



## Memorandum

**TO:** HONORABLE MAYOR AND CITY COUNCIL  
**FROM:** Gerald A. Silva, City Auditor  
**SUBJECT:** San Jose Repertory Theatre Short-Term And Long-Term Financial Needs  
**DATE:** October 5, 2006

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### Summary

In a September 18, 2006 report, the City Auditor's Office stated that a \$1 million City loan in and of itself will not be sufficient to remedy the San Jose Repertory Theatre's (SJRT) financial needs. Upon further review of the SJRT's projected cash flow for 2006-07<sup>1</sup>, we now believe that the original \$1 million City loan proposal is not sufficient to provide the SJRT with either short-term or long-term financial stability. In our opinion, the SJRT needs an additional cash infusion of at least \$1.4 million to address its monthly cash on hand needs during 2006-07 and to provide about \$770,000 for an operating cash reserve for 2007-08. We should note that the SJRT has not prepared a budget or projected cash flows for 2007-08. However, according to the SJRT Interim Managing Director, even if the City loans the SJRT \$1.4 million in 2006-07, he expects that the SJRT will still require an additional \$200,000 to \$500,000 supplemental cash infusion in 2007-08. According to SJRT officials, if the SJRT does not receive financial assistance within a week of the October 17, 2006 City Council meeting, the SJRT will have to cancel some, if not all, of its 2006-07 season productions. The SJRT faces significant challenges to overcome its fiscal situation and operate as a going concern. SJRT officials must address discrepancies in its financial reporting, improve upon its in-house financial management capacity, undertake a major business reorganization, and adapt to a more challenging fundraising environment. We should also note that in spite of its prior attempts to make "substantial operational changes" the SJRT has required a supplemental cash infusion of \$1 million to \$2 million every one to two years.

### Background

On September 19, 2006, the City presented two reports on the SJRT: a report from the City Manager on \$1 million loan options and a report from the City Auditor on a Financial Assessment of the SJRT. The City Manager and City Auditor were requested to respond to additional questions concerning the total amount of funds necessary to sustain the SJRT, the impact of the various loan options on the SJRT's sustainability,

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<sup>1</sup> The SJRT's fiscal year is from September 1 to August 31.

implications of possible alliances with other non-profit organizations, and the establishment of criteria for assessing non-profit organizations. The City Council also had specific questions about bankruptcy and reorganization, which were referred to the City Attorney for response. The City Manager's Office and the City Auditor's Office agreed that the City Auditor's Office should address the following question:

- How much money does the SJRT need to be sustainable in the short-term and long-term?

Additionally, we have included a matrix showing the SJRT's response to pertinent portions of the City Auditor's September 18, 2006 Financial Assessment of the SJRT and additional City Auditor comments or responses.

### **Scope And Methodology**

We reviewed various SJRT financial documents, including the 2006-07 revised budget, draft 2006-07 cash flow projections, draft 2006-07 balance sheet, draft 2006-07 statement of accounts, and draft 2006-07 budget summary. We also met with the SJRT's Interim Managing Director and Controller.

We should note that some of the financial documents the SJRT provided us contained conflicting and/or contradictory information. The SJRT's budget and cash flow projections frequently changed and there were wide informational disparities between different financial reports. While we conducted limited testing on the SJRT's projected budget and cash flow projections, we cannot attest to the accuracy of the information the SJRT provided to us and which forms the basis for our conclusions in this report.

### **How Much Money Does The SJRT Need To Be Sustainable In The Short-Term And Long-Term?**

The original \$1 million City loan proposal is not sufficient to provide the SJRT with even short-term financial sustainability. The SJRT lacks sufficient resources to pay its monthly expenses. Additionally, the SJRT carries significant debt and projects an operating deficit of \$454,842 in 2006-07. Based upon our analysis of the SJRT's 2006-07 budget, projected cash flow, and short- and long-term liabilities, in our opinion the SJRT will require a minimum of \$1.4 million loan from the City or some other source merely to address its month-end cash balance needs in 2006-07. Any additional supplemental cash needs in 2007-08 will largely depend upon the SJRT's ability to stay within its budget, undertake and successfully implement a business reorganization, and develop a realistic plan to pay off its short- and long-term liabilities. A \$1.4 million loan from the City in 2006-07 would allow the SJRT to address the following needs:

- A projected negative cash on hand of \$1,375,056 as of March 1, 2007;
- \$243,000 to address about half of its outstanding Accounts Payable; and
- \$770,000 as an operating cash reserve for 2007-08.

