

June 27, 2022

**TO:** Board of Directors

**FROM:** Heller An Shapiro, Executive Director; Lynn Taylor Moore, Director of Finance and Administration

**RE:** FY23 Budget Proposal

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The revised FY23 Budget reduces the revenue goal from the May 16, 2022 budget to \$901,043. Expenses are reduced to \$900,953

- The green budget (2<sup>nd</sup> column “Annual Budget”) was proposed at the May 16, 2022 Board meeting.
- The orange budget (3<sup>rd</sup> column “revised at 6/3/22”) assumes no new hires, and individual donor revenue will be \$69,500 based on FY22 revenue to date. While a major goal of FY23 will be to expand the donor base, this is not included in the current budget.
- Based on recommendations from the Finance Committee after reviewing the class fee survey (attached), the 6/3/22 budget assumes tuition and partner fee increases totaling \$90,510 in new revenue. Class and performing company revenues increase 51% to \$270,060 from \$179,550. Program partner fees will increase by 7% January 1, 2023, from \$140/hour to \$150/hour.
  - Class fees increase from \$26.25/hour to \$29/hour
  - Super Social Saturdays increase from \$25/\$35 per hour to \$30/\$40 per hour
  - Theatre Companies increase from \$750/season to \$800/season
  - Cabaret Companies remain the same at \$800/season (2 Cabarets)
  - Program partner fees increase from \$140/hour to \$150/hour in January 2023

A. Individual donor gifts reduced 70% from \$230,000 budgeted in FY22 to \$69,500 (just above actual FY23 at April 30, 2022).

Gala revenue increases 18% from \$85,000 to \$100,000 based on larger venue and first in-person event in two years.

B. Grant revenue increases to \$374,633 with current grant renewals and the addition of previously received grants (AHCMC Advancement Grant, Abell, and Graham). New grants are not included in this total. So far in FY22 we received \$54,757 in new or increased, unbudgeted grant funding.

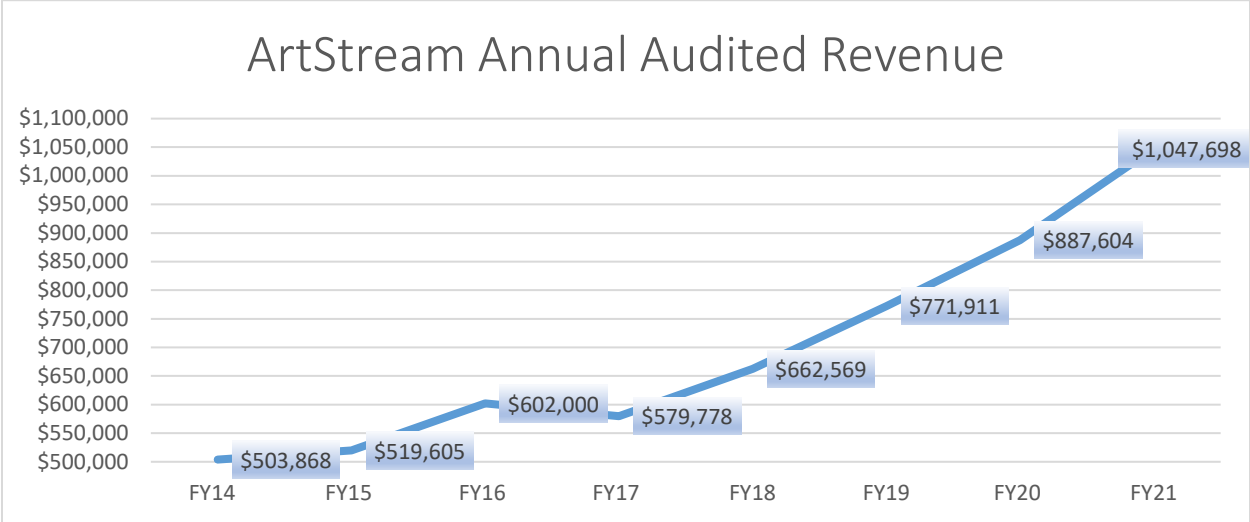
AHCMC Advancement Grant at \$25,000  
Return of Abell and Graham grants totaling \$45,000  
TOTAL: \$70,000

Expenses are budgeted 14% above FY21 actual at \$900,953 25% higher than FY20 actual, and 24% above pre-pandemic FY19.

