

Scarborough Music Theatre

Season-2020/21 Annual Finance Report

August 1, 2020, to July 31, 2021

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Message from the Treasurer

Hello SMT members, friends, and patrons.

Significant changes in our financial statements include:

- The balance sheet has increased with total assets of **\$203,601** and an unrestricted net surplus of **\$173,304**.
- Total unrestricted revenues for the year were **\$71,434**, representing a **53%** decrease over revenues from our previous season.
- Total expenses for the year were **\$59,655**, representing a **62%** decrease over expenses from our previous season. This decrease was not due to decisions made by the organization, but as a result of reduced spending (i.e., not running any shows) resulting from the pandemic closures.

This has certainly been a year like no other.

- We established a budget, as in previous years. However, this year it had to be reworked, reworked, and reworked ... as the roadmap through the pandemic continued to take monthly twists and turns.
- All normal revenue streams were lost to us. However, all overhead expenses continued – which represents 35% of our normal annual expenses, or approximately **\$75.0k** per annum.
- We were fortunate to receive **\$37.0k** in government assistance.
- We were fortunate to receive in **\$30.5k** net in patron/member donations.
- We were fortunate that Theatre Scarborough was able to cover the lease costs on Scarborough Village Theatre through their own grant and negotiation efforts, saving SMT **\$20.0k** this season.

It has been a privilege to serve as Treasurer during SMT's 59th season. My deepest thanks to all members, volunteers, and donors who have so generously contributed their various resources to support SMT and help us find our way through this difficult season. We will need everyone pulling together to help SMT continue to meet the challenges of the COVID environment.

Thank you!

Lynette A (Fairweather) Hines

Please note: Scarborough Music Theatre bookkeeping is done on an accrual basis, and has a fiscal year-end of 31-Jul-yy, (which is aligned to that of Theatre Scarborough the other theatre groups operating out of Scarborough Village Theatre).

