Strategic Planning in the Arts: A Practical Guide

Financial Planning and Management

Once an organization develops its implementation plan, a financial plan must be created. Financial plans are a series of projections that reveal the expected fiscal impact of pursuing organizational strategies in the manner described in the organization's implementation plan. While implementation plans answer the questions of what will be done, by whom and when, financial plans answer the questions, "At what expense?" and "Will enough income be generated?"

While the missions of not-for-profit arts organizations focus on the quality of their artistic and educational offerings, it is a fact of life that these organizations must remain in long-term cash flow balance if they are to sustain their levels of performance.

Financial plans are a series of projections that reveal the expected fiscal implications of pursuing the strategies described in the plan. If an organization plans to mount an active national visibility campaign, the associated costs should be reflected in the projected marketing budgets. If strengthening the Board to increase contributions from individuals is a key strategy, support from individual donors will grow more rapidly than from other donor categories; fund-raising costs will probably increase as well.

While the financial plan, therefore, is a logical ending point for the strategic planning document, its placement does not mean that the goal of the plan for any arts organization is simply to produce a sound income statement or balance sheet. The goal of the plan is to help the organization achieve its mission; the financial plan indicates whether the organization will have the fiscal strength to pursue this mission in a consistent manner.

Two basic structures form the heart of a financial plan: income statements and balance sheets. These reveal the annual fiscal performance of the organization and the accumulated historical level of performance, respectively. The financial plan should project income statements and balance sheets for each year in the planning period.

The number of years in the planning period should depend on the nature of the organization, the challenges it faces and the stability of the environment. Most organizations project five years into the future when developing their plans. This is sufficient time to implement most strategies and to observe their financial impact. For very young organizations (which change too dramatically to project accurately too far into the future) or for those in a rapidly changing and unstable environment, a three year forecast may be more reasonable. An organization planning a large-scale ten-year physical expansion project, including a capital campaign, however, may need to extend the planning period.

THE INCOME STATEMENT

The income statement for any given year indicates how well the organization performed, on a financial basis, for that year alone. When developed with great care, a projected income statement can become the basis for the budgeting process. Developing these projected income statements requires a careful analysis of anticipated expenses, earned income and contributed income.

PROJECTED OPERATING RESULTS
($'000)

UNEARNED INCOME	Actual FYXO	Actual FYXI	Est. FYX2	Projected FYX3	Projected FYX4	Projected FYX5	Projected FYX6	Projected FYX7
Foundations	$409	$322	$573	$602	$635	$660	$680	$700
Corporations	61	56	70	82	95	105	110	120
Individuals	508	688	844	949	1,045	1,104	1,165	1,228
Federal - Operating/Challenge	124	340	167	177	47	48	48	49
State / County	20	29	30	32	33	33	34	35
Total Unearned Income	1,122	1,435	1,684	1,842	1,855	1,950	2,037	2,132
EARNED INCOME								
Box Office	494	587	719	900	945	983	1,012	1,043
Interest / Investments	41	64	124	127	132	137	142	147
Rentals / Ads / Other	46	149	47	77	87	97	102	113
Total Earned Income	581	800	890	1,104	1,164	1,217	1,256	1,303
TOTAL INCOME	$1,703	$2,235	$2,574	$2,946	$3,019	$3,167	$3,293	$3,435
EXPENSES								
Administrative Salaries	$303	$392	$417	$535	$552	$569	$587	$604
Artist / Technical Salaries	629	945	1,100	1,169	1,199	1,238	1,272	1,317
Employee Benefits	76	100	115	112	115	119	122	126
Production / Housing	280	484	566	631	661	686	723	761
Educational Program	14	13	27	30	33	37	42	48
Administrative Expenses	113	151	147	150	155	162	170	180
Marketing / PR	78	99	102	112	123	136	145	155
Fundraising Expenses	68	16	17	24	26	28	30	32
General Operating	132	138	178	183	187	192	202	212
TOTAL EXPENSES	$1,693	$2,338	$2,669	$2,946	$3,051	$3,167	$3,293	53,435
SURPLUS / (DEFICIT)	10	(103)	(95)	0	(32)	0	0	0

Projecting Expenses

Projecting expense growth (or reduction) in each budget category for each year of the planning period is a time-consuming activity. It is helpful to create a work sheet that shows the timing and cost of each strategic initiative. These costs are added to the base year budget (plus any expected inflation) to show the projected expense levels.

