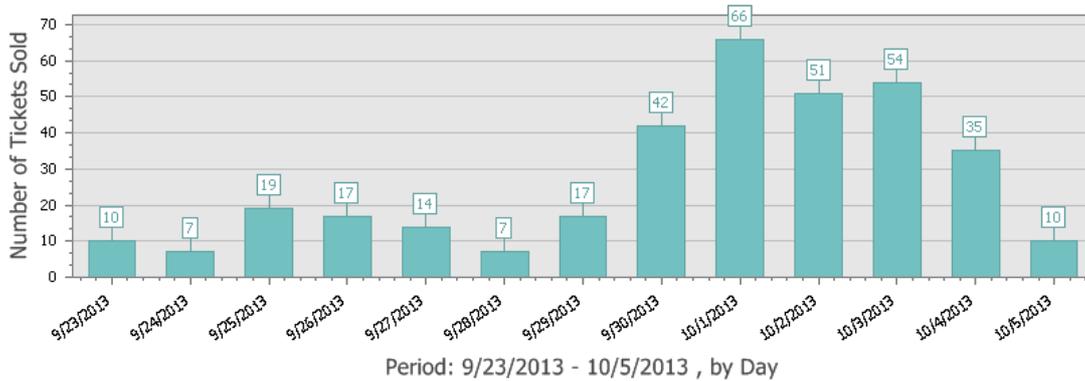
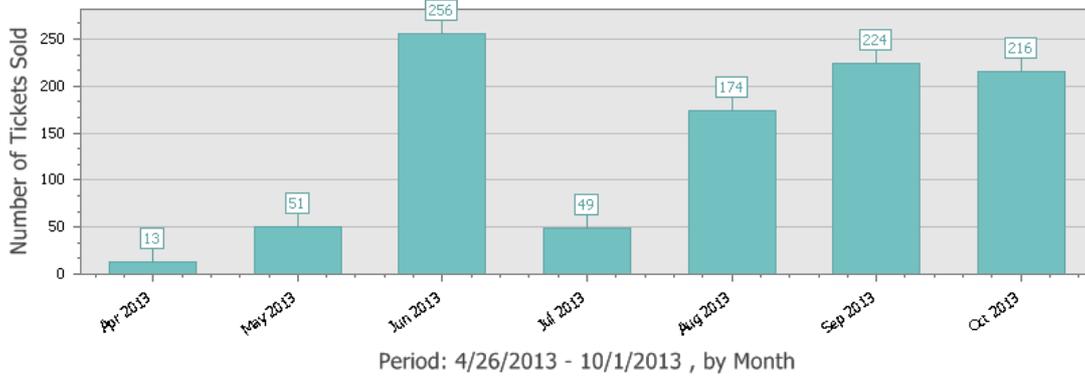


Burning Seed 2013 Afterburn Report – Finance

Income

Seed 2013’s population was 1103 adults and 56 children, compared to 2012’s 547 adults and 30 children. This represents more than 100% growth in the adult population, most of which happened in the last month before the event (see charts below).



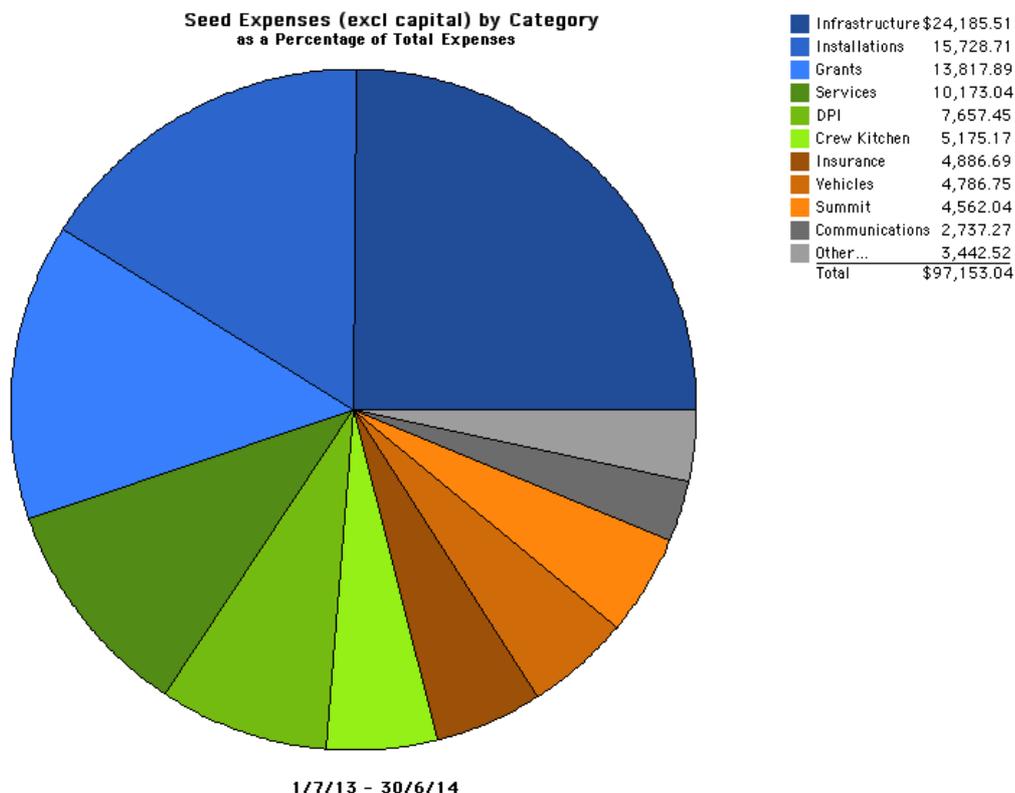
Income from ticket sales was \$162,795, exceeding the initial conservative forecast of \$114,905 by \$47,890 or 42%. This is an overall positive outcome for Burning Seed, but presented a range of budgeting difficulties.