The SJRT projects that its 2006-07 payroll will be about the same as its 2005-06 payroll, and expects to increase funding for accounts payable by about \$180,000. The SJRT also expects to pay \$292,310 for royalties for 2006-07 productions. In addition, the SJRT must pay \$106,217 for royalties for 2005-06 productions. The SJRT anticipates paying only interest on its \$841,524 line of credit with Comerica Bank in 2006-07.

Based on the SJRT's 2004-05 audited financial statements, the SJRT had about \$2 million in long-term obligations, which included:

- A \$841,524 line of credit with Comerica Bank;
- A \$150,000 loan from the Community Foundation of Silicon Valley<sup>2</sup>; and
- \$1,000,000 to replenish the SJRT's operating cash reserve<sup>3</sup>.

The SJRT needs to plan and create opportunities for repaying these obligations and any loan from the City. For example, the SJRT could request its donors to unrestrict endowment funds the SJRT used to collateralize its \$841,524 line of credit. This would allow the SJRT to use those funds to pay off its line of credit. This would save the SJRT about \$60,000 annually in interest and relieve it of a substantial debt.

### **Projected 2006-07 Cash Flow Reveals Severe Cash Shortages**

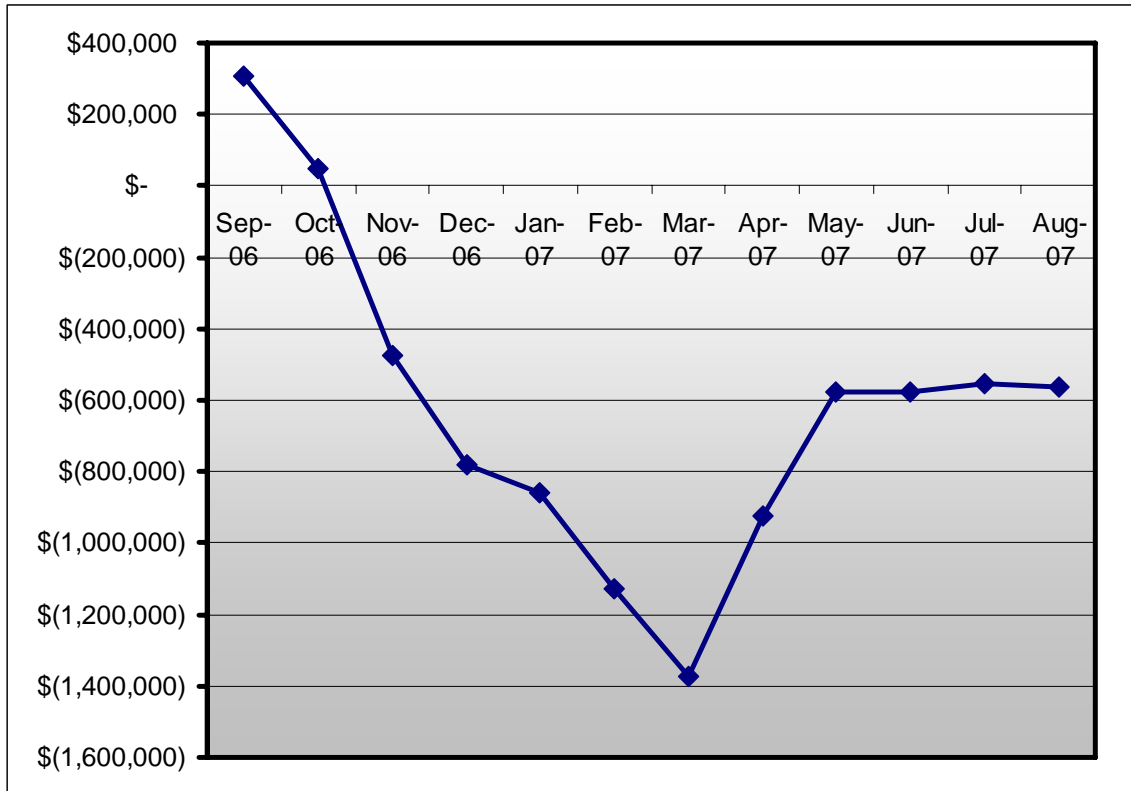
Our projected 2006-07 cash flow for the SJRT reveals that for ten months between November 1, 2006 and August 1, 2007, the SJRT will have severe negative cash flows. As shown below, by November 1, 2006, the SJRT is expected to have a negative \$474,236 in cash on hand and by March 1, 2007, the SJRT is projected to have a negative \$1,375,056 cash on hand.

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<sup>2</sup> Under its agreement with the Community Foundation, the SJRT is not required to repay the loan until it is able to do so.

