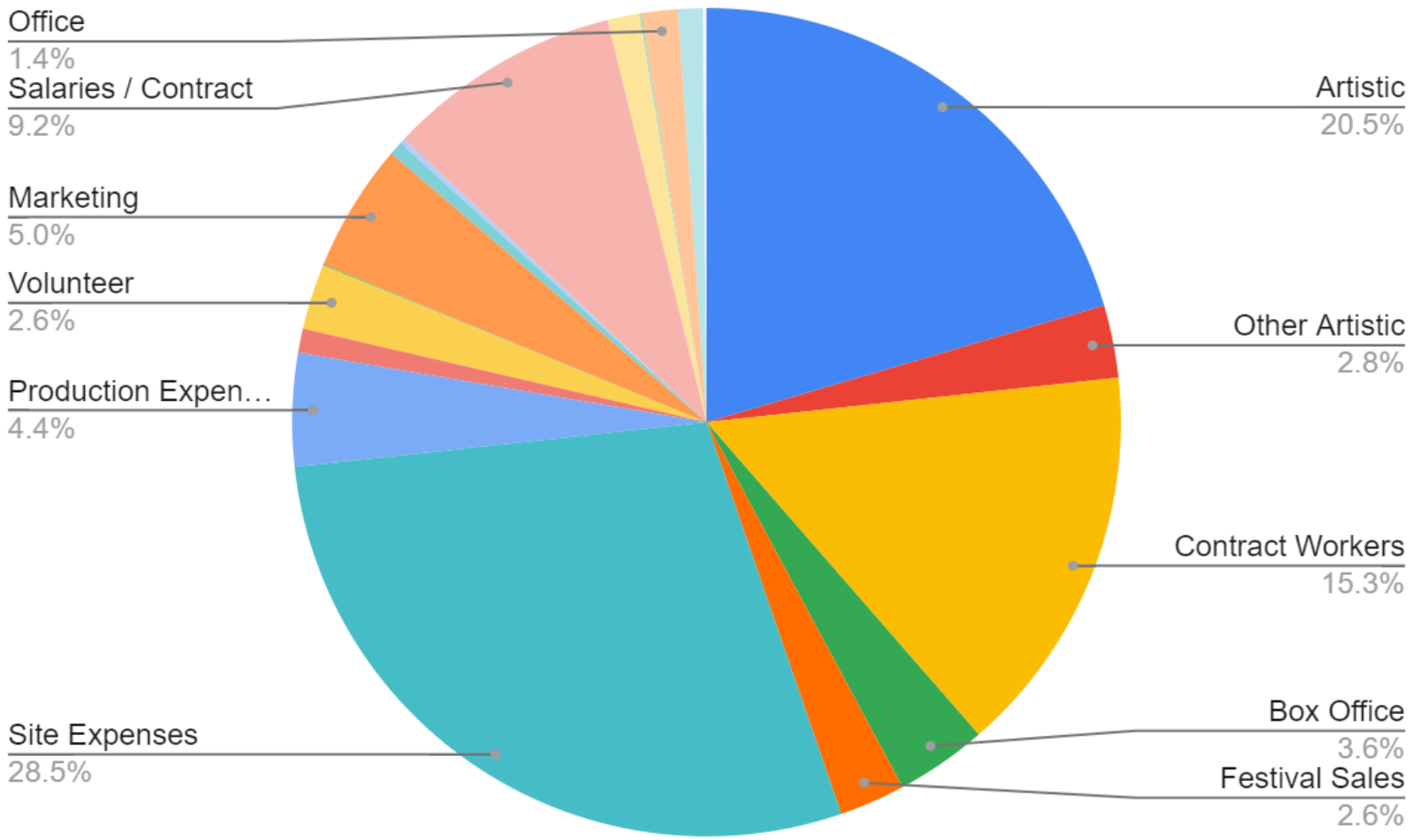
Sponsorship (Business, Corporate)



