

January 14, 2019

**TO:** Board of Directors

**FROM:** Heller An Shapiro

**RE:** FY19 Q1 Budget Report as of November 30, 2018

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At three months (Q1) into FY19, total income is \$340,790, which is 49% of budget.

Total expenses are \$158,088, which is 23% of budget.

Projections for the full year (FYE) show only confirmed revenue. Grants, events, and donations are not included if they are not confirmed. Currently we are projecting to end FY19 with total revenue of \$726,005 and total expenses of \$715,595.

### **INCOME**

As you know, the first four months of the fiscal year are a peak income period, with the Gala (\$73,000 net revenue), Inclusive Theatre Company/Cabaret tuition (\$65,161), Giving Tuesday, and end-of-year giving. Total gifts from individuals/direct appeals/special events are at \$98,911, which is 59% of budget.

#### **New sources of revenue received:**

Foundation Grants are at \$23,050, which is 17% of budget.

Includes two new foundations: Amica Foundation for \$550, and Greater Kansas Community Foundation for \$3,000. MESH added an extra \$5,000 for the Community Service Award.

Two Foundations increased their gifts: Safeway Foundation increased from \$5,000 to \$6,500 and Trawick Foundation increased from \$5,050 to \$6,000.

Government Grants are at \$69,267. This is 76% of budget and 18% over FY18 actual.

We are projecting an increase of \$4,000 in Contracted Services Fees based on new classes from the Bender JCC, Ivymount, and Kennedy Krieger.

We are projecting an increase of \$5,500 from tuition classes based on new classes added in Montgomery County, Northern VA, and Prince George's County.

#### **Increases in Expenses:**

##### **Contracted Services:**

As classes increase, Professional services, Background checks, Contract and Classroom Rental fees all increase. Adult volunteers are also obtaining background checks.

Design fees increase with the new marketing consultant. This includes an annual fee of \$3,552 for unlimited design.

**ArtStream, Inc.**  
**Balance Sheet**  
As of November 30, 2018

	Nov 30, 18
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Capital Bank - 3911	18,965
Capital Bank - 4518 MMF	15,816
Capital One Savings 24623	100,098
CapOne Checking **1598	36,279
Folio Investments, Inc.	184,159
PayPal Account	105
<b>Total Checking/Savings</b>	355,421
<b>Accounts Receivable</b>	
Accounts Receivable	47,389
<b>Total Accounts Receivable</b>	47,389
<b>Other Current Assets</b>	
Prepaid Expenses	2,328
Undeposited Funds	1,405
<b>Total Other Current Assets</b>	3,733
<b>Total Current Assets</b>	406,543
<b>Fixed Assets</b>	
Accum. Depreciation - Computer	-9,009
Accum. Depreciation Furniture	-8,318
Computer Equip.	9,009
Furniture and Equipment	10,343
<b>Total Fixed Assets</b>	2,024
<b>Other Assets</b>	
Deposits Payable	14,531
Security Deposits	1,005
<b>Total Other Assets</b>	15,536
<b>TOTAL ASSETS</b>	<b>424,103</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Accounts Payable	8,890
<b>Total Accounts Payable</b>	8,890
<b>Credit Cards</b>	
Capital Bank MasterCard	5,917
<b>Total Credit Cards</b>	5,917
<b>Other Current Liabilities</b>	
Deferred Income	1,169
Insurance Liability	-5,564

12/31/18

**ArtStream, Inc.**  
**Balance Sheet**  
As of November 30, 2018

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	<u>Nov 30, 18</u>
<b>Payroll Liabilities</b>	
Accrued Salaries	0
Accued P/R Taxes	-0
Employee Dental Ins Deductible	-40
Employee Health Ins Deductions	-505
Employee Vision Ins Deductions	-16
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<b>Total Payroll Liabilities</b>	-560
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<b>Total Other Current Liabilities</b>	-4,955
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<b>Total Current Liabilities</b>	9,852
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<b>Total Liabilities</b>	9,852
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<b>Equity</b>	
Retained Earnings	231,549
Net Income	182,702
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<b>Total Equity</b>	414,251
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<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>424,103</b>
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**ArtStream, Inc.**  
**Quarterly Projections FYE 2019 - Q1 through 11/30/2018**