(FY21 actual: \$788,534; FY20 actual: \$678,656; FY19 actual: \$681,592)

This is based on:

Staff salaries increase with an up to 3% merit raise on the hiring anniversary  
Rent decreases 75% from \$44,456 to \$25,127 (\$2,400 annually in future years).



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

	9/1/21 thru 8/31/22	7/1/22 thru 6/30/23	Notes	Revised at 6/3/22 7/1/22 thru 6/30/23	Notes
	Annual Budget	Annual Budget		Annual Budget	
<b>Income</b>					
<b>Individuals Unrestricted</b>	200,000.00	136,000.00		62,000.00	
<b>Individuals Restricted</b>		-		-	
<b>In Honor - In Memory</b>	30,000.00	7,500.00		7,500.00	
<b>Total Individuals</b>	230,000.00	143,500.00		69,500.00	
<b>Corporations</b>					
<b>Corporation General Support</b>	35,000.00	-		-	
<b>Total Corporations</b>	35,000.00	-		-	
<b>Service Organizations</b>					
<b>Service Org-Unrestricted</b>	3,000.00	16,500.00	See grant funding strategy schedule	16,500.00	See grant funding strategy schedule
<b>Total Service Organizations</b>	3,000.00	16,500.00		16,500.00	
<b>Grants</b>					
<b>Foundation Grant-Unrestricted</b>	130,000.00	171,000.00	See grant funding strategy schedule + new sourcing of additional grants of \$20,000	136,000.00	See grant funding strategy schedule -revision to decrease by \$35,000
<b>Foundation Grants-Restricted</b>	8,350.00	59,000.00	See grant funding strategy schedule	59,000.00	See grant funding strategy schedule
<b>Government Grants Unrestricted</b>					
<b>Federal Government</b>		15,000.00	See grant funding strategy schedule	15,000.00	See grant funding strategy schedule
<b>State Government</b>	37,000.00	83,989.00	See grant funding strategy schedule	83,989.00	See grant funding strategy schedule
<b>Local Government</b>	43,000.00	64,144.00	See grant funding strategy schedule	64,144.00	See grant funding strategy schedule
<b>Total - Government Grants Unrestricted</b>	80,000.00				
<b>Total Grants</b>	218,350.00	409,633.00		374,633.00	
<b>Other Income</b>					
<b>Inkind Donations Income</b>	4,000.00	4,000.00		1,000.00	
<b>Miscellaneous Income</b>	5,000.00	3,500.00		1,500.00	
<b>Convenience Fees</b>	2,500.00	3,500.00		3,500.00	
<b>Total Other Income</b>	11,500.00	11,000.00		6,000.00	
<b>Total Supporting Revenues</b>	497,850.00	564,133.00		450,133.00	
<b>Program Income</b>					
<b>Tuition</b>					
<b>Classes</b>	54,550.00	110,360.00		110,360.00	Tuition increase reflecting new rates
<b>Companies</b>	70,000.00	84,800.00	90 TC and 32 CAB at new rate	84,800.00	90 TC and 32 CAB at new rate
<b>Contracted Classes</b>	55,000.00	74,900.00		74,900.00	Estimated 7% increase starting 1/23
<b>Total Tuition</b>	179,550.00	270,060.00		270,060.00	
<b>Ticket/Concession Sales</b>					
<b>Online Ticket Sales</b>	7,000.00	-		-	
<b>Concession Sales</b>	0.00	1,000.00		500.00	
<b>Box Office Receipts</b>	25,000.00	25,000.00	General performance ticket sales	25,000.00	
<b>Total Ticket Sales</b>	32,000.00	26,000.00		25,500.00	
<b>Other Program Related Income</b>					
<b>Program ads</b>	3,500.00	1,200.00		250.00	
<b>Total Other Program Related Income</b>	3,500.00	1,200.00		250.00	
<b>Total Program Revenues</b>	215,050.00	297,260.00		295,810.00	
<b>Dev. &amp; Fundraising Revenues</b>					
<b>Special Fundraising Activities</b>					