74% of expenses come from 4 sources

1. Site Expenses
2. Artistic Expenses
3. Contract Workers
4. Salaries

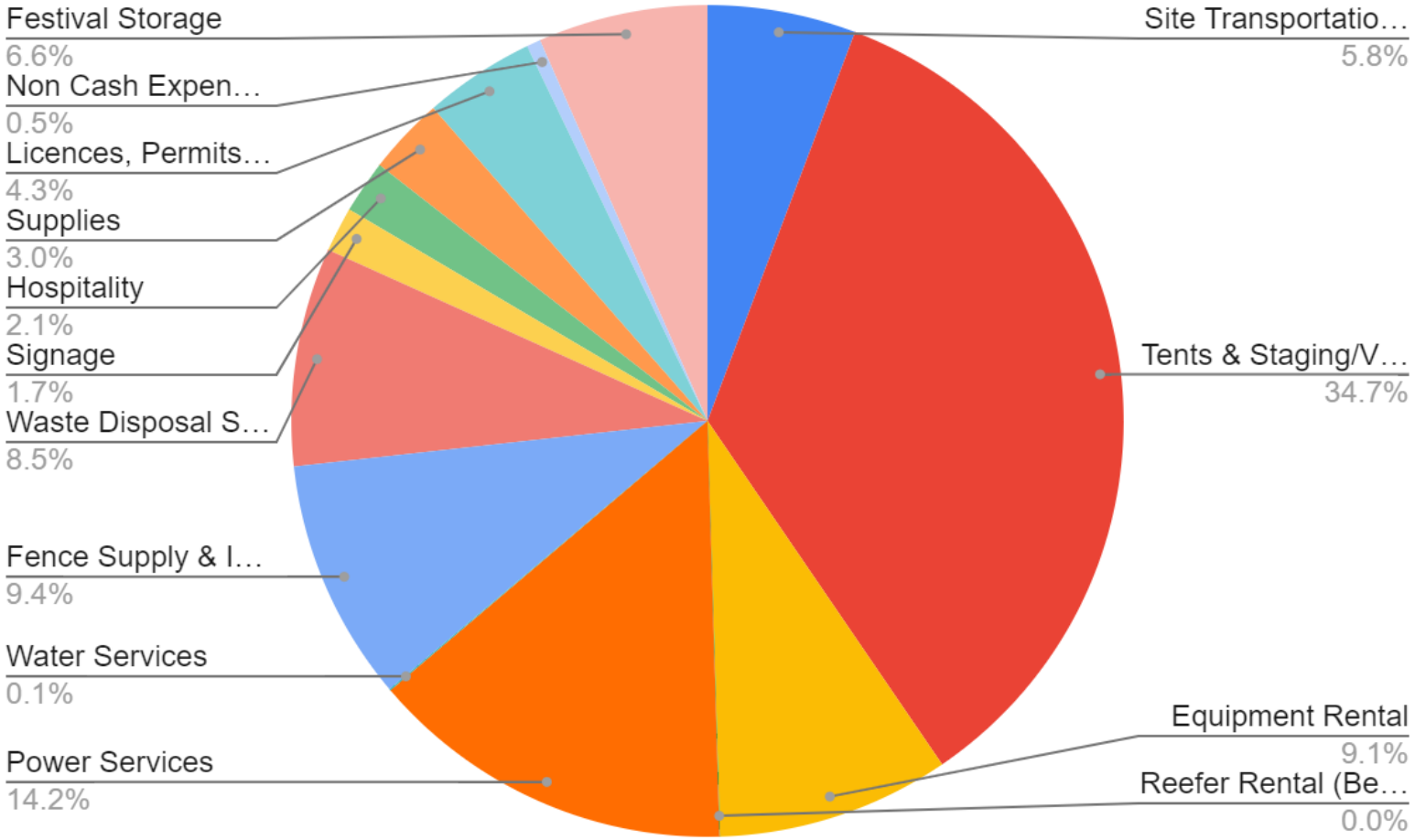
2022

