

2017 Financials In Review

General

The VHCA's foundational revenue generators remain Summerfest and Tour of Homes, which we will cover in more depth below individually. This year we did begin planning around both a Spring and Fall event to compliment those existing Summer and Winter events so look forward to hearing about those in 2018. Looking at the larger picture of the VHCA, 2017 saw the association with a net P&L gain of approximately \$79k. This is a positive uptick from 2016 of \$45k. Viewed from a use of cash vantage point, the principal difference being the payments on the mortgage for North Highland Park, the VHCA had a net cash on hand reduction of \$7k after making \$87k in mortgage payments during the year. The remaining principal balance of \$91k on North Highland Park is now scheduled to be paid off nearly four years earlier than originally planned.

Through the Grants Committee, we were able to provide \$10k in funding for wonderful endeavors all across the neighborhood, including Trees Atlanta, the YWCA, the Ponce de Leon Library, and the three public schools that serve the children of Virginia-Highland. The Planning Committee was under budget by \$26k as a result of anticipated spend in 2017 for various projects being pushed to 2018. We closed the year out with \$126k in cash combined between our operational account and our reserve account. This is an ample sum to cover mandatory operational expenses for next year, including mandatory yearly mortgage payments of approximately \$66,000 on North Highland Park, even after dipping into the reserve this year to fund principal payments. As a general rule, the VHCA Board and Budget Committee desires to maintain approximately \$100,000 in funds on hand between the reserve account and the operational account at least until the North Highland Park Mortgage is paid off.

Summerfest

Despite heavy rain and closure of the Artist Market for approximately 3 hours on Sunday, Summerfest 2017 yielded a net profit of \$73k. This result is largely comparable to 2016 but represents a decline of ~46% of the average profit from the 3 years prior (2013 - 2015). The decline is due to lower attendance and thus lower beverage sales due to (1) rain/forecast of rain in 16/17; (2) more competition for festival dollar, most notably Candler Park Music Festival, which was on same weekend as Summerfest for past 3 years; and (3) proximity of festival date to Memorial Day travel week (5 days in 16/17 vs. 12 days in 14/15). 2017 sponsorship revenues were highest ever; artist market revenue and race revenue was comparable YOY. In an attempt to address the competition issue, 2018 Summerfest will be held on the second weekend in June. Thus, we will not compete with Candler Park Music Festival or the CHOA road race, and we will be 12 days from Memorial Day. For 2018, increased focus will be placed on attracting new

artists, simplifying the management of Local Market, reducing music costs and adding new attractions to the Kidsfest area.

Tour of Homes

The 2017 Tour of Homes was once again a strong fundraiser. Great weather and a very walkable route between several of the houses down N Highland also brought many of our attendees into our local businesses over the weekend. While a repeat inclusion on Good Day Atlanta got cancelled at the last minute, collaboration with Creative Loading on marketing efforts and production of our first audio podcasts helped boost the number of tickets sold by almost 200, higher than the record set in 2016. Having a third trolley helped keep the record crowd on Sunday moving smoothly from home to home. We are grateful to our 225 volunteers, without whom the event would not be possible.

Parks Committee

John Howell Park was a major focus of the Parks Committee for 2017 with a substantial project having been completed during the year. This project, which totaled \$53k, was based on a matching grant that the Parks Committee successfully submitted to Park Pride that was approved by City of Atlanta Parks Design Committee. The Virginia-Highland Civic Association provided half the funding, and the results are quite visible. We completed the original brick paver pathway from the Barnett eastern entrance to the park to the path exit on Virginia (more than 1,230 square foot of pavers, some of them engraved by donors). A 300-linear foot granite seat wall along Virginia Avenue was built to tie in with the I-485 homestead markers that represent the homes in that area taken down by the old Georgia Highway Department. Other work has included repainting 5 utility electrical boxes and also re-grading multiple non-ADA compliant cement walkways near the Phoenix sculpture to make those both safer and consistent with today's standards. Six new trees—the park's first pine trees in many years—are in place. Additional landscaping work and perennial plantings have also been installed. The plant choices and the installation's design will significantly reduce erosion onto the streets and sidewalks and simplify and reduce the area's routine maintenance.