

July 25, 2017

**TO:** Board of Directors  
**FROM:** Heller An Shapiro  
**RE:** FY18 Budget Proposal

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**GOALS:**

- Plan for realistic increases across all areas, maintaining diverse income sources.
- Add new programs/increase tuition fees to move closer to break even.
- Slowly grow expenses to accommodate staffing and administrative needs.
- Cover the cost of new, accessible office space that meets code.

Total income increases by 34% over FY17 as of 7/11/17, and 15% over FY16 actual  
(FY18: \$676,945 over FY17 as of 7/11/17: \$506,721 or FY16 actual: \$588,169)  
Note: Projected FY17 revenue is \$553,867, which will result in a 22% income increase.

Total expenses increase by 20% over FY17 as of 7/11/17 and 12% over FY16 actual  
(FY18: \$671,341 over FY17 as of 7/11/17: \$560,052 or FY16 actual: \$600,816)

**New revenue is projected from:**

Special Event Sponsorships: 100% increase over FY17 as of 7/11/17  
(\$4,500 to \$9,000)  
We have a new confirmed Corporate donor at \$5,000.

Individual donations: 19% increase over FY17 as of 7/11/17  
(\$121,890 to \$145,100)

Grants: 132% increase over FY17 as of 7/11/17  
(\$92,250 to \$214,150)  
FY18 will include a full year of consistent grantwriting research and support, including submission of new, larger grants, and two every-other year grants that will be available again this year (William S. Abell at \$25,000, and DAV at \$15,000). We received confirmation of the Arts and Humanities Council of Montgomery County(AHCMC) grant for \$22,708 and The Maryland State Arts Council (MSAC) grant for \$38,770. A total of \$53,908 from these grants will be applied to FY18.

Contracted services: 63% increase over FY17 as of 7/11/17  
(\$59,302 to \$96,390)  
New contracts with Target Community Services, and Chimes of NoVA.

Tuition Classes: 38% increase over FY17 as of 7/11/17  
(\$48,419 to \$66,975)  
Additional classes in MD and VA (including Super Social Saturday), plus tuition increase

Companies/Cabaret: 10% increase over FY17 as of 7/11/17  
(\$61,750 to \$67,750)

Adding the Cabaret, plus tuition increase for Inclusive Theatre Companies (ITCs)

**Decreases in Revenue are expected from:**

Total Corporate donations decrease 58% (\$55,474 to \$35,000)

Hexagon's \$30,000 donation in May 2017 was a one-time gift.

**Increases in Expenses are expected from:**

Office Rent: Increase from \$23,545 in FY17 projected to \$46,600

Personnel expenses: Increase from \$241,904 from FY17 as of 7/11/17 to \$298,875 in FY18

Includes \$4,800 for matching medical insurance benefits and up to 3% raises on employee anniversary dates.

Production Expenses: Increase from \$5,010 in FY17 as of 7/11/17 to \$8,210

Increased performance and rehearsal space for Cabaret.

**Decreases in Expenses are expected from:**

Insurance: Decrease from \$21,897 from FY17 as of 7/11/17 to \$10,600 in FY18

The \$9,890 unemployment claim for Morey Epstein and \$1,350 IRS 2013 penalty were paid in FY17.