	<u>1st Qtr to 11.30.18</u>	<u>FYE '19 Projected</u>	<u>Annual Bdgt FYE 8.31.19</u>	<u>YTD FYE '19 TO BUDGET</u>	<u>Projected YE Variance</u>	<u>Prior Year Actual</u>
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
Contracted Services Fees	\$ 37,022	\$ 91,000	\$ 87,000	43%	105%	\$ 97,643
Registration (Tuition Classes)	\$ 20,030	\$ 60,500	\$ 55,000	36%	110%	\$ 50,388
Performance Income						
Tuition (includes Cabaret)	\$ 65,161	\$ 78,250	\$ 78,250	83%	100%	\$ 65,850
Box Office	\$ -	\$ 25,600	\$ 25,600	0%	100%	\$ 23,843
Ad Sales	\$ 200	\$ 3,500	\$ 4,700	4%	74%	\$ 4,367
Merchandise Sales	\$ 14	\$ 775	\$ 775	2%	100%	\$ 1,282
Concessions (Donations)	\$ -	\$ 1,725	\$ 1,725	0%	100%	\$ 1,633
Other Income	\$ -	\$ -	\$ -			\$ 15
Total Performance Income	\$ 65,375	\$ 109,850	\$ 111,050	59%	99%	\$ 96,990
Special Events Income (Ticket Sales and Activities)	\$ 16,305	\$ 16,305	\$ 15,250	107%	107%	\$ 10,108
Allies in The Arts/Nurses YAWA Grants	\$ -	\$ -	\$ -			\$ 35,000
Foundation Grants	\$ 23,050	\$ 130,000	\$ 135,000	17%	96%	\$ 85,580
Government Grants	\$ 69,267	\$ 91,000	\$ 91,000	76%	100%	\$ 70,156
Gifts Individuals	\$ 9,006	\$ 40,000	\$ 34,050	26%	117%	\$ 84,042
Direct Appeals (Annual Appeal, Newsletters)	\$ 22,935	\$ 82,000	\$ 87,650	26%	94%	\$ 49,918
Spec Events (Sponsors, <i>Bid ft Heart</i> , Giving Tuesday, Peer-to-Peer)	\$ 66,970	\$ 68,000	\$ 45,300	148%	150%	\$ 43,352
Corporate and Matching (incl Gala Sponsorship of \$9K)	\$ 10,022	\$ 34,600	\$ 34,600	29%	100%	\$ 26,495
Service Organizations	\$ -	\$ 800	\$ 800	0%	100%	\$ 2,800
In-kind Donations (Gala)			\$ 1,000	0%	0%	\$ 900
In-kind Services (Gala + audit)						\$ 4,300
Credit Card Convenience Fees	\$ 620	\$ 1,200	\$ 1,000	62%	120%	\$ 1,078
Interest Income	\$ 188	\$ 750	\$ 750	25%	100%	\$ 680
Investment Income - Other			\$ -			\$ 5,939
<b>TOTAL INCOME</b>	<b>\$ 340,790</b>	<b>\$ 726,005</b>	<b>\$ 699,450</b>	<b>49%</b>	<b>104%</b>	<b>\$ 662,569</b>