I. Preliminary Financial Statements

1. Comparative Income/Expense Statements, past 4 years (as at 31-Jul-yy)

I/E	Yes					
T\$-Amt		Season				
Category	Sub-cat	S-17/18	S-18/19	S-19/20	S-20/21	
1. Revenue, show						
	1. subscription	\$71,148	\$71,782	\$46,031		
	2. single show	\$115,639	\$103,689	\$60,576		
	3. extra show(s)	\$20,605	\$23,057			
	4. TS B/O-costs	(\$16,743)	(\$16,629)	(\$12,824)		
1. Revenue, show Total		\$190,649	\$181,898	\$93,783		
2. Expense, show						
	1. Royalties	(\$29,144)	(\$32,357)	(\$20,178)	(\$8,927)	B
	2. Honoraria, LOA+	(\$25,925)	(\$21,995)	(\$18,950)		
	3. Honoraria, orch	(\$22,635)	(\$15,672)	(\$8,280)		
	4. Production-exp *	(\$28,623)	(\$26,703)	(\$19,754)	(\$405)	
	5. Program	(\$3,993)	(\$4,523)	(\$2,766)		
	6. Publicity, show	(\$2,952)	(\$3,178)	(\$2,409)		
	7. Theatre usage	(\$15,631)	(\$15,551)	(\$16,627)		C
	8. Board show-exp *	(\$6,179)	(\$6,279)	(\$3,161)	(\$220)	
	extra show *	(\$6,400)	(\$7,062)			
	Rebate, G/HST-1	\$2,876	\$2,605	\$1,705		
2. Expense, show Total		(\$138,606)	(\$130,714)	(\$90,420)	(\$9,553)	
3. Expense, other						
	1-Unit-rent	(\$37,170)	(\$37,446)	(\$40,455)	(\$41,288)	
	2-Unit-utilities+ *	(\$8,955)	(\$8,717)	(\$8,502)	(\$5,863)	
	4-Unit-annual-maint	(\$240)	(\$180)	(\$180)	(\$120)	
	5-Unit Repair/Equip	(\$811)	(\$4,656)	(\$441)		
	7-Publicity, gen	(\$3,270)	(\$2,995)	(\$2,865)		
	Gifts 2 qualified donees		(\$2,063)			
	Group mem-ships	(\$300)	(\$607)	(\$270)		
	Insurance	(\$1,507)	(\$1,516)	(\$1,543)	(\$1,489)	
	Professional fees	(\$2,260)	(\$2,486)	(\$4,749)	(\$2,853)	
	Rebate, G/HST-2	\$4,560	\$5,624	\$5,751	\$4,199	
	Rebate, G/HST-TS	\$1,564	\$1,643	\$1,610	\$1,545	
	Rebate, Prop-tax	\$5,912	\$2,965	\$2,947	\$751	
	x-Cap-equip-WD		(\$1,421)	(\$1,421)	(\$1,421)	
	x-misc-exp *	(\$5,833)	(\$6,383)	(\$3,086)	(\$1,938)	
	z-bank-fees	(\$426)	(\$442)	(\$341)	(\$80)	
3. Expense, other Total		(\$48,735)	(\$58,680)	(\$53,545)	(\$48,557)	
4. Revenue, other						
	a. investment inc.	\$108	\$95	\$316	\$1,167	
	b. Membership fees	\$2,700	\$2,000	\$2,520	\$375	
	c. Fundraise, 50/50	\$8,632	\$8,864	\$4,604		
	d. Donations, net *	\$10,284	\$8,616	\$6,261	\$3,996	D
	d. Donations, non-rct	\$415	\$427	\$776	\$16,541	E
	e. Donations, proactive *	\$1,404		\$7,444	\$9,979	F
	f1. Grants (net) *		(\$1,982)	(\$714)	\$1,875	
	f2. Federal assist				\$28,298	G
	f2. Provincial assist				\$6,809	G
	f2. Sponsors *	\$750				
	g. Fund, activities *	\$14,200	\$7,337	\$9,163	\$59	
	h. Fund, activities exp *	(\$7,075)	(\$3,180)	(\$5,616)	(\$610)	
	i. Youth-Edu, rev *	\$24,277	\$18,368	\$30,034	\$260	
	j. Youth-Edu, exp *	(\$5,974)	(\$5,652)	(\$11,848)	(\$1,860)	H
	k. Program Ad-rev	\$512				
	x-misc-rev *				\$3,000	I
4. Revenue, other Total		\$50,235	\$34,891	\$42,938	\$69,889	
Grand Total		\$53,544	\$27,395	(\$7,244)	\$11,779	A

1a. Notes for Comparative Income/Expense Statements, past 4 years

#	Category	Category Definition
1	Revenue, show	<ul style="list-style-type: none"> This is revenue from our business — putting on 3 shows per season. This captures direct revenues from ticket sales.
2	Expense, show	<ul style="list-style-type: none"> These are direct expenses from our business — putting on 3 shows per season. This captures direct expenses against the 3 shows.
3	Expense, other	<ul style="list-style-type: none"> This captures all other expenses not directly related to shows. Overhead expenses — which we see is normally 25% to 30% of total expenses in a normal season.
4	Revenue, other	<ul style="list-style-type: none"> These are all other revenues gathered over a season. This is our “opportunity category” — where we can generate additional, creative revenues each year to allow SMT to keep going.

