

# Tools for Nonprofit Success: Financial Management in Tough Times

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## Presented by

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**Bank of America** 

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## **Examine tools that can help you uncover and interpret the key financial information to make better decisions in these tough economic times**

### **Learn to:**

- articulate your financial information to your staff, constituents, board and potential funders
- make decisions that strengthen the financial health of your organization and support effective program delivery

## **NFF connects nonprofit finance to nonprofit success.**

### **Serving thousands of nonprofit and funders nationwide since 1980**

- \$290 million in loans; over \$1 billion in capital leveraged for nonprofits
- Over 500 customized financial consultations
- Hundreds of strategic partnerships to advance the nonprofit sector
- Thought leadership to advance friendlier funding practices across the nonprofit sector

### **Experts in nonprofit finance**

- Nearly 30 years of experience as a 501 (c)(3) Community Development Financial Institution (CDFI)

### **Serving nonprofits nationwide from seven local offices**

- Northeast: Boston, New York
- Mid-Atlantic: Philadelphia, Washington, DC, Newark, NJ
- Midwest: Detroit
- West Coast: San Francisco, Los Angeles

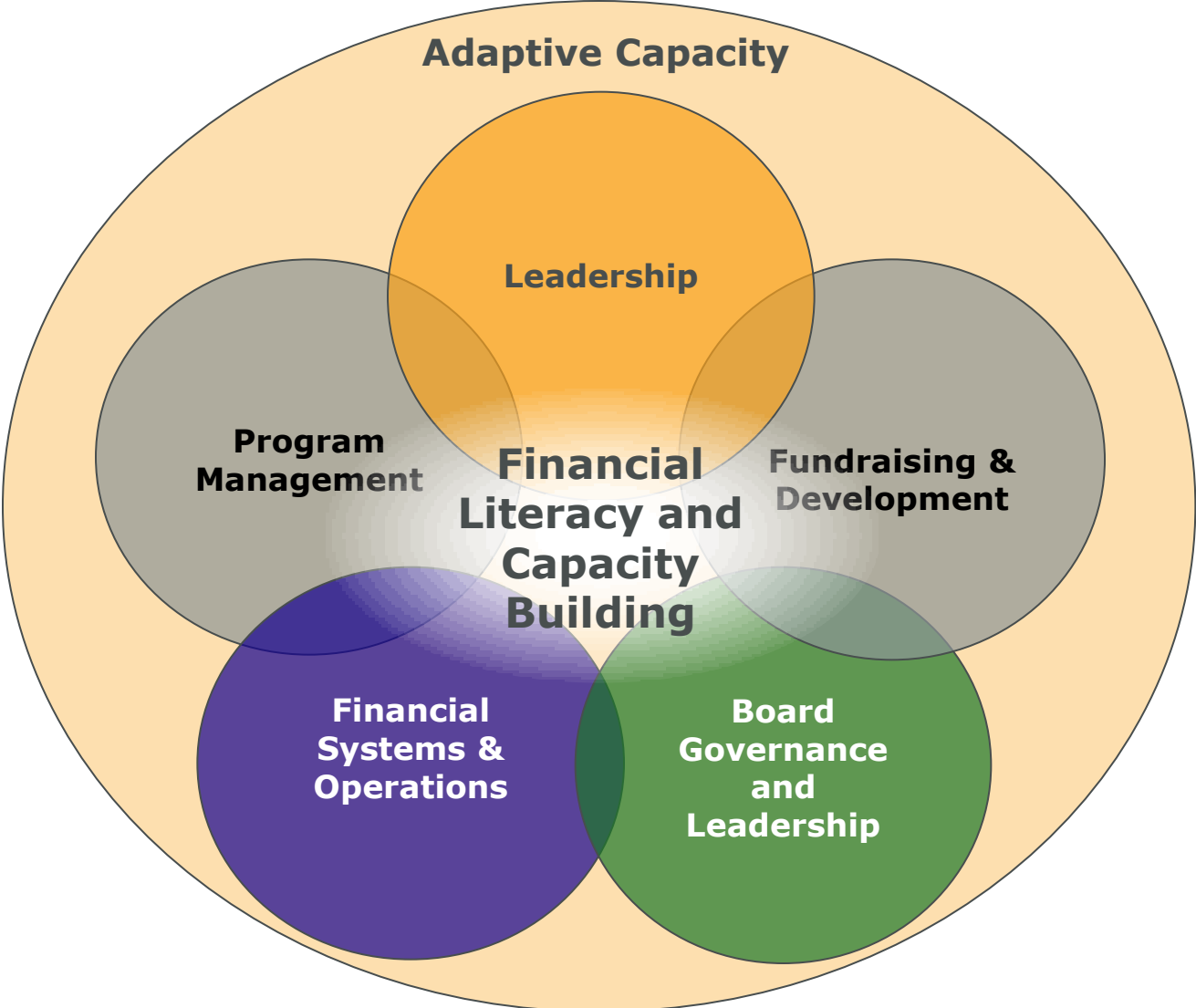
**“We’re in the business of helping nonprofits run better.”**

–Clara Miller, NFF  
President and CEO

# Building a Durable and Well-Capitalized Sector

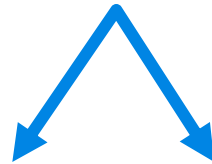
Focus	NFF Response – Tools and Services	Outcome
<b>Financial Capacity Building &amp; Planning Services</b>	<ul style="list-style-type: none"> <li>▪ Customized workshops and clinics</li> <li>▪ Financial situation analysis and diagnostic</li> <li>▪ Cash flow planning</li> <li>▪ Program profitability modeling</li> <li>▪ Scenario and sustainability planning</li> <li>▪ Collaborations, mergers and re-alignment</li> <li>▪ Financial driver growth/change model</li> </ul>	<ul style="list-style-type: none"> <li>▪ Better financial planning and management</li> <li>▪ Improved decision making</li> <li>▪ Able to communicate financial story</li> <li>▪ Better able to attract capital</li> </ul>
<b>Funder Services</b>	<ul style="list-style-type: none"> <li>▪ Funder workshops and trainings</li> <li>▪ Program and Mission Related Investment services</li> <li>▪ Financial diagnostic and assessment tools</li> <li>▪ Re-granting services</li> </ul>	<ul style="list-style-type: none"> <li>▪ Better understanding of enterprise level finance</li> <li>▪ Ability to develop customized support for grantee needs</li> <li>▪ Increased flow of revenue and capital</li> </ul>
<b>Access to Credit</b>	<ul style="list-style-type: none"> <li>▪ Operating and capital loans</li> <li>▪ New Markets Tax Credits (NMTC)</li> <li>▪ PRI and MRI Investment Support</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increased access to capital</li> <li>▪ Improved ability to manage and mitigate risk</li> </ul>

# NFF's Role in Organizational Development



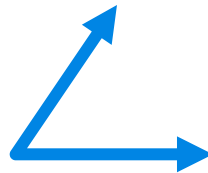
## Mission and Program

What you do, and how you do it.



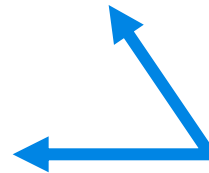
## Capacity

The people, space, and processes that allow you to do what you do.



## Capital

What resources and assets you to have to work with.



## **Operating in a Flawed System: Challenges of Nonprofit Finance**

### **Managing in Tough Times**

### **Wrap-up and Conclusions**

## **The Realities and Challenges of Nonprofit Finance**

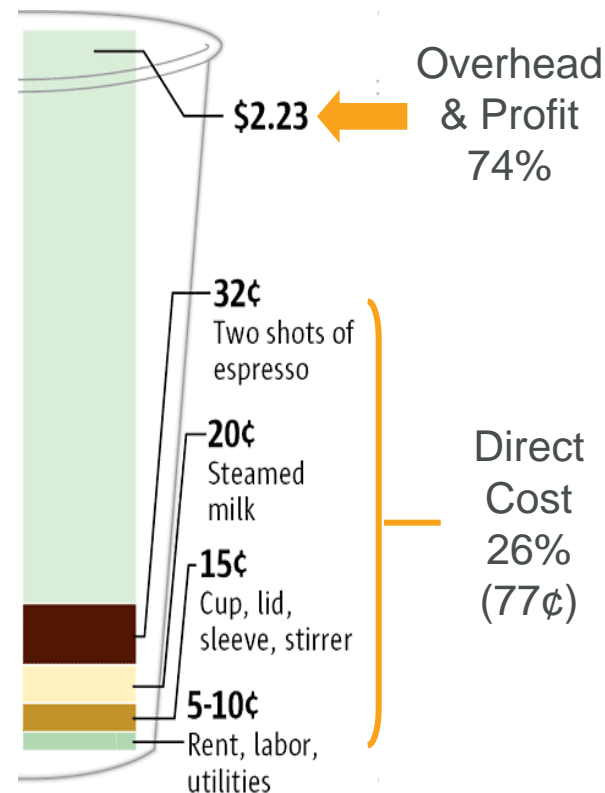
- **Covering the Full Cost**
- **The Subsidy Business**
- **Inflexible, programmatic funding**
- **Reliable Revenue**

# “Rules” of FOR-PROFIT Finance

In the **for-profit** world,

- Customer buys the product
- Price includes the full cost of doing business
- Overhead and profits are seen as necessary and regular part of the business

**12-ounce latte = \$3.00**



A. RAYMOND/THE SEATTLE TIMES

Source: Matt Milletto, Vice President of the American Barista & Coffee School

But in the **nonprofit** world,

- Client often does not pay for the product (i.e. homeless do not pay per night for a shelter).
- Nonprofits rely on third parties (donors and funders) to pay for the cost of products and services.
- Donors and funders want most of their contribution to go directly to the people served.
- Overhead and profits are often seen as unnecessary and unrelated to achieving the mission.

Restricted contributions often times forbid use of funds to cover “indirect” costs. Nonprofits often **‘accept what they can get’** rather than **‘ask for what they need’**.

Since nonprofits can rarely charge prices sufficient to cover the full cost of their core mission programs, they require support businesses (a.k.a the **“subsidy”** business)

## **Common subsidy businesses include:**

- Sweat equity (underpaying, overworking, using volunteers)
- Fundraising
- Investment income
- Real estate (rental income)
- Earned income ventures

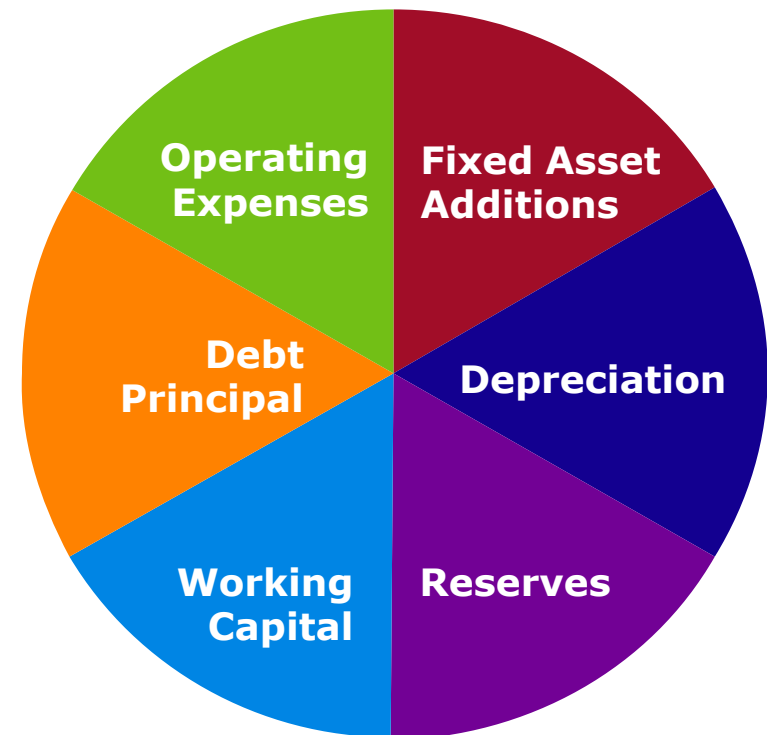
# Surplus Size Matters: Understanding Full Cost

**Like any organization, nonprofits need to cover the 'full cost' of delivering programs**

- Tax Status vs. Business Model
- Full costs > Operating Expenses

## **Full costs include:**

- Total operating expenses
- New capital investments
- Depreciation allocation
- Debt
- Savings for the future



**The “right” money is recurring, reliable, and flexible**

**It covers full costs and meets full enterprise needs**

**Nonprofit leaders have a responsibility to:**

- Accept that not all revenue opportunities are worthy of pursuit
- Manage costs in the context of revenue reality
- Articulate cases for revenue and capital based on the full range of business needs

**Funders have a responsibility to understand these needs and define what role their money will play**

Operating in a Flawed System:  
Challenges of Nonprofit Finance

**Managing in Tough Times**

Wrap-up and Conclusions

# Knowing-Doing Gap: Where are You?



**Information Gap:** Do you develop transparent, accurate and timely financial planning and management reports that give you the information you need?

