

September 6, 2017

**TO:** Board of Directors  
**FROM:** Heller An Shapiro  
**RE:** FY17 YE Budget Projections

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Total FY17 YE income is projected at \$558,759, which is 82% of budget and 5% lower than FY16 actual.

Total FY17 YE expenses are projected at \$628,549, which is 91% of budget and 5% lower than FY16 actual.

There is \$32,000 in deferred revenue for FY18 (\$12,000 in Gala sponsors, and \$20,073 in tuition).

Net loss is projected at \$47,188. The 28% decrease in grant funding, 56% decrease in contract classes, and 137% decrease in direct mail revenue, made the largest negative impact.

The time spent this year putting the staff team together, locating accessible office space, developing new contracts with Target Community Services and Chimes of VA, increasing the number and length of classes, developing outcome measures, putting Cabaret into place, identifying new performance space in VA, strategic planning, developing the Impact Report and publishing “ArtStream for Life”, and especially, building relationships with parents and other potential donors and fine-tuning grant proposals, will pay off in FY18.

**New revenue in FY18 is projected from:**

Special Event Sponsorships:

(\$4,500 to \$9,000)

We have a new confirmed Corporate donor at \$5,000.

Individual donations:

\$121,890 to \$145,100 (includes Gala donations). Peer to peer fundraising, newsletter envelopes, and a new spring fundraising program will replace the spring direct mail appeal.

Grants: (\$174,383 to \$214,150)

FY18 will include a full year of consistent grant-writing 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). Two other grants we missed applying for, Clark-Winchcole at \$10,000 and Max and Victoria Dreyfus at \$3,500 are awaiting approval this fall.

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:

New contracts with Target Community Services, and Chimes of NoVA.

Tuition Classes:

Additional classes in MD and VA (including Super Social Saturday), plus tuition increase

Companies/Cabaret:

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: New accessible offices and storage space.

Production Expenses: 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.**  
**FYE 8.31.2017**