Let’s look a little closer:

#	Sub-cat	Sub-Cat Status
A	Overall	<ul style="list-style-type: none"> It currently appears we will end our season with a \$11,779 profit! This is VERY exciting in a season where we were basically closed. However, there are still a couple of items to “settle.”
B	Royalties	<ul style="list-style-type: none"> We requested a return of the funds paid on the rights for all future shows. There is currently an \$8,900 discrepancy that can't be explained by exchange rate fluctuations alone. Our Royalty Lead is investigating. <i>Cabaret</i> (\$1.8k), <i>Man of No Importance</i> (\$0.6k), <i>Legally Blonde</i> (\$3.5k), and <i>The Producers</i> (\$3.0k).
C	Theatre usage (lease costs)	<ul style="list-style-type: none"> Certainly, our EOY would have looked a lot bleaker if TS had not been successful in obtaining all possible COVID-grants and working with the City of Toronto to receive some rent abatement. This is a big load off of SMT’s bottom line.
D	Donations, net	<ul style="list-style-type: none"> These are “passive” donations received prior to the proactive COVID-relief program. So, donations Aug-20 thru Oct-20, and Apr-21 thru Jul-21.
E	Donations, non-rct	<ul style="list-style-type: none"> These are donations received where the sourcing organization provided the tax receipt. \$6,500 in monies from the Facebook birthday programs. Thank you, D. Routledge, J. Harvey, R. Underdown, J. Woods, and K. Wise for initiating these programs. AND the \$10,000 Angel Donor matching donations from the proactive COVID-relief program. Thank you, Angel Donor!
F	Donations, proactive	<ul style="list-style-type: none"> These are the donations received from our patrons and members as a result of the proactive COVID-relief mail/email program.
G	COVID assistance	<ul style="list-style-type: none"> \$28,000 in federal assistance from the CERS program. \$9,000 in provincial assistance from the Ontario Small Business COVID Support program. These programs clearly went a long way to helping our cash flow.
H	Youth-Edu, exp	<ul style="list-style-type: none"> We requested the return of funds for the <i>Legally Blonde Jr.</i> rights. There is currently a \$1.4k discrepancy that can't be explained by exchange rate fluctuations alone. Our Royalty Lead is investigating.
I	X-misc-rev	<ul style="list-style-type: none"> This is a result of renting our four <i>Little Shop of Horrors</i> puppets to Drury Lane. Thank you to Mark Tingle and his team for building these excellent puppets - both for the show, and for this revenue recovery opportunity. Thank you to Ed Ho who led establishing the rental contract with Drury Lane.

Scarborough Music Theatre – Annual Report

Season-2020/21, August 1, 2020, to July 31, 2021



2. Season-59, Balance Sheet, past 4 years (as at 01-Aug-yy)

Recall, a "true" Balance Sheet shows ... **Assets – Liabilities – Reserves = \$0**

