

PARALLEL 45 THEATRE FESTIVAL

You will note a dramatic leap in operating revenue from FY2018 to FY2019, particularly earned revenue, as well as similar leaps in program expenses, notably independent contractor expenses.

This is explained by Parallel 45's 2019 launch of a summer festival season in rotating repertory, allowing us to produce multiple plays over the course of the summer utilizing one group of professional theatre artists, alternating performances daily. Theatre professionals traveled from as far away as London and as close as Traverse City to create world-class programming for our community of visiting, seasonal, and year-round residents. Additionally, this new model allowed for enhanced educational offerings, training the next generation of performing arts leaders via a robust apprentice program, the first in our region. This support allowed us to build on the success of our first 8 seasons to engage more audience, produce more theatre, employ more artists, and have a greater impact on our community. Throughout the shoulder season, we produced a contemporary play-reading series free of charge to our community, operated a theatre education program, collaborated with The MITTEN Lab artist residency incubating new work, and enjoyed a multi-faceted partnership with Interlochen Center for the Arts, including a residency program for directors, devisers, and other theatre-makers.

The dramatic revenue increases from our previous operational model (reflected by FY2017 and FY2018 numbers), are an exciting indicator of rotating repertory's potential to move Parallel 45 to the industry standard ticket ratio of 41% over the next 5 years.

The independent contractor expenses are where artist wages are reflected.



Organization Information

Organization name: **Parallel 45, Inc.**
 City: Traverse City
 State: MI
 County: Grand Traverse
 NISP Discipline: 4 - Theatre
 NISP Institution: 3 - Performing Group
 NTEE: A65 - Theater

Federal ID #: 262125174
 Year organization founded: 2007
 Organization type: 501(c)3 nonprofit organization
 Fiscal year end date: 08-31
 DUNS #: 963985747
 Full-time staff: 2
 Paid FTEs: 2

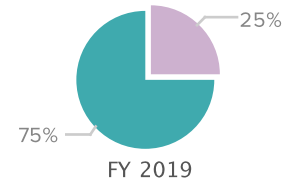
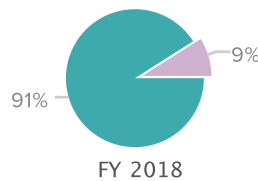
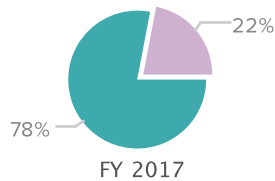
Applicant is not audited or reviewed by an independent accounting firm.

A display value of -0% signifies a value of less than +/- 0.5%

Unrestricted Activity	FY 2017	FY 2018	% Change	FY 2019	% Change
Unrestricted Operating Revenue					
Earned Program	\$44,258	\$18,689	-58%	\$108,160	479%
Earned Non-program	\$4,360	\$879	-80%	\$33,183	3,675%
Total Earned Revenue	\$48,618	\$19,568	-60%	\$141,343	622%
Investment Revenue			n/a		n/a
Contributed Revenue	\$174,616	\$194,072	11%	\$435,004	124%
Total Unrestricted Operating Revenue	\$223,234	\$213,640	-4%	\$576,347	170%
Less in-kind	(\$14,928)	(\$8,000)	-46%		-100%
Total Unrestricted Operating Revenue Less In-kind	\$208,306	\$205,640	-1%	\$576,347	180%
Expenses by Functional Total					
Program	\$196,395	\$68,533	-65%	\$331,725	384%
Fundraising	\$28,952	\$33,042	14%	\$42,941	30%
General & Administrative	\$51,578	\$78,965	53%	\$137,147	74%
Total Operating Expenses	\$276,925	\$180,540	-35%	\$511,813	183%
Less in-kind	(\$14,928)	(\$8,000)	-46%		-100%
Total Operating Expenses Less In-kind	\$261,997	\$172,540	-34%	\$511,813	197%
Net Unrestricted Activity - Operating	-\$53,691	\$33,100	162%	\$64,534	95%
Net Unrestricted Activity - Non-operating			n/a		n/a
Total Net Unrestricted Activity	-\$53,691	\$33,100	162%	\$64,534	95%
Net Restricted Activity		\$5,000	n/a	\$107,500	2,050%
Net Total Activity	-\$53,691	\$38,100	171%	\$172,034	352%

