

| Studio Tenn Season Three: Expense Assumptions                      |                        |   | Notes  |               |
|--|------------------------|---|--|---------------|
| Payroll:   |                        | Comments  | Year 1 in TFT  |               |
| Principals (\$50k/ea Season Three; review capacity for more/Q4.)   | \$100,000              | In the 1st two Yrs Principals have only been able to take approx \$15k/ea (total)<br><br>Mitch White<br>Terrah Trimble<br>Mimi Johnston (Deep resume)<br><br><u>Not Included in Season Three:</u><br>2 Full-time Admins: Season 4<br>Dir Mkting: Season 4<br>Stage Mgr: Season 4<br><br>Teresa Driver<br>Anthony Matula | Almost all ST resources to date (2+ yrs) have been devoted to staging GREAT THEATRE. <u>Direct Production Expenses</u> in the year <u>just ended</u> were 59% of Gross Rev and 70% of Gross Ticket Sales. Production and Venue Expenses together represented 79% of Gross Rev and 100% of Gross Ticket Sales. The blessing we enjoy of heavy ticket demand requires at least a small staff to meet the growing needs that come with success. Any and all staff members must be well suited to the culture of excellence that we cultivate and require.                               |               |
| Technical Director (\$30k for Season 4)                            | \$25,000               |   |  |               |
| Costume/Props Mgr (\$30k for Season 4)                             | \$25,000               |   |  |               |
| Educ Dir (Qtr 1-No Exp, Qtr 2-\$15k annual rate, Thereafter \$30k) | \$18,750               |   |  |               |
| Dir of Fund Development (\$30k....starts Qtr 2....Nov 1)           | \$22,500               |   |  |               |
| SUB-TOTAL PAYROLL  | \$191,250              |   |  |               |
| Payroll Taxes (@ 9.25%)  | \$17,690               |   |  |               |
| Benefits (@ 10%)   | \$19,125               |   |  |               |
| TOTAL PAYROLL  | \$228,065              |   |  |               |
| <u>Outsourced Services:</u>  |                        |   |  |               |
| Accounting/Finance (\$200/wk)                                      | \$10,400               |   | DIRECT PROD EXP & VENUE EXP taken together will be in a range of \$670 to \$705k in the season to come, depending primarily on whether we have 10 weeks or 12 weeks of venue allocation. Two more weeks would add to Venue costs but would generate another \$125k to \$150k in ticket sales. The combined costs of these two expenses (Direct Prod & Venue) will represent approx 90% to 100% of Gross Ticket Sales. We expect to raise approx \$200k to \$250k in Contribution Revenue. Combined with ticket revenue that will place us within about \$100k to \$250k of our need. |               |
| Web Site Mgr/Graphics Artist (\$200/wk)                            | \$10,400               |   |  |               |
| Admin Assistant (small amount for occasional needs)                | \$7,500                |   |  |               |
| TOTAL OUTSOURCED   | \$28,300               |   |  |               |
| TOTAL PAYROLL + OUTSOURCED SERVICES                                | \$256,365              |   |  |               |
| <u>Production Budget:</u>  |                        | <u>Production Calendar</u>  |  | Year 2 in TFT |
| Smokey Joe's Café  | \$110,000              | Sept 20 - Oct 7   |  |               |
| 12 Angry Men   | \$60,000               | Oct 18 - Nov 4  |  |               |
| A Christmas Carol  | \$80,000               | Dec 6 - 16  |  |               |
| Big River  | \$115,000              | Feb 21 - Mar 3  |  |               |
| My Fair Lady   | \$140,000              | May 16 - June 2   |  |               |
| TOTAL Production Expenses  | \$505,000              |   |  |               |
| VENUE EXPENSE  | \$164,000 to \$197,000 | 10 to 12 wks; 75/25 Yr 2 in TFT   |  |               |
| <u>Other Expense:</u>  |                        | <u>Other:</u> office rent, general, print, postage, supplies, promotional, marketing, events, contingency, etc.   |  |               |
| Qtrs 1 and 2 (Including Box Office & Usher fees for 12 A Men)      | \$45,000               |   |  |               |
| Qtrs 3 and 4   | \$40,000               |   |  |               |
| TOTAL Other Expense  | \$85,000               |   |  |               |
| TOTAL EXPENSES   |                        | \$1,010,365 to \$1,043,365  | The more realistic total   |               |
| <u>Liquidity Coverage Goals (Cash Cushion):</u>                    |                        | This should be considered an important priority...but in reality is an expense only if funding success permits.   |  |               |
| • Goal 1: 1 Qtr of Coverage (non-prod & non-venue expenses)        | \$85,000               |   |  |               |
| • Goal 2: 1 more Qtr of Coverage/total of 2 Qtrs (same as above)   | \$85,000               |   |  |               |
| TOTAL GOAL for Liquidity Fund                                      | \$170,000              |   |  |               |
| Total Expense Budget for Season III, if half.....                  |                        | \$1,095,365   | Total with half Liquidity Need established   |               |
| or all of the Liquidity Fund is established.....                   |                        | \$1,180,365   | Total with full Liquidity Need established   |               |