

PHASE I: STUDIO TENN THEATRE COMPANY
(Financial Summary)

Fiscal Year: August 1 thru July 31 in alignment with Studio Tenn Seasonal Calendar PHASE I Scope: Prelude to First Season, Season One, Season Two Financial Summary: Projected Startup Capital, Ticket & Sponsorship Revenues, Costs & Needs			
	FY '10-'11	FY '11-'12	Comments
Carryover Balance	-3,000	100,575	FY '10-'11/ \$3k payable from Our Town
REVENUE: Ticket Sales	221,300	513,900	
(Net of Scholarship Fund Contrib): Sponsor \$'s	183,000	242,600	
Startup / Operating Capital	150,000	NA	
TOTAL REVENUE	554,300	756,500	
Net Balance after Carryover	551,300	857,075	
ADMINISTRATIVE			
Principals (2)	90,000	125,000	\$45k & \$62.5k ea (Comments below)
Educational Director	→→	→→	\$35k/45k Yrs 1 & 2 (Included in Educ Outreach Breakeven Assumption)
Administrative Assistant	30,000	31,000	
(8-1-10) Mgr Fin/Acct'g	37,500	38,400	
(2-1-11) Mk't Director	20,000	45,000	\$50k thereafter
2nd Admin Ass't (Season 2)		30,000	Or Intern
Technical Director (Season 2)		37,500	\$45k, \$50k thereafter
(9-15-11) Stage Manager		30,960	\$35,000 Annual Rate
Web Site Mgr/Graphics Artist		8,750	Hire 5-1-12 (\$35,000 Annual Rate)
SUB TOTAL PAYROLL	177,500	346,610	
Payroll Taxes (9%)	15,975	31,195	9% of payroll
Est Benefits (10% of Payroll)	17,750	34,660	10% of payroll (Est.)
TOTAL PAYROLL	211,225	412,465	
Office Rent	12,000	13,000	Bargains plentiful / Needs minimal
Sponsor Events (3/Yr 1; 4/Yr 2)	6,000	8,000	Opening Night VIP Events
Supplies, Print, Postage, etc	7,000	10,000	
Promotional & Marketing	10,000	12,500	
General Expenses	6,500	9,000	Phones, Travel, Internet, Etc.
Legal	8,000	10,000	
Contingency fund	20,000	20,000	Educ Outr., Rehearsal Space? Other?
Miscellaneous	5,000	7,500	
TOTAL OTHER	74,500	90,000	
PRODUCTION BUDGET			
Plays	100,000	110,000	See Notes & Assumptions
Musicals	65,000	140,000	See Notes & Assumptions
***Give Back**	NA	NA	No revenue or cost
Student Show	NA	NA	In Educational B-even Assumption
TOTAL PRODUCTIONS COST	165,000	250,000	The company's foremost need at the outset is operating capital for startup of about \$125k to \$150k. Startup funding of \$200k to \$250k would guard the company against any potential liquidity downside at a minimum. It would furthermore establish a much needed cash cushion, and at the same time, begin fund development toward the broader vision for Studio Tenn.
TOTAL EXPENSES	450,725	752,465	
REVENUE LESS EXPENSES	100,575	104,610	

Production Costs & Assumptions		
EVENT	Season One	Season Two
Plays	\$50,000 x 2	\$55,000 x 2
Musicals	\$65,000 x 1	\$70,000 x 2
***Give Back** Student Show	NA *NA	NA *NA
TOTALS	\$165,000	\$250,000

Production Cost Assumptions:

- We will take full advantage of our experience in producing shows of great quality with little budget, including:
 - Costume/Wardrobe Design
 - Set Design, Props, etc.
- We will attempt to leverage through strategic alliance a mutual exchange of equal benefit with a top notch university theatre program to include:
 - Use of theatre facilities
 - Highly capable ensemble casting for ST productions (w/out cost)
 - We provide great quality experience, course accreditation, extensive career development and invaluable career connection/exposure.
- We will use equity actors complimented with non equity in order to stage great talent without breaking the bank. We will draw from local resources and from NY, LA, Chicago and elsewhere as needs require.
- **Our Town:** One example of a terrific show that utilized both equity & non equity talent, garnered impressive reviews, yet done for a cost effective \$36,400 all-in.
- Season two assumes a little heavier use of talent with Broadway & Film credit, but still a healthy mix.
- The First Season's lineup must be rich with impact & excitement as a new theatre in the market attempting to achieve top shelf position. While quality standards will not be compromised, some terrific shows can be staged with a minimal budget.
- The first major musical production will be Hello Dolly with much of the wardrobe need & set design already available with no cost to S. Tenn.

*** NOTES:**

- **REVENUE:** This proforma does not include the following prospective upsides:
 - **Public Grant Funding:** Potential for this being pursued but not assumed in our forecast
 - **Other Enhancement Initiatives:** (Not likely to benefit FY '10-'11, but perhaps thereafter): "Signature Ticket Initiative", the sale & rental of ST costumes, sets/set designs.
- **Studio Tenn Educational Outreach:** As a conservative hedge regarding assumptions, we are projecting the Outreach to breakeven in startup years one & two. We believe it will actually contribute to cash flow in year two but are projecting breakeven as a planning hedge.
- **Principals' Salaries:** Both are taking far less than current levels of compensation in the first two years as the company's foundation is established. Additional income likely to be available through production budgets (director, actor, etc.). Researching means to align incentive comp directly to results (within 501c3 regulations).
- **All New Staff Members:** Staff additions will be capable of assisting with accounting, local marketing, web-based needs, ticket sales, etc. (net: multiple hats)
- **"Give Back":** Internal buzz word for the annual (Show Hope) benefit that the company has elected to support