

May 16, 2022

TO: Board of Directors
FROM: Heller An Shapiro, Executive Director
RE: FY22 Financial and Operations Outlook

NEW FISCAL YEAR FY22

As approved by the board at the March 21, 2022 meeting, the fiscal year will now end June 30. The FY22 Audit will be a 10-month audit, covering September 1, 2021 to June 30, 2022. The audit will not show comparisons to previous years.

The FY22 990 will be a 10-month document, with additional IRS documentation filed regarding the change.

The FY23 audit will cover July 1, 2022 – June 30, 2023.

FINANCIAL SUMMARY

As of March 31, FY22 income is \$430,815 (51% of the annual FY22 budget).

As of March 31, FY22 expenses are \$486,921 (60% of the annual FY22 budget)

Net income (decrease) is **(\$56,106)** compared to budget projections of net income of \$101,164 for this 7-month period.

Shortfall of up to \$170,000 compared to budget is possible. The shortfall is attributable to the decrease in overall individual donations and the \$39,000 cost for Penn Creative Strategy (\$35,000 grant revenue to cover this cost was received in FY21). Note that nonprofit revenues are down across the county.

Cash and cash equivalents equal \$679,819 on March 31, 2022. Of this amount \$463,550 is operating cash and \$222,225 is the March 31 balance in the reserve fund investment portfolio.

- The operating cash includes FY21 revenue from grants and individual donations.
- For reference, operating cash at pre-pandemic February 28, 2019 was \$369,691 and by June 4 it dropped to \$250,672.

REVENUE OUTLOOK

Expenses are typically higher than revenue during the 2nd half of the fiscal year.

- There is a shortfall of \$142,535 at March 31 against projected revenue and a total shortfall of \$412,086 against the FY22 budget through August 31.
- The expected and new (unbudgeted) grants will bring in \$190,000 by August 31. Additional individual gifts will be needed to bring in the remaining \$222,086.

Individual Gifts: Individual giving is at \$52,351 compared to last year when we had \$182,742 at 3/31/21

1. Board giving is \$76,370 or 77% of average annual board gifts

2. Spring appeal is budgeted at \$15,000 but we are expecting to bring in \$20,000. The Bradley and Myers families are offering \$10,000 for a matching gift challenge and the appeal is going out earlier than last year.
3. The TV raffle is expected to bring in \$2,500-\$3,000.
4. An anonymous \$5,000 donation arrived in April.

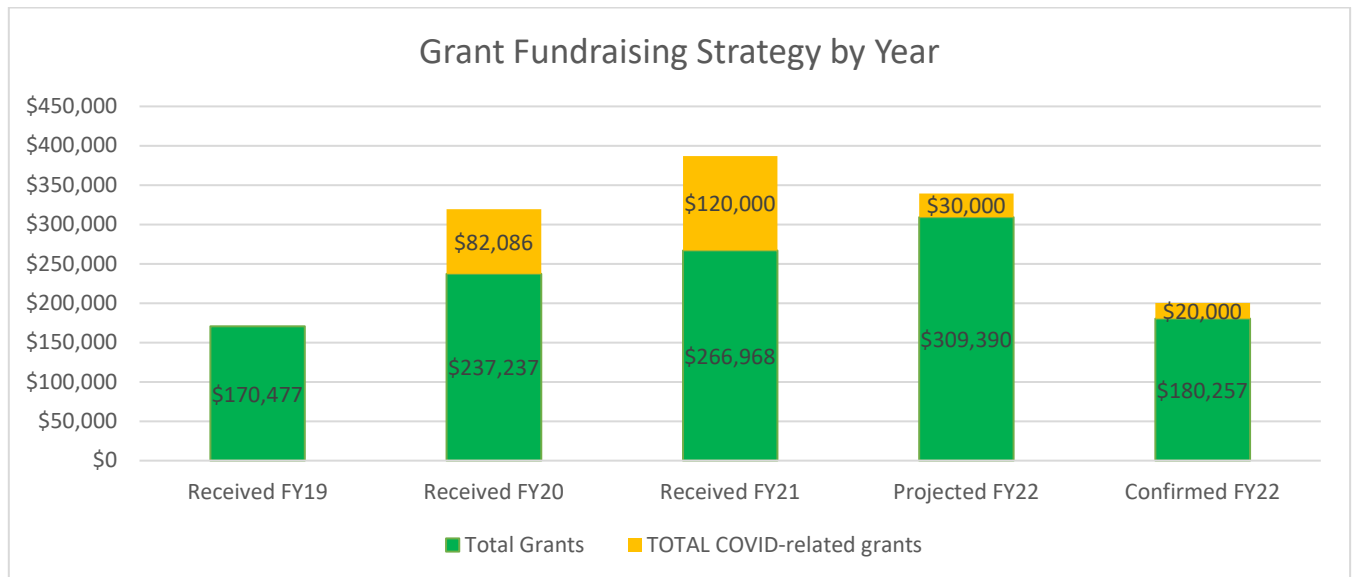
Grants: \$195,257 pledged, with \$148,257 received (89% of \$218,350 in budgeted grants).
Confirmed, expected April-June 2022 (not shown in the March 31 statement):

