

June 15, 2017

TO: Board of Directors
FROM: Heller An Shapiro
RE: FY17 Q3 Budget

As of 5/31/17 at the end of the first three quarters of the fiscal year, ArtStream's revenue is at 75% (\$483,561) of budget. Total expenses are at 76% (\$489,915) of budget. Net income is below expenses at -\$6,354.

The majority of Inclusive Theatre Company (ITC) expenses are paid, (remaining ITC expenses total approximately \$10,000), with the remaining Silver Spring performances, June 22-25, expected to bring in an additional \$4,682 in revenue. The spring direct mail appeal is now a summer appeal, and will go out next week. This appeal was delayed in order to set up peer-to-peer fundraising, which we anticipate will provide new, ongoing income. (See cash flow chart on the last page of this packet.) We project that FY17 will end with net income of approximately \$25,000.

Income

Registration (tuition classes): New classes, including adding capacity to one class, boosted revenue to 112% (\$7,300) over budget.

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 Community Services for a minimum of \$18,000/year.

All classes: As of 5/31/17, net fees for all classes (tuition, contract and private lessons) is \$107,854 (68%) of the FY17 budgeted amount of \$159,550. If the remaining summer classes fill, net tuition rises to \$120,360, or 75% of the FY17 budgeted amount of \$159,550. The reduction in budgeted revenue is offset by a reduction in payments to teachers on the expense side.

ITC Tuition: Total revenue is 103% (\$61,751), over budget. Revenue is just slightly over FY16 actual.

Special Events: The Hexagon show and event contributed \$31,000 and increased event revenue to 146% (\$116,891) of budget. This was a one-time event.

Individuals: Individual donors are at 105% (\$25,240) of budget. Individual donors in FY16 totaled \$16,294.

Corporate/Matching: is projected to be at budget because of the Whole Foods 5% Day revenue and because a corporate gift of \$15,000 was received in June, with \$10,000 going to general operating expenses and \$5,000 going to a Gala sponsorship.

Direct Appeals: The winter appeal brought in \$31,741, which is 51% of budget for this appeal (\$62,700). Envelopes enclosed with 1/3 of the spring newsletters brought in close to \$1,000. We are working to make up this revenue with newsletter envelopes (in all the newsletters), the summer appeal, and online peer-to-peer fundraising appeals.

Expense

Total Contracted Services: Expenses are at 79% (\$97,678) of budget. Allies in the Arts/You are a Work of Art spent \$24,738 of their grant funds. A Nurse's Week event was well-attended.

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 243% (\$17,008) of budget to cover the grantwriting consultant and the Program Manager substitute. Payroll currently balances this at 67% of budget (\$19,300 under). We currently project the FY17 balance of payroll plus consultants will be \$2,450 over budget.

Merchandise: We increased merchandise expenditures \$1,338 over budget to purchase totebags and "ArtStream for Life" books, both of which are now being sold.

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.
Actuals vs Projections FY 16-17

