

April 20, 2017

**TO:** Board of Directors  
**FROM:** Heller An Shapiro  
**RE:** FY17 Q2+ Budget

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As of 3/31/17 at the end of the first seven months of the fiscal year, ArtStream's revenue is at 60% (\$387,364) of budget. Total expenses are also at 60% (\$388,262) of budget. Net income is slightly below expenses at -\$898.

ArtStream revenue is typically highest in the fall and the spring. During Q1 revenue is high because we receive tuition from fall classes and Inclusive Theatre Companies (ITCs), and the Gala. During Q2 revenue drops as we are paying for ITC staffing, space (rehearsal rooms and theatres) and program printing. Revenue goes up again in Q3 with spring classes, theatre ticket sales and the spring direct mail appeal. (See cash flow chart on page 5 of the budget.)

#### **Income**

Registration (tuition classes): The new sold-out class at ServiceSource in Oakton and full classes this fall, boosted revenue to 88.35% (\$36,840) of budget. If the spring/summer classes fill up, revenue will be over budget and over FY16 actual. (As of 4/5/17 spring/summer classes are at 34% capacity.)

Private Lessons: These were budgeted for a full year. We decided to turn them over to the instructor as of January 1, 2017. Revenue is frozen at 40% (\$6,250) of budget.

Contracted Services Income: We were not able to substantially replace contracts from ABTB and Forbush PG. Friendship Circle provided a new small contract in the fall and Oakmont Upper School started a new contract for the spring semester. In FY18 we will start two new contracts with Target.

As of 3/31/17, net fees for all classes (tuition, contract and private lessons) is \$39,699. This is just under 50% of the FY17 budgeted amount of \$80,040. If the spring and summer classes fill, net tuition rises to \$54,263. This is 68% of the FY17 budgeted amount of \$80,040. The reduction in budgeted revenue is offset by a reduction in payments to teachers on the expense side.

ITC Tuition: All six ITCs are in rehearsal so 103% (\$61,751) of the tuition for the year is in (and expenses are going out). Revenue will be just slightly over FY16 actual.

Grants: Porto (\$5,000), Jockey Hollow (\$3,000) and Jacquemin Family Foundation (\$1,000) were received this quarter.

Special Events: The Hexagon event that ArtStream conducted increased event revenue to 108% (\$86,290) of budget. This is 26% (\$22,639) over FY16 actual.

Individuals: Individual donors are at 70% (\$16,678) of budget. However, when the \$29,000 from Hexagon is received, individual donor revenue is projected at \$55,000 (229% of budget). Individual donors in FY16 totaled \$16,294.

Corporate/Matching: is projected to be 7% (\$3,000) higher than budget because of the Whole Foods 5% Day revenue.

Direct Appeals: The winter appeal brought in \$30,741, which is 41% of budget for this appeal (\$62,700). We are working to make up this revenue with the spring appeal and online peer-to-peer fundraising appeals.

### **Expense**

Total Contracted Services: Expenses are at 57% (\$45,411) of budget (not including Allies in the Arts/You are a Work of Art).

Scholarships Awarded: Scholarships are funded through grants from the Lorraine Dreyfuss Foundation (\$1,500) and Trawick Foundation (\$4,550), totaling \$6,050. Currently \$6,470 has been awarded. Scholarship needs over \$6,050 are funded through general operating expenses.

Accounting Services; Professional Consultants: This line is at 173% (\$12,100) of budget to cover grantwriting and the Program Manager contracted substitute. Payroll balances this at 52% of budget (\$19,300 under). This position will be filled full time as of April 10, 2017.

Social Media/Advertising/e-mail service: Includes an unbudgeted, one-time purchase of reusable name badges for staff, board and teaching artists for \$416.14.

Design Services/Software: The final payment for the website redesign occurred in FY17 instead of FY16.

Special Events: The Hexagon event cost \$1,152. We received \$1,000 in donations for the event (net -\$152), plus \$29,000 in individual gifts. Gala photographer fee of \$1,000 is split between the Special Events and ITC line items, to photograph 4 out of 6 ITCs in performance. DJ fee increased \$200 over FY16.

