

Performing Arts Center at Simsbury Meadows

November 10, 2010

Board of Selectmen
Town of Simsbury

In his year-end report, PAC Manager David Bell offered the following summary of the season's activity:

"The summer events calendar was active from the first weekend of June through the first week of August. In addition to the five concert (reduced from six of the previous season) Talcott Mountain Music Festival, there were performances by the Tirebiter Band, the Simsbury Community Band and the Nifty Fifties Band. This summer's non-entertainment events included a return of the Hartford Half Marathon, The Calhoun Cancer Ride, Trails-In-Motion and the Simsbury High School Commencement."

The five 2010 Talcott Mountain Music Festival Concerts realized a significant increase in attendance over 2009, with six concerts. Per ticket fees received were \$47,930, compared with \$40,869 last year. The HSO management team expressed great appreciation for the facilities and the personnel support of the Performing Arts Center. Better weather was undoubtedly a factor in the increased attendance over 2009. However, improved marketing and operations by the HSO and the PAC management was also important evidenced by the fact that attendance was way up over the years prior to 2009.

Overall, the PAC at SM ended the year with a positive cash flow of \$2,561. Town labor allocations from other departments totaled \$9,021, and GASB depreciation was \$34,047. The PAC Board voted to recommend the establishment of a non-profit corporation whose purpose will be to raise funds for the enhancement and expansion of the Performing Arts Center at Simsbury Meadows. The PAC Board recognizes that it is essential to make investments that will reduce annual operating costs for the TMMF, and that will make the facility more competitive to attract additional entertainment events. Additional events will add to the quality of life in Simsbury and will help amortize fixed annual operating expenses. The PAC Board is undertaking marketing and capital needs assessments that will guide fund-raising and expansion programs.

On July 28, 2010, the "red barn" storage building on the PAC site burned, with the cause yet undetermined. The PAC Board, at its September 22nd meeting, passed a motion to recommend that it be re-built to be ready for the 2010-2011 season. Insurance, less a \$10,000 deductible, will cover the rebuilding cost.

At the end of the season, the PAC Board issued an RFP for a PAC Manager for the 2010-2011 Season.

Attached is the 2010 Financial Report. It was prepared by John Wilcox, Asst. Finance Director/Asst. Treasurer, Town of Simsbury. It comprises a P & L for the year ended September 30, 2010 and a Balance Sheet as of September 30, 2010, together with three footnotes. The footnotes provide details for (1) revenues (2) expenses and (3) cost allocations.

The allocations of costs include Town employee time and GASB 34 depreciation. The actual Town employee costs are covered in their departmental budgets and do not represent a PAC cash outflow. These Town employee costs were 10% less than 2009.

In accordance with the mandate established by GASB 34, the Town of Simsbury calculates depreciation schedules for fixed assets. This non-cash cost is a standard accounting practice designed to recognize that a fixed asset normally has a declining value over its life. The PAC Board has established a policy that the Performing Arts Center at Simsbury Meadows will operate on a positive cash flow basis. That policy means that operations will not be expected to generate real cash income to offset depreciation. Depreciation is used an indicator of residual life of the PAC assets. See Footnote 3 for the GASB 34 depreciation table.

The last attachment page is an accounting for complimentary tickets during the 2010 Season.

David R. Ryan
Chairman
Performing Arts Center Board

Performing Arts Center at Simsbury Meadows

Town of Simsbury
Performing Arts Center at Simsbury Meadows
Fund 239
Statement of Revenue Over Expenditures
Fiscal Year 10/1/2009 to 9/30/2010

	2010
Revenues	
Band Shell Fees	\$ 74,600
Donations	-
Facility Maintenance Fees	47,930
Concessions	1,992
Parking	833
Miscellaneous	
Total revenues	<u>125,355</u> Footnote 1
Expenditures	
Salary and Benefits	12,347
Support Services	49,598 Footnote 2
Equipment rental	57,055 Footnote 2
Telephone	547 Footnote 2
Postage	34 Footnote 2
Electricity	2,772 Footnote 2
Ground Improvements	441
Total expenditures	<u>122,794</u>
Excess of revenues over expenditures	<u>2,561</u>
Expenses not charged to Fund 239 (Footnote 3)	
Highway Department - salaries and benefits	2,227
Culture, Park and Rec Department - salaries and benefits	6,078
Accounting Department - salaries and benefits	716
Total expenses not charged to Fund 239	<u>9,021</u>
Excess of expenditures over revenues and allocated expenses	<u>(6,460)</u>
Depreciation (GASB 34) (Footnote 3)	34,047
Excess of expenditures over revenues after expenses not charged to Fund 239 and depreciation	<u>\$ (40,507)</u>

