

Part 2 – Analysis of A Session Fee Structure To Provide the VLDS With A Small Surplus

Following the Board's acceptance of Part 1 where a breakeven session fee/cost structure analysis was completed it examined the need to run sessions at a breakeven level. Proposed was sessions be operated at a level slightly above breakeven to cushion it from fluctuations in attendance and allow a steady infusion to the operating account for reinvesting in the Society. A \$1 increase implemented on the cash drop in's been determined as sufficient to raise the necessary funds and the following amended motion was passed.

Amended Motion – To raise drawing fees accordingly:

Non member drop in from \$14 to \$15

Member drop in from \$11 to \$12

30 Day Pass Cards from \$80 to \$110

Rational is as per analysis of the VLDS costs and fee structure the Society is operating at a loss and the Board wishes to operate at a level where a small surplus is being incurred that can cushion the Society from downturns and make available funds for re-reinvestment as needed. The proposed increase of the 30 Day Pass Cards brings finances into break even status and the increase in the cash drop in fees creates the cushion we are looking for.

Proposed increases are effective December 1, 2011.

In 2010 the total attendance for non member and member drop in's was 1,484 and the combined attendance in 2011 to October 31 has been 1,626. These attendance figures indicate approximately the small surplus the Board hopes to achieve.

Table 1 attached is Table 3 from Part 1 with the proposed fee increases and their effect on income and breakeven attendance shown in red assuming no change in attendance.

Table 1: Breakeven Attendance for 1 and 2 Session Days Based on 2011 Estimates to October 31

	NMDI	MDI	Tickets	Passes	No. of Passes Sold	Totals/Averages	Breakeven 1 Session Day	Breakeven 2 Session Day	Breakeven Weekly Attendance
Attendance	1,033	593	2,605	1,830	120	6,061	18.0	25.8 (26)	14.3 (15)
Value/Session (\$)	15.00	12.00	9.00	7.21	110	9.78	16.4	23.5	13..0
Revenue (\$)	15,495	7,116	23,445		13,200	59,277			

The weighted average session fee becomes \$9.78 and the breakeven weekly session attendance 13 paying artists

The President

8/11/2011