All anticipated changes in an organization's operations, whether or not they are a direct result of the planning process, must be reflected in these expense projections. This requires a good deal of thought. For example, if a new staff position is added to create an institutional marketing program, the estimated added salary expense should obviously be included in the appropriate budget category. Yet the addition of this position will also create ancillary costs raising printing, telephone, materials and other associated budgets.

EXPENSE PROJECTIONS
($'000)

MARKETING EXPENSES						
PERSONNEL:	Estimate FYXO	Projected FYX1	Projected FYX2	Projected FYX3	Projected FYX4	Projected FYX5
Base Staff Salaries	$415	$415	$457	$475	$509	$530
New Marketing Associate	0	25	0	15	0	0
Employee Benefits (20%)	83	88	91	98	102	106
Total Personnel Costs	**$498**	**$528**	**$548**	**S588**	**$611**	**$636**
MARKETING / P.R.:						
On-going Programs	$100	$104	$108	$112	$117	$122
Create New Press Materials	0	10	0	0	0	7
Expand Direct Mail	0	7	10	10	12	15
Hire Press Agent	0	0	10	15	18	20
Total Marketing / P.R. Costs	$100	$121	$128	$137	$147	$164
TOTAL MARKETING EXPENSES	$598	$649	$676	$725	$758	$800
CHANGE FROM PREVIOUS YEAR	NA	8.5%	4.2%	7.2%	4.5%	5.5%
AVERAGE ANNUAL INCREASE IN MARKETING EXPENSES			6.7%			

This means that the requirements for implementing each strategy must be carefully considered. The implementation chart described in the previous chapter is a useful tool for guiding this analysis.

Projecting Earned Income

Touring

Revenues from tour fees cannot be projected without considering the associated expenses. Many organizations lose money on tour since the direct touring expenses exceed fees. For these organizations, an increase in touring activity *reduces* net income unless the larger tour is a more rational one - reducing per performance costs by increasing efficiency. Other organizations simply break even on tour. For these organizations the projected level of touring does not affect net financial performance (apart from its impact on meeting union requirements for weeks of employment for the artists.) In this situation, the level of touring does have an impact on visibility - regional, national or international. Exploited appropriately, this visibility should translate into opportunities to increase fund-raising revenues.

Ticket Sales or Admissions

Growth in admissions and ticket sales is not simply a matter of luck, inflation or operating in a larger facility. Attendance increases when programming and marketing efforts justify larger attendance. The artistic and marketing plans should have an explicit impact on the forecast levels of earned revenue.

To determine the growth rate of earned income, one must evaluate current attendance levels, the capacity of the facility, the number of performances or exhibitions, the nature of the proposed repertory, the effectiveness of the current marketing effort and plans for changes in the effort, proposed changes in the cost of admission and the expected activities of peer companies competing for the same audience. Each of these factors will have a substantial impact on projected earned income levels; the challenge is to estimate the effect of each factor in a reasonable manner. Overly optimistic forecasts can place the future of the organization in jeopardy and certainly reduce the credibility of the entire plan. Overly conservative forecasts hamper the organization's ability to achieve its mission.