<sup>3</sup> During its Critical Moment Campaign in 2003-04, the SJRT raised about \$1 million which was to be put in a permanent cash reserve. However, the SJRT spent the entire \$1 million on operating expenses and debt reduction. In essence, the SJRT borrowed the \$1 million from itself. Therefore, the SJRT is obligated to pay \$1 million back into a cash reserve account, per the requirements of the Critical Moment Campaign.

**City Auditor 2006-07 Projected Beginning Of The Month Cash On Hand<sup>4</sup>**



We should note that, the SJRT expects to receive \$1,881,032 in Contributed Revenue in 2006-07. However, in our opinion, a more realistic Contributed Revenue expectation for 2006-07 is \$1,581,032, based upon the SJRT’s experience in 2005-06. Therefore, we assumed \$1,581,032 in Contributed Revenue for our monthly cash on hand projections shown above.

According to the SJRT’s Interim Managing Director, if the SJRT does not receive immediate financial assistance within a week of the October 17, 2006 City Council meeting, the SJRT will have to cancel at least one production, if not the entire 2006-07 production season.

**\$1.4 Million In Interim Funding Needed To Develop A “Turn Around Plan”**

On September 26, 2006, the City Attorney issued its bankruptcy counsel’s informational memorandum to the City Council, discussing the pros and cons of the SJRT filing a petition for bankruptcy prior to a loan of City funds. The bankruptcy counsel reported, “The City could provide interim funding in a more modest amount for the identified

<sup>4</sup> See Attachment 1 for the City Auditor’s projected SJRT monthly revenues and expenses for 2006-07.

purpose of assisting the SJRT in determining whether or not it has or could develop in the near future a financial turn around plan before the City commits more significant resources to the Rep.”

The Administration reports that the SJRT needs at least 12 months to develop a new business model and another 12 months to implement and test the new plan. As we noted above, we estimate that the SJRT will need a minimum of \$1.4 million to fund its cash flow needs for 2006-07.

### **The SJRT Estimates That It Will Need An Additional \$200,000 to \$500,000 Supplemental Cash Infusion In 2007-08**

The SJRT has not prepared a budget or cash flow projection for 2007-08. However, according to the SJRT’s Interim Managing Director, even if the City loans the SJRT \$1.4 million in 2006-07 it will still need an additional \$200,000 to \$500,000 supplemental cash infusion in 2007-08.

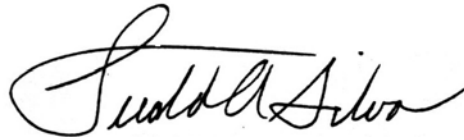
### **Current Financial Actions Mirror Past Financial Experiences**

The SJRT’s current financial situation is strikingly similar to its situation in 2003-04, when the SJRT received more than \$2 million in cash infusions from Board members and contributors but failed to follow through on a financial restructuring plan. According to the SJRT’s Critical Moment Re-capitalization and Financial Restructuring Plan

*“this [Critical Moment campaign and re-structuring] is not a ‘band-aid’ solution. (...) The Critical Moment campaign is designed to relieve the REP’s immediate financial stresses as well as to build the financial foundation for the REP’s long-term future. When executed, this plan will stabilize the REP’s balance sheet and provide working capital to support the cash flow cycle of ongoing operations. The stabilized balance sheet will allow the REP to establish operations at a conservative budget level of \$6 million and to continue to build its audience and funder basis into the future. In addition, **substantial operational changes will safeguard against a repeat of the current predicament** and allow the company to focus on strengthening its presence as one of the Bay Area’s pre-eminent arts organizations.” (Emphasis added)*

We should note that, contrary to the above assurances, the SJRT did not make any “substantial operational changes.” According to the SJRT’s Interim Managing Director, he did not know why the SJRT was not able to follow its own 2004 restructuring and re-capitalization plan. However, he also said that the current staff, management, and Board

are committed to the SJRT's new plan and he was confident that the SJRT would follow through with its plan if it received a City loan. We should also note that since 2001-02, the SJRT has required a supplemental cash infusion of about \$1 million to \$2 million every one to two years.