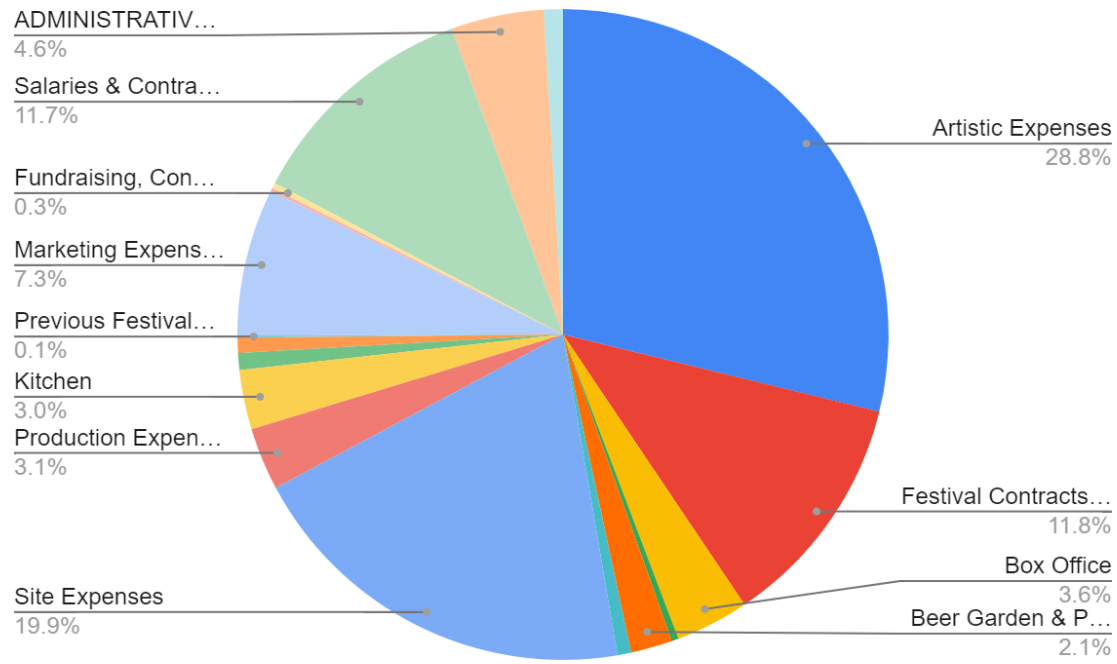


Site Expenses 76% come from 5 sources

1. Tents & Staging
2. Power
3. Equipment Rental
4. Fencing
5. Waste Disposal

2022

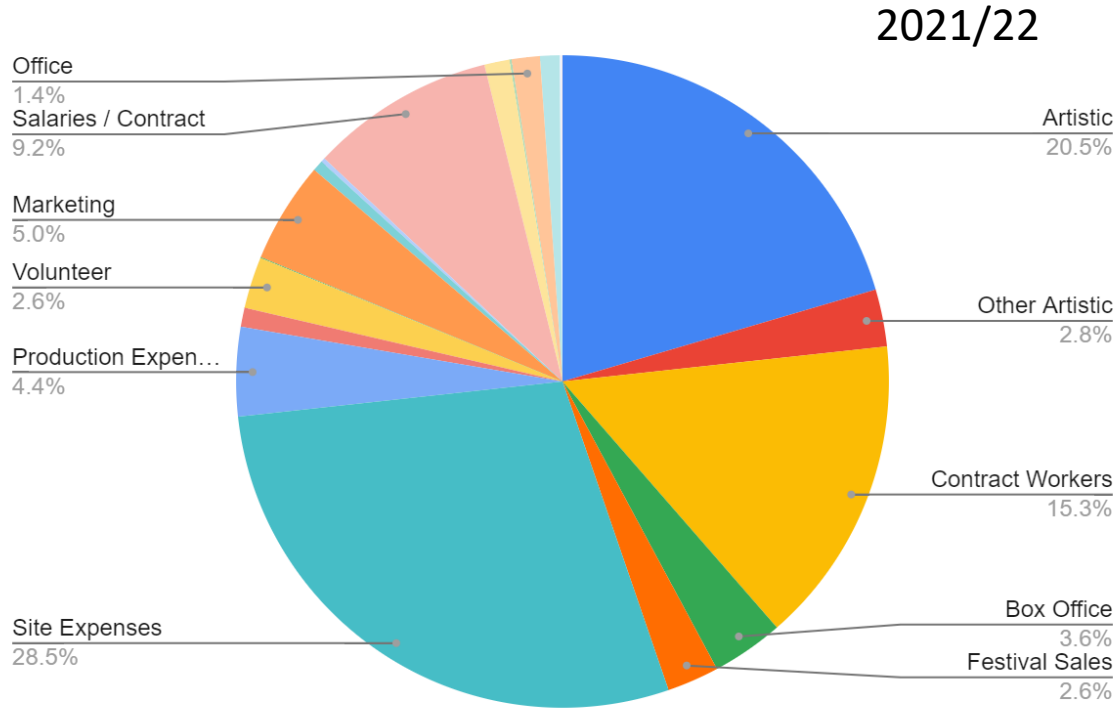