EARNED INCOME WORKSHEET

THEATER ONE	Actual FYX1	Est. FYX2	Project FYX3	Project FYX4	Project FYX5	Project FYX6	Project FYX7
Number of Performances	140	140	140	140	140	154	154
Number of Seats	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Total Seating Capacity	168,000	168,000	168,000	168,000	168,000	184,800	184,800
Percentage of Capacity Sold	65%	65%	60%	64%	70%	70%	75%
Total Seats Sold	109,200	109,200	100,800	107,520	117,600	129,360	138,600
Average Ticket Price	20.00	21.00	21.00	21.50	22.00	23.00	23.00
Ticket Sales/Theater One	**2.18M**	**2.29M**	**2.12M**	**2.31M**	**2.59M**	**2.98M**	**3.19M**
Change from Previous Yr.	8%	5%	-8%	9%	12%	15%	7%
THEATER TWO							
Number of Performances	0	0	60	70	80	80	90
Number of Seats	0	0	200	200	200	200	200
Total Seating Capacity	0	0	12,000	14,000	16,000	16,000	18,000
Percentage of Capacity Sold	0%	0%	50%	55%	60%	65%	70%
Total Seats Sold	0	0	6,000	7,700	9,600	10,400	12,600
Average Ticket Price	0.00	0.00	9.50	10.00	10.50	11.00	11.50
Ticket Sales/Theater Two	**0**	**0**	**57,000**	**77,000**	**100,800**	**114,400**	**144,900**
Change from Previous Yr.	NA	NA	NA	35%	31%	13%	27%
RENTAL INCOME (Theater Two)							
Weeks Available to Rent	0	0	12	11	10	10	10
Weekly Rental Fees	0	0	10,000	10,500	11,000	11,500	12,000
Rental Income	**0**	**0**	**120,000**	**115,500**	**110,000**	**115,000**	**120,000**
Change from Previous Yr.	NA	NA	NA	-4%	-5%	5%	4%
TOTAL	**2.18M**	**2.29M**	**2.29M**	**2.50M**	**2.80M**	**3.21M**	**3.45M**
Change from Previous Yr.	8%	5%	0%	9%	12%	15%	8%

Interest Income

Projected changes in endowment levels and working capital reserve funds will affect projections for interest revenue. An appropriate interest rate forecast can be obtained from the organization's bank or from a Board member who works in the financial community.

The growth in the endowment and working capital reserve funds will depend on any plans for a capital campaign, projected annual operating surpluses (or deficits), and the use of income from these funds. Most organizations only take as operating income a set percent of the endowment fund each year, leaving any additional income in the fund to accommodate inflation. It is not uncommon to "take" 5% of the balance of the endowment fund at the start of the fiscal year as operating income, leaving the remaining realized income in the fund. (Some organizations use a three-year average of the starting endowment balance to calculate this income level to protect against sudden changes in the value of the endowment portfolio.)

ENDOWMENT FROM CAPITAL CAMPAIGN
$7.0 MILLION GOAL
($'000)

I. CAMPAIGN ENDOWMENT	Current FYXO	Budget FYXI	Projected FYX2	Projected FYX3	Projected FYX4	Projected FYX5
A. Endowment Principal Year Start	$2,366	$2,366	$4,890	$6,959	$8,118	$9,392
B. Additions From Campaign	0	2,500	2,000	1,000	----------	500
TOTAL ENDOWMENT PRINCIPAL	**2,366**	**4,866**	**6,890**	**7,959**	**9,118**	**9,892**
C. Projected Income	118	268	413	557	729	692
ENDOWMENT PRINCIPAL PLUS INCOME	**2,484**	**5,134**	**7,304**	**8,516**	**9,848**	**10,584**
D. Less: Income for Operations (5%)	-------	---------	--------	--------	--------	--------
ENDOWMENT PRINCIPAL AT YEAR END	**$2,366**	**$4,891**	**$6,959**	**$8,118**	**$9,392**	**$10,090**
PERCENTAGE CHANGE FROM PREVIOUS YEAR	**NA**	**107%**	**42%**	**17%**	**16%**	**7%**

Interest earned by the reserve fund should remain in that fund to compensate for inflation and for anticipated budget growth. This helps to maintain the reserve's effectiveness in the future.

Other Earned Income

The income earned on merchandise sales, food concessions, souvenir books, etc. is usually tied directly to attendance. The analysis underlying the forecasts of ticket sales and attendance fees should be used to generate other earned income projections.

Projecting Contributed Income

It is typically more difficult to forecast levels of contributed income since a few major gifts won or lost can have a substantial impact on total contributed revenue. A forecast that adds a base of "solid" grants to a reasonable level of unanticipated gifts (depending on the scope of the fund-raising strategies) is the most rational method for projecting unearned income. It is helpful to forecast contributions by category; this increases the chances that errors of optimism and pessimism will cancel each other.

Government Agencies

In general, projections for government funding should remain very conservative, frequently showing no growth at all. If the internal and external analyses suggest that the institution has been negligent in its fund-raising efforts (e.g., failing to apply for government grants for which they are eligible), projections from this source might include increases.

Foundations

Projections for changes in foundation giving will vary depending on the slate of projects contained in the plan and the level of effort devoted to foundation research and relationship development. Substantial educational and other program initiatives are the most likely to attract new foundation funding. In most regions, the number of relevant foundations is small enough that a forecast for each major foundation can be developed.