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Gerald A. Silva  
City Auditor

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Les White  
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Rick Doyle

Karin Murabito  
Scott Johnson  
Stanley Arend

Mignon Gibson  
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Nick Nichols

**City Auditor’s Financial Assessment And The SJRT’s Response To The Financial Assessment**

<b>City Auditor’s Findings</b>	<b>SJRT Response</b>	<b>City Auditor’s Response</b>
<p>1) \$1 million City loan will not be sufficient to remedy the SJRT’s long-term financial needs.</p>	<p>At no time has the Rep indicated that the \$1 million city loan will remedy our long-term financial needs. In our initial proposal dated June 19, 2006 and again in the addendum to that proposal, dated August 18, 2006 we refer to this money as, or in the context of, “Cash Flow Relief. We are asking for this loan so we can continue in operation for the 2006-07 season during which time we will continue to make the systemic organization changes that will.”...remedy the REP’s long-term financial needs.</p>	<p>In our opinion, the SJRT will need at least \$1.4 million in the current fiscal year and an estimated additional \$200,000 to \$500,000 in 2007-08.</p>
<p>2) Since 2002, the SJRT has spent \$2,965,181 or 77 percent of its endowment and cash reserve funds to pay down debt and fund operational expenses. On a least two occasions in 2002 and 2004, the SJRT approached donors about unrestricting \$2.1 million in endowment funds. Due to the SJRT’s lack of complete financial records, we were not able to identify what use the SJRT made of the unrestricted endowment and cash reserves. In addition, members of the SJRT’s Board of Directors to whom we spoke did not have complete knowledge of how the SJRT spent the endowment and cash reserve funds.</p>	<p>Borrowing/using monies from the endowment ended over two years ago with the conclusion of the Critical Moment Campaign. The \$1 million moved from the endowment into operational funds was done so with the consent of those major donors who conceived of and created the ‘match challenge’ of critical moment itself. We agree that the processes used to assure transparency and proper handling of restricted funds need to be improved.</p>	<p>The SJRT is obligated to repay \$1 million in cash reserves.</p>

City Auditor's Findings	SJRT Response	City Auditor's Response
<p>3) The SJRT may have misused Century Fund Endowment monies by using them as collateral against a line of credit with Comerica Bank. According to the California State Attorney General's Office, "if a charitable organization holds funds for a restricted purpose, it would be unlawful to encumber those funds as collateral for a loan if the loan proceeds will not be used for the restricted purpose."</p>	<p>The purpose of the line of credit was to fund operational activities and therefore was being used for the restricted purpose of the endowment. Moving forward, the current Board of Trustees and management team clearly understand the purpose, restrictions and procedural best-practices regarding endowment funds.</p>	<p>We do not question how the line of credit funds was spent, but rather the possible improper use of the Century Fund Endowment monies as collateral.</p>
<p>4) The SJRT has significant long-term and short-term debt which may cause financial instability for the organization. This liability includes the following:</p>		
<p>An \$841,524 open line of credit with a 5.7 percent interest rate. Currently, the SJRT is making minimum interest payments on this line of credit. The line of credit at Comerica Bank is payable on demand based on an event of default.</p>	<p>No response.</p>	
<p>A \$34,272 loan payable in September 2007 at Comerica Bank at a 5.96 percent interest rate with monthly payments of \$2,739.51.</p>	<p>No response.</p>	



<b>City Auditor's Findings</b>	<b>SJRT Response</b>	<b>City Auditor's Response</b>
<p>The SJRT has a \$150,000 loan from the Silicon Valley Arts Fund, held at the Community Foundation. Under its agreement with the Community Foundation, the SJRT is not required to repay the loan until it is able to do so.</p>	<p>The \$150,000 loan from the Silicon Valley Arts Fund, held at the Community Foundation, is to be paid back when we are able to do so. While it is our objective to achieve fiscal health and repay all debt, there are no penalties or timeline for this repayment.</p>	<p>The loan can be considered long-term debt.</p>
<p>During the Critical Moment Campaign, the SJRT raised about \$1 million which was to be put in a permanent cash reserve. However, the SJRT spent the entire \$1 million on operating expenses and debt reduction. In essence, the SJRT borrowed the \$1 million from itself. Therefore, the SJRT is obligated to pay \$1 million back into a cash reserve account, per the requirements of the Critical Moment Campaign.</p>	<p>The \$1.1 million of our debt is money the REP borrowed from funds originally intended for a permanent cash reserve. We owe this money back to ourselves. One of our financial objectives is to establish a cash reserve. To that end, we intend to pay this debt but, again, there are no penalties or timeless for this repayment.</p>	<p>The SJRT needs to re-establish its cash reserves.</p>
<p>5) In the current fiscal year (2006-07), the SJRT has established a target of fundraising \$1.7 million in contributions from individuals, corporations, and foundations. In our opinion, this fundraising goal is ambitious based on recent past contributions.</p>	<p>Last fiscal year was an anomaly for fundraising because for three quarters of the year the company operated with only a grant writer and relied on the trustee's to solicit the majority of the donations. Whereas now the department has three full-time, seasoned professional fundraisers with over 23 years of experience in the areas of grant writing, corporate fundraising, major gifts, and board development. Based on the last five years of audited information and the</p>	<p>We compared the 2006-07 contributed income projections to 2005-06 contributed income received. In 2005-06, the SJRT received \$1,467,624 in contributions from individuals, corporations, and foundations, including \$250,000 in emergency support from two foundations. We also excluded from our calculations \$2.1 million in individual contributions that were initially restricted to the Century Fund, but</p>