**Interpretation Gap:** Do management and board collectively have the ability to understand, interpret and discuss the implications of financial information?

**Decision-making Gap:** Do you have a culture of making and following through on tough decisions?

## **Do your financial planning and management tools provide the information you need?**

- Year-to-date actuals vs. budget or periodic forecasts
- Balance sheet
- Monthly cash flow
- Revenue and expense by program

## **Who is involved in preparing the reports?**

### **How frequently?**

### **Who receives them?**

## **When and how does the Board get involved?**

**Tools are only as good as the assumptions behind them.  
Be prepared to work with and adapt to imperfect  
information**

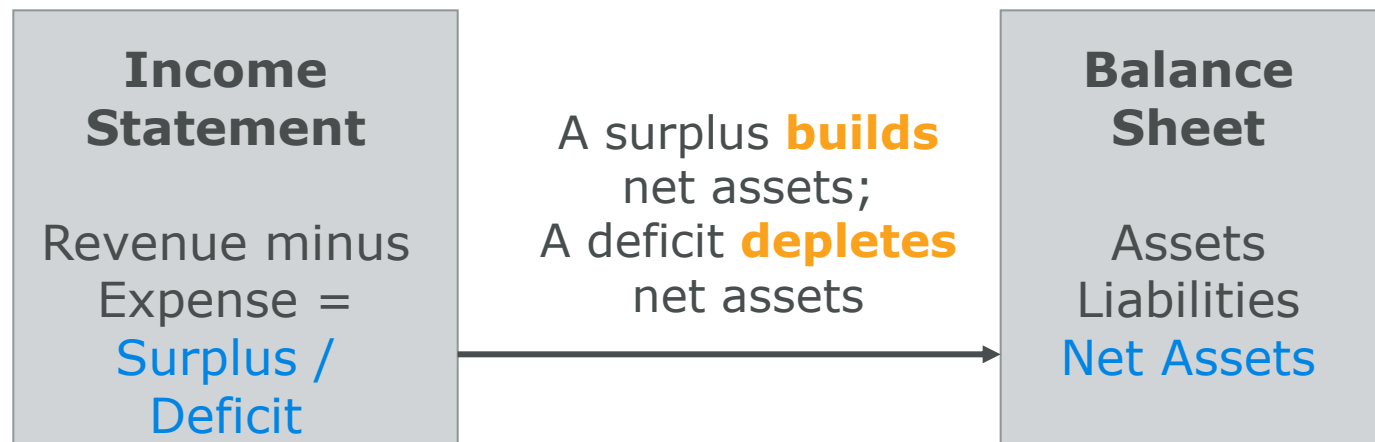
# Interpretation Basics: The Bottom Line

## Income Statement (Statement of Activities): **Surplus/Deficit**

- Income Statement reflects the annual results of an organization's operations

## Balance Sheet (Statement of Financial Position): **Net Assets**

- Balance Sheet provides a picture of overall financial health and operating "cushion"



# Revenue Goes Into Three “Buckets”

## Unrestricted Revenue

Earned      Contributed



## Temporarily Restricted Revenue

Purpose      Timing

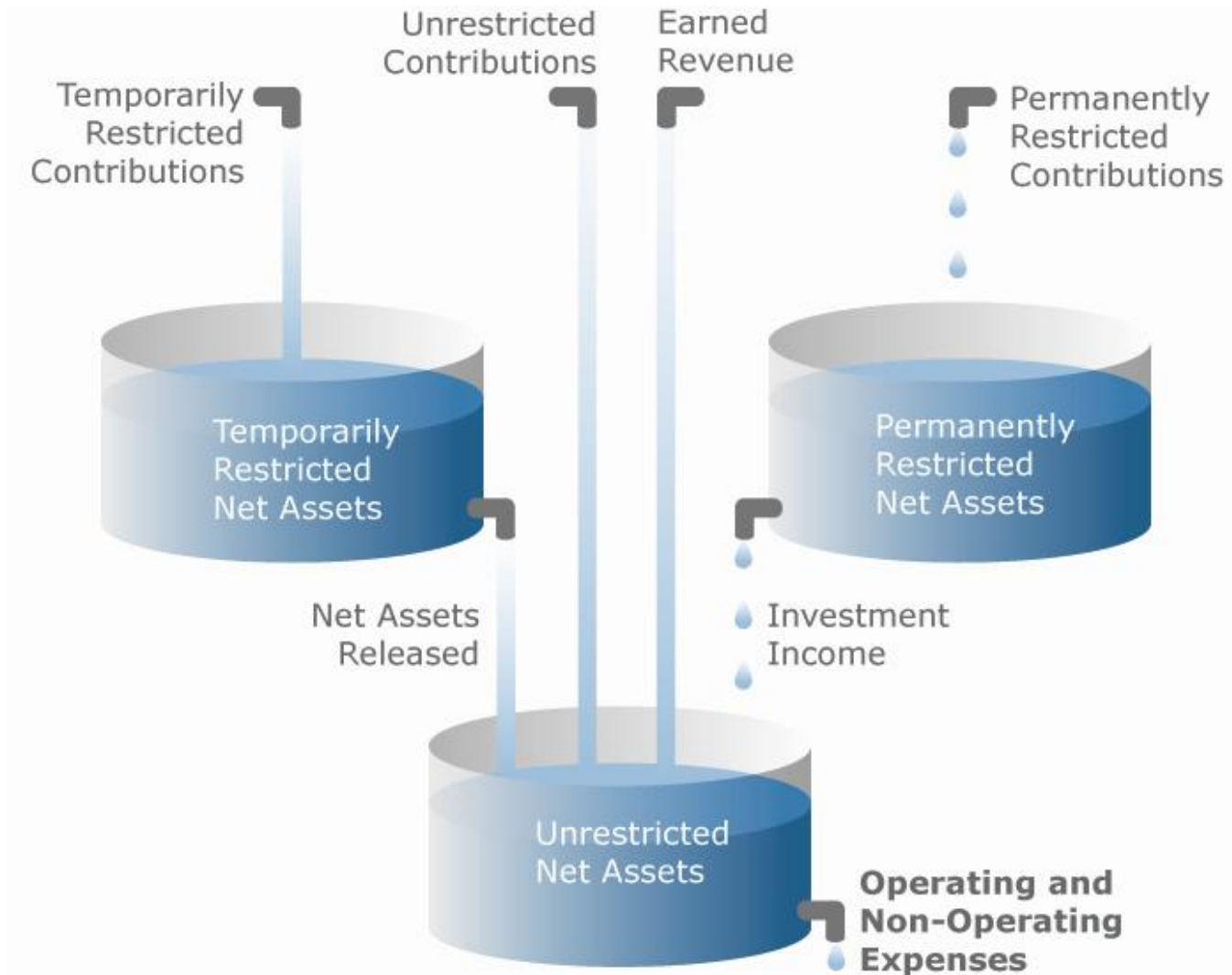


## Permanently Restricted Revenue

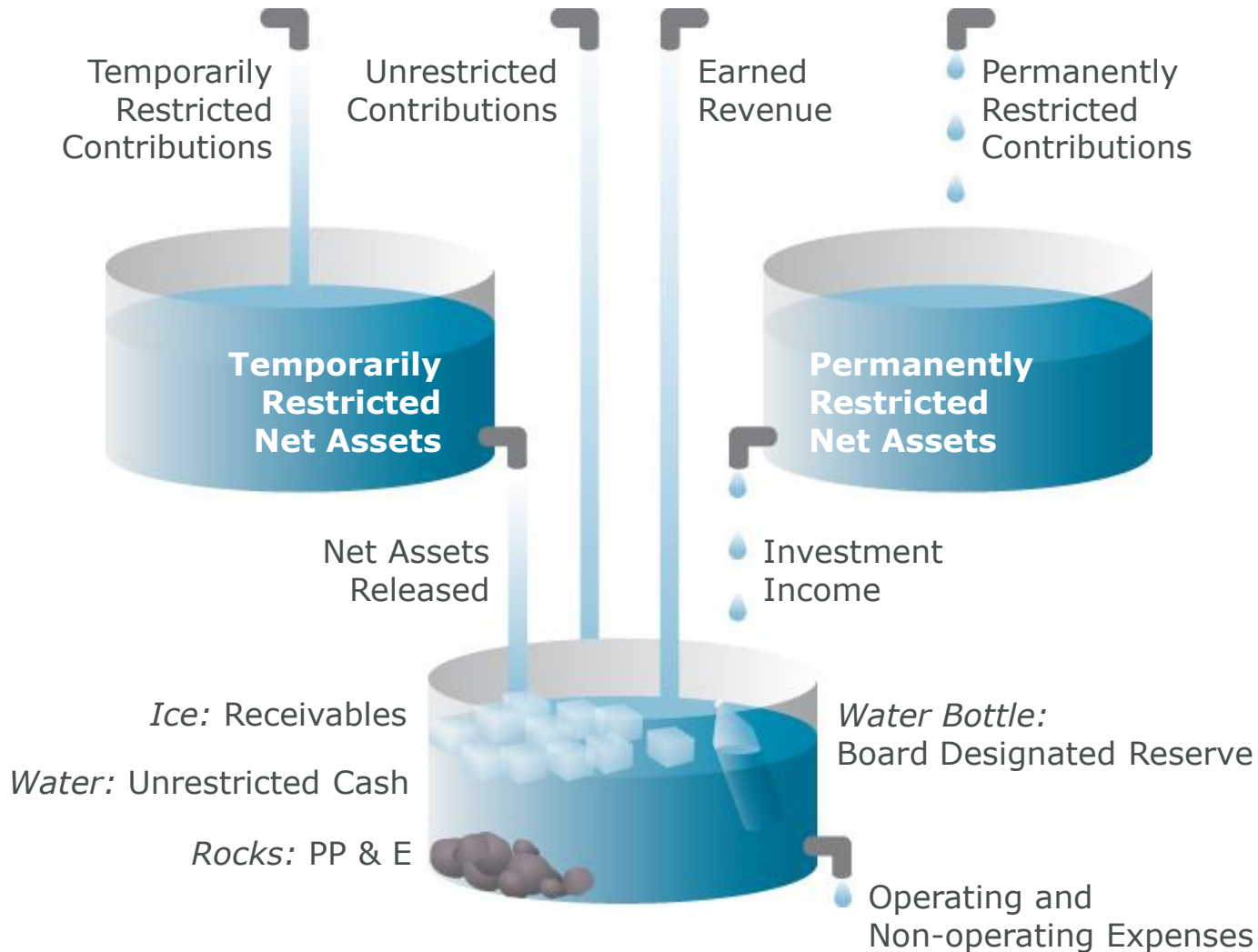
Endowment



# Revenue Also Flows Among Buckets



# Examine Net Asset Composition



# What Can We Learn? Statement of Activities Can Help Reveal\*:

## Revenue Dynamics

- Where does the organization's money come from?
- Is it reasonably diversified or at risk?
- Do revenue streams appear reliable / consistent?

## Cost Dynamics

- What does the organization spend on operating activities?
- Are expenses adjusted in line with revenue changes?
- Note: Statement of Activities will not present expenditures on capital items or debt principal repayments.

## Profitability and Savings

- Does the organization cover its costs?
- Are surpluses sufficient to meet balance sheet obligations?
- Is the agency saving? If so, is it enough?

\*Conversation with leadership will offer greater clarity than financials alone.

# What Can We Learn? Statement of Position Can Help Reveal\*:

## Health of Balance Sheet

- Is the distribution of assets appropriate, given the core business?
- Is the organization investing in its fixed assets?
- How “leveraged” are they?
- What is the composition of net assets?
- How much is unrestricted and liquid?

## Liquidity

- Does the agency have enough cash to cover current obligations?
- How well are they managing receivables?
- Are they delaying payment to others?

