

Adrienne Arsht Center
Budget Presentation
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FY 2012-13 Base Budget

March 28, 2012

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ADRIENNE ARSHT CENTER FOR THE PERFORMING ARTS TRUST FY 2012-13 DEPARTMENT BUDGET PRESENTATION

FY 2012-13 DEPARTMENTAL ISSUES

* The reduction in the amount of additional CDT funds that the Arsht Center receives as a result of being the economic catalyst in the OMNI CRA district from what was originally projected has resulted in the delay and or potential cancellation of planned Learning through the Arts programs that would have brought every 5th, 7th and 9th grade student in Miami-Dade County to a production at the Arsht Center as well as providing a curriculum for in school education in multiple areas. The free 5th grade program "Rock Odyssey" has been wildly successful over the past three years reaching 75,000 students but the funding reductions will result in an at least 2 year hiatus for the show. The highly acclaimed educational program partnership with Miami-Dade Public Schools has been a signature use of the CDT Funds.

REVENUE OVERVIEW

FY 2011-12 Projections:	11-12 Budget	11-12 Projection	Variance from budget		Explanation of major variance
General Fund	\$0	\$0	N/A	0.00%	Not applicable
Federal/State	\$0	\$0	N/A	0.00%	Not applicable
Proprietary	\$7,994	\$7,994	\$0	0.00%	The PAC is projected to receive their full proprietary CDT revenue of \$7,994 million of which \$7,650 million is the PAC Trust Subsidy and \$344,000 is the Operating Subsidy
Interagency	N/A	N/A	N/A	0.00%	Not applicable
FY 2011-12 Projections Totals:	\$7,994	\$7,994	\$0	0.00%	

FY 2012-13 Budget:	11-12 Budget	12-13 Base	Variance from budget		Explanation of major variance
General Fund	\$0	\$0	N/A	0.00%	Not applicable
Federal/State	\$0	\$0	N/A	0.00%	Not applicable
Proprietary	\$7,994	\$8,402	\$408	5.10%	The PAC's proprietary revenue from CDT is higher than budgeted in FY 11-12 due to a slight increase in the projected revenues expected from the OMNI Community Redevelopment Agency (CRA) which is used to support the PAC's Operating Subsidy; the PAC's proprietary CDT revenue of \$8,402 million is made up of the PAC Trust Subsidy \$7,650 million and \$752,000 for their Operating Subsidy
Interagency	N/A	N/A	N/A	0.00%	Not applicable
FY 2012-13 Budget Totals:	\$7,994	\$8,402	\$408	5.10%	

EXPENDITURE OVERVIEW

FY 2011-12 Projections:	11-12 Budget	11-12 Projection	Variance from budget		Explanation of major variance
Salary	\$0	\$0	N/A	0.00%	Not applicable
Overtime Salary	\$0	\$0	N/A	0.00%	Not applicable
Fringe	\$0	\$0	N/A	0.00%	Not applicable
OT Fringe	\$0	\$0	N/A	0.00%	Not applicable
Court Cost	\$0	\$0	N/A	0.00%	Not applicable
Contractual Services	\$0	\$0	N/A	0.00%	Not applicable
Other Operating	\$7,994	\$7,994	\$0	0.00%	The PAC is expected to expend all dollars received

					from the County to support their maintenance, utilities, and security as well as their educational and capital maintenance program
Charges for County Services	\$0	\$0	N/A	0.00%	Not applicable
Grants to Outside Organization	\$0	\$0	N/A	0.00%	Not applicable
Capital	\$0	\$0	N/A	0.00%	Not applicable
Transfer	\$0	\$0	N/A	0.00%	Not applicable
Distribution of Funds In Trust	\$0	\$0	N/A	0.00%	Not applicable
Debt Services	\$0	\$0	N/A	0.00%	Not applicable
Depreciation, Amortizations and Depletion	\$0	\$0	N/A	0.00%	Not applicable
Reserves	\$0	\$0	N/A	0.00%	Not applicable
Other Non-Operating	\$0	\$0	N/A	0.00%	Not applicable
FY 2011-12 Projections Totals:	\$7,994	\$7,994	\$0	0.00%	