Performing Arts Center at Simsbury Meadows

Town of Simsbury
Performing Arts Center at Simsbury Meadows
Fund 239
Statement of Assets, Liabilities and Fund Balance
September 30, 2010

	2010
Current Assets	
Cash	\$ 107,484
Accounts Receivable	
Total Current Assets	<u>\$ 107,484</u>
 Property, Plant and Equipment	
Performing Arts Center, net of accumulated depreciation of \$160,588	1,124,127
Barn Improvements, net of accumulated depreciation of \$52,206	73,102
Total Property, Plant and Equipment	<u>1,197,229</u>
 Total Assets	 <u>1,304,713</u>
 Current Liabilities	
Accounts Payable	4,300
Accrued Expenses	290
Total Current Liabilities	<u>4,590</u>
 Fund Balance	
Fund Balance per general ledger	102,894
Net book value of property, plant and equipment	1,197,229
Total Fund Balance	<u>1,300,123</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,304,713</u>

Performing Arts Center at Simsbury Meadows

**Town of Simsbury
Performing Arts Center at Simsbury Meadows
Fund 239
Footnote 1 - Revenue Detail
Fiscal Year - 10/1/09 - 9/30/10**

Revenue Source	Amount
Account 42300 - Band shell Fees	
Hartford Symphony	\$ 67,800
Hartford Marathon	3,500
University of CT Foundation	3,500
Total	<u>74,800</u>
Account 42301 - Band shell Facility Maintenance Fees	
Hartford Symphony	\$ 47,930
Total	<u>\$ 47,930</u>
Account 42302 - Band shell - Concessions	
Hartford Symphony	92
Keifer Kettle Korn	118
J. Foster's	808
Flamig Farms	179
Kane's	795
Total	<u>\$ 1,992</u>
Account 42303 - Parking Revenue	
Hartford Symphony	\$ 833
Total	<u>\$ 833</u>

Performing Arts Center at Simsbury Meadows

Town of Simsbury
 Performing Arts Center at Simsbury Meadows
 Fund 239
 Footnote 2 - Expenditure Detail
 Fiscal Year - 10/1/09 - 930/10

Account 03210 - Support Services

Vendor	Amount	Type of Expense
Academic Theatre Consultants, LLC.	\$ 25,000	Concert Management
Academic Theatre Consultants, LLC.	\$ 847	Concession revenue commission
Distel Productions	(35)	Commissions
American Thunder Fireworks, Inc.	9,000	Fireworks
Paine's Inc	4,419	Trash removal
Warner Nursery	2,600	Ground maintenance
Simsbury Fire District	1,800	Standby firefighters
Theatrical Stage	1,873	Lighting Towers (\$1,063 Removal for FY 09)
AT&T	1,169	Telephone (-\$353 Refund of FY 09 Exp)
Ski Mountain Supply	398	Event Fencing
Home Depot	779	Miscellaneous Supplies
Valley Home and Garden	51	Miscellaneous Supplies - FY09 Expenses
Valley Home and Garden	182	Miscellaneous Supplies
Hartford Symphony Orchestra	(8)	HSD Share of concessions FY09
Hartford Symphony Orchestra	540	Table/Candle Rental (\$540 for FY 09 Expenses)
Nick Buccarella	25	Miscellaneous Supplies/excess cell phone use
Simsrott-Eoho Farms	914	Parking lot grading
Welden Hardware	44	Miscellaneous Supplies
2010 Support Services	<u>\$ 49,598</u>	