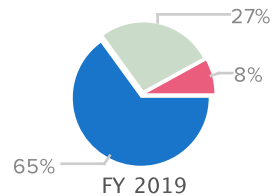
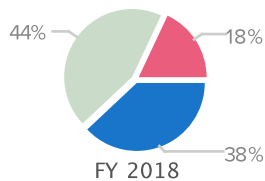
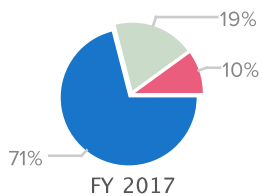
Revenue by Source

- Earned
- Investment
- Contributed



Expenses by Functional Grouping

- Program
- General & Administrative
- Fundraising



Revenue Details

	FY 2017	FY 2018	FY 2019	FY 2019	FY 2019
	Total	Total	Total	Unrestricted	Restricted
Operating Revenue					
Earned - Program					
Performance subscriptions - full	\$5,648		\$12,341	\$12,341	
Single ticket sales	\$11,990	\$18,689	\$90,819	\$90,819	
Group ticket sales	\$870				
Touring fees	\$25,750		\$5,000	\$5,000	
Total earned - program	\$44,258	\$18,689	\$108,160	\$108,160	\$0
Earned - Non-program					
Food and concessions		\$234	\$7,001	\$7,001	
Gift shop and merchandise fees	\$960	\$445	\$2,382	\$2,382	
Advertising revenue			\$5,800	\$5,800	
Sponsorship revenue	\$1,800		\$18,000	\$18,000	
Other earned revenue	\$1,600	\$200			
Total earned - non-program	\$4,360	\$879	\$33,183	\$33,183	\$0
Total earned revenue	\$48,618	\$19,568	\$141,343	\$141,343	

	FY 2017	FY 2018	FY 2019	FY 2019	FY 2019
Contributed	Total	Total	Total	Unrestricted	Restricted
Trustee & board	\$7,250	\$25,795	\$98,295	\$98,295	
Individual	\$65,134	\$57,707	\$211,659	\$211,659	
Corporate	\$2,800	\$20	\$0		
Foundation	\$67,004	\$95,450	\$172,700	\$112,700	\$60,000
State government	\$15,750	\$12,100	\$59,850	\$12,350	\$47,500
Federal government	\$1,750	\$0	\$0		
In-kind operating contributions	\$14,928	\$8,000	\$0		
Net assets released from restriction	\$0	\$0	\$0		
Total contributed revenue	\$174,616	\$199,072	\$542,504	\$435,004	\$107,500
Operating investment revenue	\$0	\$0	\$0		
Total operating revenue	\$223,234	\$218,640	\$683,847	\$576,347	\$107,500
Total operating revenue less in-kind	\$208,306	\$210,640	\$683,847	\$576,347	\$107,500
Transfers and re-classifications					
Total non-operating revenue	\$0	\$0	\$0		
Total revenue	\$223,234	\$218,640	\$683,847	\$576,347	\$107,500
Total revenue less in-kind	\$208,306	\$210,640	\$683,847	\$576,347	\$107,500

Expense Details

	FY 2017 Total	FY 2018 Total	% Change	FY 2019 Total	% Change	FY 2019 Program	FY 2019 Fundraising	FY 2019 General & Administrative
Personnel expenses - Operating								
W2 employees (salaries, payroll taxes and fringe benefits)	\$56,948	\$115,074	102%	\$119,585	4%	\$40,313	\$32,917	\$46,355
Independent contractors	\$83,383	\$27,447	-67%	\$217,647	693%	\$177,545		\$40,102
Professional fees	\$10,920	\$11,368	4%	\$29,789	162%			\$29,789
Total personnel expenses - Operating	\$151,251	\$153,889	2%	\$367,021	138%	\$217,858	\$32,917	\$116,246
Non-personnel expenses - Operating								
Advertising and promotion	\$7,075	\$992	-86%	\$12,343	1,144%	\$12,343		
Conferences and meetings	\$80	\$0	-100%	\$534	n/a	\$534		
Dues and subscriptions	\$150	\$200	33%	\$918	359%	\$720	\$198	
Insurance	\$2,748	\$2,124	-23%	\$11,193	427%			\$11,193
Occupancy costs	\$12,201	\$10,529	-14%	\$68,248	548%	\$61,648		\$6,600
Office and administration	\$228	\$319	40%	\$1,215	281%	\$694		\$521
Printing, postage and shipping	\$2,153	\$1,209	-44%	\$8,435	598%	\$1,181	\$7,241	\$13
Travel	\$250	\$2,852	1,041%	\$1,939	-32%	\$1,724	\$215	
Royalties, rights and reproductions	\$3,190	\$758	-76%	\$8,006	956%	\$8,006		
Productions and events costs	\$96,139	\$4,220	-96%	\$22,919	443%	\$20,549	\$2,370	
Interest expense	\$0	\$1,542	n/a	\$2,574	67%			\$2,574
Other operating expenses	\$1,460	\$1,906	31%	\$0	-100%			
Depreciation	\$0	\$0	n/a	\$6,468	n/a	\$6,468		
Total non-personnel expenses - Operating	\$125,674	\$26,651	-79%	\$144,792	443%	\$113,867	\$10,024	\$20,901
Total operating expenses	\$276,925	\$180,540	-35%	\$511,813	183%	\$331,725	\$42,941	\$137,147
Non-operating personnel expenses	\$0	\$0	n/a	\$0	n/a			
Non-operating non-personnel expenses	\$0	\$0	n/a	\$0	n/a			
Total expenses	\$276,925	\$180,540	-35%	\$511,813	183%	\$331,725	\$42,941	\$137,147
Total expenses less in-kind	\$261,997	\$172,540	-34%	\$511,813	197%			
Total expenses less depreciation	\$276,925	\$180,540	-35%	\$505,345	180%			
Total expenses less in-kind and depreciation	\$261,997	\$172,540	-34%	\$505,345	193%			