Mid Atlantic Arts Council:	\$10,000-\$12,000 new
PG Community Partnership:	\$7,000 new
FCIDD Civitan:	\$22,257 new-received 5/7/22
Venable Foundation	\$5,000 new
Paul M. Angell Foundation:	\$20,000
NEA Musical Theatre:	\$20,000
TOTAL:	\$79,257-\$81,257

Expected June-August 2022

MSAC:	\$58,989+
AHCMC:	\$37,144+
Cafritz Foundation	\$15-25,000
Total	\$111,000-\$121,133

Note that Maryland's elected officials added \$40 million in Arts Relief grant funding for the arts sector through the Maryland State Arts Council (MSAC). This sum is in addition to MSAC's regular budget, which is likely to total about \$28.8 million. While it's probable that the relief funding will bolster the budgets of some existing grant programs (e.g., Grants for Organizations – ArtStream receives these, Creativity Grants, etc.), as well as fund a new grant program focusing on supporting sustaining the livelihoods of Maryland artists, the new grant opportunities are still under discussion.



STRATEGIC PLANNING PROCESS

At the January 18, 2022 meeting, Penn Creative Strategy shared the Phase II data gathering report with the Board.

The Strategic Planning Committee (Board, staff, and Teaching Artist team) updated the Vision statement (*To build an accessible world where every person has a role to play.*), developed 6 value statements, and began work on a Strategic Plan Framework for FY23-25. To give this work the full attention it deserves, we will schedule a Strategic Planning meeting with the Board to review the vision, values and goals and develop strategies.

DECISION: Date for Strategic Planning Retreat

PROGRAMS

In-person classes are not filling yet. We will continue offering at least one to gauge interest. After the in-person MD theatre company rehearsals end, we may be able to fill the in-person classes. A monthly in-person Virginia Super Social Saturday starts in June.

Online classes range from 4-8 students with an average of 6 per class. Online Super Social Saturday averages 9 students per session (2 sessions/week).

Volunteer recruitment is greatly increased thanks to new Outreach Coordinator Katie Mraz and we expect to have a full team of trained mentors by September 2022. Out of 16 inquiries, 12 individuals have been interviewed and 4 are placed so far. Final edits are being made to the mentor training video created by Teaching Artist Natalie Zanin and a team of mentors.

Hiring Teaching Artists in Virginia is still a challenge, but thanks to increased outreach recruitment is improving with 5 VA-based Teaching Artists interviewed. Training and placement are occurring in the Reston Community Center class. Thanks to Communications Manager Catie-Reagan Palmore and Programs Manager Rachael Sutherland.

All 4 Cabarets and the Alexandria Theatre Companies have completed their performances. Gaithersburg is currently performing, and the Silver Spring Companies perform June 10-19. Thanks to Theatre and Events Manager Sarah Sandifer who is also captioning all of the performance videos.