Corporations

The rate of funding growth projected from corporate donors will depend on the organization's visibility strategy, the accessibility of the artistic product, the uniqueness of planned programs and the strength of Board relationships with the corporate community. Organizations that plan to strengthen their Boards by adding corporate leaders can safely project increases.

Individuals

Unless an active program to increase gifts from individuals is pursued, the total value of these gifts will tend to grow rather slowly. If an organization's Board is strengthened and the Board members begin to play a more active role in the development effort, gifts from individuals can grow very quickly. The portion of the individual campaign coming from Board members should not be difficult to forecast; multiplying the number of Board members by the minimum level of Board gift, and adding in the extraordinary gifts one anticipates from selected Board members, should produce a sensible forecast.

Special Events

Anticipated revenue from special events will also depend on the size and stature of the Board, the visibility of the organization, and the nature of the planned events. Simply multiplying the projected number of tickets sold by the ticket price, adding anticipated underwriting and subtracting budgeted expenses yields a solid forecast of net income.

Capital Campaigns

Capital campaigns are almost always multi-year projects. Therefore, an extended budgeting format must be employed to ensure that cash will be available to cover all programmatic and campaign costs.

A practical, long-range projection for a capital campaign should include a revenue projection and an expenditure schedule. The projections for a capital campaign will depend largely on the results of a feasibility study. A carefully crafted feasibility study should indicate the timing and level of net campaign revenue (campaign revenue minus the costs of administering the campaign).

The capital campaign analysis must reveal accumulated cash on hand (or a shortfall of cash). This will help determine when and for how long a temporary excess of cash should be invested and when shortfalls will necessitate a bridge loan to complete the project.

CAPITAL CAMPAIGN SCHEDULE
$5.0 MILLION GOAL
($'000)

I. GIFTS & GRANTS	**FY 19X1**	**FY 19X2**	**FY 19X3**	**FY 19X4**	**FY 19X5**
A. Pledge Schedule	$2,500	$1,500	$750	$250	0
B. Pledge Receipts	800	2,200	1,000	700	300
II. USE OF PLEDGE RECEIPTS					
A. Reduce Cumulative Deficit	200	100	0	0	0
B. Cash Reserve	0	550	200	0	0
C. New/Upgraded Facility					
1. Purchase	250	1,450	0	0	0
2. Construction	0	0	750	700	300
3. Fees (Pre-Closing and Closing)	250	0	0	0	0
D. Campaign Expenses (5% of Total)	100	80	50	20	0
Total Use of Campaign Pledges	800	2,180	1,000	720	300
Remaining Campaign Funds - Cumulative	$0	$20	$20	$1	$2
Interest Revenue (7%)	0	0	1	1	0

THE BALANCE SHEET

Arts organizations frequently focus only on the income statement. In fact, most plans tend to omit balance sheet forecasts entirely, ignoring the impact of balance sheet accounts on the institution's long-term fiscal health. While income statement projections depict an organization's anticipated annual activity on a year-to-year basis, balance sheet projections forecast its progress in establishing financial stability. The process of developing balance sheet forecasts is very straightforward if income statement and capital campaign forecasts have been completed accordingly. For apart from these variables, balance sheet items tend to move in very predictable (or offsetting) ways: long-term debt is paid off according to schedule, depreciation is similarly scheduled, etc.

PRO FORMA BALANCE SHEET
OPERATING FUND PROJECTIONS
($'000)