EXPENDITURE OVERVIEW

FY 2012-13 Budget:	11-12 Budget	12-13 Base	Variance from budget		Explanation of major variance
Salary	\$0	\$0	N/A	0.00%	Not applicable
Overtime Salary	\$0	\$0	N/A	0.00%	Not applicable
Fringe	\$0	\$0	N/A	0.00%	Not applicable
OT Fringe	\$0	\$0	N/A	0.00%	Not applicable
Court Cost	\$0	\$0	N/A	0.00%	Not applicable
Contractual Services	\$0	\$0	N/A	0.00%	Not applicable
Other Operating	\$7,994	\$8,402	\$408	5.10%	As a result of additional revenues projected to be received in FY 12-13, the PAC will use those monies for their educational and maintenance program
Charges for County Services	\$0	\$0	N/A	0.00%	Not applicable
Grants to Outside Organization	\$0	\$0	N/A	0.00%	Not applicable
Capital	\$0	\$0	N/A	0.00%	Not applicable
Transfer	\$0	\$0	N/A	0.00%	Not applicable
Distribution of Funds In Trust	\$0	\$0	N/A	0.00%	Not applicable
Debt Services	\$0	\$0	N/A	0.00%	Not applicable
Depreciation, Amortizations and Depletion	\$0	\$0	N/A	0.00%	Not applicable
Reserves	\$0	\$0	N/A	0.00%	Not applicable
Other Non-Operating	\$0	\$0	N/A	0.00%	Not applicable
FY 2012-13 Budget Totals:	\$7,994	\$8,402	\$408	5.10%	

DEPARTMENT REORGANIZATION AND EFFICIENCIES

Discussion of TO Changes	In FY 12-13, the PAC will be eliminating 12 positions
Position deletion and value	

POSITION CHANGES

Activity (FY 2012-13)	Position +/-	Fiscal Impact & Justification
Performing Arts Center Trust	-5	As part of the Adrienne Arsht Center's reorganization 5 positions will be frozen and unfunded and 7 positions will be eliminated over the next six months;
Performing Arts Center Trust	-7	As part of the Adrienne Arsht Center's reorganization 5 positions will be frozen and unfunded and 7 positions will be eliminated over the next six months;
Position Totals:	(12)	

CAPITAL

Function	11-12 Budget	11-12 Projection	12-13 Base	Comment
Capital Totals:	N/A	N/A	N/A	

* Capital Outlay Reserve (COR) Request	N/A	N/A	N/A	Not applicable
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* COR Expenditures are included in the Exp by Function.

Major Projects Update	Not applicable
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Other funding reductions or delays impacting capital (i.e. CDBG and GOB)	Not applicable
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REPORT 1: GENERAL DEPARTMENTAL FINANCIAL SUMMARY

Department: Adrienne Arsht Center for the Performing Arts Trust

(\$ in 000s)

A) OPERATING BUDGET - REVENUES AND EXPENDITURES

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2011-12	FY 2012-13
	Actual	Actual	Actual	Actual	Actual	Budget	11-12 Projection	Base

REVENUE

PROP	Convention Development Tax	\$7,799	\$6,379	\$16,093	\$10,151	\$8,566	\$7,994	\$7,994	\$8,402
PROP	Tourist Development Tax	\$0	\$2,472	\$0	\$0	\$0	\$0	\$0	\$0

TOTAL REVENUE	\$7,799	\$8,851	\$16,093	\$10,151	\$8,566	\$7,994	\$7,994	\$8,402
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EXPENDITURES

	Salary	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Overtime Salary	0	0	0	0	0	0	0	0
	Fringe	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Overtime Fringe	0	0	0	0	0	0	0	0
	Court Cost	0	0	0	0	0	0	0	0
	Contractual Services	0	0	0	0	0	0	0	0
	Other Operating	\$7,799	\$8,851	\$16,093	\$10,151	\$8,566	\$7,994	\$7,994	\$8,402
	Charges for County Services	0	0	0	0	0	0	0	0
	Grants to Outside Organization	0	0	0	0	0	0	0	0
	Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL OPERATING	\$7,799	\$8,851	\$16,093	\$10,151	\$8,566	\$7,994	\$7,994	\$8,402	