	Notes	to 7.31.17 Preliminary	FYE 8.31.2017 Projected	BUDGET FYE '17	YTD FYE '17 % to Budget	Projected FYE '17 Variance	Prior Yr Actual FYE '16
Ordinary Income/Expense							
<b>Income</b>							
Registration (tuition classes)	added classes in VA and oversubscribed VA classes	\$ 49,019	\$ 49,170	\$ 41,700	117.55%	\$ 7,470	\$ 47,716
Private Lessons	discontinued Jan `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;	\$ 62,117	\$ 65,720	\$ 102,250	60.75%	\$ (36,530)	\$ 115,343
<b>ITC Income</b>							
ITC Tuition	only one weekend for SS in '17	\$ 61,750	\$ 61,750	\$ 59,800	103.26%	\$ 1,950	\$ 60,680
ITC Ticket Sales	with only one weekend of SS shows, still exceeded bdg	\$ 21,634	\$ 21,634	\$ 20,800	104.01%	\$ 834	\$ 21,470
ITC Ads	sales in G'burg and SS low	\$ 3,890	\$ 3,890	\$ 4,300	90.47%	\$ (410)	\$ 3,420
ITC Merchandise	T-shirts; bumper stickers; tote bags	\$ 1,920	\$ 1,925	\$ 1,345	142.75%	\$ 580	\$ 1,530
ITC Concessions (Donations)		\$ 1,638	\$ 1,638	\$ 1,300	126.00%	\$ 338	\$ 1,300
<b>Total ITC Income</b>		\$ 90,832	\$ 90,837	\$ 87,545	103.75%	\$ 3,292	\$ 88,400
<b>Special Events</b>							
Special Events	Gala, Hexagon, Crowdriser	\$ 118,366	\$ 118,556	\$ 79,850	148.24%	\$ 38,706	\$ 63,651
<b>Grants</b>							
Allies in The Arts / Nurses YAWA GRANTS	received Prince \$15k; Reeve \$7.5k	\$ 22,500	\$ 22,500	\$ 10,000	225.00%	\$ 12,500	\$ 30,000
Foundation Grants		\$ 30,400	\$ 35,000	\$ 85,000	35.76%	\$ (50,000)	\$ 54,275
Government Grants	NEA; AHCMC; MSAC	\$ 39,350	\$ 59,936	\$ 81,250	48.43%	\$ (21,314)	\$ 81,888
Gifts from Individuals		\$ 36,085	\$ 36,385	\$ 24,000	150.35%	\$ 12,385	\$ 16,294
Corporate / Matching	pending: IBM; MicroSoft; Whole Foods	\$ 20,484	\$ 20,562	\$ 20,000	102.42%	\$ 562	\$ 10,242
Service Organizations	Civitan	\$ -	\$ -	\$ 2,500	0.00%	\$ (2,500)	\$ 2,000
<b>Direct Appeals</b>							
Direct Appeals	annual appeal; newsletters	\$ 38,817	\$ 39,317	\$ 93,200	41.65%	\$ (53,883)	\$ 58,404
<b>In Kind Donations</b>							
In Kind Donations	audit + Gala wines and gifts baskets + desks	\$ 12,526	\$ 12,856	\$ 1,000	1252.60%	\$ 11,856	\$ 3,798
Credit Card Convenience Fees		\$ 736	\$ 900	\$ -		\$ 900	\$ 643
<b>Interest Income</b>							
Interest Income	incl interest ytd from CD	\$ 345	\$ 770	\$ 1,680	20.54%	\$ (910)	\$ 664
Investment Income - Other	gain on Mutual Funds (see below)	\$ -	\$ -			\$ -	\$ -
<b>TOTAL INCOME</b>		\$ 527,827	\$ 558,759	\$ 644,575	81.89%	\$ (85,816)	\$ 588,169
<b>Expense</b>							
<b>Contract Service Expenses</b>							
Professional Services							
Teaching Artists (contracted svcs w/partner orgs)	lower because of loss of Contracted Svcs	\$ 44,198	\$ 49,269	\$ 59,668	74.07%	\$ (10,399)	\$ 79,442
Classes (Tuition Classes + private lessons)	includes teacher training; add'l classes in VA	\$ 21,943	\$ 22,525	\$ 19,842	110.59%	\$ 2,683	\$ 31,051
Allies in The Arts / Nurses YAWA	Projected: using all of Yr 3 Prince Funds	\$ 24,838	\$ 27,488	\$ 29,860	83.18%	\$ (2,372)	\$ 28,321
Art and Drama Supplies							