**ArtStream, Inc.**  
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	9/1/21 thru 8/31/22	7/1/22 thru 6/30/23		7/1/22 thru 6/30/23	
	Annual Budget	Annual Budget	Notes	Annual Budget	Notes
Silent Auction / Raffle		-		-	
Winter Appeal	30,000.00	30,000.00		30,000.00	
Spring Appeal	15,000.00	20,000.00		15,000.00	
Annual Gala Revenues	85,000.00	100,000.00	Event date 10/16/2022	100,000.00	Event date 10/16/2022
Giving Tuesday		10,000.00	Event date 11/29/2022	9,100.00	Event date 11/29/2022
<b>Total Special Fundraising Activities</b>	<b>130,000.00</b>	<b>160,000.00</b>		<b>154,100.00</b>	
<b>Total Dev. &amp; Fundraising Revenues</b>	<b>130,000.00</b>	<b>160,000.00</b>		<b>154,100.00</b>	
<b>Investment Income</b>					
Dividends		1,000.00	An offset on investment commission fees note below under expenses	1,000.00	
Interest Income					
Unrealized Gains/Losses					
<b>Total Investment Income</b>		<b>1,000.00</b>		<b>1,000.00</b>	
<b>Total Income</b>	<b>842,900.00</b>	<b>1,022,393.00</b>		<b>901,043.00</b>	
<b>Expenses</b>				<b>6-1-22 expense revisions</b>	
<b>Payroll Expenses</b>					
Salaries & Wages	384,512.07	517,989.31		452,915.00	
<b>Total Salaries &amp; Wages</b>	<b>384,512.07</b>	<b>517,989.31</b>		<b>452,915.00</b>	
<b>Employer Taxes</b>					
Medicare	5,575.41	7,510.84		6,567.27	
FICA	23,839.72	32,115.34		28,080.73	
MD Suta	0.00	1,000.00		1,000.00	
California Unemployment		250.00		250.00	
<b>Total Employer Taxes</b>	<b>29,415.13</b>	<b>40,876.18</b>		<b>35,898.00</b>	
<b>Other Employer Payroll Expenses</b>					
Life Insurance	36.00	32.40		28.80	
AD&D Ins	648.00	583.20		518.40	
Medical Insurance	6,800.00	11,700.00		11,455.14	
Short-term Disability	1,663.00	1,663.20		1,478.40	
Worker's Compensation	7,500.00	5,700.00		5,700.00	
<b>Total Other Employer Payroll Expenses</b>	<b>16,647.00</b>	<b>19,678.80</b>		<b>19,180.74</b>	
<b>Total Payroll Expenses</b>	<b>430,574.20</b>	<b>578,544.29</b>		<b>507,993.74</b>	
<b>Staff/Employee incentives</b>					
Staff/Employee Recognition	500.00	0.00		0.00	
Staff/Employee incentives	500.00	0.00		0.00	
<b>Program Expenses</b>					
Concessions Expense	500.00	500.00		250.00	
<b>Tuition Assistance</b>					
Tuition Assist.-Trawick	8,300.00	8,000.00		8,000.00	
Tuition Assist.-Lorraine S. Dreyfuss		1,000.00		1,000.00	
Tuition Assist.-Jesrani		1,000.00		1,000.00	
<b>Total Tuition Assistance</b>	<b>8,300.00</b>	<b>10,000.00</b>		<b>10,000.00</b>	
Licenses and Permits	250.00	-		-	
Truck Rental	750.00	600.00	To transport set props for theater performances	600.00	
<b>Production Expense</b>					
Costumes	3,500.00	6,750.00	budget to consolidate line items to "production expense"	6,750.00	
Production Equipment	150.00				
Set	800.00				
Props	800.00				

