

Finance Update

Board of Trustees Meeting

Sept 17th, 2020

FY20 CLOSE OUT

FY20 OPERATING FINISH

FY20 Total Income	\$15.4 million
<u>FY20 Total Expense</u>	<u>\$15.7 million</u>
FY20 Budget Deficit	(\$299K)
May 2020 Budget Projection	(\$167K)
Final FY20 Projection	\$34K
Variance against budget	\$333K
Variance against May projection	\$201K

FY13 – FY20 BUDGET vs. ACTUAL

Year	Budget Size	Approved Net	Actual Net
FY13	\$9,327,135	\$0	(\$168,486)
FY14	\$9,161,253	\$0	(\$441,336)
FY15	\$9,336,287	(\$1,254,007)	(\$227,807)
FY16	\$10,349,264	(\$897,448)	\$0
FY17	\$14,231,036	(\$896,778)	(\$2,914,659)
FY18	\$12,013,726	(\$750,517)	\$474,352
FY19	\$12,944,233	(\$499,906)	\$48,123
FY20	\$15,747,399	(\$299,459)	\$34,491
	TOTAL:	(\$4,598,115)	(\$3,195,322)
FY21	\$5,706,966	\$5,034	

FY21 BUDGET

FY21 ARTISTIC PROGRAM

- New Play Development/Commissions
- Arts Engagement/Education
- Public Works
- \$250K of runway for artistic opportunities that might arise

FY21 BUDGET OVERVIEW

- It covers entire 12 months of FY21 (includes July – Sept cash budget)
- It's an "accrual" budget, recognizing pledges and accruals, not cash-in and cash-out
- It is balanced (first time since FY13!)
- At \$5.7M, it's 1/3 of the \$15M FY20 budget
- If we can perform later in the year, staff will preset supplemental budgets to the Board
- Still work to do to ensure we have sufficient cash on hand at the end of FY21 to launch the FY22 season we want