<b>City Auditor's Findings</b>	<b>SJRT Response</b>	<b>City Auditor's Response</b>
	<p>un-audited financials from last fiscal year, the company has averaged \$2,249,478 in contributed income annually, including government assistance through the Office of Cultural Affairs. The entire goal for the current fiscal year is \$1,881,032 (including the Office of Cultural Affairs grant) or a 16.37% <b>decrease</b> based on the average amount raised over the past six years. Without government support the company has averaged \$1,869,750 in contributed income for the past six years and compared to this year's budget it is still a 9.08% <b>decrease</b> in revenue. The new development team has specific objectives to reach our goal. For example, we have identified over 130 local corporations that support the arts and/or education and outreach; this is in addition to the 75 corporations that have recently made donations to the company. In addition, we have identified over 90 private foundations that support arts and/or education and outreach; this is in addition to the 60 foundations which we currently approach each year for funding. Finally, we are putting an emphasis on individual giving both at the major gifts level and lower levels to increase our individual contributions. This will occur through personal solicitations, direct mail, online giving, and Tele-fundraising.</p>	<p>with donor approval were converted to unrestricted funds. We also pointed out that the majority of Foundation contributions are targeted for the Red Ladder Theatre Company and education and outreach activities.</p>
<p>6) The SJRT used 2006-07 subscription revenue it collected during March, April, and May of 2006 to pay for 2005-06 expenses. While the SJRT used some of its 2006-07 revenue to pay for some 2006-07 expenses in 2005-06, the SJRT spent the vast majority of its 2006-07 subscription revenue to cover 2005-06 operating expenses.</p>	<p>While spending significant amounts of next year's subscription income to cover the current year's expenses is a common practice for non-profit performing arts groups, REP realizes that it must wean itself from this practice. In our debt reduction plan we articulate a 5 year strategy whereby we will, each year, put increasing amounts of the upcoming year's subscription money into an escrow account. The goal being to, within 5 years, be in a financial position to put all of the upcoming year's subscription money into an escrow account to be released</p>	<p>The SJRT reduced the number of shows from seven to six for 2006-07. Additionally, the SJRT increased the average ticket price by 9.4 percent to \$35.34. The SJRT also predicts a drop in ticket sales. The SJRT is projecting a 2006-07 operating deficit of \$454,842. We are skeptical that the SJRT will be able to grow its way out of using next year's subscription revenue to pay current year expenses within five years.</p>

<b>City Auditor's Findings</b>	<b>SJRT Response</b>	<b>City Auditor's Response</b>
<p>As a result, by the time the SJRT's 2006-07 year began, it had already spent all of its 2006-07 subscription revenue. The SJRT has practiced using next year's revenues to pay current year's costs for the last several years.</p>	<p>in the year for which that income is earned.</p>	
<p>7) We have serious concerns about the SJRT's in-house professional capacity. As of September 1, 2006, the SJRT does not have a full-time Finance Director. From May 2006-July 2006, an interim Finance Director was working only 10 to 20 hours per week. According to a SJRT official, the SJRT suspended searching for an experienced, full-time Finance Director; it appears unlikely the SJRT will be able to address its fiscal situation, or effectively manage the requested \$1 million City of San Jose loan.</p>	<p>The Board has put in place a completely new senior management team. -We have put in place new financial reporting, procedures and systems. The company needs, has budgeted for, and will hire a qualified Director of Finance, once it is clear we have the assistance to move forward. Our current board contains trustees with extensive financial expertise/experience including:</p> <ul style="list-style-type: none"> <li>● George Davis, Group VP, Corporate Business Development, Applied Material</li> <li>● Stan Anders, Managing Partner, KPMG</li> <li>● Marcia Hirtenstein, Senior Director of Revenue, Synopsys</li> <li>● Barry L. Posner, Dean Leavy School of Business</li> <li>● Nadine Priestly, Senior Business Manager, Sun Microsystems</li> <li>● Beth Carr, International Tax Partner, Ernst &amp; Young</li> <li>● Paul Chesterman, Founding Partner, Marlin Associates</li> </ul>	<p>The SJRT is in fiscal crisis and requires management with turnaround experience. The management team is too inexperienced and untested regarding righting an organization in fiscal crisis.</p> <p>The SJRT does not have a Finance Director, but plans to hire one when City funds become available. Because of the SJRT's precarious financial condition, it will be difficult for it to retain or pay for an experienced financial professional.</p> <p>The Board of Trustees plays a vital fiduciary role, yet it does not appear the Board is sufficiently involved in the operations of the SJRT. The Board does include members with finance experience, but the level of involvement and knowledge of the SJRT's daily operations, budget/cash flow construction, and cost projections is not clear.</p>
<p>8) The current Controller does not have a financial background and was the SJRT's Administration Office Manager before assuming the Controller's position.</p>	<p>We disagree with the Auditor's statement that our Controller lacks the necessary experience. She has financial experience in both the non-profit and for-profit sector and has been instrumental in working with our current Director of Finance to revamp reports and procedures.</p>	<p>It appears the Controller lacks the necessary financial expertise to function independently. The Controller is unable to close the books without additional assistance and presented us with conflicting financial information during our review.</p>