\*Conversation with leadership will offer greater clarity than financials alone

An organization's **adaptive capacity** is directly tied to the health of its capital structure

**If your balance sheet has...**

- No cash or receivables
- A fully drawn line of credit
- Little or no reserves available to management
- Significant wear-and-tear of fixed assets

**...There are no dollars immediately available to draw on in challenging times**

- Borrowing to replace lost income is rarely appropriate

**Risk – Cash = Crisis**

# Interpretation Basics: Months of Cash- Rule of Thumb

## What is the right amount of liquidity? In good and bad economic environments?

Months of Expenses Covered by Cash	Operating Situation
<b>0</b>	<b>Crisis</b> – Scrambling for cash, delaying payment to vendors, overdrawing checking account.
<b>Less than 3 months</b>	<b>Cash is tight</b> – Relying on line of credit, delaying payment to vendors.
<b>3-6 months</b>	<b>Some room to breathe</b> – Can do some long-term thinking. Little room for “rainy days.”
<b>6+ months</b>	<b>Handles risk</b> – Able to withstand increasingly acute shocks such as large facility repairs, funding cuts and possibly recessions.

# Assessing Your Nonprofit's Current Financial Condition

Understand Operating **Performance**



Determine **Strength** of Balance Sheet



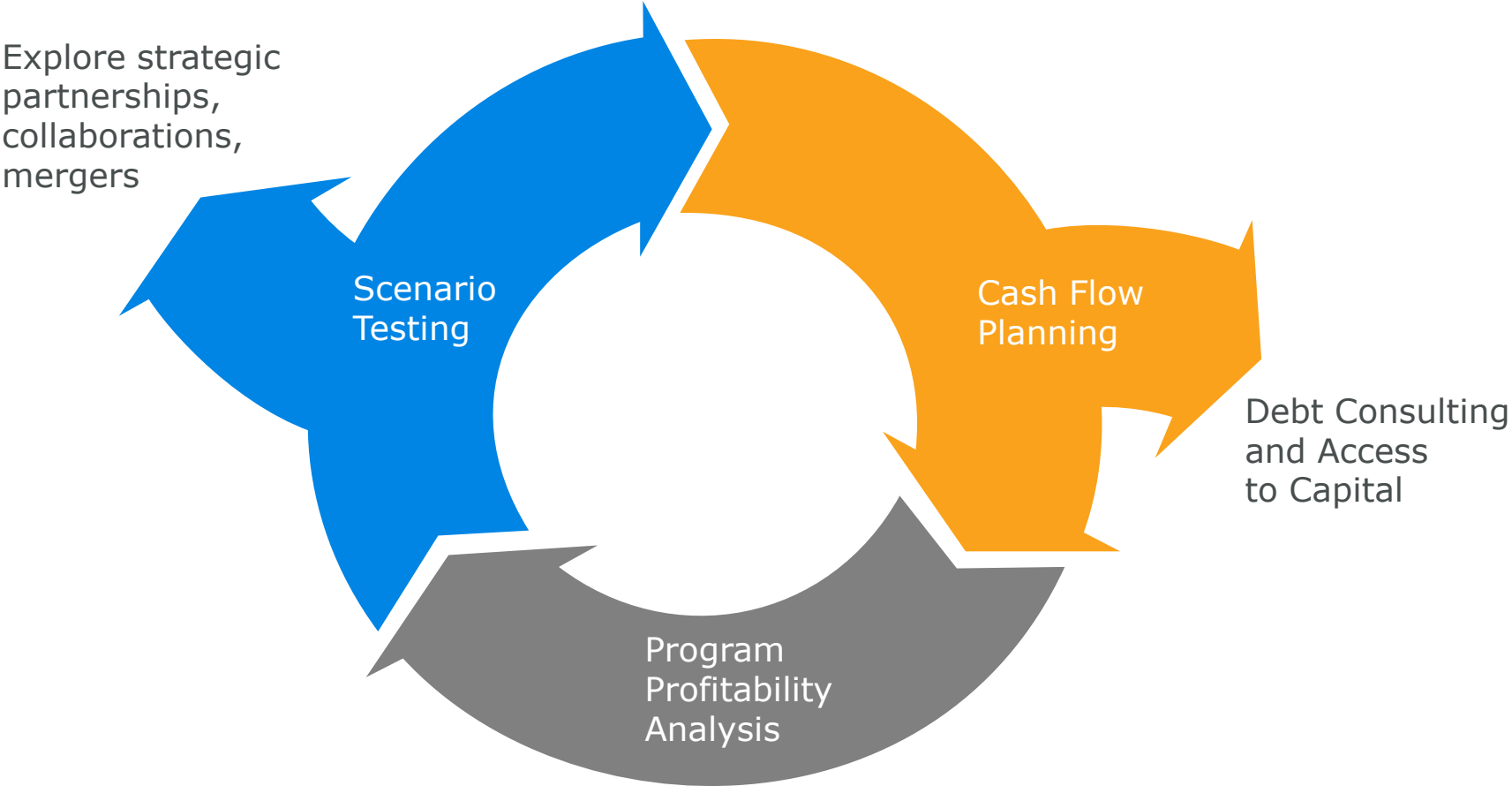
Assess Ability to Handle **Risk** and Pursue **Opportunity**



Comprehensive Financial Analysis

# Quantifying the Challenge & Planning the Response: NFF Framework

## Financial & Organizational Assessment



# Quantifying The Challenge: Cash Flow Projections

**Recessions impose severe constraints on cash flow and cash availability**

**Cash flow projections ensure more visibility into the future by developing a physical picture of the timing and reliability of cash in and cash out**

- Distinguish between **“cash flow” issues (timing of receipts) and “cash” issues (shortage of cash overall)**
- Prepare cash flow projections monthly (if not weekly in times of crisis) and continually update based on budget actuals vs. projection

**Cash flow projections can be used:**

- To monitor how much cash on hand is needed and, if appropriate, how much short-term debt is needed for difficult cash flow months
- To instill cash management discipline
- As part of standard Board/Finance Committee reporting package
- To support conversations with funders, bankers and other stakeholders
- To inform and guide achievement of mission and program objectives

# Monthly Cash Flow Projections



Monthly Cash Flow, Based on Current Annual Forecast														
(\$ in Thousands)	Current Forecast	Jan. Plan	Feb. Plan	March Plan	April Plan	May Plan	June Plan	July Plan	August Plan	Sept. Plan	Oct. Plan	Nov. Plan	Dec. Plan	Total 2009
<b>Cash (Opening Balance)</b>	<b>\$126</b>	<b>\$126</b>	<b>\$426</b>	<b>\$859</b>	<b>\$611</b>	<b>\$583</b>	<b>\$764</b>	<b>\$1,457</b>	<b>\$805</b>	<b>\$454</b>	<b>\$441</b>	<b>\$112</b>	<b>\$83</b>	<b>\$126</b>
<b>Cash In</b>														
Government Grants and Contracts	\$4,572	\$570	\$200	\$51	\$200	\$600	\$500	\$120	\$99	\$580	\$0	\$100	\$751	\$3,772
Developer fees	\$271		\$11		\$10		\$17		\$75		\$43		\$115	\$271
Foundations, corporations, other	\$2,400	\$450	\$142	\$293	\$0	\$100	\$520	\$20	\$0	\$0	\$50	\$100	\$200	\$1,875
Individuals	\$0													\$0
Special events	\$40											\$40		\$40
CM Scholarship	\$8	\$8												\$8
Grants Receivable	\$1,188	\$187	\$500		\$250		\$250							\$1,187
Contribution Receivable	\$631	\$300	\$200	\$100	\$31									\$631
<b>Total Cash In</b>	<b>\$9,111</b>	<b>\$1,515</b>	<b>\$1,053</b>	<b>\$444</b>	<b>\$491</b>	<b>\$700</b>	<b>\$1,287</b>	<b>\$140</b>	<b>\$174</b>	<b>\$580</b>	<b>\$93</b>	<b>\$240</b>	<b>\$1,066</b>	<b>\$7,784</b>
<b>Cash Out</b>														
Salaries and benefits	(\$6,009)	(\$445)	(\$445)	(\$445)	(\$445)	(\$445)	(\$445)	(\$668)	(\$445)	(\$445)	(\$445)	(\$445)	(\$668)	(\$5,786)
Professional services	(\$160)	(\$75)	(\$1)		(\$1)		(\$2)	(\$15)	(\$8)		(\$4)		(\$12)	(\$116)
Program Costs	(\$417)	(\$31)	(\$31)	(\$31)	(\$31)	(\$31)	(\$31)	(\$46)	(\$31)	(\$31)	(\$31)	(\$31)	(\$46)	(\$402)
Interest Expense	(\$9)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$9)
Administrative costs	(\$472)	(\$21)	(\$27)	(\$54)	(\$27)	(\$27)	(\$54)	(\$41)	(\$27)	(\$54)	(\$27)	(\$27)	(\$67)	(\$452)
Occupancy	(\$330)	(\$7)	(\$15)	(\$47)	(\$15)	(\$15)	(\$47)	(\$22)	(\$15)	(\$47)	(\$15)	(\$15)	(\$55)	(\$315)
Accounts Payable	(\$613)	(\$413)	(\$100)	(\$100)										(\$613)
Accrued Salaries	(\$223)	(\$223)												(\$223)
<b>Total Cash Out</b>	<b>(\$8,233)</b>	<b>(\$1,215)</b>	<b>(\$620)</b>	<b>(\$678)</b>	<b>(\$520)</b>	<b>(\$519)</b>	<b>(\$580)</b>	<b>(\$792)</b>	<b>(\$526)</b>	<b>(\$578)</b>	<b>(\$523)</b>	<b>(\$519)</b>	<b>(\$848)</b>	<b>(\$7,917)</b>
<b>Net Cash In/(Cash Out) From Operations</b>	<b>\$878</b>	<b>\$300</b>	<b>\$433</b>	<b>(\$234)</b>	<b>(\$28)</b>	<b>\$181</b>	<b>\$707</b>	<b>(\$652)</b>	<b>(\$352)</b>	<b>\$2</b>	<b>(\$430)</b>	<b>(\$278)</b>	<b>\$218</b>	<b>(\$132)</b>
<b>Cash Ending Balance (Before Special Items)</b>	<b>\$1,004</b>	<b>\$426</b>	<b>\$859</b>	<b>\$625</b>	<b>\$583</b>	<b>\$764</b>	<b>\$1,471</b>	<b>\$805</b>	<b>\$454</b>	<b>\$456</b>	<b>\$12</b>	<b>(\$167)</b>	<b>\$301</b>	<b>(\$7)</b>
<b>Special Items</b>														
Line of Credit (\$350 available)											\$100	\$250	(\$100)	\$250
Principal Payment(s) on Loan (\$57)				(14)			(14)			(14)			(14)	(\$57)
2010 Revenues Rec'd in Cash in 2009													\$100	\$100
<b>Cash Ending Balance (After Special Items)</b>		<b>\$426</b>	<b>\$859</b>	<b>\$611</b>	<b>\$583</b>	<b>\$764</b>	<b>\$1,457</b>	<b>\$805</b>	<b>\$454</b>	<b>\$441</b>	<b>\$112</b>	<b>\$83</b>	<b>\$286</b>	<b>\$286</b>