EXPENDITURES									
Transfers	0	0	0	0	0	0	0	0	0
Distribution of Funds In Trust	0	0	0	0	0	0	0	0	0
Debt Services	0	0	0	0	0	0	0	0	0
Depreciation, Amortizations and Depletion	0	0	0	0	0	0	0	0	0
Reserves	0	0	0	0	0	0	0	0	0
Other Non-Operating	0	0	0	0	0	0	0	0	0
Intradepartmental	0	0	0	0	0	0	0	0	0
TOTAL NON OPERATING EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$7,799	\$8,851	\$16,093	\$10,151	\$8,566	\$7,994	\$7,994	\$8,402	

REVENUES LESS EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

B) POSITIONS

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2011-12	FY 2012-13
	Actual	Actual	Actual	Actual	Actual	Budget	Projection	Base
Full-Time Positions Budgeted =	0	0	0	0	108	108	108	96
Full-Time Positions Filled =								
Part-time FTEs Budgeted =								
Temporary FTEs Budgeted =								

Summary

OPERATING BUDGET	2011 YTD ACTUAL	2012 ANNUAL BUDGET	2013 ANNUAL BUDGET
REVENUE			
Ticket Sales	\$ 12,393,514	\$ 12,721,106	\$ 12,234,855
Rental Revenue	\$ 3,800,082	\$ 3,425,439	\$ 3,890,674
Facility Chargebacks	\$ 620,226	\$ 1,300,000	\$ 785,000
Box Office Fees	\$ 2,936,193	\$ 3,140,000	\$ 2,900,000
Parking Revenue	\$ 562,879	\$ 500,000	\$ 550,000
Concessions	\$ 322,030	\$ 400,000	\$ 425,000
Merchandise Sales	\$ 38,986	\$ 50,000	\$ 50,000
In-Kind Contributions	\$ 92,427	\$ -	\$ -
Miami-Dade County Funding	\$ 7,645,000	\$ 7,650,000	\$ 7,650,000
Subsidy-Adrienne Arsht Center Foundation	\$ 6,561,595	\$ 7,110,675	\$ 7,125,000
Other Revenue	\$ 610,329	\$ 465,000	\$ 399,485
TOTAL REVENUE	\$ 35,583,261	\$ 36,762,220	\$ 36,010,014
EXPENSES			
Non-Stagehand Salaries & Benefits	\$ (7,839,010)	\$ (8,109,934)	\$ (7,731,526)
Stagehand Salaries and Benefits	\$ (1,304,362)	\$ (1,810,190)	\$ (1,529,920)
Special Events	\$ -	\$ (550,000)	\$ (550,000)
Marketing and Communications	\$ (3,525,075)	\$ (3,014,425)	\$ (2,968,598)
Event Expenses	\$ (10,529,552)	\$ (10,822,331)	\$ (10,809,021)
Professional Services	\$ (856,421)	\$ (720,730)	\$ (486,300)
Fulfillment Costs & Comp Tickets	\$ (607,400)	\$ (421,650)	\$ (536,100)
Occupancy Costs	\$ (7,645,794)	\$ (7,649,439)	\$ (7,650,000)
Show/Event Parking Services	\$ (536,497)	\$ (450,000)	\$ (490,000)
Administration & Overhead	\$ (1,484,342)	\$ (1,438,521)	\$ (1,283,548)
Miami-Dade County Commitment	\$ (750,000)	\$ (1,500,000)	\$ (1,350,000)
Depreciation Expense	\$ (419,152)	\$ (275,000)	\$ (625,000)
Total Expenses	\$ (35,497,605)	\$ (36,762,220)	\$ (36,010,014)
Operating Surplus (Deficit)	\$ 85,656	\$ -	\$ -