<b>City Auditor's Findings</b>	<b>SJRT Response</b>	<b>City Auditor's Response</b>
<p>9) In our opinion, limited in-house professional financial capacity, historical deficit spending, and significant long- and short-term debt, create significant challenges to the long-term viability of the SJRT.</p>	<p>We believe that our business model, incorporating alliances with American Musical Theatre and Team San Jose will allow us to concentrate on our core business resulting in lower costs and solid performance. Performance objectives imposed by the City and our Board of Trustees will ensure performance and accountability from the Rep, making us a good bet to recover financially and pay back our loan. Working with our foundation partners and an outside consulting firm we will revamp and improve the structure, governance and accountability of the Board and staff.</p>	<p>The SJRT has not developed a revised business model, nor formally allied with the American Musical Theatre. At the time of our September 18, 2006 report, the SJRT had not approached Team San Jose officials about aligning or coordinating any services. A meeting is scheduled for October 5, 2006. The SJRT is still trying to select both a consultant to develop a business reorganization plan and its financial statement auditors.</p>

**Attachment 1**  
**City Auditor's Projected SJRT Monthly Revenues And Expenses For 2006-07**

	September-06	October-06	November-06	December-06	January-07	February-07	March-07	April-07	May-07	June-07	July-07	August-07	Fiscal Year 2006-2007
Cash on hand (beginning of month)	\$ 309,722	\$ 49,162	\$ (474,236)	\$ (782,075)	\$ (859,607)	\$ (1,128,723)	\$ (1,375,056)	\$ (922,830)	\$ (577,202)	\$ (577,685)	\$ (555,420)	\$ (560,918)	
<b>Projected Cash Receipts</b>													
Box Office Receipts	\$ 20,000	\$ 46,300	\$ 61,550	\$ 111,950	\$ 8,300	\$ 41,200	\$ 7,500	\$ 65,700	\$ 49,250	\$ 48,250	\$ 100,000	\$ -	\$ 560,000
Subscription Receipts	\$ 50,000	\$ 25,000	\$ 17,500	\$ 9,000	\$ 8,000	\$ 7,000	\$ 800,000	\$ 500,000	\$ 280,000	\$ 175,000	\$ 100,000	\$ 75,000	\$ 2,046,500
Subscription and Box Office Receipts Adjustment	\$ (6,087)	\$ (6,200)	\$ (6,874)	\$ (10,518)	\$ (1,417)	\$ (4,192)	\$ (70,222)	\$ (49,195)	\$ (28,632)	\$ (19,414)	\$ (17,392)	\$ (6,522)	\$ (226,667)
Handling fees	\$ 10,840	\$ 10,555	\$ 9,848	\$ 14,697	\$ 2,052	\$ 6,066	\$ 37,446	\$ 30,987	\$ 18,608	\$ 13,761	\$ 18,530	\$ 2,611	\$ 176,000
<b>Projected Total Box Office Receipts</b>	<b>\$ 74,753</b>	<b>\$ 75,655</b>	<b>\$ 82,024</b>	<b>\$ 125,128</b>	<b>\$ 16,935</b>	<b>\$ 50,074</b>	<b>\$ 774,724</b>	<b>\$ 547,492</b>	<b>\$ 319,225</b>	<b>\$ 217,596</b>	<b>\$ 201,138</b>	<b>\$ 71,089</b>	<b>\$ 2,555,833</b>