ASSETS								
CURRENT ASSETS	Actual FYXO	Actual FYX1	Est. FYX2	Projected FYX3	Projected FYX4	Projected FYX5	Projected FYX6	Projected FYX7
Cash	$48	$69	$25	$80	$140	$114	$118	$112
Loans Receivable (S-T)	3	3	3	13	13	13	13	13
Accounts/Pledges Receivable	325	289	287	285	275	270	275	275
Grants Receivable	300	155	155	155	155	170	170	185
Prepaid Expenses	54	48	48	48	48	48	54	60
Total Current Assets	730	564	518	581	631	615	630	645
NON-CURRENT ASSETS								
Loans Receivable	9	6	6	6	6	6	6	6
Pledges Receivable	458	230	230	230	230	220	240	255
Grants Receivable	250	130	130	130	130	130	130	130
Due From Other Funds	87	75	75	50	0	0	0	0
Total Non-Current Assets	**804**	**441**	**441**	**416**	**366**	**356**	**376**	**391**
TOTAL ASSETS	**$1,534**	**$1,005**	**$959**	**$997**	**$997**	**$971**	**$1,006**	**$1,036**
LIABILITIES								
CURRENT LIABILITIES	Actual FYXO	Actual FYXI	Est. FYX2	Projected FYX3	Projected FYX4	Projected FYX5	Projected FYX6	Projected FYX7
Note Payable	$180	$81	$106	$40	$20	$0	$0	$0
Accounts Payable	48	45	90	26	46	40	40	40
Deferred Revenue	590	584	564	564	564	564	564	564
Total Current Liab's	**818**	**710**	**760**	**630**	**630**	**604**	**604**	**604**
L-T LIABILITIES								
Long-Term Debt	10	7	7	7	7	7	7	7
Deferred Revenues	696	360	360	360	360	360	395	425
Long-Term Liabilities	**706**	**367**	**367**	**367**	**367**	**367**	**402**	**432**
TOTAL LIABILITIES	**$1,524**	**$1,077**	**$1,127**	**$997**	**$997**	**$971**	**$1,006**	**$1,036**
FUND BALANCE	**10**	**(72)**	**(168)**	**0**	**0**	**0**	**0**	**0**
TOTAL LIABILITIES + FUND BALANCE	**$1,534**	**$1,005**	**$959**	**$997**	**$997**	**$971**	**$1,006**	**$1,036**

FINANCIAL ANALYSIS

For many readers of the plan, the income statement and balance sheet forecasts will not be meaningful. It is incumbent on the planner to produce measures and analyses derived from these forecasts that communicate their implications. Some clearly understood measures include:

Operating Fund Balance

Eliminating operating deficits is frequently an organizational priority. An operating surplus is an indication that an organization has taken responsibility for supporting its programs. It is also a sign to vendors, funders, banks, and potential Board members that the organization's staff and Board assume a businesslike approach to resource management.

Net Current Assets Position

Net Current Assets, calculated by subtracting current liabilities from current assets, is a basic indicator of the institution's ability to fund day-to-day operating requirements. Positive Net Current Assets indicates that the organization has more short-term assets than short-term debts; meeting current obligations should not be a problem. Many organizations have negative Net Current Assets, indicating that they do not have the resources to cover short-term commitments. In other words, these organizations are facing a cash flow crisis.

Working Capital Reserve Fund

Soon after achieving a balanced operating fund, the institution should consider establishing a Working Capital Reserve Fund that provides short-term loans to the institution as cash flow needs dictate. The organization must repay this internal loan by the end of the fiscal year to maintain the viability of this internal line of credit.

Endowment Fund

Endowments are particularly important to institutions that are limited in their ability to develop sufficient levels of earned or unearned income. For example, most museums cannot achieve substantial levels of earned income. This has encouraged museums to build large endowment funds. The advisability of creating an operating endowment for a performing arts organization is questionable. The amount of money that must be raised compared to the annual income resulting from the fund discourages many organizations from pursuing endowments actively. (Those organizations with an aging base of donors must consider the establishment of an endowment, possibly through planned giving.)

The way these financial measures are displayed will vary depending on the tastes of the Board and financial staff. The financial projections included in the strategic plan should be scrutinized by the Planning Committee, Executive Committee, Development Committee, Finance Committee, and Marketing Committee before being presented to the Board for final approval.

FINANCIAL MANAGEMENT

Just as strategies are only effective if they are well-implemented, financial forecasts are only relevant if the fiscal management of the organization is strong. The plan must address deficiencies in the budgeting and control mechanisms in addition to including the forecasts described above. While a financial system must be custom-made to suit the specific needs of the organization, all such systems share certain processes including budget preparation, performance monitoring, cash flow analysis and control.

Many arts institutions do not begin their annual budgeting processes early enough to affect many decisions that have a substantial financial impact. Too often, selection of repertory, for example, precedes budget development, reducing the ability of the budget process to ensure fiscal health.