Account 04400 - Rentals

Vendor	Amount	Type of Expense
Connecticut Party Rentals	1,085	Tents, Tables, and Chairs (\$1,085 for 8/29/09 Show)
Connecticut Party Rentals	18,920	Tents, Tables, and Chairs
David Bell	400	Trailer furniture rentals
Modular Space Co.	6,750	Trailer rentals
Ron's Golf Car Rental, Inc	1,050	Golf Carts/Canopy
Show Lighting Corp.	9,050	Light Rentals
United Rentals	3,230	Equipment Rentals
United Site Service	4,785	Portable toilet rental and pumping
United Staging and Rigging	11,785	Sound Bays
2010 Rentals	<u>\$ 57,055</u>	

Account 05310 - Telephone

Vendor	Amount	Type of Expense
Nicholas Buccarella	157	Excess cell usage
AT&T	390	Telephone
2010 Telephone	<u>547</u>	

Account 05320 - Postage

Vendor	Amount	Type of Expense
UPS Freight	<u>34</u>	Supply shipment

Account 06220 - Electricity

Vendor	Amount	Type of Expense
CL&P	2,264	Electricity
Valley Electric	<u>508</u>	Wire disconnect fee
2010 Electricity	<u>2,772</u>	

Account 07370 - Ground Improvements

Vendor	Amount	Type of Expense
Nick Buccarella	20	Rake/Shovel
Pioneer Manufacturing	350	Line paint
Valley Home and Garden	71	Miscellaneous Supplies
2010 Ground Improvements	<u>\$ 441</u>	

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Town of Simsbury
Performing Arts Center at Simsbury Meadows
Footnote 3 - Expense Allocations
Fiscal Year - 10/1/09 - 9/30/10

Highway Department

Fence Installation - Based on actual time submitted	1,782.88	
Parking Lot Watering - Hours worked	6.00	
Average pay rate for Highway Department	<u>24.75</u>	/ hour
Total Parking Lot Watering	<u>\$ 148.50</u>	
Total Highway Wages paid	1,931.18	
FICA/Medicare	<u>147.74</u>	
Total wages and payroll taxes	<u>\$ 2,227.42</u>	

Culture Park and Recreation

Management	4,044.00	5 hours/week for 16 weeks @ \$50.55/hr
Landscaping *	\$ 336.00	30 hours @ \$22.40 per hour x 1/2 + 30 hours @ \$22.40 per hour x 1/2
Mowing and trimming *	452.00	30 hours @ \$7.72 per hour x 1/2
Parking lot preparation	336.00	15 hours @ \$22.40 per hour
Mechanical	114.00	5 hours @ \$22.79 per hour
Site maintenance supervision	364.00	10 hours @ \$36.42 per hour
Materials (line paint)		
Total wages and materials	5,646.00	
FICA/Medicare	<u>431.92</u>	
Total Culture, Park and Recreation	<u>\$ 6,077.92</u>	

* - The hours listed are for the total time spent mowing and landscaping. Since, the fields are also used for other activities, only 1/2 of the expense was allocated to the Band Shell

Accounting

Financial statement preparation	16.00	hours (1 hour/week June through Sept)
Salary per hour	<u>\$ 41.56</u>	
Total salary	664.96	
FICA/Medicare	<u>50.87</u>	
Total Accounting	<u>\$ 715.83</u>	

Depreciation

Asset	Cost	Life	
Performing Arts Center	1,284,715	50 Years	\$ 25,694.00
Bam Improvements	64,699	15 Years	4,313.00
Bam Improvements	32,677	15 Years	2,178.00
Bam Improvements	27,932	15 Years	1,862.00
Total Depreciation			<u>\$ 34,047.00</u>

Performing Arts Center at Simsbury Meadows

The Performing Arts Center at Simsbury Meadows Complimentary Ticket Policy

All complimentary tickets issued to the Town of Simsbury shall be controlled by the Performing Arts Center Board. It shall be the policy of the Performing Arts Center Board that no event tickets will be given to any Town of Simsbury employee, elected official or appointed official for personal use. Tickets are to be used for promotional and fund-raising purposes and shall be accounted for in detail and reported in the PAC at SM Annual Report.

Accounting for 2010 Complimentary Tickets:

HS TMMF Concerts:

At its meeting on May 12, 2010, the PAC Board voted to contribute one table (8 tickets) per TMMF concert to the Simsbury Rotary Club for its annual fund-raising event. These tickets were the only complimentary tickets used; the remaining contractual TMMF tickets were retained by the HSO.