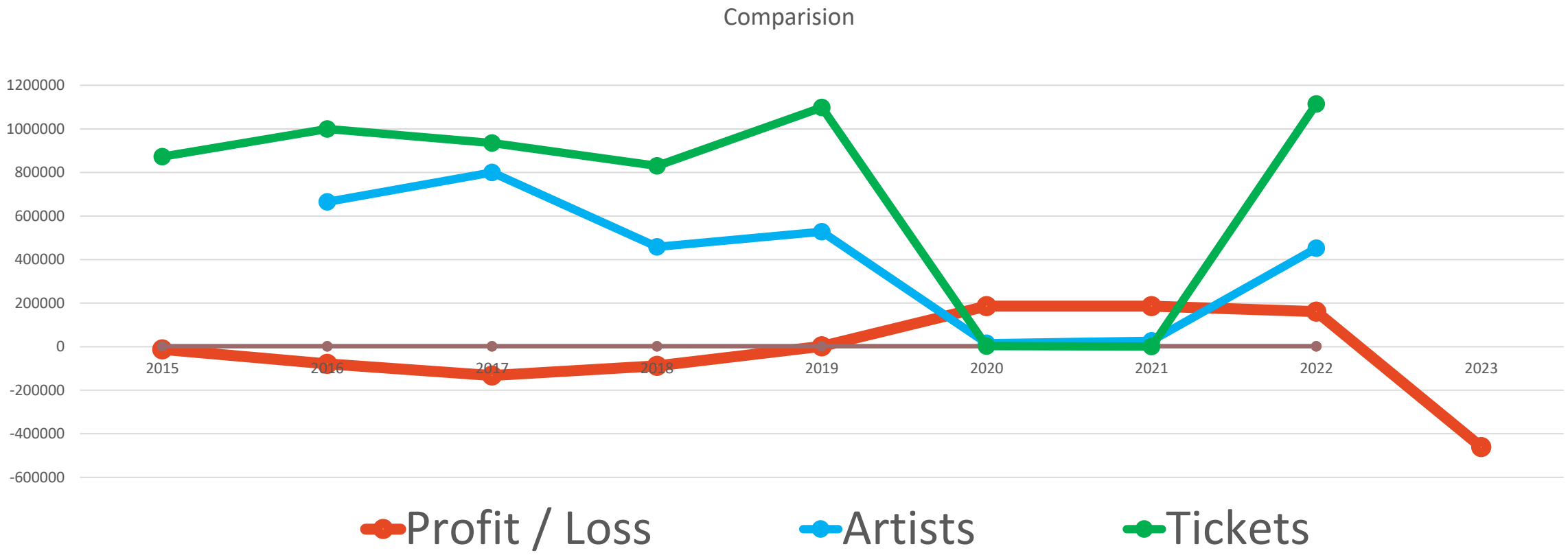
2018/19
Site Expenses: $377,000
Artistic: $550,000
Salaries: $222,00
* Numbers have been rounded for comparison