Financial performance must be closely monitored to allow for mid-season changes in course. Monthly reporting is necessary. Senior staff members and the Board's Finance Committee should receive appropriate summary and detail reports and a narrative that describes unanticipated changes in revenue and expense projections. These monthly reports should also describe the difference between actual performance and the budgeted level. The narrative must explain why major variances occurred and their impact on projected year-end results. Organizations that experience wide swings in cash flow will need to budget on a monthly basis. Those that enjoy more even cash flows can avoid monthly budgets and can compare actual year-to-date results to a corresponding proportion of the annual budget.

Cash flow projections are a critical management tool, revealing when financial stress will be at its high and low ebb. For stable institutions, monthly cash flow projections are usually adequate. They suggest when excess cash might be available for investment. Organizations facing cash crises must work week-by-week. Discussions on payment deferrals with vendors, unions and banks must be supported by accurate cash flow projections.

In the short-term, the budget is the most important financial management tool since it is a direct expression of an organization's operational objectives. The budgeting process will often encourage healthy discussions regarding organizational priorities. Managing the annual budget process is usually the responsibility of the top administrative and financial staff.

The projected changes in year-end financial results should have an impact on current activities. If an organization expects to fall far short of revenue projections, earned or contributed, either expenditures must be cut or additional revenue generating programs must be implemented. Too many organizations simply report on the financial results without taking remedial action to address shortfalls.

Those organizations with strong fiscal management systems, with Boards that feel well-informed (and warned of impending crises), and with the ability to project financial performance with some degree of accuracy earn the respect of the entire community. This respect is an important asset, helping the organization attract new Board members, additional contributors, larger contributions from current donors and the assistance of vendors, donors, Board and staff during periods of crisis and in support of special campaigns. In short, those organizations that display a high level of fiscal responsibility are also the ones that will have the resources they need to achieve their missions well into the future.

FINANCIAL SUMMARY
($'000)

I. BALANCE SHEET								
Operating Fund	Actual FYXO	Actual FYXI	Est. FYX2	Projected FYX3	Projected FYX4	Projected FYX5	Projected FYX6	Projected FYX7
• Accumulated Deficit	10	(72)	(168)	0	0	0	0	0
• Net Current Position	(87)	(146)	(242)	(49)	1	11	26	41
Working Capital Reserve Fund	0	0	0	0	800	832	865	900
Endowment Fund	1,552	2,366	2,366	2,366	2,366	2,366	2,366	2,366
Plant Fund	5,140	5,406	5,135	4,878	5,135	4,878	6,034	7,732
II. OPERATINGACTIVITY								
Earned Income	580	800	890	1,104	1,164	1,217	1,257	1,302
Operating Expenses	1,693	2,338	2,669	2,945	3,051	3,167	3,294	3,433
Earnings Less Expenses	(1,113)	(1,538)	(1,779)	(1,841)	(1,887)	(1,950)	(2,037)	(2,131)
Grants and Gifts	1,123	1,435	1,683	1,841	1,855	1,950	2,037	2,131
Total Income	1,703	2,235	2,573	2,945	3,019	3,167	3,294	3,433
Net Income (loss)	10	(103)	(95)	0	(32)	0	0	0
III. PERCENTAGE OF OPERATING EXPENSES								
Earned Income	34.3%	34.2%	33.4%	37.5%	38.1%	38.4%	38.1%	37.9%
Expenses Over Earnings	65.7%	65.8%	66.6%	62.5%	61.9%	61.6%	61.9%	62.1%
Grants and Gifts	66.3%	61.4%	63.1%	62.5%	60.8%	61.6%	61.9%	62.1%
Total Income	100.6%	95.6%	96.4%	100.0%	99.0%	100.0%	100.0%	100.0%
Net Current Position	-5.2%	-6.2%	-9.1%	-1.7%		0.4%	0.8%	1.2%
Working Capital Reserve	0.0%	0.0%	0.0%	0.0%	26.2%	26.3%	26.3%	26.2%
Endowment Fund	91.7%	101.2%	88.7%	80.3%	77.6%	74.7%	71.8%	68.9%
Liquidity plus Endowment	86.5%	94.9%	79.6%	78.7%	103.8%	101.3%	98.4%	95.4%

BUDGET VARIANCE REPORT: VERSION 1
JANUARY-FEBRUARY
(Year-to-Date (YTD) Summary)