Individual Contributions	\$ 20,000	\$ 25,000	\$ 50,000	\$ 75,000	\$ 50,000	\$ 75,000	\$ 80,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 800,000
Government	\$ 136,825						\$ 34,207						\$ 171,032
Foundations		\$ 15,000	\$ 5,000	\$ 75,000		\$ 5,000	\$ 36,000	\$ 85,000	\$ 30,000	\$ 120,000	\$ 66,000	\$ 63,000	\$ 500,000
Corporations	\$ 20,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 30,000	\$ 25,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 30,000	\$ 400,000
Events		\$ 7,500		\$ 2,500									\$ 10,000
Fundraising Receipts Adjustment	\$ (7,500)	\$ (9,375)	\$ (18,750)	\$ (28,125)	\$ (18,750)	\$ (28,125)	\$ (30,000)	\$ (31,875)	\$ (31,875)	\$ (31,875)	\$ (31,875)	\$ (31,875)	\$ (300,000)
City Facility Operating Agreement												\$ 75,000	\$ 75,000
<b>Projected Total Fundraising Receipts</b>	<b>\$ 169,325</b>	<b>\$ 78,125</b>	<b>\$ 76,250</b>	<b>\$ 164,375</b>	<b>\$ 61,250</b>	<b>\$ 76,875</b>	<b>\$ 155,207</b>	<b>\$ 173,125</b>	<b>\$ 118,125</b>	<b>\$ 208,125</b>	<b>\$ 154,125</b>	<b>\$ 221,125</b>	<b>\$ 1,656,032</b>
Other Cash Receipts (Rentals, Concessions)	\$ 4,000	\$ 4,000	\$ 8,920	\$ 15,820	\$ 1,000	\$ 6,500	\$ 14,900	\$ 9,700	\$ 4,000	\$ 6,730	\$ 30,500	\$ 18,900	\$ 124,970
Other Cash Receipts Adjustment	\$ 1,376	\$ 1,376	\$ 3,068	\$ 5,441	\$ 344	\$ 2,235	\$ 5,124	\$ 3,336	\$ 1,376	\$ 2,315	\$ 10,490	\$ 6,500	\$ 42,980
<b>Projected Other Cash Receipts</b>	<b>\$ 5,376</b>	<b>\$ 5,376</b>	<b>\$ 11,988</b>	<b>\$ 21,261</b>	<b>\$ 1,344</b>	<b>\$ 8,735</b>	<b>\$ 20,024</b>	<b>\$ 13,036</b>	<b>\$ 5,376</b>	<b>\$ 9,045</b>	<b>\$ 40,990</b>	<b>\$ 25,400</b>	<b>\$ 167,950</b>
<b>Projected Total Cash Receipts</b>	<b>\$ 249,453</b>	<b>\$ 159,155</b>	<b>\$ 170,261</b>	<b>\$ 310,764</b>	<b>\$ 79,528</b>	<b>\$ 135,685</b>	<b>\$ 949,955</b>	<b>\$ 733,654</b>	<b>\$ 442,726</b>	<b>\$ 434,766</b>	<b>\$ 396,252</b>	<b>\$ 317,614</b>	<b>\$ 4,379,815</b>
<b>Projected Cash Disbursements</b>													
Artistic Salaries & Benefits (staff)	\$ 24,561	\$ 24,561	\$ 24,561	\$ 24,561	\$ 24,561	\$ 24,561	\$ 24,561	\$ 24,561	\$ 24,561	\$ 24,561	\$ 24,561	\$ 24,561	\$ 294,738
Artistic Salaries & Benefits (staff) Adjustment	\$ 227	\$ 227	\$ 227	\$ 227	\$ 227	\$ 227	\$ 227	\$ 227	\$ 227	\$ 227	\$ 227	\$ 227	\$ 2,729
Artistic Salaries & Benefits (production)	\$ 66,888	\$ 100,089	\$ 33,632	\$ 26,752	\$ 18,550	\$ 18,550	\$ 19,414	\$ 28,689	\$ 18,550	\$ 28,905	\$ 19,630	\$ -	\$ 379,650
Technical Salaries & Benefits	\$ 54,803	\$ 66,199	\$ 67,806	\$ 70,830	\$ 72,118	\$ 58,174	\$ 60,694	\$ 76,654	\$ 80,518	\$ 62,094	\$ 52,051	\$ 47,498	\$ 769,442
Technical Salaries & Benefits Adjustment	\$ 1,774	\$ 2,143	\$ 2,195	\$ 2,293	\$ 2,335	\$ 1,883	\$ 1,965	\$ 2,482	\$ 2,607	\$ 2,010	\$ 1,685	\$ 1,538	\$ 24,910
Production Materials/Other	\$ 24,708	\$ 53,033	\$ 34,206	\$ 20,780	\$ 12,697	\$ 11,894	\$ 33,355	\$ 28,647	\$ 38,251	\$ 24,922	\$ 23,939	\$ 17,645	\$ 324,077