	Notes	to May 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							
Income							
Registration (tuition classes)		\$ 46,739	\$ 49,000	\$ 41,700	112.08%	\$ 7,300	\$ 47,716
Private Lessons	discontinued 1/17	\$ 6,250	\$ 6,250	\$ 15,600	40.06%	\$ (9,350)	\$ 14,851
Contracted Services Income	didn't return in '16-17: ABTB grant, Forbush PG	\$ 54,865	\$ 65,110	\$ 102,250	53.66%	\$ (37,140)	\$ 115,343
ITC Income							
ITC Tuition	only one wkend for SS in '17	\$ 61,750	\$ 61,750	\$ 59,800	103.26%	\$ 1,950	\$ 60,680
ITC Ticket Sales		\$ 17,435	\$ 21,000	\$ 20,800	83.82%	\$ 200	\$ 21,470
ITC Ads		\$ 3,890	\$ 4,100	\$ 4,300	90.47%	\$ (200)	\$ 3,420
ITC Merchandise	T-shirts; bumper stickers; tote bags	\$ 1,390	\$ 2,000	\$ 1,345	103.35%	\$ 655	\$ 1,530
ITC Concessions (Donations)		\$ 1,257	\$ 1,500	\$ 1,300	96.69%	\$ 200	\$ 1,300
Total ITC Income		\$ 85,722	\$ 90,350	\$ 87,545	97.92%	\$ 2,805	\$ 88,400
Special Events	Gala + Hexagon tkt sales and donations (March)	\$ 116,891	\$ 116,891	\$ 79,850	146.39%	\$ 37,041	\$ 63,651
Allies in The Arts / Nurses YAWA	received Prince \$15k; Reeve \$7.5k	\$ 22,500	\$ 22,500	\$ 10,000	225.00%	\$ 12,500	\$ 30,000
Foundation Grants	Dimick and Porto Charities	\$ 29,400	\$ 34,000	\$ 85,000	34.59%	\$ (51,000)	\$ 54,275
Government Grants	NEA announced award of \$10K; AHCMC	\$ 39,350	\$ 54,000	\$ 81,250	48.43%	\$ (27,250)	\$ 81,888
Individuals		\$ 25,240	\$ 35,240	\$ 24,000	105.17%	\$ 11,240	\$ 16,294
Corporate / Matching	pending: IBM; MicroSoft; Whole Foods	\$ 10,223	\$ 20,000	\$ 20,000	51.12%	\$ -	\$ 10,242
Service Organizations	Civitan?	\$ -	\$ 2,500	\$ 2,500	0.00%	\$ -	\$ 2,000
Direct Appeals	annual appeal; initial newsletter (March)	\$ 32,837	\$ 37,500	\$ 93,200	35.23%	\$ (55,700)	\$ 58,404
In Kind Donations	audit + Gala wines and gifts baskets	\$ 12,526	\$ 12,496	\$ 1,000	1252.60%	\$ 11,496	\$ 3,798
Credit Card Convenience Fees		\$ 688	\$ 900	\$ -		\$ 900	\$ 643
Interest Income	incl intest from CD	\$ 330	\$ 750	\$ 1,680	19.64%	\$ (930)	\$ 664
Investment Income - Other	gain on Mutual Funds	\$ -	\$ 6,500			\$ 6,500	\$ -
TOTAL INCOME		\$ 483,561	\$ 553,987	\$ 644,575	75.02%	\$ (90,588)	\$ 588,169

ArtStream, Inc.
Actuals vs Projections FY 16-17

	Notes	to May 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)		\$ 38,080	\$ 45,319	\$ 59,668	63.82%	\$ (14,349)	\$ 79,442
Classes (Tuition Classes + private lessons)	includes teacher training	\$ 16,971	\$ 20,298	\$ 19,842	85.53%	\$ 456	\$ 31,051
Allies in The Arts / Nurses YAWA	Projected: using all of Yr 3 Prince Funds	\$ 20,738	\$ 27,488	\$ 29,860	69.45%	\$ (2,372)	\$ 28,321
Art and Drama Supplies							
Allies in The Arts / Nurses YAWA	all remaining YAWA Yr 3 funds in Prof Svcs	\$ 3,543	\$ 1,088	\$ 2,000	177.15%	\$ (912)	\$ 10,630
Classes		\$ -	\$ -	\$ -		\$ -	\$ -
Background Checks and CPR		\$ 938	\$ 970	\$ 2,350	39.91%	\$ (1,380)	\$ 1,475
Accounting Services; Professional Consultants	(March) grant writer and interim program mgr	\$ 17,008	\$ 21,750	\$ 7,000	242.97%	\$ 14,750	\$ 6,525
Web Management / Support		\$ 400	\$ 500	\$ 2,300	17.39%	\$ (1,800)	\$ 341
IT Consulting / Support		\$ -	\$ -	\$ -			\$ -
Total Contracted Services Expense		\$ 97,678	\$ 24,308	\$ 123,020	79.40%	\$ (98,712)	\$ 157,785
Scholarships Awarded		\$ 6,470	\$ 7,500	\$ 7,100	91.13%	\$ 400	\$ 8,195
ITC Expenses (not facilities / equipment)							
Professional Services	includes theatre professionals, photographer and att'y	\$ 47,726	\$ 55,550	\$ 58,400	81.72%	\$ (2,850)	\$ 58,962
Printing		\$ 2,979	\$ 2,712	\$ 3,223	92.43%	\$ (511)	\$ 3,558
Lighting, recording, set, sound		\$ 125	\$ 600	\$ 1,150	10.87%	\$ (550)	\$ 2,230
Sign Interpreters		\$ 408	\$ 1,125	\$ 1,125	36.27%	\$ -	\$ 365
Travel (mileage) + concessions exp + sales tax		\$ 723	\$ 2,295	\$ 2,323	31.12%	\$ (28)	\$ 1,518
Salaries and related employee expenses							
Payroll (1-3% merit incr on anniversary date)		\$ 190,385	\$ 264,465	\$ 283,765	67.09%	\$ (19,300)	\$ 221,316
Employee benefits, PR taxes, PR processing fees		\$ 17,146	\$ 24,360	\$ 31,545	54.35%	\$ (7,185)	\$ 20,716
Professional Development / Conferences		\$ 1,183	\$ 1,183	\$ 1,000	118.30%	\$ 183	\$ 1,465