**ARTSTREAM, INC.**  
**FYE 2017**  
**YTD ACTUALS VERSUS YE PROJECTIONS**

prepped 4.3.17 by DWC  
 Note: March Expenses are incomplete

	Notes	YTD Actual as of 1.31.17	YTD Actual as of 2.28.17 (Q2)	March '17 Preliminary	YTD at 3/31 Preliminary	FYE '17 Projected	FYE BUDGET '17	YTD FYE '17 % to Budget	Projected FYE '17 Variance	Prior Yr Actual FYE '16
Ordinary Income/Expense										
<b>Income</b>										
Registration (tuition classes)	Dec - Jan includes FULL new class in Oakton	\$ 29,310	\$ 29,820	\$ 7,020	\$ 36,840	\$ 48,030	\$ 41,700	88.35%	\$ 6,330	\$ 47,716
Private Lessons	discontinued as of 1/17	\$ 6,250	\$ 6,250	\$ -	\$ 6,250	\$ 6,250	\$ 15,600	40.06%	\$ (9,350)	\$ 14,851
Contracted Services Income	didn't return: ABTB, Forbush PG	\$ 30,404	\$ 35,582	\$ 6,438	\$ 42,020	\$ 65,600	\$ 102,250	41.10%	\$ (36,650)	\$ 115,343
ITC Income										
ITC Tuition		\$ 59,151	\$ 61,751	\$ -	\$ 61,751	\$ 61,751	\$ 59,800	103.26%	\$ 1,951	\$ 60,680
ITC Ticket Sales	pursuing group sales net add'l \$1000 minimum	\$ -	\$ -	\$ 2,150	\$ 2,150	\$ 21,800	\$ 20,800	10.34%	\$ 1,000	\$ 21,470
ITC Ads		\$ 35	\$ 70	\$ 2,835	\$ 2,905	\$ 4,500	\$ 4,300	67.56%	\$ 200	\$ 3,420
ITC Merchandise	T-shirts; bumper stickers; tote bags	\$ -	\$ -	\$ -	\$ -	\$ 2,250	\$ 1,345	0.00%	\$ 905	\$ 1,530
ITC Concessions (Donations)		\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ 1,300	0.00%	\$ 200	\$ 1,300
<b>Total ITC Income</b>		\$ 59,186	\$ 61,821	\$ 4,985	\$ 66,806	\$ 91,801	\$ 87,545	76.31%	\$ 4,256	\$ 88,400
Special Events	Gala + Hexagon tkt sales and donations (March)	\$ 83,915	\$ 83,915	\$ 2,375	\$ 86,290	\$ 91,290	\$ 79,850	108.07%	\$ 11,440	\$ 63,651
Allies in The Arts / Nurses YAWA	received Prince \$15k; Reeve \$7.5k	\$ 15,000	\$ 22,500	\$ -	\$ 22,500	\$ 22,500	\$ 10,000	225.00%	\$ 12,500	\$ 30,000
Foundation Grants	Dimick and Porto Charities	\$ 18,050	\$ 26,050	\$ 3,000	\$ 29,050	\$ 34,000	\$ 85,000	34.18%	\$ (51,000)	\$ 54,275
Government Grants	NEA announced award of \$10K; AHCMC	\$ 28,500	\$ 38,000	\$ -	\$ 38,000	\$ 63,500	\$ 81,250	46.77%	\$ (17,750)	\$ 81,888
Individuals	projection includes \$29K proceeds from Hexagon	\$ 15,312	\$ 15,743	\$ 935	\$ 16,678	\$ 55,000	\$ 24,000	69.49%	\$ 31,000	\$ 16,294
Corporate / Matching	pending: IBM; MicroSoft; Whole Foods	\$ 1,046	\$ 1,219	\$ 100	\$ 1,319	\$ 23,000	\$ 20,000	6.60%	\$ 3,000	\$ 10,242
Service Organizations	Civitan?	\$ -	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500	0.00%	\$ -	\$ 2,000
Direct Appeals	annual appeal; initial newsletter (March)	\$ 26,620	\$ 27,397	\$ 525	\$ 27,922	\$ 37,500	\$ 93,200	29.96%	\$ (55,700)	\$ 58,404
In Kind Donations	Gala wines and baskets; audit	\$ 12,496	\$ 12,496	\$ 300	\$ 12,796	\$ 12,796	\$ 1,000	1279.60%	\$ 11,796	\$ 3,798
Credit Card Convenience Fees		\$ 431	\$ 435	\$ 158	\$ 593	\$ 900	\$ -		\$ 900	\$ 643
Interest Income		\$ 237	\$ 273	\$ 27	\$ 300	\$ 900	\$ 1,680	17.86%	\$ (780)	\$ 664
Investment Income - Other		\$ -	\$ -	\$ -	\$ -				\$ -	\$ -
<b>TOTAL INCOME</b>		\$ 326,757	\$ 361,501	\$ 25,863	\$ 387,364	\$ 555,567	\$ 644,575	60.10%	\$ (89,008)	\$ 588,169

