

## **Performing Arts Center at Simsbury Meadows**

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November 20, 2008

Board of Selectmen  
Town of Simsbury

The Performing Arts Center at Simsbury Meadows 2008 Season featured five Talcott Mountain Music Festival Concerts and the Sound-Off Summer Music Festival that drew paid attendance in excess of 21,000. From a concert attendee's perspective, there was no evidence of the major changes in organization and management. The new HSO management team expressed great appreciation for the facilities and the personnel support of the Performing Arts Center.

During 2008, the Performing Arts Center Board was created and charged with the oversight of the Performing Arts Center at Simsbury Meadows. Following the recommendation of a PAC Task Force, the Town of Simsbury staff contracted a PAC manager, Keith Distel. With guidance from Town staff, particularly, Culture, Parks and Recreation Director, Gerry Toner, Distel met the needs of the concert audiences and the concert promoters. He was hired too late in the season to book any additional major outside events.

You have approved our request to contract with Keith Distel to manage the 2009 Season. He is already hard at work on landing additional major events for 2009. As will be evident from our 2008 Financial Report, these additional events are a key to meeting our 2009 financial goals and to ensuring the long term success of the Performing Arts Center at Simsbury Meadows.

Attached is a Financial Report covering the 2008 Season. 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, 2008 and a Balance Sheet as of September 30, 2008, together with three footnotes. As the Task force had surmised, there are Town contributions in-kind that, to this point, had not been recognized. Please see Footnote 3 for those details.

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 challenge before the PAC Board and the Manager is to find ways to cover these costs in presenting a 2009 season of entertainment.

David R. Ryan  
Chairman  
Performing Arts Center Board

**Town of Simsbury**  
**Performing Arts Center at Simsbury Meadows**  
**Fund 239**  
**Statement of Revenue Over Expenditures**  
**Fiscal Year Ending September 30, 2008**

	<b>2008</b>	
<b>Revenues</b>		
Band Shell Fees	\$ 22,710	
Donations	11,100	
Expense Reimbursements	50,135	
Total revenues	<u>83,945</u>	Footnote 1
<b>Expenditures</b>		
Salary and Benefits	4,774	
Support Services	72,739	Footnote 2
Rentals	293	
Telephone	48	
Grounds Improvements	983	
Total expenditures	<u>78,837</u>	
<b>Excess of revenues over expenditures</b>	<u>5,108</u>	
<b>Expenses not charged to Fund 239 (Footnote 3)</b>		
Highway Department – salaries and benefits	3,337	
Culture, Park and Rec Department – salaries and benefits	2,069	
Accounting Department – salaries and benefits	623	
Total expenses not charged to Fund 239	<u>6,029</u>	
<b>Excess of revenues over expenditures and allocated expenses</b>	<u>(921)</u>	
<b>Depreciation (GASB 34) (Footnote 3)</b>	34,047	
<b>Excess of expenditures over revenues</b>		
<b>after expenses not charged to Fund 239 and depreciation</b>	<u>\$ (34,968)</u>	

**Town of Simsbury**  
**Performing Arts Center at Simsbury Meadows**  
**Fund 239**  
**Statement of Assets, Liabilities and Fund Balance**  
**September 30, 2008**

	<b>2008</b>
<b>Current Assets</b>	
Cash	\$ 111,483
<b>Property, Plant and Equipment</b>	
Performing Arts Center, net of accumulated depreciation of \$109,200	1,175,515
Barn Improvements, net of accumulated depreciation of \$35,500	<u>89,808</u>
Total Property, Plant and Equipment	<u>1,265,323</u>
 <b>Total Assets</b>	 <u>1,376,806</u>
 <b>Current Liabilities</b>	
Accounts Payable	9,498
Accrued Expenses	<u>-</u>
Total Current Liabilities	<u>9,498</u>
 <b>Fund Balance</b>	
Fund Balance per general ledger	101,985
Net book value of property, plant and equipment	<u>1,265,323</u>
Total Fund Balance	<u>1,367,308</u>
 <b>Total Liabilities and Fund Balance</b>	 <u>\$ 1,376,806</u>

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**Town of Simsbury**  
**Performing Arts Center at Simsbury Meadows**  
**Fund 239**  
**Footnote 1 - Revenue Detail**  
**Fiscal Year Ending - 9/30/08**

<b>Revenue Source</b>	<b>Amount</b>
Account 42300 – Band shell Fees	
Hartford Symphony	\$ 21,566
Vicevich	735
Other	409
Total	<u>22,710</u>
Account 48971 – Donation	
Simsbury/Granby Rotary Club	10,000
Other	1,100
Total	<u>11,100</u>
Account 48972 – Miscellaneous	
Hartford Symphony	47,559
Vicevich	2,576
Total	<u>\$ 50,135</u>

**Town of Simsbury**  
**Performing Arts Center at Simsbury Meadows**  
**Fund 239**  
**Footnote 2 - Expenditure Detail**  
**Fiscal Year Ending - 9/30/08**

Account 03210 – Support Services

Vendor	Amount	Type of Expense
Distel Productions	\$ 20,000	Concert Management
A Royal Flush	13,870	Port-O-Lets
United Staging	11,204	Staging (light towers)
Show Lighting	9,498	Field Lighting
Innovative Mosquito Management	5,250	Mosquito Control
Modular Space Corp	5,079	Trailer and Step Rentals
United Rentals	3,657	Fork Lift and Boom Rentals
Pioneer Manufacturing	1,268	Field Lining Paint
Hawkes Golf Vehicles	900	Golf Cart Rental
AT&T	671	Telephone
D.W. Burr Landscaping	500	Weekly Maintenance
Various	842	Other expenses
Total Support Services	<u>\$ 72,739</u>	

**Town of Simsbury**  
**Performing Arts Center at Simsbury Meadows**  
**Footnote 3 - Expense Allocations**  
**Fiscal Year Ending - 9/30/08**

**Highway Department**

Install and remove temporary fencing	112.00	man hours
Water parking lot on days of the events	<u>12.00</u>	man hours
Total man hours	124.00	
Average pay rate for Highway Department	<u>25.00</u>	/ hour
Total Wages	\$ 3,100.00	
FICA/Medicare	<u>237.15</u>	
Total wages and payroll taxes	<u>\$ 3,337.15</u>	

**Culture Park and Recreation**

Landscaping *	\$ 332.00	30 hours @ \$22.18 per hour x 1/2 30 hours @ \$22.18 per hour x 1/2 +
Mowing and trimming *	447.00	30 hours @ \$7.65 per hour x 1/2
Parking lot preparation	333.00	15 hours @ \$22.18 per hour
Mechanical	113.00	5 hours @ \$22.57 per hour
Site maintenance supervision	361.00	10 hours @ \$36.06 per hour
Materials (line paint)	<u>362.00</u>	
Total wages and materials	1,948.00	
FICA/Medicare	<u>121.33</u>	
Total Culture, Park and Recreation	<u>\$ 2,069.33</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>\$ 36.18</u>	
Total salary	578.88	
FICA/Medicare	<u>44.28</u>	
Total Accounting	<u>\$ 623.16</u>	

**Depreciation**

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