**ArtStream, Inc.**  
**Profit & Loss Budget Overview**  
September 2017 through August 2018

	PROPOSED BUDGET	BUDGET	ACTUAL TO DATE 7/11/17	
	Sep '17 - Aug 18	Sep '16 - Aug 17	Sep '16 - Aug '17	
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>Donated Income</b>				
Concessions	1,650	1,300	1,638	
<b>Corporate Donations/Gifts</b>				
Matching Gifts	3,500	7,000	3,256	
Service Organizations	0	2,500	-	
Sponsorship- Special Event	9,000	4,000	4,500	5k Kajeet; 2.5K BuckleySandler; \$500 Capital Bank; \$1k Wash Group
Sponsorship - Program	0	0	-	
Corporate Donations/Gifts - Other	22,500	12,000	47,718	includes Kajeet 15k; Whole Foods 6.5k; Amazon Smile; PayPal
<b>Total Corporate Donations/Gifts</b>	<b>35,000</b>	<b>25,500</b>	<b>55,474</b>	
<b>Gifts from Individuals</b>				
Board (Direct Giving)	25,000	22,800	19,332	
In Honor - In Memory	7,100		7,096	
Individuals Restricted			2,650	
Individuals Unrestricted	65,000	101,900	51,812	
Sponsorship - Special Event	48,000	45,000	41,000	
Gifts from Individuals - Other	0	0	-	
<b>Total Gifts from Individuals</b>	<b>145,100</b>	<b>169,700</b>	<b>121,890</b>	
<b>Grants</b>				
Foundation Grants	137,050	95,000	52,900	
Government Grants	77,100	81,250	39,350	
<b>Total Grants</b>	<b>214,150</b>	<b>176,250</b>	<b>92,250</b>	
<b>Total Donated Income</b>	<b>395,900</b>	<b>372,750</b>	<b>271,252</b>	
<b>Inkind Donated Services</b>			5,850	
<b>Inkind Donations Income</b>	0	1,000	6,676	
<b>Investment Income</b>				
Interest Income	600	1,680	330	
Investment Income - Other	0	0		
<b>Total Investment Income</b>	<b>600</b>	<b>1,680</b>	<b>330</b>	
<b>Program Generated Income</b>				
Box Office Receipts	24,200	20,801	21,762	
<b>Contracted Services</b>				
Classes	89,260	90,195	54,834	
Costume and Props Rentals			10	
Workshops	5,600	10,555	4,458	
Contracted Services - Other	1,530	0	-	
<b>Total Contracted Services</b>	<b>96,390</b>	<b>100,750</b>	<b>59,302</b>	
Convenience Fees	75	0	736	
<b>Merchandise</b>				
ArtStream for Life Handbook	300	1,500	125	
Car Magnets	150	110	220	
Cookbooks	0	35	35	
Cross-stitch	300	300	300	
DVDs	0	0	60	
Greeting cards	0	0	22	
Notecards	50	0		

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	Sep '17 - Aug 18	Sep '16 - Aug 17	Sep '16 - Aug '17	
Posters and Photos	0	800	-	
T-shirts	700	100	690	
Tote Bags	0	0		
Merchandise - Other	455	0	229	
<b>Total Merchandise</b>	<b>1,955</b>	<b>2,845</b>	<b>1,681</b>	
Program ads	4,600	10,800	4,560	
<b>Tuition</b>				
Classes	66,975	41,700	48,419	
Companies / Cabaret	67,750	59,800	61,750	
Private Lessons	0	15,600	6,250	
Tuition - Other	0	0	-	
<b>Total Tuition</b>	<b>134,725</b>	<b>117,100</b>	<b>116,419</b>	
<b>Total Program Generated Income</b>	<b>261,945</b>	<b>252,296</b>	<b>204,460</b>	
<b>Special Events</b>				
Silent Auction / Raffle	4,500	2,850	4,418	
Ticket Sales	14,000	14,000	13,735	
<b>Total Special Events</b>	<b>18,500</b>	<b>16,850</b>	<b>18,153</b>	
<b>Total Income</b>	<b>676,945</b>	<b>644,576</b>	<b>506,721</b>	
<b>Gross Profit</b>	<b>676,945</b>	<b>644,576</b>	<b>506,721</b>	
<b>Expense</b>				
<b>Administrative Expenses</b>				
Advertising	190	0	140	
<b>Bank Service Charge</b>				
Bank Maintenance Fees	300	260	145	
CC Processing Fees	1,410	2,860	1,025	
Bank Service Charge - Other	0	0	203	
<b>Total Bank Service Charge</b>	<b>1,710</b>	<b>3,120</b>	<b>1,373</b>	
Dues & Subscriptions	1,850	2,710	1,420	
Equipment	1,000	1,500	211	
Equipment Lease	1,660	1,640	1,429	
Fines and Penalties	0		1,350	from 2013 IRS penalty
<b>Insurance</b>				
Director & Officers Ins.	1,000	900	928	
Liability Insurance	1,400	2,160	1,324	
Umbrella	1,000	0	981	
Unemployment Insurance	0	9,890	9,890	unemployment claims
Worker's Compensation	7,200	6,060	8,774	
<b>Total Insurance</b>	<b>10,600</b>	<b>19,010</b>	<b>21,897</b>	
Licenses and Permits	4,040	3,170	2,162	Charitable Org renewals+Gala
Meeting Expense	840	360	778	
Office rent	46,600	25,140	23,045	8401 Connecticut (11 months) + Sep-Jan at 620 Pershing
Office supplies	2,495	4,310	1,832	
Postage and Delivery	1,730	2,200	1,415	
Telephone	1,200	1,680	776	
Volunteer Recognition	450	390	198	
<b>Total Administrative Expenses</b>	<b>74,365</b>	<b>65,230</b>	<b>58,026</b>	
Computer Software	920	150	295	Adobe + QB update
Conference	400	1,600	863	
inkind Donations Expense			6,676	
<b>Marketing</b>				