INCOME	YTD Actual	YTD Budget	YTD Variance	Month Actual	Month Budget	Month Variance
A. Earned Income	$68,570	$66,000	$2,570	$23,660	$32,250	($8,590)
B. Non-Government						
Corporate	12,500	14,000	(1,500)	6,000	5,000	1,000
Foundation	105,800	110,500	(4,700)	62,000	63,500	(1,500)
Individuals	32,700	50,000	(17,300)	8,900	12,000	(3,100)
Members/Other	46,710	43,300	3,410	18,050	2,300	15,750
Total Non-Government	**197,710**	**217,800**	**(20,090)**	**94,950**	**82,800**	**12,150**
C. Government						
Federal	68,700	68,700	0	68,700	68,700	0
State	2,500	0	2,500	0	0	0
City	3,000	3,500	(500)	3,000	3,500	(500)
Total Government Income	**74,200**	**72,200**	**2,000**	**71,700**	**72,200**	**(500)**
TOTAL INCOME	**340,480**	**356,000**	**(15,520)**	**190,310**	**187,250**	**3,060**
EXPENSES						
A. Staff Salaries	85,970	87,500	1,530	42,900	39,650	(3,250)
B. Seasonal Salaries	24,900	26,320	1,420	19,360	17,210	(2,150)
C. Personnel Costs	4,130	4,000	(130)	2,500	2,200	(300)
D. Employee Benefits	21,090	22,050	960	15,230	12,110	(3,120)
E. Other Expenses	94,080	101,330	7,250	62,860	55,230	(7,630)
TOTAL EXPENSES	**230,170**	**241,200**	**11,030**	**142,850**	**126,400**	**16,450**
SURPLUS (DEFICIT)	**$110,310**	**$114,800**	**($4,490)**	**$47,460**	**$60,850**	**($13,390)**

BUDGET VARIANCE REPORT: VERSION 2
JULY- OCTOBER
(Year-to-Date (YTD) Summary)

	------------- FY94 -------------			----------- FY95 -------------		
INCOME	Actual 7/1-10/31	YTD as % of Budget	Actual FY 1994	Actual 7/1-10/31	YTD as % of Budget	Budget FY 1995
A. Total Ticket Sales	**$89,670**	**20.6%**	**$430,690**	**$88,890**	**21.0%**	**$424,220**
B. Non-Government						
Corporate	34,920	30.7%	113,790	14,040	15.2%	92,100
Foundation	300,310	28.0%	1,073,530	425,030	36.3%	1,172,400
Individuals	11,500	13.2%	86,900	10,740	10.7%	100,500
Members/Other	123,800	50.6%	244,510	54,050	20.1%	268,700
Total Non-Government	**470,530**	**31.0%**	**1,518,730**	**503,860**	**30.8%**	**1,633,700**
C. Government						
Federal	177,700	94.0%	189,080	347,400	69.1%	502,700
State	2,000	1.2%	166,940	63,350	67.1%	94,460
Regional	0	0.0%	48,490	0	0.0%	5,010
City	0	NA	250	2,670	7.1%	37,360
Total Government Income	**179,700**	**44.4%**	**404,760**	**413,420**	**64.6%**	**639,530**
TOTAL INCOME	**739,900**	**31.4%**	**2,354,180**	**1,006,170**	**37.3%**	**2,697,450**
EXPENSES						
A. Personnel	212,320	31.4%	676,230	214,130	30.3%	706,200
B. Artist Fees	171,420	21.2%	709,670	320,560	36.0%	843,690
C. Other Fees	63,310	28.1%	225,520	64,200	26.1%	245,540
D. Equipment Purchase	5,520	44.5%	12,400	15,740	51.9%	30,340
E. Space Rental	53,700	36.1%	148,720	55,160	33.4%	165,070
F. Transportation	47,790	31.4%	152,240	39,780	22.6%	176,100
G. Advertising / Promotion	70,040	22.9%	305,260	75,730	24.7%	306,330
H. Fundraising Expense	3,360	9.5%	35,300	1,950	5.3%	36,400
I. Remaining Operating Exp.	81,290	41.7%	194,720	60,110	32.0%	187,780
TOTAL EXPENSES	**708,750**	**28.8%**	**2,460,060**	**847,360**	**31.4%**	**2,697,450**
SURPLUS (DEFICIT)	**$31,150**	**NA**	**($105,880)**	**$158,810**	**NA**	**$0**