Our original budget was based on conservative growth projections of 15% population growth, with additional budget allocations based on 25%, 50% and 100% growth in population. Teams were notified as sales progressed that their budgets may increase by a given amount, and encouraged to have expansions, extensions or extras in mind. Given the surge in ticket sales surged in the last week before the event, it was not practical to use some of the larger budget allocations once builders and artists were already on site.

Net income for ice was much lower than expected at \$106 (\$1540 cost and \$1640 income). Ice sales were quite disorganised, as those who had stepped up for the role did not show up, and sales were haphazardly managed by the site manager and others when available. This is inconvenient for crew and participants, and generally looks bad. A more reliable solution will need to be sorted out for 2014.

Expenditure

Overall, Burning Seed cost \$97,153 to produce, which was under its revised budget by \$17,157, or 15%. As noted above, this is because some budget increases were allocated too late in the process to incorporate effectively.



Infrastructure and DPI

Seed's single largest expense areas are infrastructure, DPI and DPI site vehicles. Taken together, actual expenditure in these areas totalled \$36,628, exceeding their budgets of \$28,155 by \$8,474 or 30%. Of this \$24,186 is named infrastructure line items including venue hire and site works, toilets, container transport, radio communications, gate construction. These are administered by the Department of Planning and Infrastructure, but are reported separately from the DPI general equipment and materials expenditure (\$4812) and site vehicles (\$4787).

Infrastructure expenditure exceeded its budget of \$18,686 by \$5500 (29%). The biggest factors in this were \$4394 increase in toilet expenditure, which scales with population growth, and \$3299 increase in venue costs due to last minute road works required because of heavy rain immediately before the festival.

DPI lost significant set up time due to the extreme weather and suffered from a range of material cost overruns. Inexpensive timber available from our primary supplier in Ganmain was insufficient for construction needs, leading to the need to buy cypress at a considerably higher costs; the sliver lining of this overrun is that the new gate is 'bomb proof'. DPI made a range of unplanned, but nonetheless much-needed gear purchases, which will be used for years to come. This includes sets of ratchet straps (~\$200), a proper set of storage containers (~\$200), extension leads (~\$600) and rolls of barrier mesh.

Overall expenditure for the site vehicle was significantly more than anticipated due to unexpected servicing as a result of a mechanical failure that required the replacement of both the bonnet and windscreen of the hired site vehicle (\$1289). Fuel was \$997.75 over budget because many more trips to Wagga Wagga were required than expected of transportation problems beyond DPI control, such as cancelled wood delivery and late container delivery. In spite of the extended hire period to allow for the repairs, the overall hire cost was under budget by \$450. Transportation is an area of improvement for Seed 2014, and this budget is expected to increase in pursuit of better solutions.

Finally, \$2813 was spent on plants and associated costs for site rehabilitation in the area as part of Burning Seed's leave no trace commitment. While this was not included in the initial budget, this expenditure aligns with our values and represents a great effort by some committed Burners.

As the biggest cost centre with the largest number of variables, it is unsurprising that is also the area with the most challenges. DPI is to be commended on its efforts and improvements over 2012, but budget control is still a bit looser than is ideal. Intended changes for 2014, including appointment of a separate stockade manager and build coordinator should improve this.

Major installations

Effigy came in slightly under its revised budget at \$11,691. Effigy team lead managed its own expenditure out of a dedicated account, which seems to have worked effectively for both effigy and finance teams.

Temple spent \$1276 of an initial budget of \$1500. Given the significance of this structure to the community, Finance advocates significantly increasing this budget in 2014 now that we have the surplus to fund that.