**ArtStream, Inc.**  
**Quarterly Projections FYE 2019 - Q1 through 11/30/2018**

<b>Expense</b>	<b>1st Qtr to 11.30.18</b>	<b>FYE '19 Projected</b>	<b>Annual Bdgt FYE 8.31.19</b>	<b>YTD FYE '19 TO BUDGET</b>	<b>Projected YE Variance</b>	<b>Prior Year Actual</b>
Contracted Service Expenses						
Professional Services						
Teaching Artists (Contracted Svcs-partner orgs)	\$ 18,170	\$ 60,200	\$ 57,550	32%	105%	\$ 64,651
TAs (Registration - tuition classes) incl TA trainings	\$ 7,291	\$ 31,150	\$ 28,055	26%	111%	\$ 22,212
Teaching Artists (WRNMMC Allies/Nurses YAWA)	\$ 2,430	\$ 5,550	\$ 5,550	44%	100%	\$ 24,200
Art and Drama Supplies						
WRNMMC Allies and Nurses YAWA	\$ -	\$ 7,200	\$ 7,200	0%	100%	\$ 4,135
Registration (Tuition Classes)	\$ -	\$ 20	\$ -			\$ 11
Background Checks and CPR Training	\$ 198	\$ 900	\$ 1,200	17%	75%	\$ 823
Acc'ting & Legal/Design/Grant Writing/Curricula	\$ 15,315	\$ 35,000	\$ 17,900	86%	196%	\$ 14,354
Web Hosting / Management / Support / E-mail svc	\$ 271	\$ 600	\$ 635	43%	94%	\$ 616
IT Consulting / Support	\$ -	\$ 1,500	\$ -			\$ -
<b>Total Contracted Services Expense</b>	<b>\$ 43,675</b>	<b>\$ 142,120</b>	<b>\$ 118,090</b>	<b>37%</b>	<b>120%</b>	<b>\$ 131,002</b>
Scholarships Awarded	\$ 3,928	\$ 6,500	\$ 8,050	49%	81%	\$ 5,642
Performance Expenses (other than Facilities/Equipment)						
Professional Services (Theatre personnel)	\$ 7,485	\$ 73,800	\$ 73,800	10%	100%	\$ 61,930
Printing / Merchandise	\$ -	\$ 7,500	\$ 7,132	0%	105%	\$ 5,671
Lighting, Recording, Set, Sound	\$ -	\$ 1,350	\$ 1,350	0%	100%	\$ 938
Sign Interpreters	\$ -	\$ 1,200	\$ 1,200	0%	100%	\$ 1,166
Travel (mileage) / Concessions Expense / Sales Tax	\$ 135	\$ 2,100	\$ 2,015	7%	104%	\$ 1,561
Salaries and Related Employee Expenses						
Payroll (1 - 3% merit on anniversary)	\$ 55,126	\$ 270,000	\$ 278,380	20%	97%	\$ 264,221
Employee Benefits, Employer PR Taxes, PR Processing Fees	\$ 5,892	\$ 28,350	\$ 30,558	19%	93%	\$ 28,045
Professional Development	\$ 220	\$ 500	\$ 500	44%	100%	\$ 147

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	<b>1st Qtr to 11.30.18</b>	<b>FYE '19 Projected</b>	<b>Annual Bdgt FYE 8.31.19</b>	<b>YTD FYE '19 TO BUDGET</b>	<b>Projected YE Variance</b>	<b>Prior Year Actual</b>
<b>Facilities and Equipment Expense</b>						
Office Rent	\$ 6,764	\$ 37,950	\$ 37,950	18%	100%	\$ 40,843
Contracts / leasing / purchases	\$ 673	\$ 13,000	\$ 3,160	21%	411%	\$ 2,129
Classroom Rentals	\$ 2,231	\$ 16,600	\$ 12,130	18%	137%	\$ 4,627
Performance Rehearsal / Performance / Storage Rentals	\$ 4,188	\$ 49,100	\$ 49,107	9%	100%	\$ 34,545
ITC Costumes / Props / Truck Rental	\$ -	\$ 3,940	\$ 3,940	0%	100%	\$ 4,223
<b>Total Facilities and Equipment Expense</b>	<b>\$ 13,856</b>	<b>\$ 120,590</b>	<b>\$ 106,287</b>	<b>13%</b>	<b>113%</b>	<b>\$ 86,367</b>
<b>Office Expenses</b>						
Supplies / Software	\$ 1,368	\$ 3,500	\$ 5,125	27%	68%	\$ 4,274
Telephone	\$ 611	\$ 1,920	\$ 1,920	32%	100%	\$ 1,888
Postage and Shipping	\$ 691	\$ 2,100	\$ 840	82%	250%	\$ 2,635
Printing and Copying	\$ 2,180	\$ 2,500	\$ 1,588	137%	157%	\$ 3,738
Licenses and Permits	\$ 609	\$ 2,690	\$ 2,690	23%	100%	\$ 2,528
Conference(s)	\$ -	\$ 600	\$ 600	0%	100%	\$ 1,744
Volunteer Recognition	\$ 61	\$ 200	\$ 200	31%	100%	\$ 48
<b>Total Office Expense</b>	<b>\$ 5,520</b>	<b>\$ 13,510</b>	<b>\$ 12,963</b>	<b>43%</b>	<b>104%</b>	<b>\$ 16,855</b>
<b>Travel and Meeting Expenses</b>						
Staff Travel (non-program)	\$ 71	\$ 300	\$ 300	24%	100%	\$ 26
Meetings: Board / Committee / Strategic Plan	\$ 247	\$ 950	\$ 950	26%	100%	\$ 996
Contracted Services Travel	\$ 91	\$ 225	\$ 225	40%	100%	\$ 671
Registration Classes / Programs other than ITCs	\$ 165	\$ 500	\$ 520	32%	96%	\$ 818
<b>Total Travel and Meetings Expense (other than ITCs)</b>	<b>\$ 574</b>	<b>\$ 1,975</b>	<b>\$ 1,995</b>	<b>29%</b>	<b>99%</b>	<b>\$ 2,511</b>
<b>Fundraising Expenses</b>						
Special Events	\$ 16,879	\$ 17,500	\$ 16,410	103%	107%	\$ 13,386
Direct Mail	\$ 913	\$ 4,600	\$ 4,630	20%	99%	\$ 3,937
<b>Total Fundraising Expenses</b>	<b>\$ 17,792</b>	<b>\$ 22,100</b>	<b>\$ 21,040</b>	<b>85%</b>	<b>105%</b>	<b>\$ 17,323</b>