# Using Program Profitability Analysis to Assess Risk

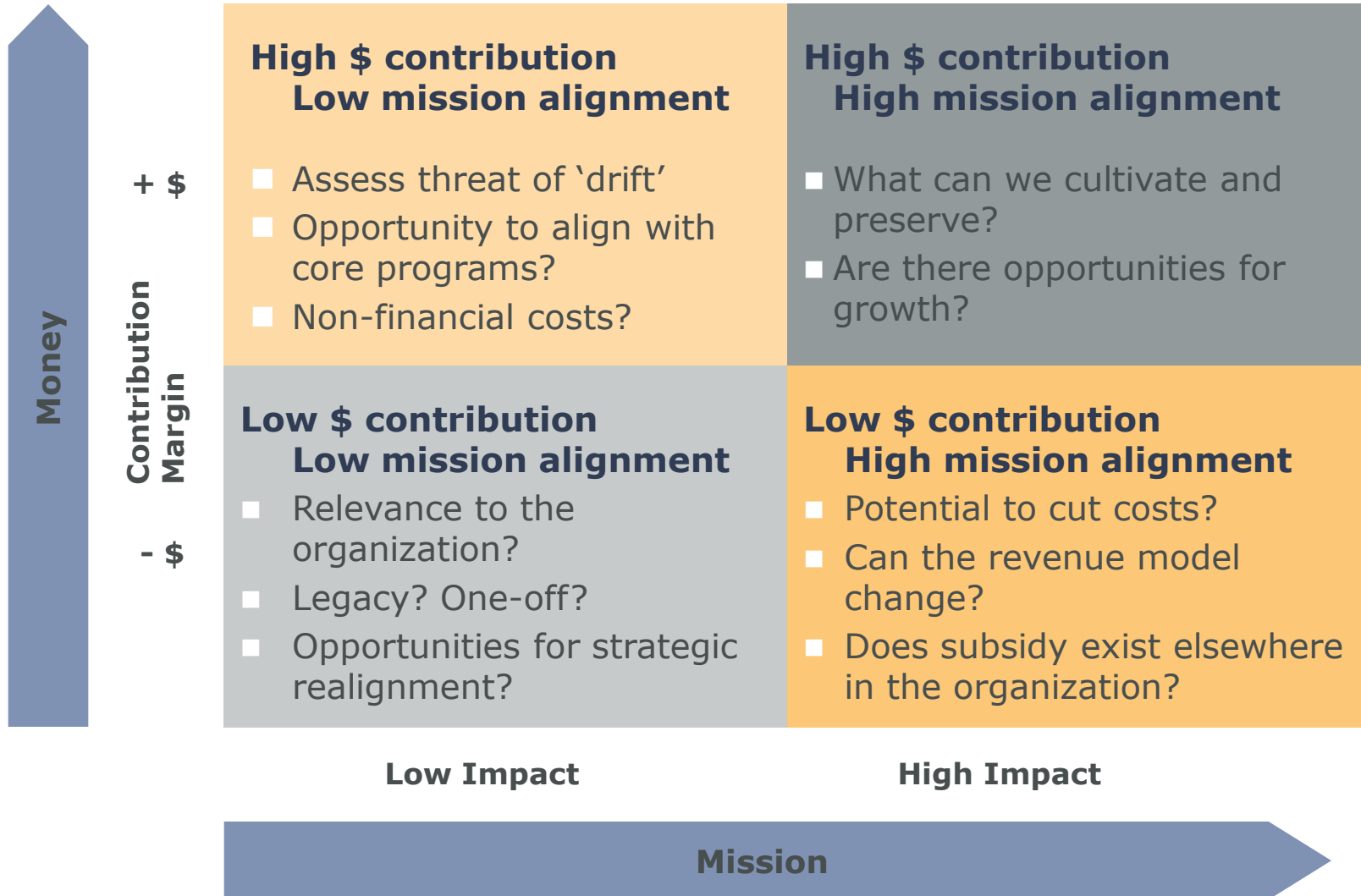
## **Assessing underlying program economics informs strategic decisions about:**

- Whether and how to cut costs
- Where to focus fundraising efforts
- Whether to sustain, grow or cut/change programs
- How to respond to operating changes
- How to allocate resources among competing priorities

## **Nonprofits often make decisions to maintain deficit programs critical to their mission**

**The key is to understand the size of, and identify the source for the subsidy needed to cover, these deficits**

# Program Profitability Analysis: A Visual Tool



# Sample Program Profitability Model



	Programs				Program Subtotal	Capacity				Capacity Subtotal	Total
	After School	Youth Program	Literacy	Senior Services		Fundraising	Special Events	Program Mgmt	Admin.		
<b>Revenue</b>											
<b>(A) Earned</b>											
Government contracts	\$457	\$110		\$800	\$1,367					\$0	\$1,367
Ticket Sales					\$0					\$0	\$0
Client Fees	\$156			\$100	\$256					\$0	\$256
<b>Subtotal</b>	<b>\$613</b>	<b>\$110</b>	<b>\$0</b>	<b>\$900</b>	<b>\$1,623</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,623</b>
<b>(B) Contributed</b>											
Foundations & Corporations	\$113		\$120		\$233	\$10				\$10	\$243
Government	\$27				\$27	\$80				\$80	\$107
Individuals	\$85				\$85	\$704	\$242			\$946	\$1,031
Trustees	\$12				\$12	\$152	\$185			\$337	\$349
<b>Subtotal</b>	<b>\$237</b>	<b>\$0</b>	<b>\$120</b>	<b>\$0</b>	<b>\$357</b>	<b>\$946</b>	<b>\$427</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,373</b>	<b>\$1,730</b>
<b>Total Revenue</b>	<b>\$850</b>	<b>\$110</b>	<b>\$120</b>	<b>\$900</b>	<b>\$1,980</b>	<b>\$946</b>	<b>\$427</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,373</b>	<b>\$3,353</b>
<b>Expenses</b>											
Salary & Benefits	(\$441)	(\$80)		(\$525)	(\$1,046)	(\$188)		(\$85)	(\$475)	(\$748)	(\$1,794)
Consultants & Contractors	(\$239)		(\$100)	(\$172)	(\$511)	(\$20)	(\$175)			(\$195)	(\$706)
Professional Fees					\$0	(\$48)	(\$85)		(\$13)	(\$146)	(\$146)
Occupancy	(\$112)			(\$259)	(\$371)		(\$62)		(\$46)	(\$108)	(\$479)
Office & Supplies	(\$3)	(\$12)		(\$5)	(\$20)					\$0	(\$20)
Program	(\$85)	(\$8)		(\$10)	(\$103)					\$0	(\$103)
Interest					\$0				(\$20)	(\$20)	(\$20)
Miscellaneous	(\$15)			(\$29)	(\$44)	(\$44)	(\$15)		(\$102)	(\$161)	(\$205)
<b>Total Expenses</b>	<b>(\$894)</b>	<b>(\$100)</b>	<b>(\$100)</b>	<b>(\$1,000)</b>	<b>(\$2,094)</b>	<b>(\$300)</b>	<b>(\$337)</b>	<b>(\$85)</b>	<b>(\$656)</b>	<b>(\$1,378)</b>	<b>(\$3,472)</b>
<b>Surplus/Deficit</b>	<b>(\$45)</b>	<b>\$10</b>	<b>\$20</b>	<b>(\$100)</b>	<b>(\$115)</b>	<b>\$646</b>	<b>\$90</b>	<b>(\$85)</b>	<b>(\$656)</b>	<b>(\$5)</b>	<b>(\$120)</b>

## By building a financial model using **alternate case scenarios**, you can project a range of outcomes to inform decisions

- Scenario testing provides a means to explicitly and transparently communicate in financial terms the viability of plans for the future

## Determine how and under what circumstances you will **mid-course correct**

- Consider which expenses you can reduce, eliminate or postpone
- Evaluate how cuts will impact delivery of mission and economic viability
- Consider ways to increase revenue, if once reliable sources seem questionable.
- Ensure new revenue opportunities are “net” positive

# Planning Your Response: Scenario Testing

## **Determine the **triggers** that lead to Plan B, Plan C, etc.**

- For example: if X% of revenue doesn't arrive by Y, we will cut Z% of expenses

## **Plan for a worst-case scenario**

- Easier to add back later than to be forced to take drastic action without a thoughtful plan

## **Plan for the impacts of scenarios on programming**

- What is the impact on specific program metrics (i.e., clients served, number of housing units produced or managed, schools and youth served, etc.)

## **Can be as complex or as simple as needed:**

- What would we do differently if budgeted revenue dropped 10%? 20%? 30%?
- What is the likelihood of receipt for each revenue source within each program? What adjustments will we make within these programs and to our supporting capacity?

# How Will Scenarios Impact Your Organization's Long Term Health?

## How do the scenarios impact the organization's ability to withstand risk?

- How will earned revenue or philanthropic dollars raised change? Will overhead/capacity costs change?
- Which scenarios produce deficits? Surpluses?
- Will deficits deplete cash and liquidity or result in larger debt obligations?
- Will surpluses be converted to cash savings or invested in fixed infrastructure?

Bay Area arts and youth development organization.

Rock City has a mission to improve the lives of youth, teens, and families living in the Bay Area through music and musical theater.

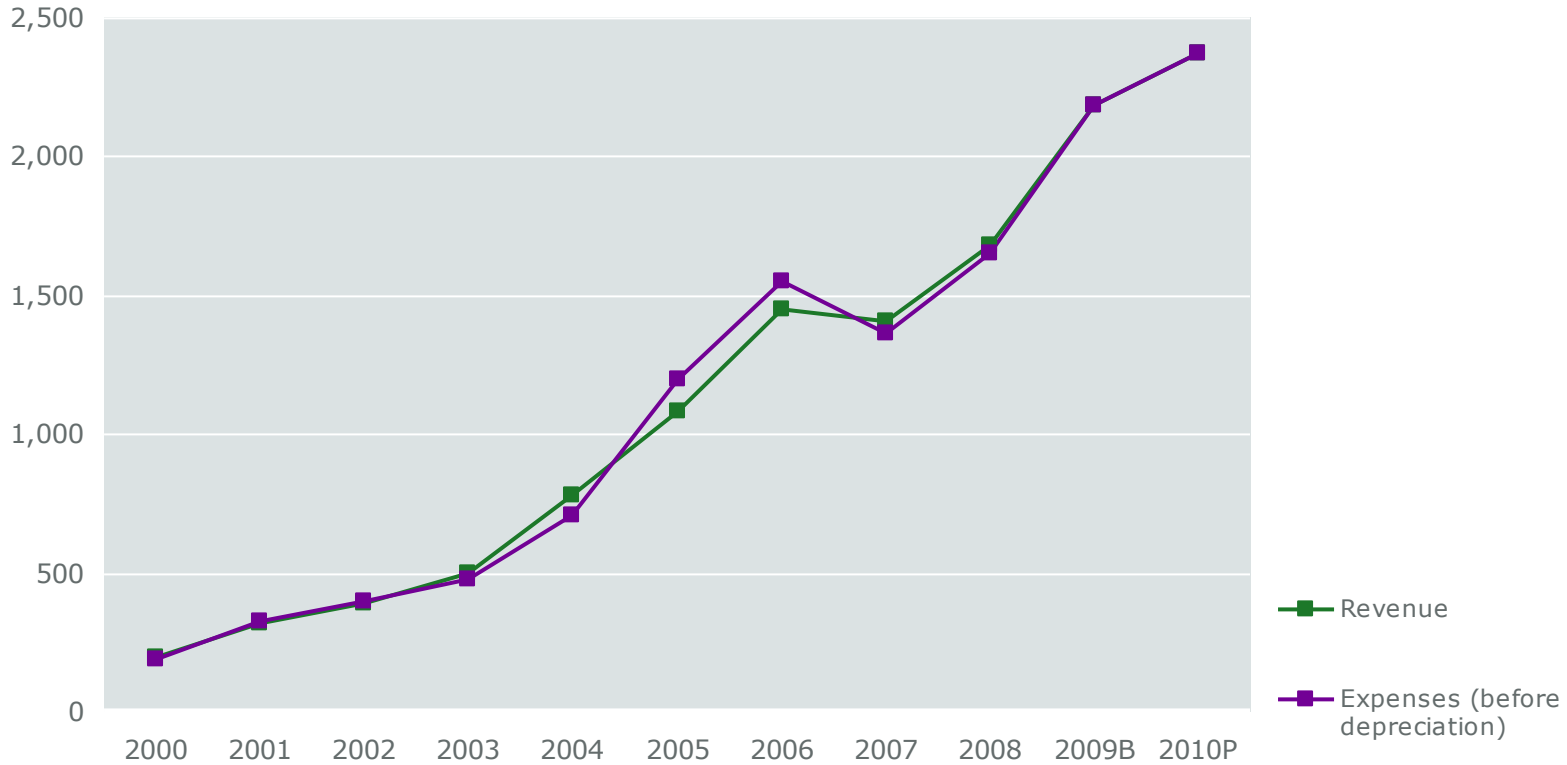
Major programs include a series of new productions and live music events each year, music education, and site-specific community performances.

The organization experienced 2 years of significant operating losses during a period of rapid growth.

NFF provided a working capital loan to Rock City.