With the FCIDD/Civitan grant in hand, we have begun purchasing wireless microphones, a projector, shelving, green screens, and clothing racks. Thanks to Kim Coates Schofield for arranging this grant opportunity.

FAMILY ENGAGEMENT ACTIVITIES

A Parent Town Hall is scheduled for May 24 on Zoom. A Sibling Happy Hour featuring a guest speaker is scheduled for June 3.

ArtStream, Inc.
Balance Sheet
As of March 31, 2022

	<u>March 31, 2022</u>	Prior FY Comparison <u>March 31, 2021</u>
ASSETS		
Current Assets		
Cash	463,550	534,042
Bill.com	(5,956)	(1,421)
Investments	222,225	217,350
Total Cash & Investments	<u>679,819</u>	<u>749,971</u>
Accounts Receivable	63,907	46,700
Other Current Assets	64,001	13,328
Total Current Assets	<u>807,727</u>	<u>809,998</u>
Fixed Assets	-	636
Other Assets	13,305	13,860
TOTAL ASSETS	<u><u>821,033</u></u>	<u><u>824,494</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities	42,641	50,458
Total Liabilities	<u>42,641</u>	<u>50,458</u>
Equity		
Retained Earnings	834,498	577,412
Net Income	(56,106)	196,625
Total Equity	<u>778,392</u>	<u>774,037</u>
TOTAL LIABILITIES & EQUITY	<u><u>821,033</u></u>	<u><u>824,494</u></u>

ArtStream, Inc.
Statement of Cash Flows
September 2021 through March 2022

	<u>Sep '21 - Mar 22</u>
OPERATING ACTIVITIES	
Net Income	(56,106)
Adjustments to reconcile Net Income to net cash provided by operations:	
Net cash provided by Operating Activities	<u>20,555</u>
Net cash provided by Investing Activities	<u>665</u>
Net cash increase for period	21,220
Cash at beginning of period	<u>658,599</u>
Cash at end of period	<u><u>679,819</u></u>

ArtStream, Inc.
Profit & Loss Actual to Budget
September 1, 2021 through August 31, 2022

	Actual Performance for the period of	YTD budget period of	Annual Budget period of	Actual Performance for the period of	The new Fiscal Year for FY 22 ending, June 30, 2022 approved per last board meeting
	9-1-21 thru 3-31-22	Budget	Annual Budget	9-1-20 thru 3-31-21	Notes
Revenues					
Individuals Unrestricted	39,267	180,000	200,000	139,122	FY 21 indiv unrestricted includes Giving Tue., Winter Appeal & Fall newsletter
In Honor - In Memory Corporations	13,084	21,000	30,000	43,620	
Service Organizations	-	-	35,000	25,220	FY 22 Corporate donor notified ArtStream redirecting its funding strategy
Grants	2,000	3,000	3,000	200	
Other Income	104,987	98,350	218,350	172,849	FY 21 included emergency grants
Program	3,958	4,100	11,500	2,769	
Dev. & Fundraising Revenues	158,923	151,900	215,050	147,792	
Investment Income	121,319	115,000	130,000	94,721	Spring Appeal Campaign-May 2022
	(12,724)			31,532	
Total Revenues	430,815	573,350	842,900	657,827	Actual income to YTD budget income is at 75%
Expenses					
Payroll	249,541	251,165	430,574	222,312	
Staff/Employee incentives	-	250	500	-	
Program	157,490	157,376	269,940	158,478	
Equipment & Computer	7,712	5,312	9,719	4,801	New computers purchases for staff
Marketing & Advertisement	60	-	550	306	
Professional Fees	7,438	6,600	6,600	6,600	
Administrative Expenses	60,937	47,858	82,873	52,668	FY 22-Dues & subscriptions have increased due to Bill.com monthly subscript.
Other	2,177	2,500	5,000	6,017	
Reconciliation Discrepancies	1,281			-	
Dev. & Fundraising Expenses	285	1,125	2,250	20	
Total Expense	486,921	472,186	808,006	451,202	Actual expenses to YTD budget expenses is 3% greater
Net Income	(56,106)	101,164	34,894	206,625	
Adjust net income by investment income impact	12,724			(31,532)	
	(43,383)			175,093	