B/S		yes					
T\$-Amt		Season					
Category	Sub-cat	Tert-cat	S-17/18	S-18/19	S-19/20	S-20/21	
I. Assets	1a. Liquid assets	bank acct	\$139,737	\$144,616	\$38,234	\$107,961	
		float	\$500	\$500	\$600	\$600	
		Investments	\$28,500	\$58,486	\$86,483	\$85,635	
	1a. Liquid assets Total		\$168,736	\$203,602	\$125,317	\$194,196	B
	1b. Acct receivable	G/HST Rebate	\$7,436	\$8,229	\$7,457	\$2,577	
		Prop-Tax Rebate	\$2,949	\$2,965	\$2,947	\$0	
		x-misc-receivable	\$3,375	\$927	\$1,215	\$200	
		z-due-from-PH66	\$15,047	\$3,753	\$2,418	\$2,196	
	1b. Acct receivable Total		\$28,806	\$15,873	\$14,037	\$4,973	C
	1c. Pre-paid Exp	1. Royalties	\$32,446	\$32,465	\$46,485	\$1,843	
		2. Show-exp	\$713	\$3,124	\$4,365	\$2,514	
		3. Other-exp				\$75	
		x-misc-exp	\$1,221	\$420	\$2,791		
	1c. Pre-paid Exp Total		\$34,380	\$36,009	\$53,641	\$4,432	D
I. Assets Total			\$231,923	\$255,484	\$192,995	\$203,601	
II. Liabilities	2a. Short-term	2. Show-exp	(\$1,739)	(\$250)	\$0		
		3. Other-exp	(\$1,744)			(\$120)	
		4. Other Rev-exp	(\$2,716)				
		Professional fees	(\$2,260)	(\$2,486)			
		x-misc-exp	(\$2,965)	(\$419)	(\$366)		
		z-N2R-adj					
	2a. Short-term Total		(\$11,423)	(\$3,155)	(\$366)	(\$120)	E
	2b. Deferred revenue	1. Next Sea-Sub-\$	(\$68,922)	(\$67,591)	\$0		
		2. Deferred Youth (net)	(\$8,558)	(\$12,914)	\$0		
		3. Deferred donate (net)			(\$1,930)		
		4. Deferred Alt-Rev (net)		(\$3,505)	(\$29,625)	(\$25,093)	
		z-N2R-adj	(\$2,095)			(\$5,084)	
	2b. Deferred revenue Total		(\$79,575)	(\$84,010)	(\$31,554)	(\$30,177)	F
II. Liabilities Total			(\$90,998)	(\$87,165)	(\$31,920)	(\$30,297)	
III. Reserves	3b. Mid-term	Mem-Eq, Cash-flow	(\$30,000)	(\$35,000)	(\$40,000)	(\$40,000)	
		Mem-Eq, Market-risk	(\$27,380)	(\$65,924)	(\$83,319)	(\$76,075)	
		Mem-Eq, Sound project	(\$25,000)	(\$35,000)	(\$40,000)	(\$40,000)	
		Mem-Eq, Unit capital	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	
		Retained Earnings	(\$53,544)	(\$27,395)	\$7,244	(\$12,229)	
	3b. Mid-term Total		(\$140,924)	(\$168,319)	(\$161,075)	(\$173,304)	G
III. Reserves Total			(\$140,924)	(\$168,319)	(\$161,075)	(\$173,304)	
Grand Total			(\$0)	\$0	\$0	\$0	A

2a. Notes for Season-59, Balance Sheet, past 4 years

Let's look a little closer:

#	Sub-cat	Sub-Cat Status
A	The bottom line	<ul style="list-style-type: none"> Our Balance Sheet balances.
B	Liquid Assets	<ul style="list-style-type: none"> These are up to \$194k (up \$70k), primarily due to: \$9k from previous Acct-Rec; \$45k from collapsed royalties; \$12k from this EOY. Investments are currently held in short-term, laddered, liquid GICs at RBC. There was no need to collapse any this season. S-2021/22 Finance Team should always monitor cash flow needs and carefully consider if/when some of those GICs need to be collapsed.
C	Accounts Receivable	<ul style="list-style-type: none"> A little simpler this year. We're only waiting for the HST rebate (already applied), and we received and deposited the final TS cheque this August.
D	Pre-Paid Expenses	<ul style="list-style-type: none"> Right now, we've only accrued <i>Songs for a New World</i> expenses into next season. Again, much simpler than in past seasons.
E	Short Term Liabilities	<ul style="list-style-type: none"> We are up to date here — save the one transaction, which has already cleared.
F	Deferred Revenues	<ul style="list-style-type: none"> We are still carrying significant funds from patrons who have left their "Cabaret monies" with us. Patrons can apply those funds to any future show(s) they wish – once we start running shows. Moving these deferred funds into revenue will be a complex, manual task, once we get up and running — but it must be done!
G	Members Equity	<ul style="list-style-type: none"> Members Equity is up due to this season's successful close.

3. EXTRA, comparative I/E stmt from “Notice to Reader,” past 4 years (as at 31-Jul-yy)

The Income/Expense statement below is presented in the format our accountant prefers to use. This format provides less detail than is provided in the statement the Treasurer regularly sends to the Board, but the numbers in the two statements are fully aligned.