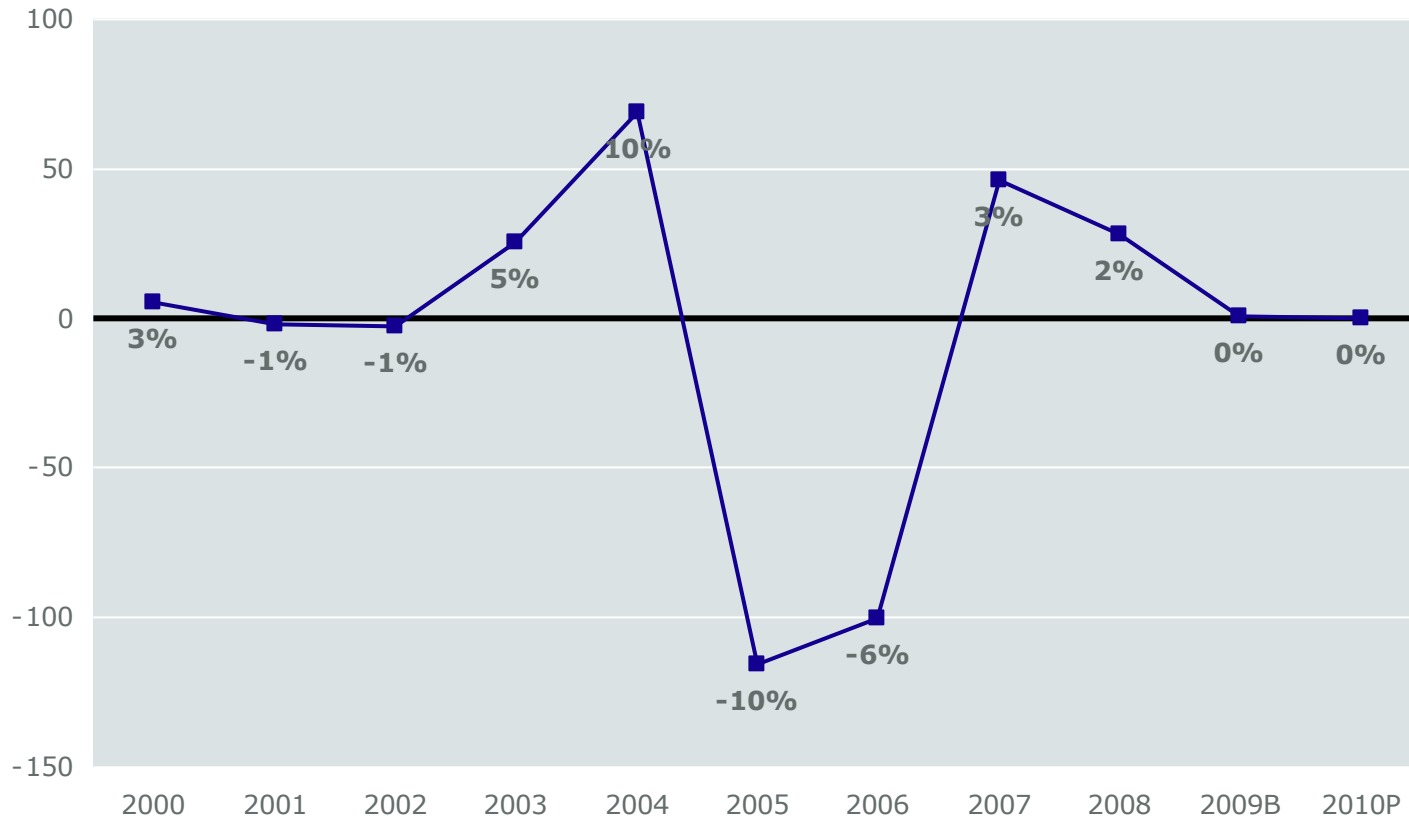
## Operating Revenue & Expenses

(\$ in thousands)



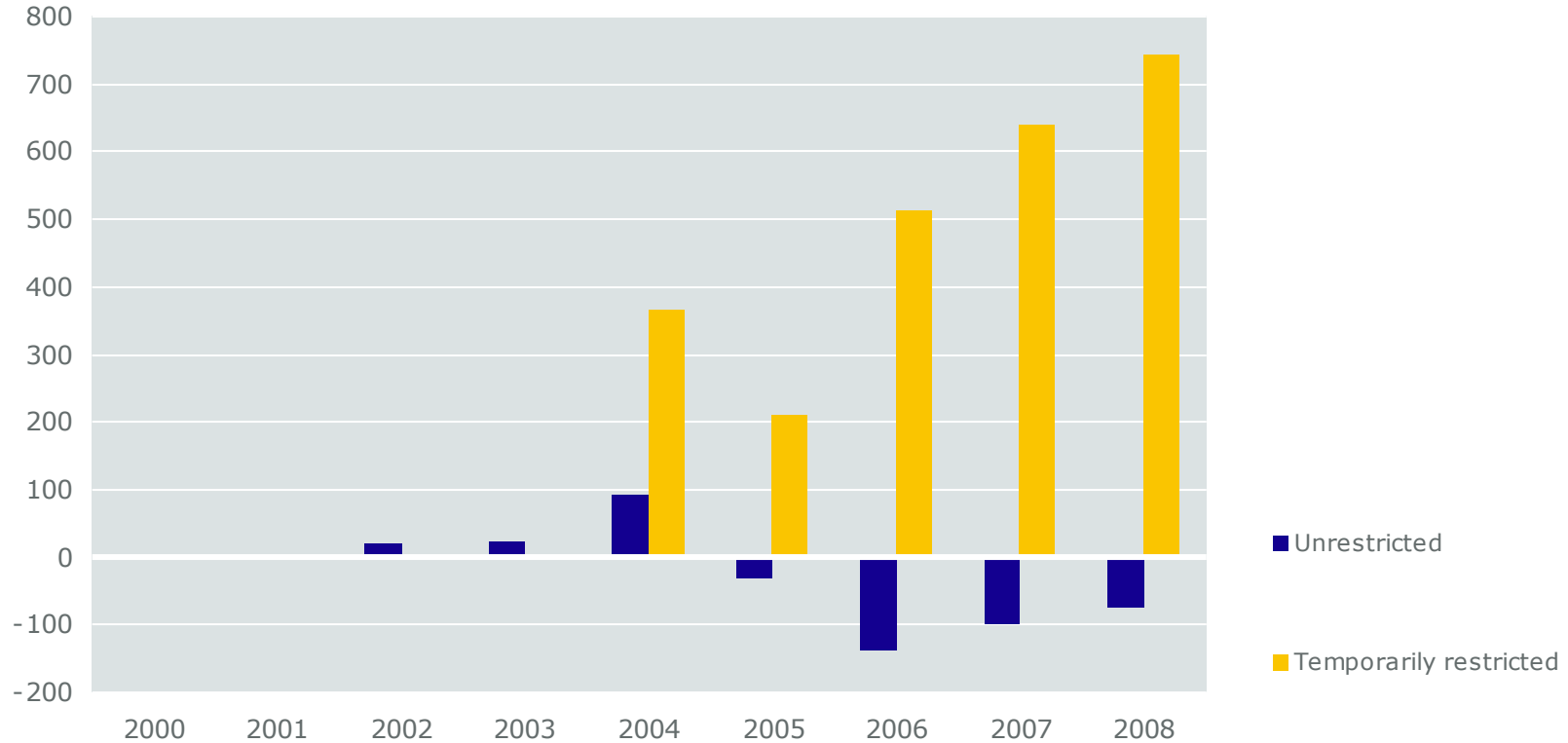
## Operating Surplus (Deficit) Before Depreciation

Surplus/deficit as a % of expenses (\$ in thousands)



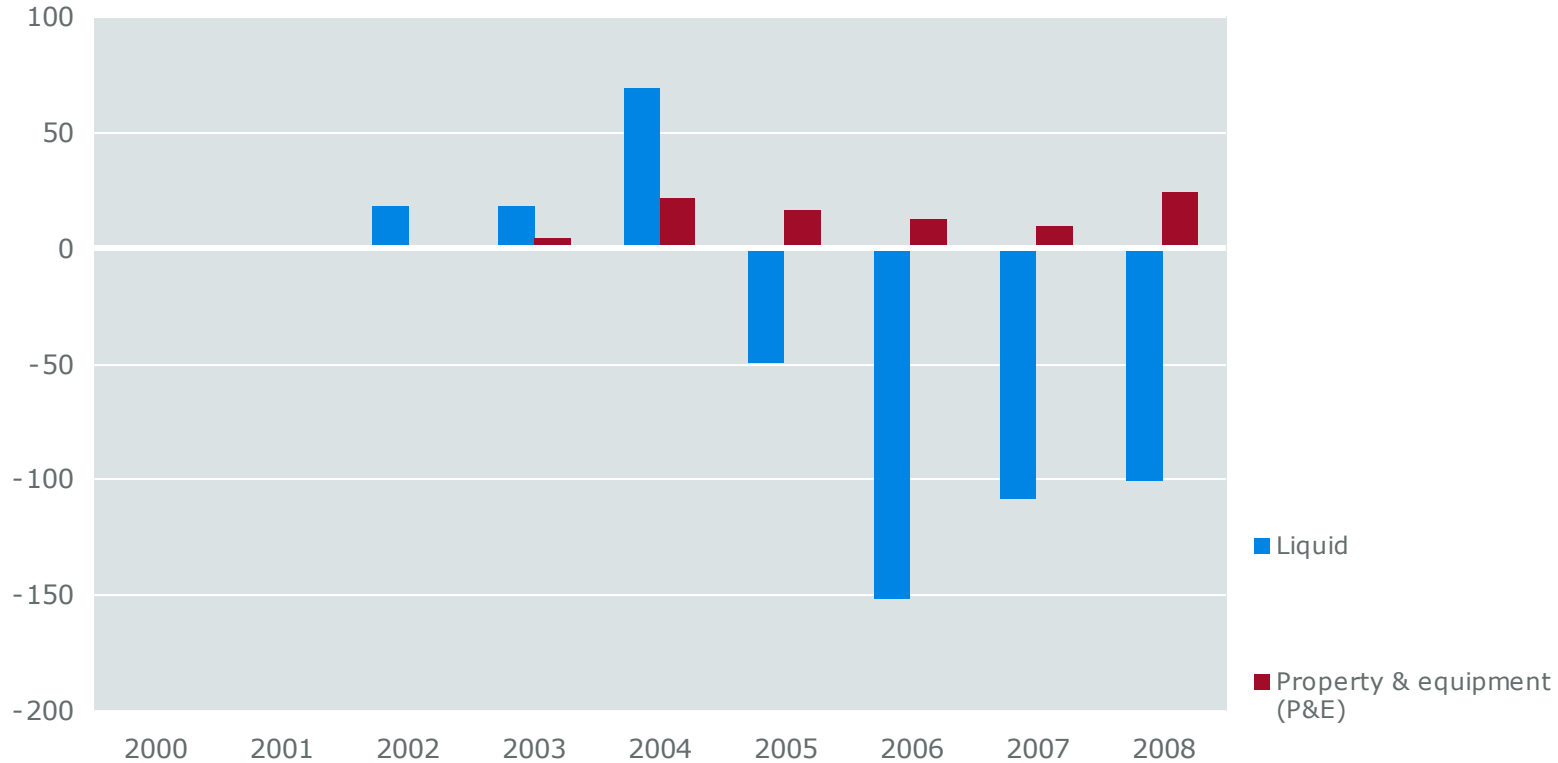
## Total Net Assets

(\$ in thousands)



## Unrestricted Net Assets

(\$ in thousands)