Centre Camp was a raging success in 2013 after a disappointing 2012, when it was generally felt that the money would have been better spent elsewhere. The cost of \$2761 exceeded the initial budget of \$2000, which was renegotiated between finance and the Centre Camp teams in response to the emergence of an opportunity to have a stretch tent installed.

Grants

This year, Burning Seed gave away a total of \$13,817 in grants to art and theme camps of a budgeted \$20,500 (initially \$18,000). The gap between budget and actual is a combination of a few art projects falling through at the last minute, as well as additional budget becoming available for art later than it could realistically be granted and fully utilized.

Services

Medical, security, waste removal and crew kitchen all increased significantly over 2012 as a result of scaling with population.

Insurance jumped significantly in cost, from \$2182 in 2012 to \$4496 in 2013, exceeding its initial \$2700 budget by 66% very late in the planning, causing significant strife for those involved in organising it. This was preventable stress largely due to the very late application. The firm that quoted us the previous year no longer covered festival type

events and the limited time available to secure additional quotes resulted in us having to take the options presented to us. In future years we recommend searching for cover from approximately six months out in order to review the market carefully and secure the best possible price for the event.

Capital Expenditure

Over time, Burning Seed is investing in capital needed to run the festival independently and sustainably. Expenditure priorities have been focused on (1) replacing hired durable items (e.g. marquees, generators) with purchased gear, and (2) replacing loaned essential gear (e.g. tools, fire trailer) with purchased gear to mitigate risk of not having it when needed. These purchases are prioritised by need, and purchase price less expenditure avoided. Candidate expenditures were then subject an extended process of discussion and whittling down by Burning Seed team leads and REC directors.

This year, because of the late surge in ticket sales, we chose to spend \$36,230 on capital prior to the end of the financial year, which served the dual purpose managing the festival’s operational and financial sustainability as it grows while reducing our overall tax burden. New gear is listed below.

New generators x2	\$9952
distribution boards	\$1551
Shipping containers x2	\$5940
Fire fighting trailer	\$2952
Solar array for DPI stockade	\$893
Army tents x2 for medical, rangers HQ and site office	\$6000
Components for DPI solar rig	\$809
Tools	\$8133
TOTAL CAPITAL EXPENDITURE	\$36230

Other

The post-Seed organiser’s summit was significantly underbudgeted at \$2000 to transport 7 people from Melbourne and several others from regional NSW, and then lodge and feed the entire crew for 2 days. Event costs were minimized by acquiring free use of the Hub’s meeting space and budget accommodation. Even so, this is high value expenditure for the event organizers, as it is the only time outside of the festival for face-to-face event review and planning.

Some year-end expenses, such as taxes (budgeted at \$6000) and accounting fees (budgeted at \$840), have yet to be paid. REC has crossed the GST threshold, and will have to retain funds against an unknown 2013 obligation.

Major Lessons for 2014

This was a breakthrough year for Burning Seed, which will have a real impact on how we do things. While financial prudence and transparency remains an important value, I believe we should move away from the false economy of some of the practices of an organisation that barely scrapes by.

First, Burning Seed is an all-volunteer organisation and--while it's cliché to say it--people are our most important resource. In 2014 we propose to spend more on schweg and utilise people to do amazing, creative, fun things in our community rather than using them up on tedious unpleasant work (e.g. cleaning and servicing portable toilets) that can easily be outsourced to professionals. Paid security has been a big improvement to the experience of our volunteers and participants. I'd like to see us paying for toilet servicing, a cook (if a volunteer does not emerge from the community) for the crew kitchen, paid medical services, and additional site vehicles.

Secondly, we've transitioned from a cash-poor organisation to one that has a bit of wealth to manage, and we need to adjust our thinking accordingly. Our money is earning far too little in interest, and this needs to be addressed. Additionally, surplus from 2013 can be used to fund 2014 large art grants, which can be paid out earlier than they were in 2014.

We changed bank in August. While the new bank is fine, this was an arduous and drawn out process exactly at the time that we needed things to be working smoothly. It is recommended that future system changes of this nature happen between January and June. Having separate card accounts for DPI, Effigy and Kitchen was a huge improvement for those teams and for finance. However at \$5/month for each card account that is only used about 3 months out of the year, I believe that we're spending more than we need in bank fees, and should consider lower cost possibilities. Additionally, the current setup of needing every transaction from the expense account co-authorized by a town councillor has created occasional crises, such as being unable to make a very time-sensitive insurance payment. I hope to never repeat that particular situation, and this is an area for potential improvement.