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	9/1/21 thru 8/31/22	7/1/22 thru 6/30/23	Notes	7/1/22 thru 6/30/23	Notes
	Annual Budget	Annual Budget		Annual Budget	
Sound/Recording	1,500.00				
<b>Total Production Expense</b>	<b>6,750.00</b>	<b>6,750.00</b>		<b>6,750.00</b>	
Occupancy					
class occupancy	6,000.00	6,000.00		6,000.00	
performance occupancy	23,000.00	23,000.00		23,000.00	
rehearsal occupancy	15,000.00	15,000.00		15,000.00	
Offsite Storage Rental		4,536.00	Extra Space storage at \$378/month (notification just received increase on 5/7/22 by \$80 to \$458) impact \$960 increase	9,816.00	Two storage units
<b>Total Occupancy</b>	<b>44,000.00</b>	<b>48,536.00</b>		<b>53,816.00</b>	
Art and Drama Supplies		-		-	
Travel Expense-Mileage/Parking					
Mileage Reimbursement	800.00	500.00		500.00	
Parking	200.00	50.00		50.00	
<b>Total Travel Expense-Mileage/Parking</b>	<b>1,000.00</b>	<b>550.00</b>		<b>550.00</b>	
Printing					
Program Printing		9,850.00	Will revise chart of accts to budget to consolidate line items to "program printing"	9,850.00	Will revise chart of accts to budget to consolidate line items to "program printing"
Flyers / Brochures	0.00	-		-	
Letterhead-Envelopes	2,850.00	-	expensed under administration costs and not program	-	expensed under administration costs and not program
Newsletters	10,400.00	-		-	
Photocopies		-		-	
Programs		-		-	
Fundraising-Invitations		-		-	
Raffle Tickets		-		-	
<b>Total Fundraising-Invitations</b>					
<b>Total Printing</b>	<b>13,250.00</b>	<b>9,850.00</b>		<b>9,850.00</b>	
Program supplies	2,500.00	4,000.00		3,750.00	
Programmatic Contract Services					
Videographer	0.00	10,000.00	\$4K for videotaping all shows, \$6K for editing if needed	10,000.00	\$4K for videotaping all shows, \$6K for editing if needed
Photographer		2,000.00		2,000.00	
Program Background Checks & CPR	500.00	500.00		500.00	
Program Design Services	18,000.00	16,500.00	KDL Design with \$1,500 allocated to admin (total contract \$18K)	16,500.00	KDL Design with \$1,500 allocated to admin (total contract \$18K)
Program Development					
Outreach	2,000.00	-	This position has been converted to a full time position	-	This position has been converted to a full time position
Teaching Artists Development	0.00	800.00		800.00	
Consultant Services		-		-	
<b>Total Program Development</b>	<b>2,000.00</b>	<b>800.00</b>		<b>800.00</b>	
Teaching Artists					
ITC Teaching Artists	59,040.00	60,000.00		60,000.00	
Cabaret Co Teaching Artists	13,200.00	13,200.00		13,200.00	
Regist. Class Teaching Artists	31,200.00	30,000.00		30,000.00	
Contract Class Teaching Artists	64,000.00	64,000.00		64,000.00	

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	9/1/21 thru 8/31/22	7/1/22 thru 6/30/23	Notes	7/1/22 thru 6/30/23	Notes
	Annual Budget	Annual Budget		Annual Budget	
Master Teaching Artists	2,400.00	1,000.00		1,000.00	
Script Writing Teaching Artists	300.00	300.00		300.00	
<b>Total Teaching Artists</b>	<b>170,140.00</b>	<b>168,500.00</b>		<b>168,500.00</b>	
ASL Interpreters	2,000.00	2,000.00		2,000.00	
<b>Total Programmatic Contract Services</b>	<b>192,640.00</b>	<b>200,300.00</b>		<b>200,300.00</b>	
Subscription Service & Dues		7,000.00	LearningStream @ \$576.65/mo	16,000.00	Dues & subscription schedule estimates the annual costs for this budget line item
Volunteer Services		1,500.00		1,500.00	
<b>Total Program Expenses</b>	<b>269,940.00</b>	<b>289,586.00</b>		<b>303,366.00</b>	
<b>Equipment &amp; Computer</b>					
Equipment Lease	250.00	3,000.00	Copier: payout of the copier lease at 12/31/22-lease assumption to reduce or eliminate this expense	3,000.00	Copier: payout of the copier lease at 12/31/22-lease assumption to reduce or eliminate this expense
Computer Software/Hardware	3,500.00	2,500.00	Depreciation on three computers expensed at \$800/yr-	400.00	Expense computer hardware at 6-30-22-to minimize expense in FY 23
Computer Maintenance- (F1)	5,700.00	6,000.00		6,000.00	
Postage Machine Lease	269.00	-	Lease equipment shipped back to Pitney Bowes	-	Lease equipment shipped back to Pitney Bowes
<b>Total Equipment &amp; Computer</b>	<b>9,719.00</b>	<b>11,500.00</b>		<b>9,400.00</b>	
<b>Marketing &amp; Advertisement</b>					
Advertisement Placement	250.00	150.00		150.00	
Public Relations/Goodwill	300.00	150.00		150.00	
<b>Total Marketing &amp; Advertisement Expenses</b>	<b>711,283.20</b>	<b>300.00</b>		<b>300.00</b>	
<b>Professional Fees</b>					
Accounting & Auditing Fees	6,600.00	9,500.00		9,500.00	
<b>Total Professional Fees</b>	<b>6,600.00</b>	<b>9,500.00</b>		<b>9,500.00</b>	
<b>Administrative Expenses</b>					
Staff/Employee Recruitment	500.00	150.00		150.00	
Advertising-General	0.00	2,500.00		2,000.00	
Dues & Subscriptions	1,500.00	14,400.00	Bill.com; Zoom; Kindful, Constant Contact, Quickbooks online and other annual dues.	8,500.00	QB Online was estimated at a higher cost adjustment made to reflect new monthly subscription cost
Office supplies	3,500.00	3,500.00		3,500.00	An estimate of \$292 per month for a staff of 8 sharing this cost.
Telephone	0.00	1,428.00	ArtStream's Telephone number lease	1,428.00	ArtStream's Telephone number lease
Office rent	44,456.00	25,126.82	CT Hellmuth (July thru Dec) \$22,726.82/ NonProfit Montg. \$2,400 annually	25,126.82	CT Hellmuth (July thru Dec) \$22,726.82/ NonProfit Montg. \$2,400 annually
<b>Admin Contractual Services</b>					
Professional Development	1,500.00	250.00		250.00	
Third Party Outsourcing	9,700.00	4,650.00	Payroll Network Monthly Payroll processing, 941 preparations and W2s	4,650.00	Payroll Network Monthly Payroll processing, 941 preparations and W2s
Website Maintenance	1,500.00	1,500.00	Spring Insight increased monthly fee by \$25; monthly fee is \$150	1,500.00	Spring Insight increased monthly fee by \$25; monthly fee is \$150