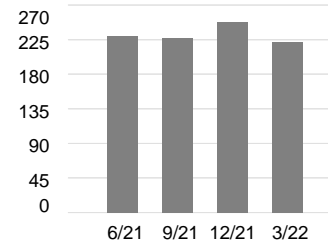
Schwab One® Account of
ARTSTREAM, INC

Account Number
5724-7501

Statement Period
March 1-31, 2022

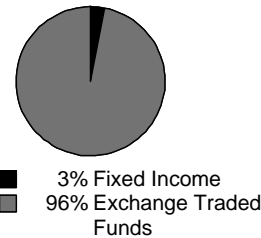
Account Value as of 03/31/2022: \$ 222,225.36

Change in Account Value	This Period	Year to Date	Account Value [in Thousands]
Starting Value	\$ 221,900.40	\$ 249,370.49	
Credits	485.82	567.96	
Debits	(92.46)	(10,290.71)	
Transfer of Securities (In/Out)	0.00	0.00	
Income Reinvested	0.00	0.00	
Change in Value of Investments	(68.40)	(17,422.38)	
Ending Value on 03/31/2022	\$ 222,225.36	\$ 222,225.36	
Accrued Income ^d	0.41		
Ending Value with Accrued Income^d	\$ 222,225.77		
Total Change in Account Value	\$ 324.96	\$ (27,145.13)	
Total Change with Accrued Income^d	\$ 325.37		



Asset Composition	Market Value	% of Account Assets
Cash and Bank Sweep ^{x,z}	\$ 1,481.53	<1%
Fixed Income	6,970.47	3%
Exchange Traded Funds	213,773.36	96%
Total Assets Long	\$ 222,225.36	
Total Account Value	\$ 222,225.36	100%

Overview



ONE DAY
IN JULY

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Schwab One® Account of
ARTSTREAM, INC

Account Number
5724-7501

Statement Period
March 1-31, 2022

Gain or (Loss) Summary	Realized Gain or (Loss) This Period		Unrealized Gain or (Loss)
	Short Term	Long Term	
All Investments	\$(531.88)	\$0.00	\$(1,258.78)

Values may not reflect all of your gains/losses; Schwab has provided accurate gain and loss information wherever possible for most investments. Cost basis may be incomplete or unavailable for some of your holdings and may change or be adjusted in certain cases. Statement information should not be used for tax preparation, instead refer to official tax documents. For additional information refer to Terms and Conditions.

Income Summary	This Period		Year to Date	
	Federally Tax-Exempt	Federally Taxable	Federally Tax-Exempt	Federally Taxable
Bank Sweep Interest	0.00	0.01	0.00	0.07
Cash Dividends	0.00	411.44	0.00	491.82
Treasury Bond Interest	0.00	74.37	0.00	74.37
Total Income	0.00	485.82	0.00	566.26
Accrued Interest Paid ⁴	0.00	(73.56)	0.00	(73.56)

⁴Certain accrued interest paid on taxable bonds may be deductible; consult your tax advisor.

Cash Transactions Summary	This Period	Year to Date
Starting Cash *	\$ 1,214.64	\$ 11,845.08
Deposits and other Cash Credits	0.00	0.00
Investments Sold	6,914.20	25,052.15
Dividends and Interest	485.82	567.96
Withdrawals and other Debits	0.00	(10,000.00)
Investments Purchased	(7,040.67)	(25,692.95)
Fees and Charges	(92.46)	(290.71)
Total Cash Transaction Detail	266.89	(10,363.55)
Ending Cash *	\$ 1,481.53	\$ 1,481.53

*Cash (includes any cash debit balance) held in your account plus the value of any cash invested in a sweep money fund.