I/E	Yes				
T\$-Amt					
A-Category	A-Sub-cat	S-17/18	S-18/19	S-19/20	S-20/21
☐ A. Revenue	1a. Tkt-sales	\$207,392	\$198,528	\$106,607	
	1b. Fundraise (net)	\$15,655	\$12,291	\$8,150	(\$551)
	1c. Youth Programs (net)	\$18,283	\$13,373	\$18,186	(\$1,600)
	1d. Donations (net)	\$12,977	\$9,115	\$14,481	\$30,516
	1e. Grants (net)		(\$1,982)	(\$714)	\$36,982
	1f. Memberships	\$2,700	\$2,000	\$2,520	\$375
	1g. G/HST rebate	\$1,564	\$1,643	\$1,610	\$1,545
	1h. Miscellaneous	\$620	\$95	\$316	\$4,167
A. Revenue Total		\$259,191	\$235,061	\$151,155	\$71,434
☐ B. Expenses, show	2a. Honoraria	(\$50,940)	(\$39,102)	(\$29,287)	
	2b1. Production	(\$38,341)	(\$39,568)	(\$23,625)	(\$626)
	2b2. Board Prod-exp		(\$547)		
	2c. Royalties	(\$31,724)	(\$35,552)	(\$20,178)	(\$8,927)
	2d. Tkt-fees	(\$16,743)	(\$16,629)	(\$12,824)	
	2e. Theatre lease	(\$17,525)	(\$17,436)	(\$16,627)	
	2f. Advertising	(\$2,952)	(\$3,178)	(\$2,409)	
	2g. G/HST rebate	\$2,876	\$2,605	\$1,705	
B. Expenses, show Total		(\$155,348)	(\$149,406)	(\$103,244)	(\$9,553)
☐ C. Expenses, Ops	3a. Rehearsal-sp R&U	(\$40,213)	(\$43,199)	(\$46,362)	(\$46,520)
	3b. Admin+general	(\$7,184)	(\$13,248)	(\$5,046)	(\$3,359)
	3c. Professional fees	(\$2,260)	(\$2,486)	(\$4,749)	(\$2,853)
	3d. Insurance	(\$1,507)	(\$1,516)	(\$1,543)	(\$1,489)
	3e. Interest	(\$426)	(\$442)	(\$341)	(\$80)
	3f. Publicity	(\$3,270)	(\$2,995)	(\$2,865)	
	3g. G/HST rebate	\$4,560	\$5,624	\$5,751	\$4,199
	3g. match-p	\$0	\$0		
C. Expenses, Ops Total		(\$50,299)	(\$58,261)	(\$55,155)	(\$50,102)
Grand Total		\$53,544	\$27,395	(\$7,244)	\$11,779

II. Appendices

1. Appendix A, Donation Analysis

A total of \$31,368 was raised this year by our 171 remarkable donors.

SMT offers our deepest thanks for these thoughtful donations from all our donors. Where would we be without their generous support?

Season	S-20/21					
Group	Sub-Cat	Tert-cat	T\$-Amt	T\$-fees	#-donations	
SMT	3. Donations, net *	1. General	\$1,915.00	(\$69.23)	11	
		2. Board donation	\$110.62	(\$1.82)	4	
		7. Youth directed	\$2,240.00	(\$79.20)	4	
		8. COVID-rtn	\$183.00	\$0.00	6	
		9. online show	\$140.00	(\$5.50)	3	
	3. Donations, net * Total			\$4,588.62	(\$155.75)	28
	3. Donations, proactive	8. C19 mail-mem	\$7,441.24	(\$124.54)	48	
		8. C19 mail-pat	\$3,524.00	(\$72.51)	48	
	3. Donations, proactive Total			\$10,965.24	(\$197.05)	96
	4. Donations, non-rct	8. C19 mail-mem	\$11,915.43	\$0.00	24	
		8. C19 mail-pat	\$700.00	\$0.00	17	
		FB fundraiser, JH/DR	\$3,199.00	\$0.00	59	
	4. Donations, non-rct Total			\$15,814.43	\$0.00	100
SMT Total			\$31,368.29	(\$352.80)	224	

Donations is a key revenue stream that the Board always needs to keep its eye on, evaluate for success or opportunities with each program, and continue to cultivate year over year.