Because of the late surge in ticket sales, we currently have a significant amount of money in the bank. It's a nice problem to have, but it's still a problem. Barring calamity, this will be a bigger issue next year. Big community discussions need to take place around collective priorities for Burning Seed and Burning Man Australia

Budget vs Actuals year ending 30 June 2014

Inflows	actual	Budget	Diff
Ice income (net)	106.00	0	106.00
Interest Earned	.00	0	0.00
Ticket sales	172,688.72	114,905.00	57,783.72
Total Inflows	172,794.72	114,905.00	57,889.72
Outflows			
Bank Charge	127.50	350	(222.50)
Capital Expenditure:			
• Structures	11,940.00	3,000.00	8,940.00
• Tools	23,901.04	2,500.00	21,401.04
• Other	362.5	1,000.00	(637.50)
<i>Total Capital Expenditure</i>	<i>36,203.54</i>	<i>6,500.00</i>	<i>29,703.54</i>
Communications	2,737.27	3,000.00	(262.73)
Crew Kitchen:			
• Consumables	3,834.51	2,500.00	1,334.51
• Equipment	1,340.66	1,500.00	(159.34)
<i>Total Crew Kitchen</i>	<i>5,175.17</i>	<i>4,000.00</i>	<i>1,175.17</i>
Donations	1,700.00	1,265.00	435.00
DPI:			
• Equipment	3,144.42	2,019.00	1,125.42
• LNT	2,812.68	0	2,812.68
• Materials	1,700.35	4,500.00	(2,799.65)
<i>Total DPI</i>	<i>7,657.45</i>	<i>6,519.00</i>	<i>1,138.45</i>
Fees	388.00	0	388.00

Grants:			
• Art	7,267.89	11,000.00	(3,732.11)
• Fire art	3,000.00	3,500.00	(500.00)
• Theme camps	3,550.00	6,000.00	(2,450.00)
<i>Total Grants</i>	<i>13,817.89</i>	<i>20,500.00</i>	<i>-6,682.11</i>
Infrastructure:			
• Container Transport	1,387.30	1,200.00	187.30
• Gate	541.92	1,000.00	(458.08)
• Radio Communication	2,264.30	1,551.00	713.30
• Site works	765.5	3,402.00	(2,636.50)
• Toilets	10,894.41	6,500.00	4,394.41
• Venue costs	8,332.08	5,033.00	3,299.08
<i>Total Infrastructure</i>	<i>24,185.51</i>	<i>18,686.00</i>	<i>5,499.51</i>
Installations:			
• Centre Camp	2,761.28	2,500.00	261.28
• Effigy	11,691.35	12,000.00	(308.65)
• Temple	1,276.08	1,800.00	(523.92)
<i>Total Installations</i>	<i>15,728.71</i>	<i>16,300.00</i>	<i>-571.29</i>
Insurance	4,886.69	4950	(63.31)
REC:			
• Bank charge	40.00	0	40.00
• Summit	2,092.02	0	2,092.02
• Travel	4,392.84	0	4,392.84
• REC - Other	-332.86	0	(332.86)
<i>Total REC</i>	<i>6,192.00</i>	<i>.00</i>	<i>6,192.00</i>

Services:			
• Accounting	.00	840	(840.00)
• Medical	3,126.64	2,500.00	626.64
• security	4,950.00	6,000.00	(1,050.00)
• Waste	777.15	0	777.15
• Services - Other	1,319.25	556	763.25
<i>Total Services</i>	<i>10,173.04</i>	<i>9,896.00</i>	<i>277.04</i>
Summit	4,562.04	2,000.00	2,562.04
Team Expenses:			
• Artery	270	0	270.00
• Centre Camp	0	0	0.00
• Communications	0	0	0.00
• Gate	416.77	700	(283.23)
• Rangers	185.38	200	(14.62)
• Schwag	56.87	600	(543.13)
<i>Total Team Expenses</i>	<i>929.02</i>	<i>1,500.00</i>	<i>-570.98</i>
Travel	298	600	(302.00)
Taxes	0.00	6,000.00	(6,000.00)
Vehicles:			
• Fuel	2,347.75	1,350.00	997.75
• Hire	1,150.00	1,600.00	(450.00)
• Service	1,289.00	0	1,289.00
<i>Total Vehicles</i>	<i>4,786.75</i>	<i>2,950.00</i>	<i>1,836.75</i>
Total Outflows	139,548.58	105,016.00	40,532.58
Net Inflows/Outflows	33,246.14	9,889.00	17,357.14

Balance as at 6/30/2014

Accounts	
DPI expenses	22,896.48
Effigy Expenses	7,356.01
Expense	3,167.04
Income	10,631.18
Kitchen	3,162.62
Petty Cash	0
St George	16,567.52
Total Assets	63,780.85
Liabilities	0
Equity	63,780.85
Total Liabilities & Equity	63,780.85