# Program Profitability Model

**Bottom Line Impact = Break Even**



Rock City PPA FY2010	Original Productions	Arts-in- Education	Community Events	Program Subtotal	Capacity		Capacity Subtotal	Total Budget
					Gen Ops	Development		
<b>Revenue</b>								
<b>(A) Earned</b>								
Admissions	\$14,018	\$73,453	\$9,500	\$96,971	\$0	\$0	\$0	\$96,971
Fees	\$58,000	\$28,650	\$402,000	\$488,650	\$0	\$0	\$0	\$488,650
Merchandise Revenue	\$4,179	\$2,700	\$0	\$6,879	\$0	\$0	\$0	\$6,879
<b>Subtotal</b>	<b>\$76,197</b>	<b>\$104,803</b>	<b>\$411,500</b>	<b>\$592,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$592,500</b>
<b>(B) Contributed</b>								
Government	\$0	\$0	\$0	\$0	\$49,400	\$0	\$49,400	\$49,400
Individuals	\$75,000	\$0	\$0	\$75,000	\$87,500	\$137,500	\$225,000	\$300,000
Corporate	\$18,000	\$0	\$0	\$18,000	\$0	\$0	\$0	\$18,000
Foundations	\$0	\$0	\$0	\$0	\$43,500	\$0	\$43,500	\$43,500
Net Assets Released	\$312,000	\$682,238	\$205,250	\$1,199,488	\$340,000	\$0	\$340,000	\$1,539,488
<b>Subtotal</b>	<b>\$405,000</b>	<b>\$682,238</b>	<b>\$205,250</b>	<b>\$1,292,488</b>	<b>\$520,400</b>	<b>\$137,500</b>	<b>\$657,900</b>	<b>\$1,950,388</b>
<b>Total Revenue</b>	<b>\$481,197</b>	<b>\$787,041</b>	<b>\$616,750</b>	<b>\$1,884,988</b>	<b>\$520,400</b>	<b>\$137,500</b>	<b>\$657,900</b>	<b>\$2,542,888</b>
<b>Expenses</b>								
Personnel Salaried plus benefit	(\$151,840)	(\$400,853)	(\$157,002)	(\$709,695)	(\$180,864)	(\$137,266)	(\$318,130)	(\$1,027,825)
Non Salaried (arist, contractor)	(\$127,500)	(\$131,850)	(\$306,125)	(\$565,475)	(\$147,500)	(\$4,250)	(\$151,750)	(\$717,225)
Facilities	(\$70,000)	(\$56,687)	(\$2,500)	(\$129,187)	(\$57,264)	(\$7,200)	(\$64,464)	(\$193,651)
Marketing	(\$500)	(\$4,300)	\$0	(\$4,800)	\$0	\$0	\$0	(\$4,800)
Hospitality	(\$32,000)	(\$10,690)	(\$350)	(\$43,040)	(\$1,500)	(\$27,192)	(\$28,692)	(\$71,732)
Copying	\$0	(\$3,880)	\$0	(\$3,880)	\$0	\$0	\$0	(\$3,880)
Travel	(\$83,500)	(\$12,465)	(\$107,980)	(\$203,945)	\$0	(\$4,000)	(\$4,000)	(\$207,945)
Supplies & Equipment	\$0	(\$3,500)	\$0	(\$3,500)	(\$8,050)	(\$4,700)	(\$12,750)	(\$16,250)
Documentation	(\$9,000)	(\$13,000)	\$0	(\$22,000)	\$0	\$0	\$0	(\$22,000)
Printing	(\$7,000)	(\$3,150)	(\$2,000)	(\$12,150)	(\$1,000)	(\$16,850)	(\$17,850)	(\$30,000)
Design	\$0	(\$1,550)	\$0	(\$1,550)	\$0	(\$900)	(\$900)	(\$2,450)
SWAG	(\$5,445)	(\$6,900)	(\$1,200)	(\$13,545)	\$0	(\$2,000)	(\$2,000)	(\$15,545)
Tech Costs	(\$6,600)	(\$380)	(\$8,000)	(\$14,980)	\$0	(\$5,865)	(\$5,865)	(\$20,845)
Adv/Promotion	(\$13,750)	(\$2,700)	\$0	(\$16,450)	\$0	\$0	\$0	(\$16,450)
Postage	(\$3,100)	(\$4,000)	(\$1,500)	(\$8,600)	(\$2,575)	(\$1,775)	(\$4,350)	(\$12,950)
Materials	(\$2,750)	(\$1,250)	\$0	(\$4,000)	(\$3,200)	(\$1,050)	(\$4,250)	(\$8,250)
Slam/Stipends/Talent	\$0	(\$12,500)	\$0	(\$12,500)	\$0	(\$1,150)	(\$1,150)	(\$13,650)
Other	(\$36,000)	\$0	(\$5,600)	(\$41,600)	(\$15,000)	(\$3,210)	(\$18,210)	(\$59,810)
Housing	(\$60,000)	(\$1,000)	\$0	(\$61,000)	\$0	\$0	\$0	(\$61,000)
Ticket Subsidies		(\$12,000)	\$0	(\$12,000)	\$0	\$0	\$0	(\$12,000)
Misc.		(\$1,500)	\$0	(\$1,500)	(\$23,000)	\$0	(\$23,000)	(\$24,500)
<b>Total Expenses</b>	<b>(\$608,985)</b>	<b>(\$684,155)</b>	<b>(\$592,257)</b>	<b>(\$1,885,397)</b>	<b>(\$439,953)</b>	<b>(\$217,408)</b>	<b>(\$657,361)</b>	<b>(\$2,542,758)</b>
<b>Surplus/Deficit</b>	<b>(\$127,788)</b>	<b>\$102,886</b>	<b>\$24,493</b>	<b>(\$409)</b>	<b>\$80,447</b>	<b>(\$79,908)</b>	<b>\$539</b>	<b>\$130</b>

# Digging Deeper: Sub-Program Analysis



<b>Rock City PPA</b>		<b>Sub-Programs of "Original Productions"</b>			<b>Program Total</b>
	New Shows	July 4th Show	Library Series		
<b>Revenue</b>					
<b>(A) Earned</b>					
Admissions	\$14,018	\$0	\$0	\$14,018	
Fees	\$53,000	\$2,500	\$2,500	\$58,000	
Merchandise Revenue	\$4,179	\$0	\$0	\$4,179	
<b>Subtotal</b>	<b>\$71,197</b>	<b>\$2,500</b>	<b>\$2,500</b>	<b>\$76,197</b>	
<b>(B) Contributed</b>					
Individuals	\$75,000	\$0	\$0	\$75,000	
Corporate	\$18,000	\$0	\$0	\$18,000	
Net Assets Released	\$290,000	\$0	\$22,000	\$312,000	
<b>Subtotal</b>	<b>\$383,000</b>	<b>\$0</b>	<b>\$22,000</b>	<b>\$405,000</b>	
<b>Total Revenue</b>	<b>\$454,197</b>	<b>\$2,500</b>	<b>\$24,500</b>	<b>\$481,197</b>	
<b>Expenses</b>					
Staff	(\$151,840)	\$0	\$0	(\$151,840)	
Artist	(\$116,500)	(\$10,000)	(\$1,000)	(\$127,500)	
Facilities	(\$70,000)	\$0	\$0	(\$70,000)	
Marketing	\$0	\$0	(\$500)	(\$500)	
Hospitality	(\$32,000)	\$0	\$0	(\$32,000)	
Copying	\$0	\$0	\$0	\$0	
Travel	(\$61,000)	(\$10,000)	\$0	(\$71,000)	
Supplies	\$0	\$0	\$0	\$0	
Prof Dev	\$0	\$0	\$0	\$0	
Documentation	(\$5,500)	\$0	(\$3,500)	(\$9,000)	
Printing	(\$6,000)	\$0	(\$1,000)	(\$7,000)	
Design	\$0	\$0	\$0	\$0	
T-Shirts	(\$5,445)	\$0	\$0	(\$5,445)	
Tech Costs	(\$6,600)	\$0	\$0	(\$6,600)	
Advertising/Promotion	(\$13,750)	\$0	\$0	(\$13,750)	
Postage	(\$3,100)	\$0	\$0	(\$3,100)	
Materials	(\$2,750)	\$0	\$0	(\$2,750)	
Stipends	\$0	\$0	\$0	\$0	
Local Travel	(\$12,500)	\$0	\$0	(\$12,500)	
Other	(\$11,000)	(\$25,000)	\$0	(\$36,000)	
Housing	(\$60,000)	\$0	\$0	(\$60,000)	
<b>Total Expenses</b>	<b>(\$557,985)</b>	<b>(\$45,000)</b>	<b>(\$6,000)</b>	<b>(\$608,985)</b>	
<b>Surplus/Deficit</b>	<b>(\$103,788)</b>	<b>(\$42,500)</b>	<b>\$18,500</b>	<b>(\$127,788)</b>	

# Digging Deeper: Sub-Program Analysis



Rock City PPA														Program Total
Arts-in-Education Sub-Programs														
	Artistic Development	Visiting Musicians	District 1	District 2	District 3	Mentor Program Junior High	Mentor Program High School	Music Classes	Artist Residency	After School Site 1	After School Site 2	General AIE		
<b>Revenue</b>														
<b>(A) Earned</b>														
Admissions	\$0	\$0	\$0	\$5,000	\$19,000	\$0	\$0	\$27,550	\$0	\$0	\$0	\$0	\$0	\$73,453
Fees	\$0	\$13,650	\$0	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$28,650
Merchandise Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,200	\$0	\$0	\$0	\$0	\$0	\$2,700
Misc. Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$0</b>	<b>\$13,650</b>	<b>\$0</b>	<b>\$20,000</b>	<b>\$19,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$29,750</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$104,803</b>
<b>(B) Contributed</b>														
Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Individuals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Corporate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Foundations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Unrestricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Assets Released	\$0	\$0	\$35,000	\$22,500	\$22,500	\$0	\$0	\$0	\$0	\$165,802	\$108,131	\$328,305	\$0	\$682,238
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,000</b>	<b>\$22,500</b>	<b>\$22,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$165,802</b>	<b>\$108,131</b>	<b>\$328,305</b>	<b>\$0</b>	<b>\$682,238</b>
<b>Total Revenue</b>	<b>\$0</b>	<b>\$13,650</b>	<b>\$35,000</b>	<b>\$42,500</b>	<b>\$41,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$29,750</b>	<b>\$0</b>	<b>\$165,802</b>	<b>\$108,131</b>	<b>\$328,305</b>	<b>\$0</b>	<b>\$787,041</b>
<b>Expenses</b>														
Staff	(\$26,447)	(\$26,517)	(\$22,466)	(\$22,466)	(\$22,466)	(\$26,518)	(\$27,232)	(\$66,596)	(\$26,448)	(\$17,122)	(\$26,799)	(\$24,864)	\$0	(\$400,853)
Artist	(\$2,000)	(\$15,000)	(\$5,400)	(\$5,400)	(\$4,500)	(\$12,500)	(\$200)	(\$2,850)	(\$25,000)	(\$15,000)	(\$13,500)	\$0	\$0	(\$131,850)
Facilities	(\$500)	\$0	\$0	\$0	\$0	\$0	(\$1,000)	(\$26,182)	\$0	\$0	\$0	(\$22,700)	\$0	(\$56,687)
Marketing	\$0	(\$500)	(\$400)	(\$300)	(\$500)	(\$100)	\$0	\$0	\$0	\$0	(\$1,500)	\$0	\$0	(\$4,300)
Hospitality	(\$100)	\$0	(\$600)	(\$450)	(\$1,500)	(\$2,000)	(\$150)	(\$460)	\$0	(\$1,500)	(\$2,700)	\$0	\$0	(\$10,690)
Copying	(\$30)	\$0	(\$500)	(\$375)	(\$1,250)	(\$625)	\$0	\$0	\$0	(\$500)	(\$200)	\$0	\$0	(\$3,880)
Staff Travel	\$0	(\$2,500)	(\$500)	(\$300)	(\$1,250)	(\$75)	(\$150)	(\$780)	(\$6,000)	\$0	(\$210)	\$0	\$0	(\$12,465)
Supplies	\$0	(\$500)	(\$120)	(\$180)	(\$300)	(\$50)	\$0	\$0	\$0	\$0	(\$600)	\$0	\$0	(\$3,500)
Prof Dev	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Documentation	\$0	\$0	(\$6,000)	\$0	\$0	\$0	(\$2,500)	(\$1,000)	(\$2,500)	\$0	\$0	\$0	\$0	(\$13,000)
Printing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$400)	(\$1,700)	\$0	\$0	\$0	\$0	(\$3,150)
Design	\$0	\$0	\$0	\$0	\$0	\$0	(\$250)	(\$250)	\$0	\$0	\$0	\$0	\$0	(\$1,550)
T-Shirts	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,500)	(\$3,900)	\$0	\$0	\$0	\$0	\$0	(\$6,900)
Tech Costs	\$0	\$0	\$0	\$0	\$0	\$0	(\$125)	(\$130)	\$0	\$0	\$0	\$0	\$0	(\$380)
Advertising	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,700)	\$0	\$0	\$0	\$0	\$0	(\$2,700)
Postage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,000)	\$0	\$0	\$0	\$0	\$0	(\$4,000)
Materials	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$500)	(\$750)	\$0	\$0	\$0	\$0	(\$1,250)
Grants	\$0	\$0	\$0	\$0	\$0	(\$12,500)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$12,500)
School Clubs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,000)	\$0	\$0	\$0	(\$1,000)
Ticket Subsidies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$6,000)	\$0	\$0	\$0	\$0	\$0	(\$12,000)
Retreat	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,500)	\$0	\$0	\$0	(\$1,500)
				\$0	\$0			\$0	\$0					
<b>Total Expenses</b>	<b>(\$29,077)</b>	<b>(\$45,017)</b>	<b>(\$35,986)</b>	<b>(\$29,471)</b>	<b>(\$31,766)</b>	<b>(\$54,368)</b>	<b>(\$33,507)</b>	<b>(\$117,048)</b>	<b>(\$60,698)</b>	<b>(\$36,622)</b>	<b>(\$45,509)</b>	<b>(\$47,564)</b>	<b>\$0</b>	<b>(\$684,155)</b>
<b>Surplus/Deficit</b>	<b>(\$29,077)</b>	<b>(\$31,367)</b>	<b>(\$986)</b>	<b>\$13,029</b>	<b>\$9,734</b>	<b>(\$54,368)</b>	<b>(\$33,507)</b>	<b>(\$87,298)</b>	<b>(\$60,698)</b>	<b>\$129,180</b>	<b>\$62,622</b>	<b>\$280,741</b>	<b>\$0</b>	<b>\$102,886</b>

Note: Additional sub-program columns have been hidden for presentation purposes. As a result, the totals in the "Program Total" column may not equal the sum of visible columns.