Occupancy Costs

	FY 2012	FY 2013
Building Maintenance & Cleaning	\$3,149,839	\$3,080,500
Utilities - Electricity	\$1,400,000	\$1,497,500
Utilities - Water & Sewer	\$175,000	\$210,000
Utilities - Gas	<u>\$275,000</u>	<u>\$287,000</u>
Total Utilities	\$1,850,000	\$1,994,500
Insurance	\$630,000	\$600,000
Security - Allied Barton	\$1,509,600	\$1,425,000
Security - City	\$325,000	\$350,000
Security - County	<u>\$185,000</u>	<u>\$200,000</u>
Total Security	\$2,019,600	\$1,975,000
Total Occupancy Costs	\$7,649,439	\$7,650,000

Reserve Funds

Reserve Funds	Endowment Fund	Maintenance and Reserve Fund	Education and Outreach Fund	Totals
Beginning Balance	\$ -	\$ -	\$ -	\$ -
FY 2009 Funding	\$ 5,000	\$ 1,772	\$ 927	\$ 7,699
FY 2010 Expenditures	\$ -	\$ (201)	\$ (627)	\$ (828)
Transfer from PACF	\$ -	\$ 500	\$ 600	\$ 1,100
Balance as of 9/30/09	\$ 5,000	\$ 2,071	\$ 900	\$ 7,971
FY 2010 Funding	\$ -	\$ 1,000	\$ 1,502	\$ 2,502
FY 2010 Expenditures	\$ -	\$ (1,283)	\$ (1,498)	\$ (2,781)
Endowment Contribution	\$ 2,000	\$ -	\$ -	\$ 2,000
Transfer from PACF	\$ 2,734	\$ -	\$ -	\$ 2,734
Earnings	\$ 267	\$ -	\$ -	\$ 267
Balance as of 9/30/10	\$ 10,001	\$ 1,788	\$ 904	\$ 12,693
FY 2011 Funding	\$ -	\$ -	\$ 916	\$ 916
FY 2011 Expenditures	\$ (500)	\$ (1,032)	\$ (1,143)	\$ (2,675)
Earnings	\$ 45	\$ -	\$ -	\$ 45
Balance as of 9/30/11	\$ 9,546	\$ 756	\$ 677	\$ 10,979
FY 2012 Funding	\$ -	\$ 172	\$ 172	\$ 344
FY 2012 Expenditures	\$ (500)	\$ (750)	\$ (660)	\$ (1,910)
Earnings	\$ 500	\$ -	\$ -	\$ 500
Balance as of 9/30/12	\$ 9,546	\$ 178	\$ 189	\$ 9,913
FY 2013 Funding	\$ -	\$ 280	\$ 470	\$ 750
FY 2013 Expenditures	\$ (505)	\$ (455)	\$ (640)	\$ (1,600)
Earnings	\$ 505	\$ -	\$ -	\$ 505
Balance as of 9/30/12	\$ 9,546	\$ 3	\$ 19	\$ 9,568

Advancement

Advancement	FY 2012 Budget	FY 2013 Budget
Contributions		
Individual	\$ 2,820,000	\$ 2,845,000
Membership	\$ 260,000	\$ 260,000
Corporate	\$ 750,000	\$ 750,000
Foundations	\$ 920,000	\$ 920,000
Gala	\$ 800,000	\$ 800,000
Renewals & New Gifts	\$ 5,550,000	\$ 5,575,000
Pledge Payments	\$ 1,000,000	\$ 1,045,000
Endowment	\$ 500,000	\$ 505,000
Naming Rights	\$ 500,000	\$ -
Total	\$ 7,550,000	\$ 7,125,000

