

ArtStream
Board of Director's Meeting
April 20, 2017

MINUTES

ROLL CALL

Sari Hornstein conducted roll call. In attendance at the meeting: Lina Aybinder, Pamela Brown, Kristen Chou, Sari Hornstein, Eli Lewis, Karen Mitchell, and Frank Myers.

ArtStream staff in attendance: Director of Finance and Administration, Doreen Cronrath; Executive Director, Heller An Shapiro

Not able to attend: Maggie Haslam, Paul Murray

MINUTES RATIFICATION

A motion was made to approve the minutes from the February 23, 2017 meeting as written. The motion carried without dissent.

FY17 Q2+ FINANCIAL STATEMENTS

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.

Although revenue is not coming in as anticipated, new revenue from unanticipated sources is keeping total revenue on track. For example, individual donors are at 70% (\$16,678) of budget. However, two un-budgeted events, Hexagon and Whole Foods 5% Day, will bring in \$37,500. When the \$29,000 from Hexagon is received, individual donor revenue is projected at \$55,000 (229% of budget).

The new annual cash flow chart shows that expenses are typically higher than revenue January-August, while revenue is generally above expenses September-December. The Gala and holiday giving result in revenue that is generally more than twice as high as expenses in those months.

SELECTION OF NEW AUDITOR

Lina Aybinder reported that the Audit Selection Task Force (Lina Aybinder, Karen Mitchell and Paul Murray), requested proposals from ten audit firms. Six proposals were received and reviewed based on qualifications including fees, availability for questions, reputation, and experience with nonprofits. The annual fees in the proposals ranged from \$6,000 to \$13,900. Three references were interviewed for each of the top two auditors, Gorfine, Schiller & Gardyn, PA, and Hertzbach & Company, PA.

A motion was made to approve the Task Force's recommendation to hire Gorfine, Schiller & Gardyn, to serve as ArtStream's auditor, with an annual fee of \$6,000, and annual increases of \$200/year. They are a MD based firm with offices in Hagerstown and Owings Mills. The motion carried without dissent.

MISSION TASK FORCE REPORT ON PROPOSED VISION

Sari reported that the Mission Task Force (Kristen Chou, Sari Hornstein, and Heller An Shapiro) developed the new Vision statement. In order to better define the vision of what the world will look like when ArtStream succeeds, revisions were needed in the Mission and Philosophy.

A motion was made to revise the mission, philosophy and vision as follows. The motion carried without dissent.

MISSION Approved April 20, 2017:

Through collaborative performance and lifelong learning opportunities, people with intellectual and developmental disabilities gain the skills and confidence to engage with the world.

PHILOSOPHY Approved April 20, 2017:

We believe that when people make their own choices and are engaged, stimulated, challenged and inspired, they surpass both their own and others' expectations.

VISION Approved April 20, 2017:

To build an inclusive world where everyone can perform their art out.

STRATEGIC PLAN PROGRESS REPORT

Heller An Shapiro reviewed the FY17-19 Strategic Plan Progress Report. Recently completed projects include:

Priority 1: Improving and Expanding Programs

- Publication of *ArtStream for Life* for Kindle and Amazon.
- Received feedback that “flipping” the ITCs to allow for a fall performance is not feasible.

Priority 2: Community Building

- A volunteer handbook has been completed; the first volunteer training is scheduled for May 1, 2017. Twenty-five volunteers were invited.
- The Bethesda Blues and Jazz Club is tentatively scheduled for the Gala site.

Priority 3: Growth

- Some of the Virginia groups who expressed interest in group tickets for the Arlington Inclusive Theatre Company performances did not follow through. Review is underway to determine the best way to increase group sales.
- An online “friend-to-friend” fundraising program was selected and is in the design phase.
- Note cards using the T-shirt design contest submissions are being developed for sale at the June Silver Spring performances.

Priority 4: Strengthen the Organization

- ArtStream will host a table at the May 11, 2017 Board Match event to seek new board members and volunteers.

DASHBOARD PROPOSED ITEMS

Board members decided the Dashboard will focus on programs and funding data designed to help the board make good decisions. Nine items were selected for the first Dashboard.

1. Number of students
 - a. This is a count of total students
2. Number of classes taken per student.
 - a. This tracks registration numbers, acknowledging that one student may be registered for several classes per year.
3. Retention rates
4. Number of students on waitlists
 - a. This will show the number of waitlisted students by program and region.
5. Current students by age or source
 - a. This is a way to identify where students came from and which ones stay.
6. New students by age or source
 - a. Identify where students come from (high school, post school, etc.).
7. Number of teaching artists
8. New donor gifts
 - a. The number of gifts, total amount received, and average gift amount
9. Grants
 - a. The number of new grants, the total dollar amount, the average grant amount

Board members also discussed the ongoing need for evaluation and assessment to help make expansion and improvement decisions. Teacher and program evaluations can be created.

Heller An reported on a potential research collaboration with Blythe A Corbett, PhD, Department of Psychiatry, Vanderbilt University. Dr. Corbett manages a theatre program for autistic teens and shared several articles published in peer reviewed journals showing the teens improved over age-matched controls on a variety of interactive social measures.

SELECTION OF NEW INVESTMENT ADVISOR

Board members reviewed credentials and investment proposals from two potential investment advisors to replace the recently deceased Financial Advisor in Morgan Stanley's Scottsdale, Arizona office. As of 2/28/17, ArtStream has \$183,791.75 invested with Morgan Stanley.

Heller An met with Alvin Carlos, District Capital Management, and Dan Nguyen, Northwestern Mutual. Both submitted proposals to serve as ArtStream's new investment advisor. Qualifications were reviewed through the Financial Industry Regulatory Authority (FINRA), and personal references were also contacted.

Board members will meet with each of them at the June 15, 2017 board meeting to learn more about what they will do for ArtStream.

CLASS FEE INCREASE RATE COMPARISON

Board members agreed that ArtStream needs to gradually increase tuition in order to get to the break-even point, even though this transition will take a few years. Increased donor support of tuition and scholarships will help to keep tuition fees lower. Donation materials can be designed to show specific items that various donation levels can support

Heller An will research competitive tuition rates from other organizations.

NEW BUSINESS

Publication of *ArtStream for Life* prompted a request for royalty payments from Nicolette Stearns, author of the book. Nicolette received a payment of \$2,000 to write the book. ArtStream staff then spent over 75 hours writing, creating the artwork, and designing the book. Reviewing current expenses to bring the book to market shows that over 500 books will have to be sold to reach a break-even point.

In the past, royalty payments were also requested by co-founders Sally Kinka and Patti Woolsey. No payments were made. In the case of *Knights of Glory* where royalty payments were agreed to after a certain number of CDs were sold, that target was never reached.

Board members unanimously agreed that ArtStream's focus is to make resources such as *ArtStream for Life* available and affordable. Any income received from the book will be used to support ArtStream's programs and not to provide income to any individual.

ArtStream's policy going forward will be to pay directly for development of resource materials. Any profits from these resources will fund ArtStream programs and projects.

NEXT MEETING

The next meeting of the Board of Directors will be **June 15, 2017, 7-9 p.m.** in the ArtStream office. Future meetings are scheduled from 7-9p.m. on the following dates:

Thursday, July 27, 2017
Thursday, September 14, 2017
Thursday, November 16, 2017

The meeting was adjourned at 9:15 p.m.

Respectfully submitted,
Sari Hornstein