Of course, we are only able to offer tax receipts because we are a registered charity.

The overview below shows how our donations have changed over the past few seasons.

Group	SMT				
T\$-Amt	Season				
Type	3. Donations, net *	3. Donations, proactive	4. Donations, non-rct	f. Grants/Sponsors *	Grand Total
S-20/21	\$4,724	\$10,965	\$15,814		\$31,503
S-19/20	\$12,242	\$1,590	\$776		\$14,607
S-18/19	\$8,811		\$427		\$9,237
S-17/18	\$10,409	\$1,354	\$315	\$850	\$12,929
S-16/17	\$9,394	\$1,075			\$10,469
S-15/16	\$7,761				\$7,761
S-14/15	\$3,892	\$2,610			\$6,502
S-13/14	\$2,364	\$3,126			\$5,490
S-12/13	\$3,343	\$3,480			\$6,823
S-11/12	\$3,175	\$4,435			\$7,610
S-10/11	\$4,497	\$2,783			\$7,280
S-09/10	\$6,670	\$3,870			\$10,540

As well, in future seasons, we might want to start being more proactive in rewarding our “significant donors”, so as to encourage these individuals to continue as “significant donors” and other individuals to become “significant donors.”

2. Appendix B, Overview of our fabulous youth programs

SMT — like other community, boutique, and many professional theatres — cannot operate on ticket sales alone. For effective **Financial Risk Management**, an organization must diversify its revenue streams (i.e., not rely only on show related revenues).

Starting in 2015, SMT was fortunate that two valuable members were inspired to start a youth program. One camp to start, growing to several camps per year, as well as the SMTY Production program that – in normal times – runs each November.

These women — and their very dedicated teams — have worked tirelessly the past few years to deliver exceptional programs to our new youth members, as well as a remarkable financial contribution to SMT’s bottom line each season.

Below is an overview of this program’s impact on SMT over the years.

I/E	Yes			
Category	4. Revenue, other			
T\$-Amt	Sub-cat			
Season	i. Youth-Edu, rev *	j. Youth-Edu, exp *		Grand Total
S-20/21	\$260	(\$1,860)		(\$1,600)
S-19/20	\$30,034	(\$11,848)		\$18,186
S-18/19	\$18,368	(\$5,652)		\$12,715
S-17/18	\$24,277	(\$5,974)		\$18,303
S-16/17	\$21,152	(\$5,907)		\$15,245
S-15/16	\$6,395	(\$2,506)		\$3,889
Grand Total	\$100,485	(\$33,746)		\$66,739
				avg. \$11.1k/yr
				OR
				avg. \$16.1k/yr

This program has been an ESSENTIAL contributor to SMT’s financial stability since its introduction!

Thank you to all the facilitators that have participated in bringing this program to Scarborough Music Theatre over the years!

Janal Bechthold
 Anita Coles **
 Donna Corbett
 Todd Davies
 Marisa King

Diane Klich
 Katie Morassutti
 Steve Nadon
 Lydia Pequegnat **
 Jarrod Schroll

Mike Scott
 Amanda Sinclair *
 Elizabeth van Wyck *
 Nora Webster **

* Founders and lead facilitators

** Vocal facilitators

3. Appendix C, Overview of our fabulous fundraising initiatives

SMT — like other community, boutique, and many professional theatres — cannot operate on ticket sales alone. For effective **Financial Risk Management**, an organization must diversify its revenue streams (i.e., not rely only on show related revenues).

Exploring and trying different fundraising opportunities is key — both as an alternative source of revenue and as a way of encouraging ownership and support of the group. Fundraising helps build our financial stability, which enables SMT the flexibility to offer programs above and beyond our shows.