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Allies in The Arts / Nurses YAWA	Green Road and Memory Books	\$ 3,603	\$ 3,603	\$ 2,000	180.15%	\$ 1,603	\$ 10,630
Classes		\$ 71	\$ 71	\$ -		\$ -	\$ -
Background Checks and CPR		\$ 938	\$ 970	\$ 2,350	39.91%	\$ (1,380)	\$ 1,475
Accounting Services; Professional Consultants	(March) grant writers and interim program mgr	\$ 18,413	\$ 21,750	\$ 7,000	263.04%	\$ 14,750	\$ 6,525
Web Management / Support		\$ 520	\$ 535	\$ 2,300	22.61%	\$ (1,765)	\$ 341
IT Consulting / Support		\$ -	\$ -	\$ -			\$ -
<b>Total Contracted Services Expense</b>		\$ 114,524	\$ 126,211	\$ 123,020	93.09%	\$ 3,191	\$ 157,785
Scholarships Awarded		\$ 6,920	\$ 7,500	\$ 7,100	97.46%	\$ 400	\$ 8,195
ITC Expenses (not facilities / equipment)							
Professional Services	includes theatre professionals, photographer and att'y	\$ 56,326	\$ 56,326	\$ 58,400	96.45%	\$ (2,074)	\$ 58,962
Printing		\$ 6,380	\$ 6,380	\$ 3,223	197.95%	\$ 3,157	\$ 3,558
Lighting, recording, set, sound		\$ 612	\$ 612	\$ 1,150	53.22%	\$ (538)	\$ 2,230
Sign Interpreters		\$ 1,181	\$ 1,181	\$ 1,125	104.98%	\$ 56	\$ 365
Travel (mileage) + concessions exp + sales tax		\$ 1,594	\$ 1,594	\$ 2,323	68.62%	\$ (729)	\$ 1,518
Salaries and related employee expenses							
Payroll (1-3% merit incr on anniversary date)	vacancies in Prog Mgr and Prod Mgr	\$ 231,623	\$ 245,180	\$ 283,765	81.62%	\$ (38,585)	\$ 221,316
Employee benefits, PR taxes, PR processing fees		\$ 20,602	\$ 27,000	\$ 31,545	65.31%	\$ (4,545)	\$ 20,716
Professional Development		\$ 1,183	\$ 1,183	\$ 1,000	118.30%	\$ 183	\$ 1,465
Facilities and Equipment Expenses							
Rent / Office Maintenance	includes one mo at 8401	\$ 29,663	\$ 31,758	\$ 29,140	101.79%	\$ 2,618	\$ 25,646
Contracts / leasing / purchases	photocopier/scanner	\$ 1,755	\$ 1,870	\$ 3,140	55.89%	\$ (1,270)	\$ 1,906
Classroom rentals		\$ 2,653	\$ 3,666	\$ 3,412	77.75%	\$ 254	\$ 4,112
ITC Performance, rehearsal / storage rentals	JCC higher because of addition of green room	\$ 28,956	\$ 28,956	\$ 26,099	110.95%	\$ 2,857	\$ 23,243
ITC Costumes, props, truck rental	expected reduction due to on site storage and access	\$ 3,342	\$ 3,342	\$ 5,470	61.10%	\$ (2,128)	\$ 5,555
<b>Total Facilities and Equipment Expense</b>		\$ 66,369	\$ 69,592	\$ 67,261	98.67%	\$ 2,331	\$ 60,462
Office Expenses							
Supplies		\$ 1,866	\$ 2,100	\$ 4,310	43.29%	\$ (2,210)	\$ 4,246
Telephone	includes set up for new service at 8401	\$ 970	\$ 1,065	\$ 1,680	57.74%	\$ (615)	\$ 1,305
Postage and Shipping		\$ 1,493	\$ 1,780	\$ 1,750	85.31%	\$ 30	\$ 1,554
Printing and Copying	Impact report; letterheads with new address	\$ 1,627	\$ 4,627	\$ 1,570	103.63%	\$ 3,057	\$ 4,875
Licenses and Permits	State Charitable Organization registrations	\$ 2,585	\$ 2,800	\$ 3,170	81.55%	\$ (370)	\$ 2,780
Conference(s)		\$ 863	\$ 863	\$ 1,600	53.94%	\$ (737)	
<b>Total Office Expenses</b>		\$ 9,404	\$ 13,235	\$ 14,080	66.79%	\$ (845)	\$ 14,760
Travel and Meeting Expenses							
Staff travel (non-program)		\$ 332	\$ 350	\$ 993	33.43%	\$ (643)	\$ 78
Meetings: Board, Committee, Strategic Plan	included teacher trainings	\$ 894	\$ 925	\$ 360	248.33%	\$ 565	\$ 116
Contracted Services Travel	mostly GMU parking	\$ 271	\$ 271	\$ 253	107.11%	\$ 18	\$ 2,507