Capital

FY '13	Est Cost	Notes
Network infrastructure replacement	\$ 75,000	Replace aging digital communications and internet equipment - (reduced)
IT Updates and replacements	\$ 75,000	Ongoing updates and replacement of software and equipment (reduced)
Airflow Stations for ZBOH: Test & Balance	\$ 30,000	Monitoring devices providing temp.control betwn stage & auditorium - ZBOH
Boiler - back up	\$ 225,000	Back-up system and replacement parts if exiting boiler goes out of service
Peacock Foundation Studio Rigging	\$ -	To make the space easily used as a reh hall and a performance space, need rigging & cabling options; such as trusses and cable ways.
Ovrhl KCH Vari*Lite Automation Sys (phase III of IV)	\$ -	Logic card replacement, motor replacement/ refurbishment, belt replacement
Pavers	\$ -	The pavers surrounding the buildings were not sealed. This makes it difficult to maintain the original luster of the walkways.
ZBOH Chain Motor Package		We currently rent 4- 1 ton and 4- 1/2 ton rigging motors on a frequent basis for the performance spaces
ZBOH 8 Additional Line Sets	\$ -	Increased flexibility for stage rigging to reduce labor and material costs
Douglas Lighting System	\$ -	Add program capabilities for KCH exterior lights (on existing system)
Replacement 6' folding tables, linens and event chairs	\$ 50,000	Replace existing items due to wear and tear
ZBOH Carpet	\$ -	Replace existing carpet from upper orch to tier 2 landing and theater aisles
	\$ -	
Total Capital	\$ 455,000	

Education

Project	FY 2012 Budget	FY 2013 Budget
Adventures in the Arts (adults & seniors)	\$ -	\$ 2,000
305 LIVE Teen Programming	\$ -	\$ -
Ken Cen Partners in Education Meetings	\$ 10,000	\$ 12,000
Ken Cen Partners in Ed Teacher Training	\$ 20,000	\$ 20,000
Business of the Arts Seminar Series	\$ -	\$ 7,000
Teaching Artists Training	\$ -	\$ -
Learning Through the Arts - 5th Grade	\$ 500,000	\$ -
Learning Through the Arts - 7th Grade	\$ -	\$ -
Learning Through the Arts - 9th Grade	\$ 273,675	\$ -
Family Fest	\$ 180,000	\$ 150,000
Family Series Performances	\$ -	\$ -
Beyond Boundaries - Arsht Goes to School	\$ 6,000	\$ 10,000
Beyond Boundaries - Residency Arts Partners (MMP/Dranoff)	\$ 15,500	\$ 15,500
Beyond Boundaries - Touring Program	\$ 14,400	\$ -
Jazz Roots	\$ 100,000	\$ 25,000
AileyCamp Miami	\$ 180,000	\$ 200,000
AileyCamp Miami Reunion	\$ -	\$ 5,000
Accessing the Arts - VSA	\$ 25,000	\$ 30,000
Ticket Access Program	\$ -	\$ -
Community Initiatives	\$ 40,000	\$ 40,000
Administrative /Professional Development	\$ 10,000	\$ -
Administrative	\$ 9,000	\$ 9,000
Salaries	\$ 198,706	\$ 113,139
TOTAL EDUCATION	\$ 1,582,281	\$ 638,639

Attendance

<i>Attendance</i>	<i>FY 2011 Actual</i>	<i>FY 2012 Projection</i>	<i>FY 2012 Budget</i>	<i>FY 2013 Budget</i>
Broadway	92,060	115,000	125,000	78,000
Arsht Center Cleveland	167,161	146,000	210,000	134,000
Orchestra	11,933	11,000	15,000	15,000
Event Rental	12,518	18,000	25,000	31,000
Four Wall Rental Resident	19,944	25,000	40,000	15,000
Companies	83,162	75,000	85,000	82,000
<i>Total</i>	<i>386,778</i>	<i>390,000</i>	<i>500,000</i>	<i>355,000</i>

Headcount

Headcount	FY 2012 Budget	Current	FY 2013 Budget
President/CEO	2	2	2
Strategic Services			
Finance	7	7	7
IT	8	7	6
HR	3	3	3
Volunteers	2	2	1
Legal	<u>2</u>	<u>2</u>	<u>2</u>
	22	21	19
Content			
Programming	11	11	10
Education	3	2	2
Marketing	<u>21</u>	<u>22</u>	<u>17</u>
	35	35	29
Operations			
Admin	3	3	3
Box Office	12	10	10
Production	6	6	5
Engineering	9	11	11
House	<u>4</u>	<u>5</u>	<u>4</u>
	34	35	33
Resources			
Board &	3	3	3
Advancement	<u>12</u>	<u>12</u>	<u>10</u>
	15	15	13
Total	<u>108</u>	<u>108</u>	<u>96</u>