Balance Sheet

Assets	FY 2017	FY 2018	% Change	FY 2019	% Change
Current assets					
Cash	\$5,711	\$34,998	513%	\$21,196	-39%
Receivables	\$0	\$15,000	n/a	\$1,971	-87%
Investments			n/a		n/a
Prepaid expenses & other	\$639	\$1,594	149%	\$639	-60%
Total current assets	\$6,350	\$51,592	712%	\$23,806	-54%
Non-current investments					
Fixed assets (net)	\$0	\$0	n/a	\$144,942	n/a
Other non-current assets	\$0	\$0	n/a	\$2,500	n/a
Total non-current assets	\$0	\$0	n/a	\$147,442	n/a
Total assets	\$6,350	\$51,592	712%	\$171,248	232%
Liabilities & Net Assets					
Liabilities & Net Assets	FY 2017	FY 2018	% Change	FY 2019	% Change
Liabilities					
Accounts payable & other	\$339	\$553	63%	\$5,427	881%
Loans & other debt		\$31,875	n/a	\$36,875	16%
Deferred revenue			n/a		n/a
Total current liabilities	\$339	\$32,428	9,466%	\$42,302	30%
Non-current liabilities	\$0	\$0	n/a	\$0	n/a
Total liabilities	\$339	\$32,428	9,466%	\$42,302	30%
Net assets					
Unrestricted	\$69,555	\$14,163	-80%	\$41,846	195%
Restricted		\$5,000	n/a	\$87,100	1,642%
Total net assets	\$6,011	\$19,164	219%	\$128,946	573%
Total liabilities & net assets	\$6,350	\$51,592	712%	\$171,248	232%

Balance Sheet Metrics

	FY 2017	FY 2018	FY 2019
Months of Operating Cash	0	2	0
Total working capital	\$6,011	\$19,164	-\$18,496
Current Ratio	18.73	1.59	0.56
Debt Service Impact		19%	8%
Unrestricted Net Assets Net of Property, Plant and Equipment	n/a	n/a	
Operating Margin	-24%	18%	30%
Depreciation as a % of Fixed Assets	n/a	n/a	n/a
Leverage Ratio			

Months of Operating Cash represents the number of months an organization can operate at current average monthly expense levels with existing cash and cash equivalents. $\text{Cash} + \text{Cash Equivalents} / (\text{Total Expense} / 12)$. The ratio is calculated using total numbers since this organization does not have a disaggregated balance sheet.

Total Working Capital consists of the resources available for operations, and in this report is calculated as total current assets minus total current liabilities since this organization does not have a disaggregated balance sheet. This calculation of working capital may differ from your internal calculations. Adequate working capital provides financial strength and flexibility to your organization, the ability to meet obligations as they come due, and the ability to take more risks, knowing there is a cushion to fall back on

Current Ratio (Current Assets divided by Current Liabilities) determines the organization's ability to pay current debt using current assets. The higher the ratio, the more capable the organization is of paying its obligations. The ratio is calculated using unrestricted numbers only.