**ARTSTREAM, INC.**  
**FYE 2017**  
**YTD ACTUALS VERSUS YE PROJECTIONS**

prepped 4.3.17 by DWC  
 Note: March Expenses are incomplete

	Notes	YTD Actual as of 1.31.17	YTD Actual as of 2.28.17 (Q2)	March '17 Preliminary	YTD at 3/31 Preliminary	FYE '17 Projected	FYE BUDGET '17	YTD FYE '17 % to Budget	Projected FYE '17 Variance	Prior Yr Actual FYE '16
Expense										
Contract Service Expenses										
Professional Services										
Teaching Artists (contracted svcs w/partner orgs)		\$ 21,046	\$ 25,766	\$ 4,678	\$ 30,444	\$ 45,319	\$ 59,668	51.02%	\$ (14,349)	\$ 79,442
Classes (Tuition Classes + private lessons)	includes teacher training	\$ 13,008	\$ 14,194	\$ 773	\$ 14,967	\$ 20,298	\$ 19,842	75.43%	\$ 456	\$ 31,051
Allies in The Arts / Nurses YAWA	Projected: using all of Yr 3 Prince Funds	\$ 9,766	\$ 13,024	\$ 900	\$ 13,924	\$ 27,488	\$ 29,860	46.63%	\$ (2,372)	\$ 28,321
Art and Drama Supplies										
Allies in The Arts / Nurses YAWA	all remaining YAWA Yr 3 funds in Prof Svcs	\$ 1,088	\$ 1,231	\$ 19	\$ 1,250	\$ 1,088	\$ 2,000	62.50%	\$ (912)	\$ 10,630
Classes		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Background Checks and CPR		\$ 895	\$ 895	\$ 22	\$ 917	\$ 970	\$ 2,350	39.02%	\$ (1,380)	\$ 1,475
Accounting Services; Professional Consultants	(March) grant writer and interim program mgr	\$ 6,120	\$ 6,120	\$ 5,980	\$ 12,100	\$ 12,700	\$ 7,000	172.86%	\$ 5,700	\$ 6,525
Web Management / Support		\$ 171	\$ 422	\$ -	\$ 422	\$ 500	\$ 2,300	18.35%	\$ (1,800)	\$ 341
IT Consulting / Support		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
<b>Total Contracted Services Expense</b>		<b>\$ 52,094</b>	<b>\$ 61,652</b>	<b>\$ 12,372</b>	<b>\$ 74,024</b>	<b>\$ 15,258</b>	<b>\$ 123,020</b>	<b>60.17%</b>	<b>\$ (107,762)</b>	<b>\$ 157,785</b>
Scholarships Awarded		\$ 5,785	\$ 6,470	\$ -	\$ 6,470	\$ 7,500	\$ 7,100	91.13%	\$ 400	\$ 8,195
ITC Expenses (not facilities / equipment)										
Professional Services	includes photographer, trainings, attorney	\$ 18,388	\$ 27,578	\$ 5,920	\$ 33,498	\$ 55,550	\$ 58,400	57.36%	\$ (2,850)	\$ 58,962
Printing		\$ 605	\$ 819	\$ 242	\$ 1,061	\$ 2,712	\$ 3,223	32.92%	\$ (511)	\$ 3,558
Lighting, recording, set, sound		\$ -	\$ 86	\$ -	\$ 86	\$ 1,150	\$ 1,150	7.48%	\$ -	\$ 2,230
Sign Interpreters		\$ -	\$ -	\$ -	\$ -	\$ 1,125	\$ 1,125		\$ -	\$ 365
Travel (mileage) + concessions exp + sales tax		\$ 223	\$ 352	\$ -	\$ 352	\$ 2,295	\$ 2,323		\$ (28)	\$ 1,518
Salaries and related employee expenses										
Payroll (1-3% merit incr on anniversary date)		\$ 101,037	\$ 121,489	\$ 27,548	\$ 149,037	\$ 264,465	\$ 283,765	52.52%	\$ (19,300)	\$ 221,316
Employee benefits, PR taxes, PR processing fees		\$ 8,994	\$ 11,061	\$ 2,475	\$ 13,536	\$ 24,360	\$ 31,545	42.91%	\$ (7,185)	\$ 20,716
Professional Development		\$ 283	\$ 471	\$ -	\$ 471	\$ 675	\$ 1,000	47.10%	\$ (325)	\$ 1,465
Facilities and Equipment Expenses										
Rent / Office Maintenance		\$ 12,505	\$ 14,890	\$ 2,385	\$ 17,275	\$ 28,900	\$ 29,140	59.28%	\$ (240)	\$ 25,646
Contracts / leasing / purchases		\$ 934	\$ 1,116	\$ 114	\$ 1,230	\$ 1,740	\$ 3,140	39.17%	\$ (1,400)	\$ 1,906