However, fundraising doesn't "just happen." Successful initiatives need a leader, a vision, and in some cases a team providing a variety of support activities.

Below is an overview of this program's impact to SMT over the years.

Category	4. Revenue, other		
T\$-Amt	Rev/Exp		
Fiscal	g. Fund, activities *	h. Fund, activities exp *	Grand Total
S-09/10	\$2,709	(\$170)	\$2,539
S-10/11	\$11,345	(\$3,506)	\$7,839
S-11/12	\$12,045	(\$8,422)	\$3,623
S-12/13	\$947	(\$131)	\$815
S-13/14	\$4,549	(\$1,432)	\$3,118
S-14/15	\$3,269	(\$775)	\$2,494
S-15/16	\$6,406	(\$585)	\$5,821
S-16/17	\$4,593	(\$1,937)	\$2,656
S-17/18	\$14,290	(\$7,175)	\$7,116
S-18/19	\$7,537	(\$3,219)	\$4,317
S-19/20	\$9,361	(\$5,757)	\$3,604
S-20/21	\$509	(\$610)	(\$101)
Grand Total	\$77,560	(\$33,719)	\$43,841
			avg. \$3.7k/year

These programs have been a CRITICAL contributor to SMT's financial stability since their introduction!

Thank you to all the facilitators that have participated in bringing these programs to Scarborough Music Theatre over the years!

Vocal

Anita Coles
James Quigley

Acting

Dot Routledge
Mark Tingle
Elizabeth van Wyck

Dance

Camille Dziejurski
Sabrina Hooper

NOTE: Fundraising initiatives include summer dance break, Xmas Sing-a-long Cabaret, skills workshops (acting, vocal, dance) — to name just a few!

Do you have an idea to raise money for SMT? Please contact next season's Board of Directors!

4. Appendix D, Finance Governance

The role of “Treasurer” encompasses far more than just bookkeeping. This was especially true once SMT acquired its charitable status (2009). Focusing only on bookkeeping would be doing a disservice to a wonderful organization such as SMT.

Over the past 10 years the finance area has introduced a number of value-added governance activities to the portfolio:

Recording / Maintaining / Updating Finance processes

Over the years, we have built more than 25 finance process and governance documents. These are reviewed and refreshed annually — and those that require Board approval are reviewed and approved by the Board. These documents provide standards by which SMT operates financially. As well, they can serve as guide documents: that is, if the Treasurer were to depart suddenly (temporarily or permanently), they would allow a replacement to pick up the reins and continue the management of SMT’s financial affairs.

Of course, a few of these documents will likely become obsolete following the introduction of the new Financial System (Zoho).

Over Season 2020/21, the Finance Governance team met bi-weekly to review the master “**Finance Portfolio, Work Packages Roles & Responsibilities.**” This was a very consuming task that the team threw themselves into with enthusiasm. The end result is a wonderful and clear roadmap for future Treasurers — who hopefully will want to “improve the wheel,” rather than “reinvent the wheel.” 😊

Thank you to Robyn Hughes, Kristie Paillie, and Duane White, who worked so tirelessly with the Treasurer on this activity this past season.

Review of Budget vs. Actuals

Several years ago, SMT enhanced its financial practices by establishing a budget for the next year at the end of the outgoing year. This exercise is conducted with the “finance interested and curious” Board members and other individuals. The process reviews historical activity and trends, as well as future plans. Once approved by the Board, it is a key analysis point during each Treasurer’s report throughout the next season.

Most months, the Board reviews the current *Latest Estimate* to determine if SMT is “on track,” discuss any areas of concern, and make adjustments — where possible and as necessary — to spending, revenue generation, or both, in order to keep SMT on track.

The Budget for Season 2021/2022 is again very tentative, as we still don’t know the path that Canada will take out of this pandemic or how long audience size restrictions will be in force.