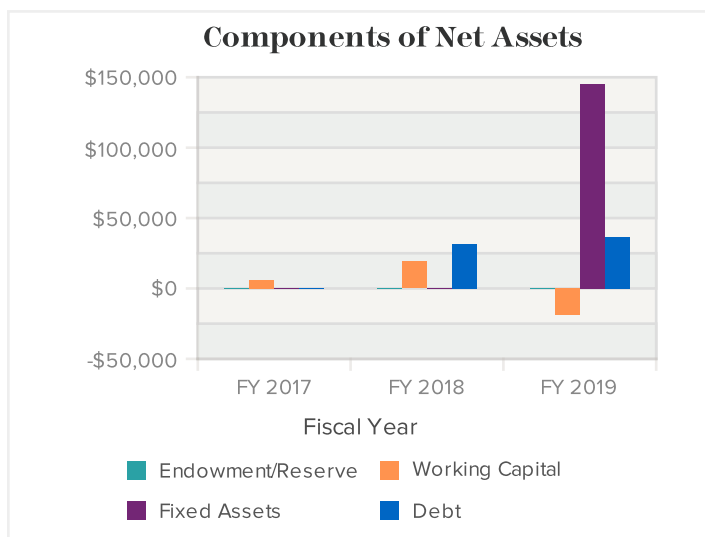
Debt Service Impact (Total Debt Service including principal and interest divided by Total Expense) calculates the % of an organization's total expenses applied to the total debt-service burden, e.g. a mortgage).

Unrestricted Net Assets Net of Property, Plant and Equipment (Unrestricted Net Assets - (Net Fixed Assets - Mortgage Debt)) shows what the organization's unrestricted net assets would be if they did not own any property, or have any debts associated with that property. Because this calculation is based on unrestricted values for net assets and fixed assets, if an organization fills out a single column balance sheet and does not separate fixed assets into restricted and unrestricted categories, this value will be blank

Operating Margin (Change in Net Assets divided by Total Unrestricted Operating Revenue) is a measurement of the organizations efficiency in operating. The higher the margin, the more sustainable the organization because it's using more reliable sources of revenue to operate. Low ratios indicate that an organization is using revenue sources with a higher degree of variability and uncertainty. Negative operating margins highlight losses, and an organization's need to increase revenue, decrease expenses, or both, to be sustainable over time.

Depreciation as a % of Fixed Assets indicates the potential need for replacement or repair of fixed assets (such as buildings, furniture, office equipment, sets and props); especially significant for organizations that own a building or carry a long-term lease.

Leverage Ratio (Total Debt divided by Total Assets) measures what proportion of your assets are supported by debt. A number in excess of 50% may indicate liquidity problems, or reduced capacity for future borrowing.



Attendance

In-person Participation	FY 2017	FY 2018	% Change	FY 2019	% Change
In-person participation - paid	3,921	820	-79%	2,909	255%
In-person participation - free	440	600	36%	481	-20%
Total in-person participation	4,361	1,420	-67%	3,390	139%

Types of In-person Attendance	FY 2017	FY 2018	% Change	FY 2019	% Change
Performance tickets	4,256	1,280	-70%	3,390	165%
Registrants for classes/workshops	40	140	250%		-100%
Lecture attendees	65		-100%		n/a
Total in-person participation	4,361	1,420	-67%	3,390	139%

Attendance Ages	FY 2017	FY 2018	% Change	FY 2019	% Change
Children (18 and under)	858	500	-42%		-100%
Children served in schools	40		-100%		n/a
Seniors	1,165	520	-55%		-100%
Adults	2,338	400	-83%		-100%

Other Participation	FY 2017	FY 2018	% Change	FY 2019	% Change
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Staffing

Staff & Non-Staff Statistics	FY 2017	FY 2018	% Change	FY 2019	% Change
Full-time permanent employees	1	2	100%	2	0%
Number of part-time or one-time volunteers	15	12	-20%	25	108%
Part-time or one-time volunteers - FTEs	0.08	0.02	-75%	0.15	650%
Independent contractors	43	17	-60%	66	288%
Number of interns and apprentices	1		-100%		n/a

Artistic Staff & Non-Staff Statistics	FY 2017	FY 2018	% Change	FY 2019	% Change
Full-time employees that are artists	0	1	n/a	1	0%
Independent contractors that are artists	42	15	-64%	60	300%

Program Activity

			% Change		% Change
Distinct productions	3	3	0%	6	100%
Total performances	34	11	-68%	30	173%
Works commissioned	1		-100%		n/a
Distinct classes/workshops	1	1	0%		-100%
Total classes/class sessions	1	2	100%	0	-100%
Distinct lectures	1		-100%		n/a
Lecture occurrences	1		-100%		n/a
Programs offered in schools	1		-100%		n/a
Hours of programming in schools	1		-100%		n/a
Number of schools served	1		-100%		n/a
Artists placed in schools	2		-100%		n/a