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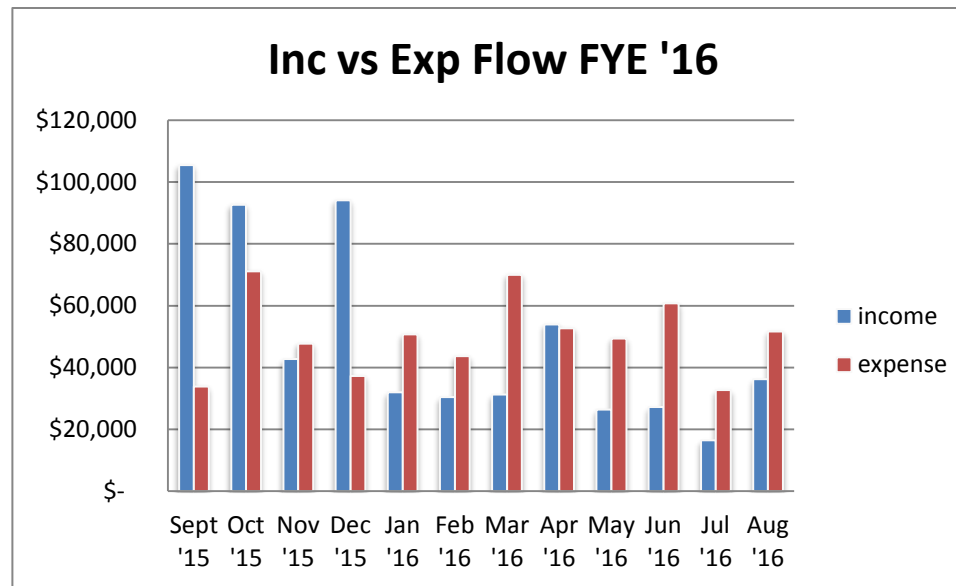
	Notes	YTD Actual as of 1.31.17	YTD Actual as of 2.28.17 (Q2)	March '17 Preliminary	YTD at 3/31 Preliminary	FYE '17 Projected	FYE BUDGET '17	YTD FYE '17 % to Budget	Projected FYE '17 Variance	Prior Yr Actual FYE '16
Classroom rentals		\$ 1,751	\$ 1,927	\$ 132	\$ 2,059	\$ 3,666	\$ 3,412	60.35%	\$ 254	\$ 4,112
ITC Performance, rehearsal / storage rentals	JCC invoiced for yr , 1/2 paid	\$ 15,505	\$ 16,582	\$ 865	\$ 17,447	\$ 26,099	\$ 26,099	66.85%	\$ -	\$ 23,243
ITC Costumes, props, truck rental		\$ 184	\$ 434	\$ 1,086	\$ 1,520	\$ 5,470	\$ 5,470	27.79%	\$ -	\$ 5,555
<b>Total Facilities and Equipment Expense</b>		\$ 30,879	\$ 34,949	\$ 4,582	\$ 39,531	\$ 65,875	\$ 67,261	58.77%	\$ (1,386)	\$ 60,462
<b>Office Expenses</b>										
Supplies		\$ 1,376	\$ 1,393	\$ 72	\$ 1,465	\$ 3,050	\$ 4,310	33.99%	\$ (1,260)	\$ 4,246
Telephone		\$ 388	\$ 485	\$ 97	\$ 582	\$ 700	\$ 1,680	34.64%	\$ (980)	\$ 1,305
Postage and Shipping		\$ 750	\$ 761	\$ 70	\$ 831	\$ 1,780	\$ 1,750	47.49%	\$ 30	\$ 1,554
Printing and Copying	Impact report	\$ 140	\$ 734	\$ 775	\$ 1,509	\$ 450	\$ 1,570	96.11%	\$ (1,120)	\$ 4,875
Licenses and Permits		\$ 1,242	\$ 1,533	\$ 10	\$ 1,543	\$ 2,200	\$ 3,170	48.68%	\$ (970)	\$ 2,780
Conference(s)		\$ 120	\$ 363	\$ -	\$ 363	\$ 450	\$ 1,600	22.69%	\$ (1,150)	
<b>Total Office Expenses</b>		\$ 4,016	\$ 5,269	\$ 1,024	\$ 6,293	\$ 8,630	\$ 14,080	44.69%	\$ (5,450)	\$ 14,760
<b>Travel and Meeting Expenses</b>										