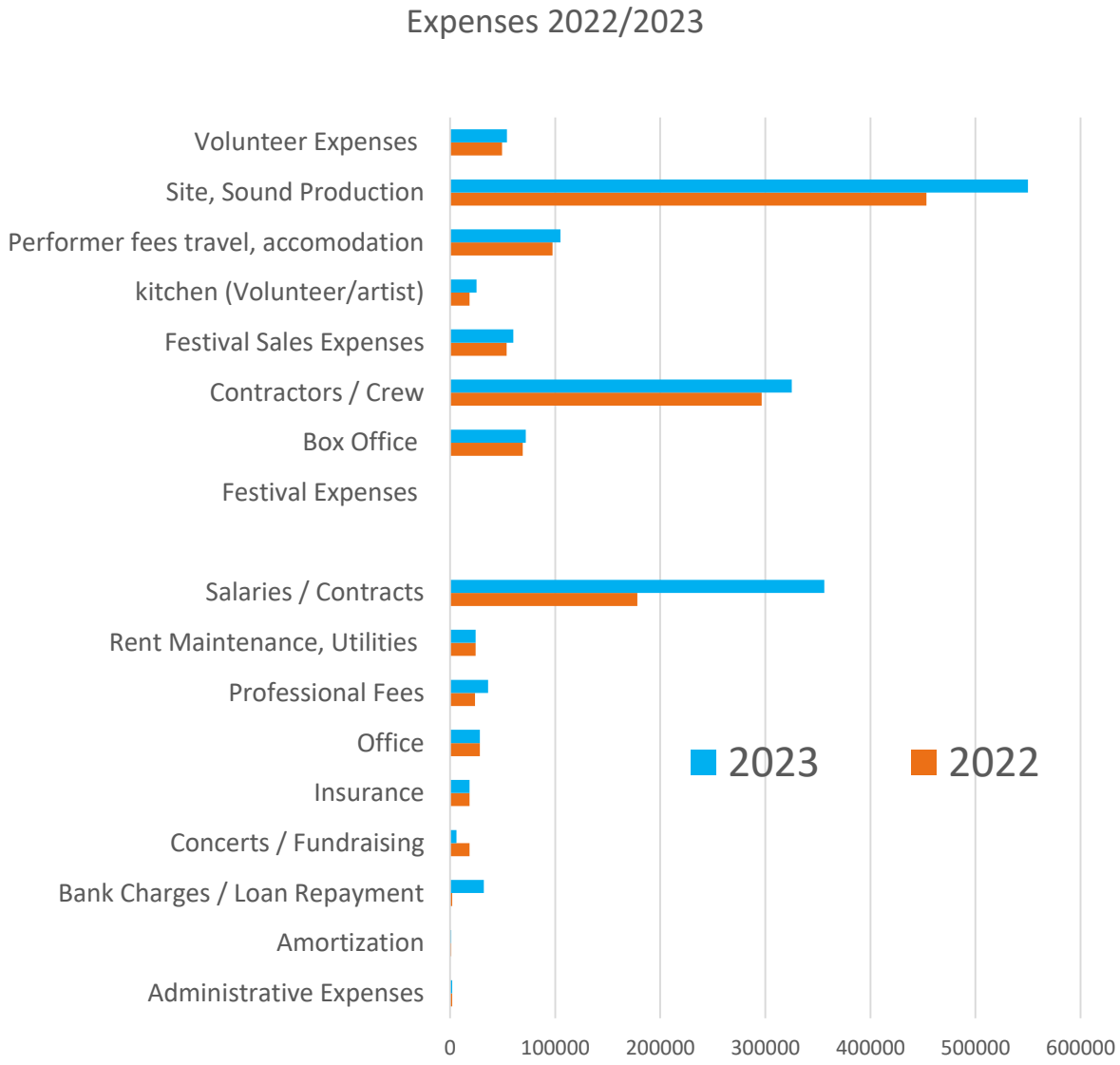
2021/2022
Site Expenses: **$635,000**
Artist Expenses: $455,000
Salaries $180,000

* Numbers have been rounded for comparison



Comparison
Profits, Artist Fees & Ticket Sales





Festival projections 2023 – What will it take? Ongoing long-term financial commitment to properly fund the operating budget to run the festival & grow the organization.

Summary

Vancouver Folk Festival Society Board

- Putting on The Festival in 2023 or 2024 and not generating new revenue streams will put the Society into debt.
- Debt is not a sustainable source of income – it needs to be paid back.
- Developing a sustainable revenue stream will take time and money.
- The situation is severe and has the potential for great risk.
- We have a duty to make recommendations that are best for the Society and will not put the Society into bankruptcy.
- The Society requires between $60,000 - $100,000 to keep the lights on and secure sustainable ongoing funding.
- We are all here now because of our collective efforts and because we all care.