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to classes/programs other than ITCs	not as many classroom visits as planned	\$ 503	\$ 515	\$ 1,397	36.01%	\$ (882)	\$ 776
<b>Total Travel and Mtg Expense (except ITCs)</b>		\$ 2,000	\$ 2,061	\$ 3,003	66.60%	\$ (942)	\$ 3,477
<b>Marketing Expenses</b>							
Merchandise	t-shirts, totes, books, NOT BUDGETED	\$ 2,473	\$ 2,473	\$ 568	435.39%	\$ 1,905	\$ 658
Printing		\$ 2,395	\$ 2,500	\$ 4,281	55.94%	\$ (1,781)	\$ 750
Volunteer Recognition		\$ 198	\$ 225	\$ 390	50.77%	\$ (165)	\$ 478
Social Media / Advertising /e-mail svc	name badges	\$ 2,435	\$ 2,500	\$ 671	362.89%	\$ 1,829	\$ 213
Design Services / Software	web site	\$ 4,425	\$ 4,425	\$ 2,090	211.72%	\$ 2,335	\$ 7,454
<b>Total Marketing Expenses</b>		\$ 11,926	\$ 12,123	\$ 8,000	149.08%	\$ 4,123	\$ 9,553
<b>Fundraising Costs</b>							
Special Events	March: Hexagon reception; Gala	\$ 16,800	\$ 16,800	\$ 13,560	123.89%	\$ 3,240	\$ 16,818
Direct Mail	annual appeal and newsletters	\$ 2,056	\$ 2,300	\$ 2,180	94.31%	\$ 120	\$ 1,484
<b>Total Fundraising Expenses</b>		\$ 18,856	\$ 19,100	\$ 15,740	119.80%	\$ 3,360	\$ 18,302
<b>Other Expenses</b>							
Interest / Fines / Penalties	IRS penalties/interest from 2013 late filing	\$ 1,350	\$ 1,350	\$ -		\$ 1,350	\$ 1,350
Insurance	incl unemploy'm't claim for ME \$9890;	\$ 21,896	\$ 22,605	\$ 19,010	115.18%	\$ 3,595	\$ 9,957
Bank Service Charges	includes cc processing fees	\$ 1,047	\$ 1,100	\$ 3,120	33.56%	\$ (2,020)	\$ 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	\$ 1,690	\$ 1,690	\$ 2,710	62.36%	\$ (1,020)	\$ 1,608
<b>Total Other Expenses</b>		\$ 38,509	\$ 39,271	\$ 24,840	155.03%	\$ 14,431	\$ 15,813
Depreciation Expense		\$ -					\$ 2,339
<b>Total Expenses</b>		\$ 588,009	\$ 628,549	\$ 644,575	91.22%	\$ (16,026)	\$ 600,816
<b>Net Ordinary Income</b>							
Gain of Loss on Mutual Funds		\$ (60,182)	\$ (69,790)	\$ -		\$ (69,790)	\$ (12,647)
Bad Debt		\$ 22,602	\$ 22,602				\$ 15,109
Net Other Income							\$ 150
							\$ 14,959
<b>Net Income</b>		\$ (37,580)	\$ (47,188)	\$ -		\$ (69,790)	\$ 2,312

**ArtStream, Inc.**  
**Balance Sheet**  
As of August 24, 2017

	Aug 24, 17
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Capital Bank - 3911	34,295
Capital Bank - 4518 MMF	10,861
Capital Bank 15-mo CD	40,000
Folio Investments, Inc.	150,000
PayPal Account	2,983
<b>Total Checking/Savings</b>	238,139
<b>Accounts Receivable</b>	
Accounts Receivable	19,384
<b>Total Accounts Receivable</b>	19,384
<b>Other Current Assets</b>	
Prepaid Expenses	4,081
Undeposited Funds	7,895
<b>Total Other Current Assets</b>	11,976
<b>Total Current Assets</b>	269,499
<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>	7,954
<b>Other Assets</b>	
Deposits Payable	12,167
Security Deposits	1,005
<b>Total Other Assets</b>	13,172
<b>TOTAL ASSETS</b>	<b>290,625</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Accounts Payable	6,249
<b>Total Accounts Payable</b>	6,249
<b>Credit Cards</b>	
Capital Bank MasterCard	1,168
<b>Total Credit Cards</b>	1,168
<b>Other Current Liabilities</b>	
A/P	
FJMJR Short-term Loan	15,000
<b>Total A/P</b>	15,000

**ArtStream, Inc.**  
**Balance Sheet**  
As of August 24, 2017

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	<u>Aug 24, 17</u>
Deferred Income	33,243
Total Other Current Liabilities	48,243
Total Current Liabilities	55,661
Total Liabilities	55,661
Equity	
Retained Earnings	278,766
Net Income	-43,801
Total Equity	234,965
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>290,625</u></b>