# Digging Deeper: Sub-Program Analysis

<b>Rock City PPA</b>	<b>Sub-Programs of "Original Productions"</b>			<b>Program Total</b>
	New Shows	July 4th Show	Library Series	
<b>Revenue</b>				
<b>(A) Earned</b>				
Admissions	\$14,018	\$0	\$0	<b>\$14,018</b>
Fees	\$53,000	\$2,500	\$2,500	<b>\$58,000</b>
Merchandise Revenue	\$4,179	\$0	\$0	<b>\$4,179</b>
<b>Subtotal</b>	<b>\$71,197</b>	<b>\$2,500</b>	<b>\$2,500</b>	<b>\$76,197</b>
<b>(B) Contributed</b>				
Individuals	\$75,000	\$10,000	\$0	<b>\$85,000</b>
Corporate	\$18,000	\$30,000	\$0	<b>\$48,000</b>
Net Assets Released	\$290,000	\$0	\$22,000	<b>\$312,000</b>
<b>Subtotal</b>	<b>\$383,000</b>	<b>\$40,000</b>	<b>\$22,000</b>	<b>\$445,000</b>
<b>Total Revenue</b>	<b>\$454,197</b>	<b>\$42,500</b>	<b>\$24,500</b>	<b>\$521,197</b>
<b>Expenses</b>				
Staff	(\$151,840)	\$0	\$0	<b>(\$151,840)</b>
Artist	(\$116,500)	(\$10,000)	(\$1,000)	<b>(\$127,500)</b>
Facilities	(\$70,000)	\$0	\$0	<b>(\$70,000)</b>
Marketing	\$0	\$0	(\$500)	<b>(\$500)</b>
Hospitality	(\$32,000)	\$0	\$0	<b>(\$32,000)</b>
Copying	\$0	\$0	\$0	<b>\$0</b>
Travel	(\$61,000)	(\$10,000)	\$0	<b>(\$71,000)</b>
Supplies	\$0	\$0	\$0	<b>\$0</b>
Prof Dev	\$0	\$0	\$0	<b>\$0</b>
Documentation	(\$5,500)	\$0	(\$3,500)	<b>(\$9,000)</b>
Printing	(\$6,000)	\$0	(\$1,000)	<b>(\$7,000)</b>
Design	\$0	\$0	\$0	<b>\$0</b>
T-Shirts	(\$5,445)	\$0	\$0	<b>(\$5,445)</b>
Tech Costs	(\$6,600)	\$0	\$0	<b>(\$6,600)</b>
Advertising/Promotion	(\$13,750)	\$0	\$0	<b>(\$13,750)</b>
Postage	(\$3,100)	\$0	\$0	<b>(\$3,100)</b>
Materials	(\$2,750)	\$0	\$0	<b>(\$2,750)</b>
Stipends	\$0	\$0	\$0	<b>\$0</b>
Local Travel	(\$12,500)	\$0	\$0	<b>(\$12,500)</b>
Other	(\$11,000)	(\$25,000)	\$0	<b>(\$36,000)</b>
Housing	(\$60,000)	\$0	\$0	<b>(\$60,000)</b>
<b>Total Expenses</b>	<b>(\$557,985)</b>	<b>(\$45,000)</b>	<b>(\$6,000)</b>	<b>(\$608,985)</b>
<b>Surplus/Deficit</b>	<b>(\$103,788)</b>	<b>(\$2,500)</b>	<b>\$18,500</b>	<b>(\$87,788)</b>

# Digging Deeper: Sub-Program Analysis

Rock City PPA Arts-in-Education Sub-Programs													Program Total
Artistic Development	Visiting Musicians	District 1	District 2	District 3	Mentor Program Junior High	Mentor Program High School	Music Classes	Artist Residency	After School Site 1	After School Site 2	General AIE		
<b>Revenue</b>													
<b>(A) Earned</b>													
Admissions	\$0	\$0	\$0	\$5,000	\$19,000	\$0	\$0	\$27,550	\$0	\$0	\$0	\$0	\$73,453
Fees	\$0	\$13,650	\$0	\$15,000	\$0	\$35,000	\$25,000	\$60,000	\$0	\$0	\$0	\$0	\$148,650
Merchandise Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,200	\$0	\$0	\$0	\$0	\$2,700
Misc. Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$0</b>	<b>\$13,650</b>	<b>\$0</b>	<b>\$20,000</b>	<b>\$19,000</b>	<b>\$35,000</b>	<b>\$25,000</b>	<b>\$89,750</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$224,803</b>
<b>(B) Contributed</b>													
Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Individuals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Corporate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Foundations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Unrestricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Assets Released	\$0	\$0	\$35,000	\$22,500	\$22,500	\$0	\$0	\$0	\$0	\$165,802	\$108,131	\$328,305	\$682,238
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,000</b>	<b>\$22,500</b>	<b>\$22,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$165,802</b>	<b>\$108,131</b>	<b>\$328,305</b>	<b>\$682,238</b>
<b>Total Revenue</b>	<b>\$0</b>	<b>\$13,650</b>	<b>\$35,000</b>	<b>\$42,500</b>	<b>\$41,500</b>	<b>\$35,000</b>	<b>\$25,000</b>	<b>\$89,750</b>	<b>\$0</b>	<b>\$165,802</b>	<b>\$108,131</b>	<b>\$328,305</b>	<b>\$907,041</b>
<b>Expenses</b>													
Staff	(\$26,447)	(\$26,517)	(\$22,466)	(\$22,466)	(\$22,466)	(\$26,518)	(\$27,232)	(\$66,596)	(\$26,448)	(\$17,122)	(\$26,799)	(\$24,864)	(\$400,853)
Artist	(\$2,000)	(\$15,000)	(\$5,400)	(\$5,400)	(\$4,500)	(\$12,500)	(\$200)	(\$2,850)	(\$25,000)	(\$15,000)	(\$13,500)	\$0	(\$131,850)
Facilities	(\$500)	\$0	\$0	\$0	\$0	\$0	(\$1,000)	(\$26,182)	\$0	\$0	\$0	(\$22,700)	(\$56,687)
Marketing	\$0	(\$500)	(\$400)	(\$300)	(\$500)	(\$100)	\$0	\$0	\$0	\$0	(\$1,500)	\$0	(\$4,300)
Hospitality	(\$100)	\$0	(\$600)	(\$450)	(\$1,500)	(\$2,000)	(\$150)	(\$460)	\$0	(\$1,500)	(\$2,700)	\$0	(\$10,690)
Copying	(\$30)	\$0	(\$500)	(\$375)	(\$1,250)	(\$625)	\$0	\$0	\$0	(\$500)	(\$200)	\$0	(\$3,880)
Staff Travel	\$0	(\$2,500)	(\$500)	(\$300)	(\$1,250)	(\$75)	(\$150)	(\$780)	(\$6,000)	\$0	(\$210)	\$0	(\$12,465)
Supplies	\$0	(\$500)	(\$120)	(\$180)	(\$300)	(\$50)	\$0	\$0	\$0	\$0	(\$600)	\$0	(\$3,500)
Prof Dev	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Documentation	\$0	\$0	(\$6,000)	\$0	\$0	\$0	(\$2,500)	(\$1,000)	(\$2,500)	\$0	\$0	\$0	(\$13,000)
Printing	\$0	\$0	\$0	\$0	\$0	\$0	(\$400)	(\$1,700)	\$0	\$0	\$0	\$0	(\$3,150)
Design	\$0	\$0	\$0	\$0	\$0	\$0	(\$250)	(\$250)	\$0	\$0	\$0	\$0	(\$1,550)
T-Shirts	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,500)	(\$3,900)	\$0	\$0	\$0	\$0	(\$6,900)
Tech Costs	\$0	\$0	\$0	\$0	\$0	\$0	(\$125)	(\$130)	\$0	\$0	\$0	\$0	(\$380)
Advertising	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,700)	\$0	\$0	\$0	\$0	(\$2,700)
Postage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,000)	\$0	\$0	\$0	\$0	(\$4,000)
Materials	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$500)	(\$750)	\$0	\$0	\$0	(\$1,250)
Grants	\$0	\$0	\$0	\$0	\$0	(\$15,000)	(\$2,500)	(\$2,500)	\$0	\$0	\$0	\$0	(\$20,000)
School Clubs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,000)	\$0	\$0	(\$1,000)
Ticket Subsidies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$6,000)	\$0	\$0	\$0	\$0	(\$12,000)
Retreat	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,500)	\$0	\$0	(\$1,500)
				\$0	\$0			\$0	\$0				
<b>Total Expenses</b>	<b>(\$29,077)</b>	<b>(\$45,017)</b>	<b>(\$35,986)</b>	<b>(\$29,471)</b>	<b>(\$31,766)</b>	<b>(\$56,868)</b>	<b>(\$36,007)</b>	<b>(\$119,548)</b>	<b>(\$60,698)</b>	<b>(\$36,622)</b>	<b>(\$45,509)</b>	<b>(\$47,564)</b>	<b>(\$691,655)</b>
<b>Surplus/Deficit</b>	<b>(\$29,077)</b>	<b>(\$31,367)</b>	<b>(\$986)</b>	<b>\$13,029</b>	<b>\$9,734</b>	<b>(\$21,868)</b>	<b>(\$11,007)</b>	<b>(\$29,798)</b>	<b>(\$60,698)</b>	<b>\$129,180</b>	<b>\$62,622</b>	<b>\$280,741</b>	<b>\$215,386</b>

Note: Additional sub-program columns have been hidden for presentation purposes. As a result, the totals in the "Program Total" column may not equal the sum of visible columns.