Staff travel (non-program)	car rental to Volunteer Fair in VA	\$ 75	\$ 223	\$ 66	\$ 289	\$ 180	\$ 993	29.10%	\$ (813)	\$ 78
Meetings: Board, Committee, Strategic Plan		\$ 685	\$ 697	\$ (21)	\$ 676	\$ 750	\$ 360	187.78%	\$ 390	\$ 116
Contracted Services Travel		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 253	0.00%	\$ (253)	\$ 2,507
to classes/programs other than ITCs		\$ 195	\$ 272	\$ 9	\$ 281	\$ 1,200	\$ 1,397	20.11%	\$ (197)	\$ 776
<b>Total Travel and Mtg Expense (except ITCs)</b>		\$ 955	\$ 1,192	\$ 54	\$ 1,246	\$ 2,130	\$ 3,003	41.49%	\$ (873)	\$ 3,477
<b>Marketing Expenses</b>										
Merchandise	T-SHIRTS; TOTE BAGS; MAGNETS	\$ -	\$ -	\$ 1,906	\$ 1,906	\$ 600	\$ 568	335.56%	\$ 32	\$ 658
Printing		\$ 1,588	\$ 1,588	\$ -	\$ 1,588	\$ 2,710	\$ 4,281	37.09%	\$ (1,571)	\$ 750
Volunteer Recognition		\$ 198	\$ 210	\$ (12)	\$ 198	\$ 390	\$ 390	50.77%	\$ -	\$ 478
Social Media / Advertising /e-mail svc	name badges;	\$ 1,623	\$ 1,629	\$ 14	\$ 1,643	\$ 1,571	\$ 671	244.86%	\$ 900	\$ 213
Design Services / Software	web site	\$ 4,185	\$ 4,225	\$ -	\$ 4,225	\$ 4,185	\$ 2,090	202.15%	\$ 2,095	\$ 7,454
<b>Total Marketing Expenses</b>		\$ 7,594	\$ 7,652	\$ 1,908	\$ 9,560	\$ 9,456	\$ 8,000	119.50%	\$ 1,456	\$ 9,553
<b>Fundraising Costs</b>										
Special Events	March: Hexagon reception	\$ 14,407	\$ 14,407	\$ 1,152	\$ 15,559	\$ 14,798	\$ 13,560	114.74%	\$ 1,238	\$ 16,818
Direct Mail		\$ 1,477	\$ 1,477	\$ -	\$ 1,477	\$ 2,024	\$ 2,180	67.75%	\$ (156)	\$ 1,484
<b>Total Fundraising Expenses</b>		\$ 15,884	\$ 15,884	\$ 1,152	\$ 17,036	\$ 16,822	\$ 15,740	108.23%	\$ 1,082	\$ 18,302