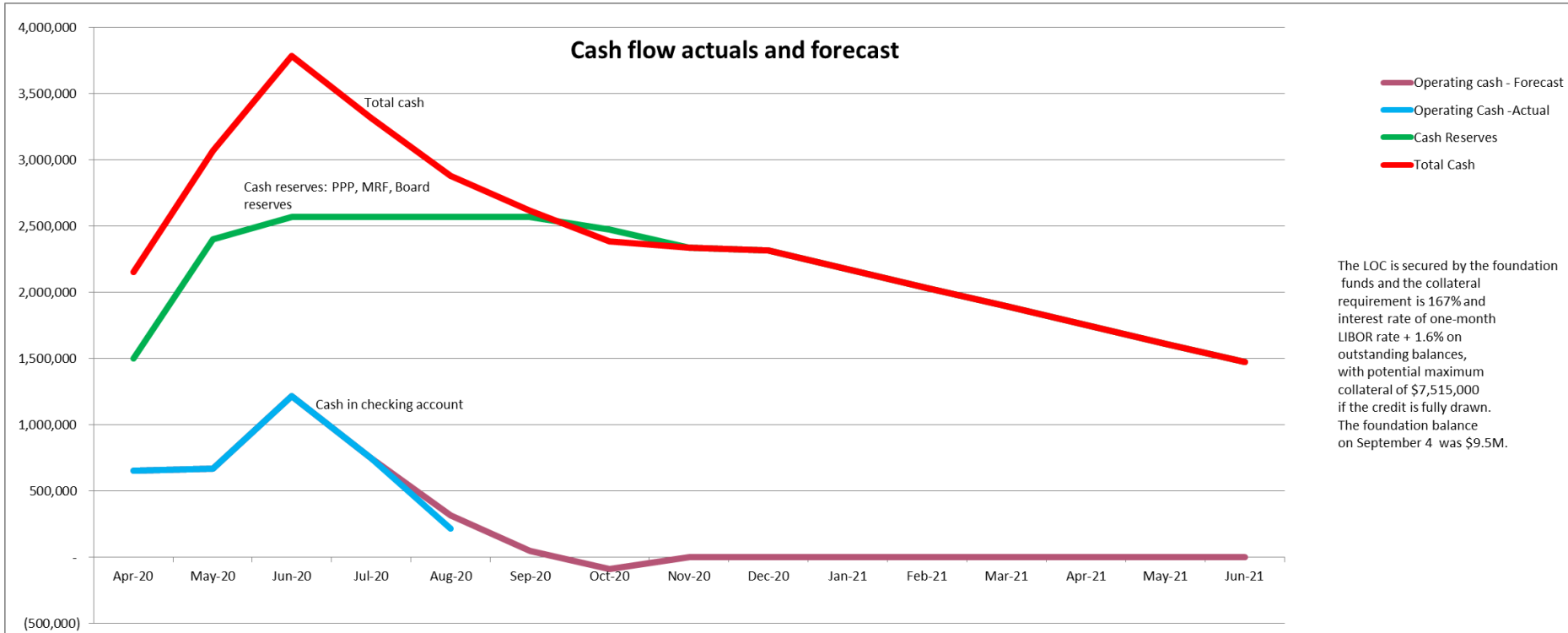
FULL FY21 DRAFT BUDGET

INCOME	
Ticket Income	
Subscription Revenue	
Single Ticket Revenue	
Service Fee/Donated tickets	300,000
Total Ticket Income	300,000
Other Income	
Contributed Income	
Annual Fund	3,413,000
Campaign	370,000
Total Fundraising Revenue	3,783,000
Endowment Support	429,000
TOTAL INCOME	\$ 4,512,000
EXPENSE	
Artistic, Production and Royalties	1,005,965
Marketing & Communications	957,355
Education	367,307
Development	967,711
Admin & Facilities	2,408,628
Campaign Expenses	
TOTAL EXPENSE	\$ 5,706,966
Royalties, PPP revenue	\$1,200,000
NET OPERATIONS	\$ 5,034

Key Highlights:

- Operating Revenue = \$4.5M, including \$3.8M in fundraising (includes \$370K from campaign) + \$429K from endowment
- Non-recurring revenue = \$1.5M, including \$1.2M in PPP revenue + \$300K in donated tickets
- Operating Expenses = \$5.7M, including \$3.4M in salaries (60%) and \$2.3M in other costs
- New play activity, education, arts engagement all included + \$250K unspecified artistic expenses
- Cash holdings are expected to decline by \$2.1M over the season

FY21 CASH FLOW ACTUAL VS. FORECAST



FY22 CASH CONSIDERATIONS

- FY21 budget will balance thanks to PPP funds, which have already been received. By spending down PPP funds in FY21, cash on hand will decline by ~\$2.1M—insufficient to launch the season in FY22 we'll want to.
- We don't believe answer is through driving an enormous FY21 surplus (difficult given no shows and little staff).
- We can address this through some of the following steps (not yet incorporated in cash flow):
 - Up-front payment from SRT Foundation for FY22 (~\$425K)
 - Scaled down producing ambitions for FY22
 - Line of credit negotiation or partial pay-off
 - Act I fundraising (i.e., funding working reserve)
- Strategizing and adding to this list will be part of our work as a Finance Committee this season.

CAMPAIGN OVERLAP WITH OPERATIONS IN FY21

FY21 CONTRIBUTIONS		ACT I CAMPAIGN		
FY21 TOTAL	FY21 OPERATING ACTIVITY	ACT I FOR FY21 OPERATIONS	ACT I NON-OPERATING	ACT I TOTAL
\$3,783,000	\$3,413,000	\$370,000	\$2,630,000	\$3,000,000

NEXT STEPS

- Vote!
- Share talking points/fundraising pitch:
 - What we're doing now to support our mission (serving artists and community)
 - What we're doing to get ready to return in the future
- Develop artistic plan for FY22 as first step towards developing FY22 budget and cash flow
- Start LOC renewal process
- Keep Act I campaign moving forward