Reserves Strategy

As they say, “If you don’t plan on where you are going, you probably won’t get there.” SMT has been operating for several years with an informal Reserves Strategy (“*How much in reserves does SMT need to retain for appropriate Liquidity, Durability, Adaptability management?*”).

In Season 2021/2022 the Finance Committee should look to refresh the Reserves Strategy. For the “Adaptability” section, the current estimate was based on “two sequential disaster years.” We didn’t plan for two sequential pandemic years” — and adding that analysis into the work will very likely change our reserves target and put SMT in a position of better understanding its financial risk.

5. Appendix E, Future Revenue Generating Opportunities

Continuing on with the theme of “diversifying our revenue streams,” below are several future opportunities for SMT to explore to generate revenue from sources in addition to ticket sales.

ArtsVest – This is a wonderful program hosted by “BusinessArts.” Not only do they teach participants “how to fish” (i.e., how to source, approach, develop, retain, and grow sponsor partners), but they offer to match funds raised with those sponsors. This is SMT’s second season with ArtsVest (receiving \$1,800+ in S-20/21), and this year we hope to acquire \$4,500 from sponsors we find – which would be matched by ArtsVest! Please consider: *Might your employer want to be a sponsor? Might you, your partner, your parents, your children, or your family members have a business and might want to be a sponsor with SMT?* If so, please reach out to next year’s Board to help SMT take advantage of this fabulous opportunity!

Grants, employer – We have had several successful instances of receiving grants from members’ employers. A number of corporate employers have programs in which they provide grants to charities with which their employees volunteer. This is a key way in which all members of SMT can help raise funds. If your employer has such a program, we strongly ask you to become involved in it. If you are unsure, we sincerely request you ask. Even seemingly small amounts add up very quickly.

Donations, employer – Many companies offer to match donations made by their employees to registered charities. SMT is a registered charity! Investigate if your employer offers this benefit. Reach out to the SMT Treasurer if you need help successfully accessing this benefit from your employer. Let’s do our best to explore and close every opportunity!

Grant assistance, COVID – This is certainly a unique, and temporary opportunity. SMT needs to watch next year for all new COVID assistance programs that might arise. We never want to “leave money on the table” – especially in a season in which we will likely be unable to run with full-sized houses.

Grants, general – This year, the Board did not have the manpower – to work on general grant applications. In order to be successful, organizations such as ours must give this area a great deal of time, dedication, and attention to detail. In many cases, the grants available are for specific strategic growth initiatives. To be successful here, we need a dedicated lead and a clearly articulated strategic plan. Having that lead and that plan will greatly increase our ability to apply for, and our chances of receiving, grant money.

And once we get back to running shows ...

Program advertising – This past season we did not run any shows, and thus we could not generate any revenue from program advertising. But this area has great potential. Other groups have been able to raise close to \$5,000 in a simple season. Even \$1,000 added to SMT’s bottom line would be of help.

- We run three shows a year, we distribute 1,700 to 2,700 programs per show. That’s a possible 8,000 programs in all! These programs are read by a diverse demographic, but one that has certain “peaks” (50%+ in Greater Scarborough Area; 75%+ who are 55 years or older; etc.).
- This is a great revenue-line opportunity for next year. An interested individual (or team of friends) who took the time to identify one or two (or five?) key retailers could raise \$200, \$500, or \$1,000 per show – which would be an amazing and value-added achievement.

Sponsored performances – Selling a sponsored performance to one or more organizations is a significant way to raise revenue for SMT. Sponsored performances are not tied to overall ticket sales. The past several seasons, we did not generate any revenue from sponsored performances. However, we could operate one to two sponsored performances during any of our three shows. That could translate to up to 6 x \$4,000 (in a normal season), or \$24,000 towards SMT’s bottom line. Think about where you work, where your partner works, where your parents work, and where your friends work, and consider reaching out to any of these companies to see if they might be interested in participating in sponsoring an SMT performance.