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	Sep '17 - Aug 18	Sep '16 - Aug 17	Sep '16 - Aug '17	
Ad Placement	335	400	423	
design services	0	1,940	4,130	
email service	210	132	105	
Festivals and Events	1,000	0	827	
Merchandise Expense				
Car Magnets	0	0	518	
CD's	0	0	687	
DVD's	0	0		
Notecards	400	0		
T-shirts	280	0	858	
Merchandise Expense - Other	0	568		
Total Merchandise Expense	680	568	2,063	
Public Relations	0	140	-	
Web hosting and maintenance	260	500	400	
Total Marketing	2,485	3,680	7,948	
Miscellaneous Expense	0	4,000		
Office Expense	0		3,850	
P-Subcontractor Fees - Direct				
Allies/Nurses	25,450	29,860	21,788	
Classes - Registration	21,174	14,962	13,901	
Contracted Services	66,899	59,668	43,155	
ITCs	58,550	57,800	55,076	
Private Lessons	0	4,880	4,675	
P-Subcontractor Fees - Direct - Other	0	0	2,370	Task Force and Trainings
Total P-Subcontractor Fees - Direct	172,073	167,170	140,965	
Personnel Expenses				
Employee Benefits (Fringes)	4,800	6,000	-	
Employer Taxes				
FICA Med	3,945	4,270	3,330	
FICA SS	16,775	18,243	14,240	
MD Suta	1,430	1,232	1,393	
Total Employer Taxes	22,150	23,745	18,963	
Payroll Processing Fee	1,735	1,800	1,433	
Salaries	270,190	282,765	221,508	
Total Personnel Expenses	298,875	314,310	241,904	
Printing				
Annual Report	700		689	
flyers	2,032	2,816	1,508	
Fundraising	500	1,500	490	
Letterhead-Envelopes	2,800	1,570	2,215	
Newsletters	1,400	0	397	
Posters and Signs	330	100	25	
programs	2,400	4,368	2,979	boilerplate for ITCs
Scripts and Handbooks	600	450	658	added Cabaret
Total Printing	10,762	10,804	8,961	
Professional Development	1,000	1,000	1,183	
Professional Fees	27,800	8,800	26,478	added grants writing
Program-Related Expenses				
Art and Drama Supplies	5,000	2,000	3,614	all YAWA
Background Checks & CPR	1,000	2,350	938	
Concessions Expense	375	350	415	

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<b>Occupancy</b>				
class occupancy	5,522	3,412	2,653	
performance occupancy	17,505	11,520	13,532	added Cabaret
rehearsal occupancy	12,025	9,695	9,930	
storage occupancy	7,100	4,884	4,455	5 mos at 620 / 7 mos at 8401
Occupancy - Other	0	0	-	
<b>Total Occupancy</b>	<b>42,152</b>	<b>29,511</b>	<b>30,570</b>	
<b>Production Expense</b>				
Costumes	5,100	4,680	2,912	
Dramaturg	0	600	-	
Lighting	150	150	-	
Lobby displays	0	40	-	
Props	300	300	57	
Set	900	900	472	
Sign interpreters	1,210	1,125	1,196	
Sound	0	100	-	
Truck Rental	550	450	373	
<b>Total Production Expense</b>	<b>8,210</b>	<b>8,345</b>	<b>5,010</b>	
<b>Tuition Assistance</b>				
L Dreyfuss	1,500	1500	1,500	
Trawick Scholarship	4,550	4550	4,550	
Tuition Assistance - Other	3,040	1,050	870	
<b>Total Tuition Assistance</b>	<b>9,090</b>	<b>7,100</b>	<b>6,920</b>	
<b>Total Program-Related Expenses</b>	<b>65,827</b>	<b>49,656</b>	<b>47,467</b>	
Sales tax	120	200	31	
<b>Special Events Expenses</b>				
Catering	11,000	11,500	11,731	
Decor	250	0	96	
Facility-Venue Rental	1,200	1,410	1,409	
Speaker-Entertainment	650	650	735	
Special Events Expenses - Other	0	0	-	
<b>Total Special Events Expenses</b>	<b>13,100</b>	<b>13,560</b>	<b>13,971</b>	
<b>Travel Expense-Mileage/Parking</b>				
Direct Program Travel Expense	2,956	3,423	1,796	
Gen'l Admin Travel Expense	648	993	184	
Travel Expense-Mileage/Parking - Other	10	0	-	
<b>Total Travel Expense-Mileage/Parking</b>	<b>3,614</b>	<b>4,416</b>	<b>1,980</b>	
<b>Total Expense</b>	<b>671,341</b>	<b>644,576</b>	<b>560,052</b>	
<b>Net Ordinary Income</b>	<b>5,604</b>	<b>0</b>	<b>(54,548)</b>	