

## Executive Narrative for 16-17 Budget

### Significant Changes to 16-17 Budget

#### INCOME

4005 Subscriptions: Slight increase as we are ahead of last year's sales.

4010 Single tickets: Income based on %capacities. Discussed in detail at workshop.

4013 Tuition: As per the strategic plan, we are scaling back education.

4015 Rental Income: Program is ready, but we have not advertised. We are ready to push this.

4020 Retail Sales: No gallery sales as per previous decisions regarding property taxes.

4201 Other Events: Ancillary production event income is factored into single tickets.

4203 & 4205: AWA and SPS are no longer functioning and have not been for 2+ years.

4215 Concessions: This season has an additional production that has an intermission.

4200 Other Income Other: few dollars noted for selling of set pieces. FYE15 reflects GALA at FMV\$. Our actual FYE16 will as well. Total estimate for GALA is included in #4465 Events.

4400 All lines in Contributed Revenue have been based on already pledged income, grants that we have historically obtained, and a review of our current patron base and who will likely donate. The balance between Major Gifts and Individual Giving is always difficult to project as we move more donors into the plus \$1,000+ donations.

\*As per year one of the Strategic Plan, the balance of CR (contributed revenue) to ER (earned revenue) is based on the projected actuals of FYE 16. CR/ER = 52/48%.

Internally, but not budgeted, we are aiming to move this needle to 55/45% this upcoming FYE.

4425 Major Gifts: FYE15 included the 2<sup>nd</sup> year of a \$200,000 infrastructure grant.

4465 Events: as all GALA receipts are not 100% confirmed, I believe we will end somewhere around \$148,000. This upcoming year's budget for events is based on a \$150K GALA and a \$20K other event. As it is impossible to guestimate the breakout of this income into the appropriate GL lines – above FMV donations, FMV donations, single tickets, and in-kind, all the income for events is budgeted to GL#4465. FYE15 has the appropriated breakdowns as those numbers reflect actuals.

#### EXPENSES

##### 6001 Payroll Expenses

6010 Wages: Payroll is down from last year's budget, despite the increase in minimum wage to \$13/hr. that will be in effect as of Jan. 1, 2017. This is as a result of us decreasing our staff positions, carefully picking productions that allow us to balance wages (non and equity), and carefully planning the # of performances based on an expense/profit balance. Our forecasted FYE16#'s are lower as it was here that we cut expenses to make up for the loss of earned revenue and missed goals of the GALA.

6030 Medical/Dental: Based on 4 staff receiving benefits – our current 2 positions plus the new employees hired for Devo and Marketing.

##### 6002 Occupancy Expenses

6080 Repairs and Maintenance: Regular maintenance for our building is approximately \$7,000/year, leaving \$8,000 for repairs and paint. This is in line with the year one Strategic Plan goals of taking this upcoming year to determine whether long-range major physical plans will become a reality.

6085 Rent Expense: This is our storage unit and the price increases this year, both the base rent has increased plus the utilities on the unit have almost doubled.

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### 6003 Production Expenses:

Careful planning went into the season production choices (season planning) to reach a production budget that was acceptable. Each individual piece of this category, plus the actor/creative/cast&crew wages was a factor in that decision. No one thread can be adjusted without adjustments to other pieces as this is an entire knitted fabric. For example, the “musicians” budget is way down, as we made strategic choices to not have productions that required musicians and instead made choices that required investments in other areas. Our overall production budgets (including wages) is down from last season, but not at a sacrifice of production values and quality.

*6190 Food and Beverage:* Note here is that this increase is to account for cast and crew hospitality being included in this line item (tech food); as we seek sponsors for the Opening Night Parties.

*6555 Teaching Artists:* As the program decreases in size, so do the budgets for TAs.

*6605 Scripts and Perusals:* Currently the Royalty companies allow us to return our rented materials and they refund our deposits or apply it to royalties. Our actuals reflect scripts purchased by our AD in research or to support productions. BUT the Royalty companies have indicated that this practice may change and that this fee may no longer be refundable. I have budgeted as though they will make that change.

6004 Marketing: As negotiations will begin with vendors by the end of July, changes could be made between lines, but the total will remain fixed. If we had more budget, we would spend more in this area. Our marketing budgets are very tight.

6005 Administration: Overall budget is similar with a slight decrease.

*6155 Training:* \$1000 was included for the Board retreat.

*6160 Consulting Fees:* this is for our IT support that is much diminished now that we have BOX, Office 365 for mail, and are no longer using “Choice” as our GALA software.

*6400 Commissions:* Less items for the GALA will be purchased as Commissions; also the co-pro expense for an ancillary event is already factored into ticket sales.

### **Sales by Production and Year Worksheet - Definitions**

# perfs = # of performances

Capacity – 149 for plays, 145 for musicals.

% sold Subs – Sub tix goal divided by the capacity = what % of capacity would be occupied by subs

% sold Singles – is the difference between total attendance estimates minus % sold Sub goals = what % of capacity would be occupied by subs.

Total attendance – Sub goal plus Single tix goal

Total \$\$\$ - Sub tix goal \$ plus Single tix goal \$

Total \$\$ Avg price – Total \$ goal divided by the total attendance goal

Sub Tix – Sub tix goal during the noted particular production

Sub Tix \$ - Sub goal multiplied by average sub tix price

Avg Sub – is the tix price of subs averaged over pricing levels

Sgl Tix – single tix goal

Sgl Tix \$ - Single tix goal multiplied by average single tix price

Avg Sgl – is the single tix price averaged over pricing levels, adjusted for probably demographics