ArtStream, Inc.
Actuals vs Projections FY 16-17

	Notes	to May 31 Preliminary	FYE '17 Projected	FYE BUDGET '17	YTD FYE '17 % to Budget	Projected FYE '17 Variance	Prior Yr Actual FYE '16
Facilities and Equipment Expenses							
Rent / Office Maintenance		\$ 21,610	\$ 28,900	\$ 29,140	74.16%	\$ (240)	\$ 25,646
Contracts / leasing / purchases		\$ 1,526	\$ 1,740	\$ 3,140	48.60%	\$ (1,400)	\$ 1,906
Classroom rentals		\$ 1,903	\$ 3,666	\$ 3,412	55.77%	\$ 254	\$ 4,112
ITC Performance, rehearsal / storage rentals	JCC invoiced for yr , 1/2 paid	\$ 24,487	\$ 26,099	\$ 26,099	93.82%	\$ -	\$ 23,243
ITC Costumes, props, truck rental		\$ 3,096	\$ 5,470	\$ 5,470	56.60%	\$ -	\$ 5,555
Total Facilities and Equipment Expense		\$ 52,622	\$ 65,875	\$ 67,261	78.24%	\$ (1,386)	\$ 60,462
Office Expenses							
Supplies		\$ 1,478	\$ 2,500	\$ 4,310	34.29%	\$ (1,810)	\$ 4,246
Telephone		\$ 776	\$ 900	\$ 1,680	46.19%	\$ (780)	\$ 1,305
Postage and Shipping		\$ 1,201	\$ 1,780	\$ 1,750	68.63%	\$ 30	\$ 1,554
Printing and Copying	Impact report	\$ 991	\$ 1,100	\$ 1,570	63.12%	\$ (470)	\$ 4,875
Licenses and Permits		\$ 1,682	\$ 2,000	\$ 3,170	53.06%	\$ (1,170)	\$ 2,780
Conference(s)		\$ 363	\$ 450	\$ 1,600	22.69%	\$ (1,150)	
Total Office Expenses		\$ 6,491	\$ 8,730	\$ 14,080	46.10%	\$ (5,350)	\$ 14,760
Travel and Meeting Expenses							
Staff travel (non-program)		\$ 205	\$ 250	\$ 993	20.64%	\$ (743)	\$ 78
Meetings: Board, Committee, Strategic Plan		\$ 676	\$ 750	\$ 360	187.78%	\$ 390	\$ 116
Contracted Services Travel		\$ 225	\$ 225	\$ 253	88.93%	\$ (28)	\$ 2,507
to classes/programs other than ITCs		\$ 313	\$ 500	\$ 1,397	22.41%	\$ (897)	\$ 776
Total Travel and Mtg Expense (except ITCs)		\$ 1,419	\$ 1,725	\$ 3,003	47.25%	\$ (1,278)	\$ 3,477
Marketing Expenses							
Merchandise	t-shirts, totes, books,	\$ 1,906	\$ 1,906	\$ 568	335.56%	\$ 1,338	\$ 658
Printing		\$ 2,097	\$ 2,710	\$ 4,281	48.98%	\$ (1,571)	\$ 750
Volunteer Recognition		\$ 76	\$ 390	\$ 390	19.49%	\$ -	\$ 478
Social Media / Advertising /e-mail svc	name badges;	\$ 1,298	\$ 1,571	\$ 671	193.44%	\$ 900	\$ 213
Design Services / Software	web site	\$ 4,130	\$ 4,130	\$ 2,090	197.61%	\$ 2,040	\$ 7,454
Total Marketing Expenses		\$ 9,507	\$ 10,707	\$ 8,000	118.84%	\$ 2,707	\$ 9,553
Fundraising Costs							
Special Events	March: Hexagon reception	\$ 15,876	\$ 15,876	\$ 13,560	117.08%	\$ 2,316	\$ 16,818
Direct Mail		\$ 1,506	\$ 2,024	\$ 2,180	69.08%	\$ (156)	\$ 1,484
Total Fundraising Expenses		\$ 17,382	\$ 17,900	\$ 15,740	110.43%	\$ 2,160	\$ 18,302