# Program Profitability Model – Revised

## Bottom Line Impact = Operating Surplus

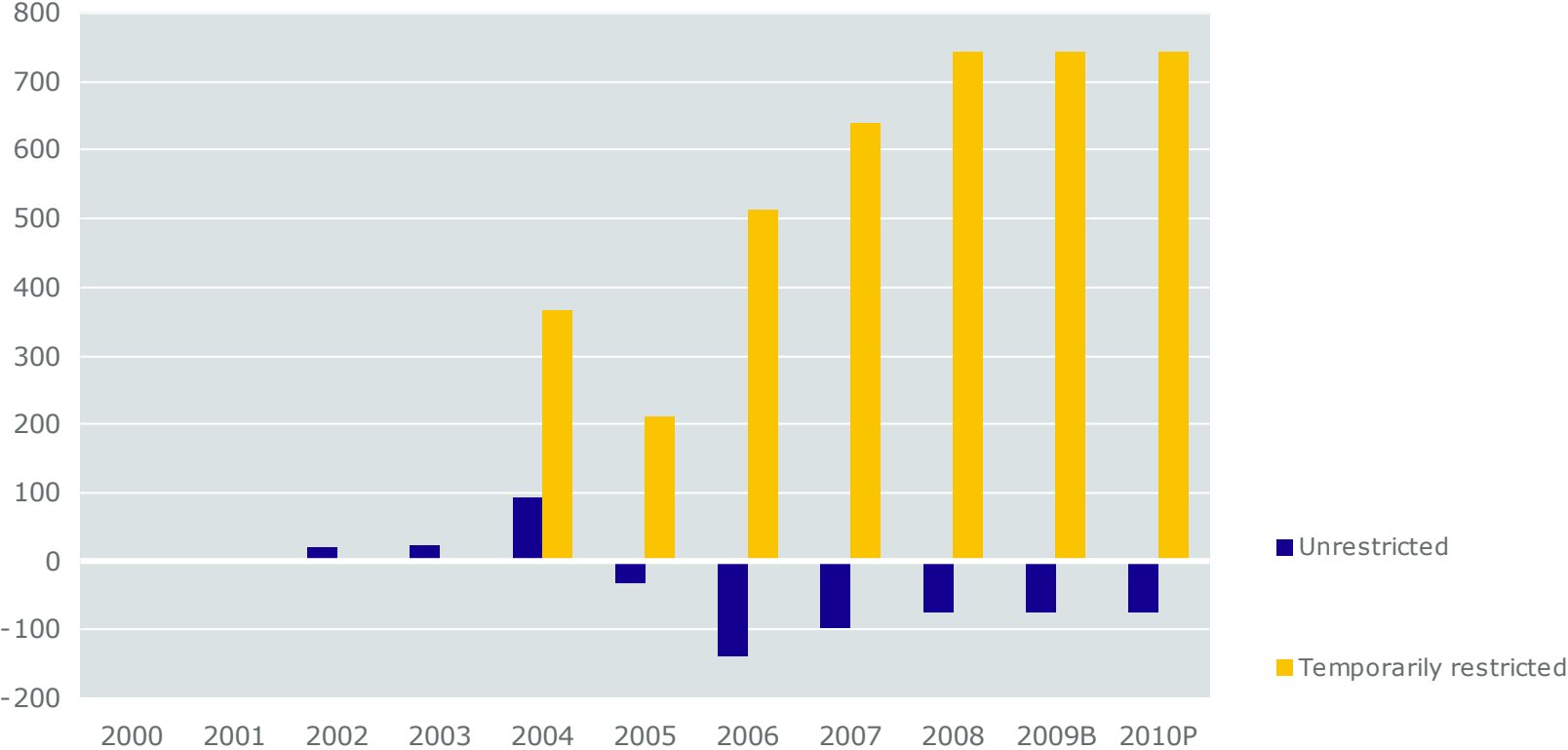
Rock City PPA FY2010	Original Productions	Arts-in- Education	Community Events	Program Subtotal	Capacity		Capacity Subtotal	Total Budget
					Gen Ops	Development		
<b>Revenue</b>								
<b>(A) Earned</b>								
Admissions	\$14,018	\$73,453	\$9,500	\$96,971	\$0	\$0	\$0	\$96,971
Fees	\$58,000	\$148,650	\$402,000	\$608,650	\$0	\$0	\$0	\$608,650
Merchandise Revenue	\$4,179	\$2,700	\$0	\$6,879	\$0	\$0	\$0	\$6,879
<b>Subtotal</b>	<b>\$76,197</b>	<b>\$224,803</b>	<b>\$411,500</b>	<b>\$712,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$712,500</b>
<b>(B) Contributed</b>								
Government	\$0	\$0	\$0	\$0	\$49,400	\$0	\$49,400	\$49,400
Individuals	\$85,000	\$0	\$0	\$85,000	\$87,500	\$137,500	\$225,000	\$310,000
Corporate	\$48,000	\$0	\$0	\$48,000	\$0	\$0	\$0	\$48,000
Foundations	\$0	\$0	\$0	\$0	\$43,500	\$0	\$43,500	\$43,500
Net Assets Released	\$312,000	\$682,238	\$205,250	\$1,199,488	\$340,000	\$0	\$340,000	\$1,539,488
<b>Subtotal</b>	<b>\$445,000</b>	<b>\$682,238</b>	<b>\$205,250</b>	<b>\$1,332,488</b>	<b>\$520,400</b>	<b>\$137,500</b>	<b>\$657,900</b>	<b>\$1,990,388</b>
<b>Total Revenue</b>	<b>\$521,197</b>	<b>\$907,041</b>	<b>\$616,750</b>	<b>\$2,044,988</b>	<b>\$520,400</b>	<b>\$137,500</b>	<b>\$657,900</b>	<b>\$2,702,888</b>
<b>Expenses</b>								
Personnel Salaried plus benefit	(\$151,840)	(\$400,853)	(\$157,002)	(\$709,695)	(\$180,864)	(\$137,266)	(\$318,130)	(\$1,027,825)
Non Salaried (artist, contractor)	(\$127,500)	(\$131,850)	(\$306,125)	(\$565,475)	(\$147,500)	(\$4,250)	(\$151,750)	(\$717,225)
Facilities	(\$70,000)	(\$56,687)	(\$2,500)	(\$129,187)	(\$57,264)	(\$7,200)	(\$64,464)	(\$193,651)
Marketing	(\$500)	(\$4,300)	\$0	(\$4,800)	\$0	\$0	\$0	(\$4,800)
Hospitality	(\$32,000)	(\$10,690)	(\$350)	(\$43,040)	(\$1,500)	(\$27,192)	(\$28,692)	(\$71,732)
Copying	\$0	(\$3,880)	\$0	(\$3,880)	\$0	\$0	\$0	(\$3,880)
Travel	(\$83,500)	(\$12,465)	(\$107,980)	(\$203,945)	\$0	(\$4,000)	(\$4,000)	(\$207,945)
Supplies & Equipment	\$0	(\$3,500)	\$0	(\$3,500)	(\$8,050)	(\$4,700)	(\$12,750)	(\$16,250)
Documentation	(\$9,000)	(\$13,000)	\$0	(\$22,000)	\$0	\$0	\$0	(\$22,000)
Printing	(\$7,000)	(\$3,150)	(\$2,000)	(\$12,150)	(\$1,000)	(\$16,850)	(\$17,850)	(\$30,000)
Design	\$0	(\$1,550)	\$0	(\$1,550)	\$0	(\$900)	(\$900)	(\$2,450)
SWAG	(\$5,445)	(\$6,900)	(\$1,200)	(\$13,545)	\$0	(\$2,000)	(\$2,000)	(\$15,545)
Tech Costs	(\$6,600)	(\$380)	(\$8,000)	(\$14,980)	\$0	(\$5,865)	(\$5,865)	(\$20,845)
Adv/Promotion	(\$13,750)	(\$2,700)	\$0	(\$16,450)	\$0	\$0	\$0	(\$16,450)
Postage	(\$3,100)	(\$4,000)	(\$1,500)	(\$8,600)	(\$2,575)	(\$1,775)	(\$4,350)	(\$12,950)
Materials	(\$2,750)	(\$1,250)	\$0	(\$4,000)	(\$3,200)	(\$1,050)	(\$4,250)	(\$8,250)
Slam/Stipends/Talent	\$0	(\$20,000)	\$0	(\$20,000)	\$0	(\$1,150)	(\$1,150)	(\$21,150)
Other	(\$36,000)	\$0	(\$5,600)	(\$41,600)	(\$15,000)	(\$3,210)	(\$18,210)	(\$59,810)
Housing	(\$60,000)	(\$1,000)	\$0	(\$61,000)	\$0	\$0	\$0	(\$61,000)
Ticket Subsidies		(\$12,000)	\$0	(\$12,000)	\$0	\$0	\$0	(\$12,000)
Misc.		(\$1,500)	\$0	(\$1,500)	(\$23,000)	\$0	(\$23,000)	(\$24,500)
<b>Total Expenses</b>	<b>(\$608,985)</b>	<b>(\$691,655)</b>	<b>(\$592,257)</b>	<b>(\$1,892,897)</b>	<b>(\$439,953)</b>	<b>(\$217,408)</b>	<b>(\$657,361)</b>	<b>(\$2,550,258)</b>
<b>Surplus/Deficit</b>	<b>(\$87,788)</b>	<b>\$215,386</b>	<b>\$24,493</b>	<b>\$152,091</b>	<b>\$80,447</b>	<b>(\$79,908)</b>	<b>\$539</b>	<b>\$152,630</b>

# Projected Impact to Net Assets



## Total Net Assets

(\$ in thousands)

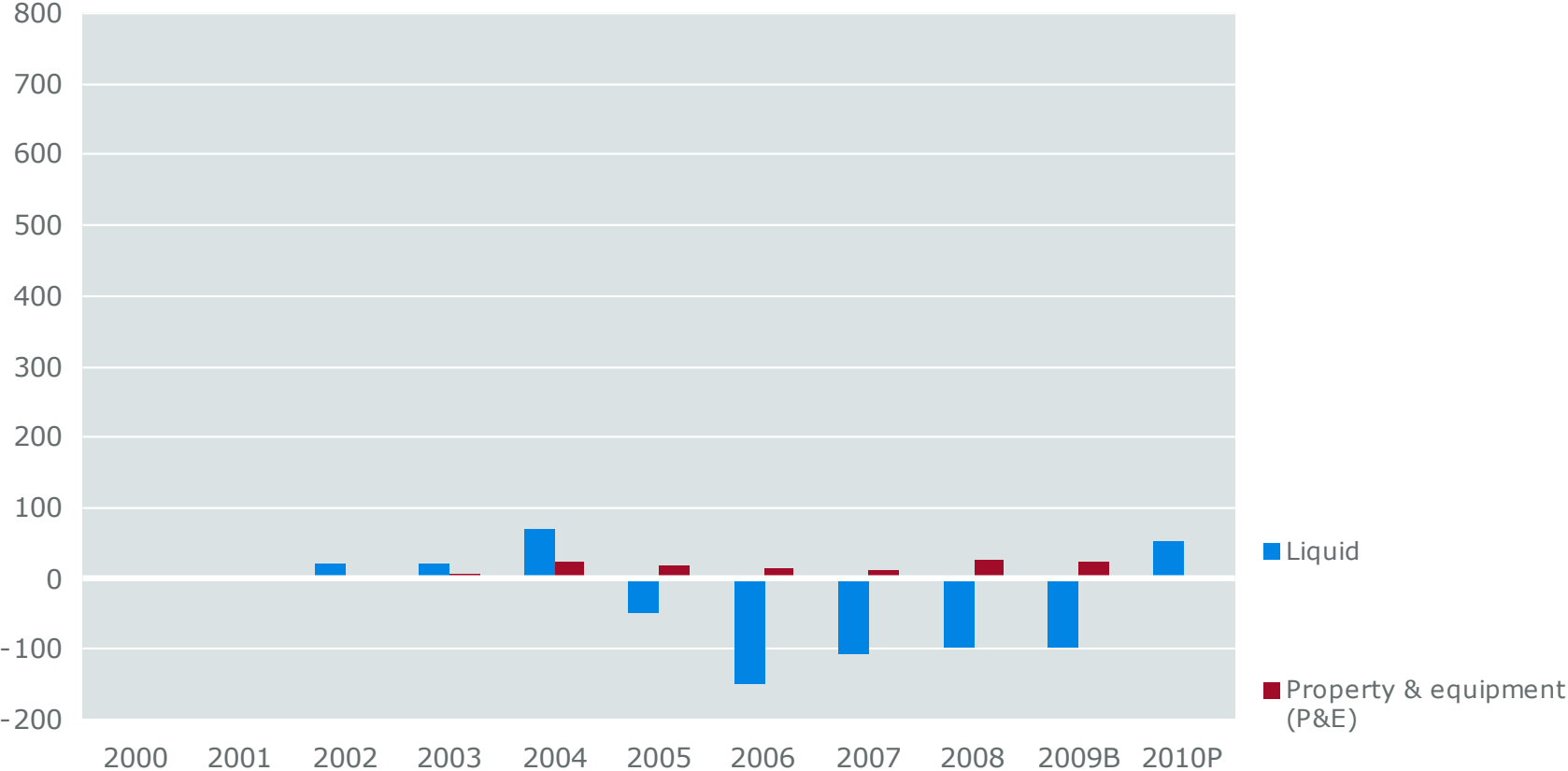


# Projected Impact to Net Assets



## Unrestricted Net Assets

(\$ in thousands)



## **Engage your Board and staff in scenario planning and decision making**

## **Stay in front of donors—don't pull back. Tell your story every day**

- Be candid about the impact of the economic climate on your programs and organization
- Communicate your strategy to adjust
- Focus on positive messaging. Emphasize your commitment to mission and the urgency of your needs
- Thank donors frequently and make outreach personal

## **Consider ways to diversify revenue, if once reliable sources seem questionable**

- Avoid over-diversification (i.e., new business lines) that can increase risk

# Takeaway #1: Nonprofits Need Surpluses



**Many business choices are risky; a cash cushion can help manage this risk.**

**Risk minus Cash = Crisis**

**Surpluses need to be sufficient to:**

- Pay for the annual “wear-and-tear” of PP&E
- Finance investments in new fixed assets and/or improvements that may not be fully financed through a capital campaign,
- Cover any debt principal payments
- Contribute to growth and savings

**Surpluses are an indicator of good management and increasingly recognized as such by the funding community**

**Making sound business choices requires:**

**Reliable, accurate and timely financial data**

**Understanding this data and using it to tell your financial story**

- **Transparently**
- **Without apology**

# Thank You! To Stay Connected...

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