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	9/1/21 thru 8/31/22	7/1/22 thru 6/30/23		7/1/22 thru 6/30/23	
	Annual Budget	Annual Budget	Notes	Annual Budget	Notes
Design Services	0.00	1,500.00	KDL Design with \$1,500 allocated to admin (total contract \$18K)	1,500.00	KDL Design with \$1,500 allocated to admin (total contract \$18K)
<b>Total Admin Contractual Services</b>	<b>12,700.00</b>	<b>7,900.00</b>		<b>7,900.00</b>	
<b>Bank Service Charge</b>					
Bank Maintenance Fees	2,500.00	4,800.00	Operating account monthly analysis fees	4,800.00	Operating account monthly analysis fees
CC Processing Fees	2,000.00	5,000.00	Stripe credit card processing fees	5,000.00	Stripe credit card processing fees
Bank Stop Payment Fees	150.00	-	Are covered in the bank analysis monthly fee	-	Are covered in the bank analysis monthly fee
<b>Total Bank Service Charge</b>	<b>4,650.00</b>	<b>9,800.00</b>		<b>9,800.00</b>	
Postage and Delivery	2,400.00	150.00	Certified mail costs	150.00	Certified mail costs
<b>Investment Service Charges</b>					
Investment Commission Fees	900.00	1,000.00		1,000.00	
<b>Total Investment Service Charges</b>	<b>900.00</b>	<b>1,000.00</b>		<b>1,000.00</b>	
<b>Internet</b>	<b>7,000.00</b>	<b>198.00</b>	Internet discontinued through the end of Aug at \$99/mo Address change needed on envelopes upon relocation to the Non-Profit Village.	<b>198.00</b>	Internet discontinued through the end of Aug at \$99/mo Address change needed on envelopes upon relocation to the Non-Profit Village.
Printing Insurance	0.00	1,000.00		1,000.00	
Director & Officers Ins.	1,086.00	1,090.00	Renewal-December 2022	1,090.00	Renewal-December 2022
Umbrella Liability	4,181.00	4,800.00	Renewal-February 2023	4,800.00	Renewal-February 2023
<b>Total Insurance</b>	<b>5,267.00</b>	<b>5,890.00</b>		<b>5,890.00</b>	
<b>Total Administrative Expenses</b>	<b>82,873.00</b>	<b>94,342.82</b>		<b>85,842.82</b>	
<b>Other Operating Expenses</b>					
Miscellaneous Expense	5,000.00	1,500.00		1,500.00	
Property Tax	-	-		-	
<b>Total Other Operating Expenses</b>	<b>5,000.00</b>	<b>1,500.00</b>		<b>1,500.00</b>	
Reconciliation Discrepancies	-	-		-	
<b>Dev. &amp; Fundraising Expenses</b>					
Statutory Compliance-Charitable	2,250.00	2,250.00		2,250.00	
<b>Total Dev. &amp; Fundraising Expenses</b>	<b>2,250.00</b>	<b>2,250.00</b>		<b>2,250.00</b>	
<b>Indirect Costs</b>					
Allocated Indirect Costs	0.00	-		-	
<b>Total Indirect Costs</b>	<b>0.00</b>	<b>-</b>		<b>-</b>	
<b>Total Expense</b>	<b>808,006.20</b>	<b>966,223.11</b>		<b>900,952.56</b>	
<b>Net Income</b>	<b>34,893.80</b>	<b>56,169.89</b>		<b>90.44</b>	