Production Materials/Other Adjustment	\$ 8,948	\$ 19,205	\$ 12,387	\$ 7,525	\$ 4,598	\$ 4,307	\$ 12,079	\$ 10,374	\$ 13,852	\$ 9,025	\$ 8,669	\$ 6,390	\$ 117,361
Royalties	\$ 40,000	\$ 33,217	\$ 33,000	\$ -	\$ -	\$ 36,840	\$ 26,355	\$ -	\$ 29,798	\$ 10,800	\$ 40,900	\$ 41,400	\$ 292,310
Education & Outreach	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 14,225	\$ 14,229	\$ 14,350	\$ 14,225	\$ 14,225	\$ 14,225	\$ 14,225	\$ 134,704
Education & Outreach Adjustment	\$ 1,871	\$ 1,871	\$ 1,871	\$ 1,871	\$ 1,871	\$ 3,801	\$ 3,802	\$ 3,835	\$ 3,801	\$ 3,801	\$ 3,801	\$ 3,801	\$ 35,996
Management & General (non-payroll)	\$ 56,447	\$ 55,254	\$ 43,260	\$ 32,920	\$ 45,560	\$ 26,860	\$ 32,895	\$ 27,290	\$ 19,540	\$ 32,625	\$ 37,813	\$ 28,660	\$ 439,126
Management & General (payroll)	\$ 22,966	\$ 26,092	\$ 29,218	\$ 29,218	\$ 29,218	\$ 29,218	\$ 29,218	\$ 29,218	\$ 29,218	\$ 29,218	\$ 29,218	\$ 29,218	\$ 341,238
Facilities/Operations/Rent (non-payroll)	\$ 38,401	\$ 24,509	\$ 28,359	\$ 36,535	\$ 24,509	\$ 24,509	\$ 40,535	\$ 32,359	\$ 31,359	\$ 39,535	\$ 26,159	\$ 38,559	\$ 385,325
Facilities/Operations/Rent (payroll)	\$ 15,068	\$ 15,068	\$ 15,068	\$ 15,068	\$ 15,068	\$ 15,068	\$ 15,068	\$ 15,068	\$ 15,068	\$ 15,068	\$ 15,068	\$ 15,068	\$ 180,815
Marketing/Sales (non-payroll)	\$ 43,893	\$ 63,310	\$ 56,994	\$ 29,161	\$ 24,577	\$ 45,944	\$ 108,276	\$ 24,143	\$ 45,576	\$ 38,927	\$ 28,244	\$ 23,244	\$ 532,291
Marketing/Sales (payroll)	\$ 41,616	\$ 38,258	\$ 35,977	\$ 35,977	\$ 35,977	\$ 35,977	\$ 35,977	\$ 40,549	\$ 45,979	\$ 45,979	\$ 45,979	\$ 42,383	\$ 480,626
Fundraising (non-payroll)	\$ 7,002	\$ 16,338	\$ 6,989	\$ 11,239	\$ 1,239	\$ 1,639	\$ 10,239	\$ 1,239	\$ 1,239	\$ 2,239	\$ 1,239	\$ 1,239	\$ 61,880
Fundraising (payroll)	\$ 16,839	\$ 16,839	\$ 16,839	\$ 16,839	\$ 16,839	\$ 16,839	\$ 16,839	\$ 16,839	\$ 16,839	\$ 16,839	\$ 16,839	\$ 16,839	\$ 202,070
Interest/loan repayment	\$ 5,000	\$ 5,000	\$ 5,000	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 55,500
Debt (payables)	\$ 32,000	\$ 114,340	\$ 23,510	\$ 15,000	\$ 7,200	\$ 7,000	\$ 7,500	\$ 7,000	\$ 7,500	\$ 7,000	\$ 7,000	\$ 7,500	\$ 242,550
<b>Projected Total Cash Disbursements</b>	<b>\$ 510,013</b>	<b>\$ 682,553</b>	<b>\$ 478,101</b>	<b>\$ 388,297</b>	<b>\$ 348,644</b>	<b>\$ 382,018</b>	<b>\$ 497,729</b>	<b>\$ 388,025</b>	<b>\$ 443,209</b>	<b>\$ 412,502</b>	<b>\$ 401,749</b>	<b>\$ 364,496</b>	<b>\$ 5,297,336</b>
<b>Projected Ending Cash Balance</b>	<b>\$ 49,162</b>	<b>\$ (474,236)</b>	<b>\$ (782,075)</b>	<b>\$ (859,607)</b>	<b>\$ (1,128,723)</b>	<b>\$ (1,375,056)</b>	<b>\$ (922,830)</b>	<b>\$ (577,202)</b>	<b>\$ (577,685)</b>	<b>\$ (555,420)</b>	<b>\$ (560,918)</b>	<b>\$ (607,800)</b>	