**ARTSTREAM, INC.**  
**FYE 2017**  
**YTD ACTUALS VERSUS YE PROJECTIONS**

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	Notes	YTD Actual as of 1.31.17	YTD Actual as of 2.28.17 (Q2)	March '17 Preliminary	YTD at 3/31 Preliminary	FYE '17 Projected	FYE BUDGET '17	YTD FYE '17 % to Budget	Projected FYE '17 Variance	Prior Yr Actual FYE '16
Other Expenses										
Interest / Fines / Penalties	penalties/interest from 2013 late filing	\$ 1,350	\$ 1,350	\$ -	\$ 1,350	\$ 1,350	\$ -		\$ 1,350	\$ 1,350
Insurance	incl unemployt claim for ME \$9890;	\$ 16,162	\$ 19,078	\$ -	\$ 19,078	\$ 19,010	\$ 19,010	100.36%	\$ -	\$ 9,957
Bank Service Charges	includes cc processing fees	\$ 919	\$ 945	\$ 107	\$ 1,052	\$ 2,250	\$ 3,120	33.72%	\$ (870)	\$ 2,898
In Kind Expense	baskets, wines for Gala; auditor	\$ 12,496	\$ 12,496	\$ 300	\$ 12,796	\$ 12,496	\$ -		\$ 12,496	\$ -
Dues and Subscriptions; adv	MANO;MD Citizens for The Arts	\$ 1,183	\$ 2,008	\$ -	\$ 2,008	\$ 2,710	\$ 2,710	74.10%	\$ -	\$ 1,608
<b>Total Other Expenses</b>		\$ 32,110	\$ 35,877	\$ 407	\$ 36,284	\$ 37,816	\$ 24,840	146%	\$ 12,976	\$ 15,813
Depreciation Expense			\$ -		\$ -					\$ 2,339
<b>Total Expenses</b>		\$ 278,624	\$ 330,578	\$ 57,684	\$ 388,262	\$ 515,819	\$ 644,575	60.24%	\$ (128,756)	\$ 600,816
<b>Net Ordinary Income</b>		\$ 48,133	\$ 30,923	\$ (31,821)	\$ (898)	\$ 39,748	\$ -		\$ 39,748	\$ (12,647)
Gain of Loss on Mutual Funds										\$ 15,109
Bad Debt										\$ 150
Net Other Income										\$ 14,959
<b>Net Income</b>		\$ 48,133	\$ 30,923	\$ (31,821)	\$ (898)	\$ 39,748	\$ -		\$ 39,748	\$ 2,312

ArtStream, Inc. Cash Flow  
FYE '16



**ArtStream, Inc.**  
**Balance Sheet**  
As of March 31, 2017

	Mar 31, 17
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
Capital Bank - 3911	7,108
Capital Bank - 4518 MMF	53,788
Capital Bank 15-mo CD	40,000
Morgan Stanley	72
PayPal Account	317
<b>Total Checking/Savings</b>	<b>101,285</b>
Accounts Receivable	
Accounts Receivable	15,111
<b>Total Accounts Receivable</b>	<b>15,111</b>
<b>Other Current Assets</b>	
Morgan Stanley - Mutual Funds	166,683
Prepaid Expenses	2,873
Undeposited Funds	1,013
<b>Total Other Current Assets</b>	<b>170,569</b>
<b>Total Current Assets</b>	<b>286,964</b>
<b>Fixed Assets</b>	
Accum. Depreciation - Computer	-8,125
Accum. Depreciation Furniture	-3,272
Computer Equip.	9,009
Furniture and Equipment	10,343
<b>Total Fixed Assets</b>	<b>7,954</b>
<b>Other Assets</b>	
Deposits Payable	2,257
Security Deposits	1,005
<b>Total Other Assets</b>	<b>3,262</b>
<b>TOTAL ASSETS</b>	<b>298,180</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
Accounts Payable	11,545
<b>Total Accounts Payable</b>	<b>11,545</b>
Credit Cards	
Capital Bank MasterCard	7,674
<b>Total Credit Cards</b>	<b>7,674</b>
Other Current Liabilities	
Deferred Income	1,170
<b>Total Other Current Liabilities</b>	<b>1,170</b>
<b>Total Current Liabilities</b>	<b>20,390</b>
<b>Total Liabilities</b>	<b>20,390</b>



04/05/17

**ArtStream, Inc.**  
**Balance Sheet**  
As of March 31, 2017

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	<u>Mar 31, 17</u>
Equity	
Retained Earnings	278,766
Net Income	-975
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Total Equity	277,791
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<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>298,180</b>
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