**ArtStream FY23 GRANTS Fundraising Strategy as of 6-27-22**

Grant	Restricted?	Amount Received FY20	Amount Received FY21	Amount Projected FY22	Amount Confirmed FY22	Amount Projected FY23
MSAC	gen operating	\$45,512	\$58,989	\$58,989		\$58,989
AHCMC	gen operating	\$38,425	\$37,144	\$37,144		\$37,144
NEA -Musical Theatre	TC	\$10,000	\$10,000	\$20,000	\$20,000	\$15,000
<b>Foundation</b>						
Corina Higginson	gen operating	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500
Lorraine S. Dreyfuss	scholarships	\$1,000	\$1,000		\$1,000	\$1,000
Morris and Gwendolyn Cafritz	gen operating	\$15,000	\$15,000	\$15,000	\$20,000	\$25,000
Paul M. Angell	TC	\$15,000	\$20,000	\$20,000	\$20,000	\$20,000
Dominion Guild	VA TC/Cabaret	\$10,000				
Philip Graham (every 3 years)	website	\$25,000				\$25,000
Kelley Cares (at Lee Center)	VA TC	\$4,500		\$4,500		
Safeway	gen operating	\$10,500		\$13,000	\$13,000	\$13,000
Campbell Family Foundation	gen operating	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Milton and Dorothy Sarnoff Raymond Foundation	gen operating	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Jacquemin Family Foundation	gen operating	\$2,000	\$3,000	\$10,000	\$10,000	\$8,000
Jockey Hollow Family Foundation	gen operating	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Shared Horizons	Gala	\$0	\$1,500	\$1,500		\$2,000
Dimick	gen operating	\$3,500	\$5,000	\$5,000	\$5,000	\$5,000
MESH	gen operating	\$6,500	\$10,000	\$10,000	\$2,000	\$8,000
Clark-Winchcole	gen operating	\$10,000	\$15,000	\$15,000	\$15,000	\$15,000
William S. Abell	gen operating					\$20,000
Trawick Foundation	scholarships	\$7,800	\$7,335	\$8,000	\$8,000	\$8,000
Immanuel Presbyterian Church	VA TC		\$2,500			\$2,500
Jack R. Anderson Foundation	TC	\$5,000	\$5,000	\$7,500	\$7,500	\$7,500
Brown Advisory	gen operating	\$1,000				
Vsarts-Kennedy Center	transition age		\$15,000	\$13,000	\$13,000	\$5,000
Greater Kansas Community Fdtn	gen operating		\$3,000	\$3,000		\$3,000
Joe and Cory Rogers Foundation	gen operating		\$8,000	\$8,000	\$5,000	\$8,000
Metro Bethesda Rotary	SS TC		\$3,000	\$4,000		\$4,000
Ross Roberts Foundation	gen operating		\$20,000	NA		
FCIDD/Civitan	TC			\$22,257	\$22,257	
Prince George's Community Partnership	classes			\$7,000	\$7,000	\$7,000
NEW AHCMC Advancement						\$25,000
NEW Venable					\$5,000	\$5,000
<b>COVID-19 Emergency</b>						
AHCMC Covid-19 Relief			\$54,703			
Maryland State COVID-19	Emergency	\$10,000				
Montgomery County PHEG CARES Act PPP	Emergency	\$10,986	\$5,297			
CARES Act PPP	Emergency	\$61,100				
MD DHCD NORI	Emergency		\$25,000			
Arts Forward Fund	Emergency		\$25,000	\$20,000	\$20,000	\$20,000
Mid-Atlantic Arts Council	Emergency		\$10,000	\$10,000	\$9,500	
<b>TOTAL GRANTS</b>		<b>\$319,323</b>	<b>\$386,968</b>	<b>\$339,390</b>	<b>\$229,757</b>	<b>\$374,633</b>
<b>TOTAL COVID grants</b>		<b>\$82,086</b>	<b>\$120,000</b>	<b>\$30,000</b>	<b>\$29,500</b>	