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Other Expenses						
Advertising / Marketing Costs	\$ 840	\$ 1,900	\$ 1,900	44%	100%	\$ 2,791
Interest / Fines / Penalties	\$ -	\$ -	\$ -			\$ (1,350)
Insurance	\$ 140	\$ 17,300	\$ 17,300	1%	100%	\$ 14,129
Bank Service Charges	\$ 334	\$ 700	\$ 1,190	28%	59%	\$ 1,708
In Kind Expense			\$ 1,000	0%	0%	\$ 4,250
Dues and Subscriptions	\$ 2,132	\$ 4,225	\$ 4,225	50%	100%	\$ 4,837
Bad Debt						\$ 1,210
Total Other Expenses	\$ 3,446	\$ 24,125	\$ 25,615	13%	94%	\$ 27,575
Depreciation Expense						\$ 3,057
<b>Total Expenses</b>	<b>\$ 158,088</b>	<b>\$ 715,595</b>	<b>\$ 688,975</b>	<b>23%</b>	<b>104%</b>	<b>\$ 652,450</b>
Net Income/Loss	\$ 182,702	\$ 10,410	\$ 10,475			\$ 10,119

**ArtStream FY19 Fundraising Strategy**

**AS OF: 12/31/18**

<b>Grant</b>	<b>Restricted?</b>	<b>Amount Received FY18</b>	<b>FY19 Projected</b>	<b>Amount Received FY19</b>
MSAC	gen operating	\$38,770	\$40,000	\$39,152
AHCMC	gen operating	\$20,005	\$30,115	\$30,115
NEA Challenge America	ITC	\$10,000	end of 3-year grant	
NEA ArtWorks	ITC		\$10,000	
<b>Foundation</b>				
Corina Higginson		\$5,000	\$5,000	
Jones Foundation			\$15,000	
Max and Victoria Dreyfus		\$3,500	\$3,500	
Lorraine S. Dreyfuss		\$1,000		
Cafritz			\$20,000	
Nora Roberts		\$5,000	\$5,000	
Angell	ITC		\$15,000	
Dominion Guild	VA ITC/Cabaret		\$10,000	
Philip Graham	Tech		\$27,000	
Kelley Cares	VA ITC	\$4,300	\$4,500	
Porto	VA	\$4,000	\$4,000	
Safeway	gen operating	\$5,000	\$5,000	\$6,500
Campbell Family Foundation		\$5,000	\$5,000	
Milton and Dorothy Sarnoff Raymond Foundation		\$5,000	\$5,000	
Jacquemin Family Foundation		\$1,000	\$1,000	
Jockey Hollow Family Foundation		\$4,000	\$4,000	
Shared Horizons	scholarships	\$2,000	\$2,000	\$2,000
Dimick		\$3,000	\$3,000	
MESH	gen operating	\$5,000	\$10,000	\$5,000
Clark-Winchcole		\$5,000	\$5,000	
William S. Abell		\$20,000	only given in even years	\$5,000
Trawick Foundation	scholarships	\$5,050	\$5,050	\$6,000
Immanuel Presbyterian Church	VA ITC	\$1,360	\$1,000	
<u>two new grants</u>			<u>\$15,000</u>	
<u>Amica Foundation</u>				<u>\$550</u>
<u>Greater Kansas Community Fdtn</u>				<u>\$3,000</u>
<b>TOTAL</b>				
<b>FY19 Goal \$226,000</b>		<b>\$152,985</b>	<b>\$250,165</b>	<b>\$97,317</b>