ArtStream, Inc.
Actuals vs Projections FY 16-17

	Notes	to May 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
Insurance	incl unemployt claim for ME \$9890;	\$ 20,579	\$ 20,579	\$ 19,010	108.25%	\$ 1,569	\$ 9,957
Bank Service Charges	includes cc processing fees	\$ 1,311	\$ 1,900	\$ 3,120	42.02%	\$ (1,220)	\$ 2,898
In Kind Expense	baskets, wines for Gala; auditor	\$ 12,526	\$ 12,526	\$ -		\$ 12,526	\$ -
Dues and Subscriptions; adv	MANO;MD Citizens for The Arts	\$ 1,905	\$ 2,710	\$ 2,710	70.30%	\$ -	\$ 1,608
Total Other Expenses		\$ 37,671	\$ 39,065	\$ 24,840	151.65%	\$ 14,225	\$ 15,813
Depreciation Expense		\$ -					\$ 2,339
Total Expenses		\$ 489,915	\$ 528,100	\$ 644,575	76.01%	\$ (116,475)	\$ 600,816
Net Ordinary Income		\$ (6,354)	\$ 25,887	\$ -		\$ 25,887	\$ (12,647)
Gain of Loss on Mutual Funds							\$ 15,109
Bad Debt							\$ 150
Net Other Income							\$ 14,959
Net Income		\$ (6,354)	\$ 25,887	\$ -		\$ 25,887	\$ 2,312

ArtStream, Inc.
Balance Sheet
As of May 31, 2017

	May 31, 17
ASSETS	
Current Assets	
Checking/Savings	
Capital Bank - 3911	22,740
Capital Bank - 4518 MMF	25,847
Capital Bank 15-mo CD	40,000
Morgan Stanley	72
PayPal Account	1,436
Total Checking/Savings	90,094
Accounts Receivable	
Accounts Receivable	12,657
Total Accounts Receivable	12,657
Other Current Assets	
Morgan Stanley - Mutual Funds	166,683
Prepaid Expenses	2,873
Undeposited Funds	6,952
Total Other Current Assets	176,508
Total Current Assets	279,258
Fixed Assets	
Accum. Depreciation - Computer	-8,125
Accum. Depreciation Furniture	-3,272
Computer Equip.	9,009
Furniture and Equipment	10,343
Total Fixed Assets	7,954
Other Assets	
Deposits Payable	2,257
Security Deposits	1,005
Total Other Assets	3,262
TOTAL ASSETS	290,475
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	12,332
Total Accounts Payable	12,332
Credit Cards	
Capital Bank MasterCard	4,559
Total Credit Cards	4,559
Other Current Liabilities	
Deferred Income	1,170
Total Other Current Liabilities	1,170
Total Current Liabilities	18,061
Total Liabilities	18,061

ArtStream, Inc.
Balance Sheet
As of May 31, 2017

	<u>May 31, 17</u>
Equity	
Retained Earnings	278,766
Net Income	<u>-6,352</u>
Total Equity	<u>272,414</u>
TOTAL LIABILITIES & EQUITY	<u><u>290,475</u></u>

ArtStream, Inc. Cash Flow
FYE '16

