

Working Draft

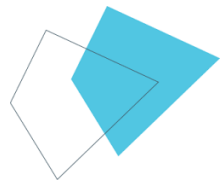


2019 to 2023 Strategic Plan

Revision: 8/08/2019

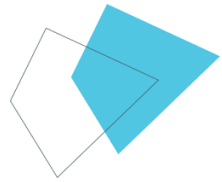
Board Discussion Note

The Strategic Plan represents recommendations on objectives, key activities, organizational designs, and financial projections based on Deloitte's research and working sessions with Cain Center for the Arts staff; the Cain Center for the Arts will directly modify this file to meet style preferences and desired final content edits



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OPENING MESSAGE



Justin Dionne
Executive Director

The **Cain Center for the Arts** is a partnership between the Town of Cornelius, NC and a 501(c)3 organization funded in part by \$4 million allocated by voters in 2013, the Center will be located on 1.85 acres in the Cornelius's emerging arts district.

Our physical venue will be a regional hub for performance, programming, and partnership. It will serve as a place for the community to gather and as a starting point for initiatives that take the arts out into schools, community centers, places of worship, or anywhere people come together to connect, learn, and enjoy the arts.

Our strategic plan focuses on objectives, organizational designs, and estimated financial projections for 2019 to 2023. This timeframe is particularly critical for the us as we will be transitioning from “concept to reality” through the construction of our facility (beginning in Nov. 2019) and the opening of our center targeted for April 2022).

I want to thank my Board of Directors for their strategic insights and the support of Deloitte Consulting for their research reviews and working sessions to help us in developing this plan.

I am happy to share our plan details over the course of this document and I look forward to exciting transformation the following years will bring for us and the Lake Norman community.

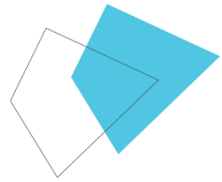
Signature Placeholder

Justin Dionne

The Cain Center for the Arts

- A 400 seat theater
- Gallery space
- Event spaces
- Classrooms
- A community green space
- A warming kitchen
- Parking and pedestrian access





OUR VISION

THE NEED

As the four-county Lake Norman region continues to grow, the need for access to the arts grows too.

As the region's only public arts and community center, the Cain Center for the Arts will offer performance, education, gallery, and community spaces designed to be beautiful, flexible, and close to home for the more than 300,000 residents of the Lake Norman region.

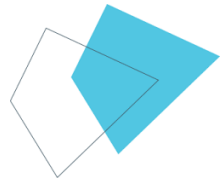


SERVING THE COMMUNITY

At the Cain Center for the Arts, we're constructing much more than just a building. We're creating a stronger community through the power of the arts.

Our vision is simple: we want to empower children and adults alike to create, experience, and enjoy the arts, right here in the heart of the region where they live, work, and play.





OUR BACKGROUND



OUR HISTORY

In 2013, the Town of Cornelius began to recognize the need for an arts and cultural venue to revitalize and enrich the community through the arts and all the benefits of arts education. As a direct result, the town voted to allocate \$4 million out of a \$20 Million municipal bond to create an arts district and in 2017 invested additional support by purchasing the 1.85 acres where Cain Center for the Arts will be built. Through a four-year strategic planning process, conducted by an investigative committee appointed by the Town of Cornelius, a non-profit organization was created to anchor the public-private partnership between the Center and the Town of Cornelius.

Executive Director Justin Dionne was hired in 2017 and in the fall of 2018, the board and leadership launched the quiet phase of a \$25 million campaign. A transformational gift from local philanthropists Ericka and Bill Cain led to the center's permanent name: Cain Center for the Arts.

2013

- Town Center Bond Referendum

NOV. 2015 – JAN. 2017

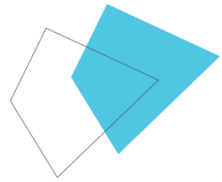
- Strategy and program plan established
- 501(c)3 created
- Site purchased

MAY 2017 – JULY 2018

- Executive Director Hired
- C Design and New York-based Holzman Moss Bottino Architecture engaged; pre-design completed
- Market study completed
- Fundraising campaign plans in progress
- Education strategy and plans in progress

AUG. 2018 - PRESENT

- Lead gift of \$5,000,000 secured
- Silent phase of campaign in progress, with more than \$14 million pledged or contributed to date



OUR VALUES

INSPIRATIONAL

To be a center that inspires and encourages creativity.

COMMUNITY-CENTERED

To be a center that serves everyone. To expose, invite, and engage as a destination for all members of the community.

CREATIVE

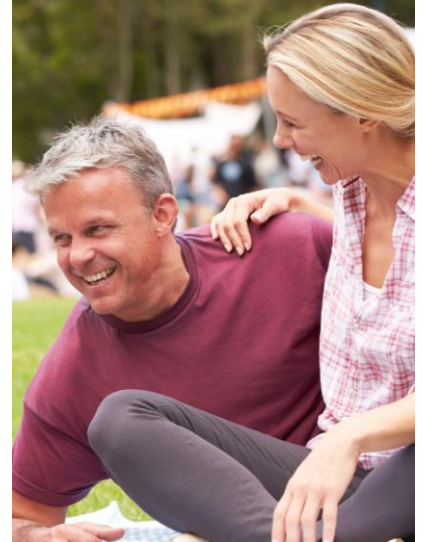
To service as a hub of creativity, providing a platform for unique and individual expression.

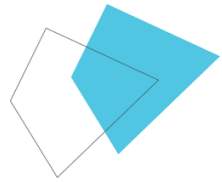
ENTERTAINING

To provide a holistic experience that produces valuable, enjoyable experiences while also focusing on comfort.

EDUCATIONAL

To be a center where the arts and education connect.





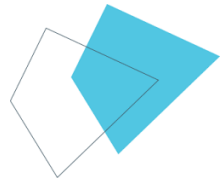
OBJECTIVES OVERVIEW



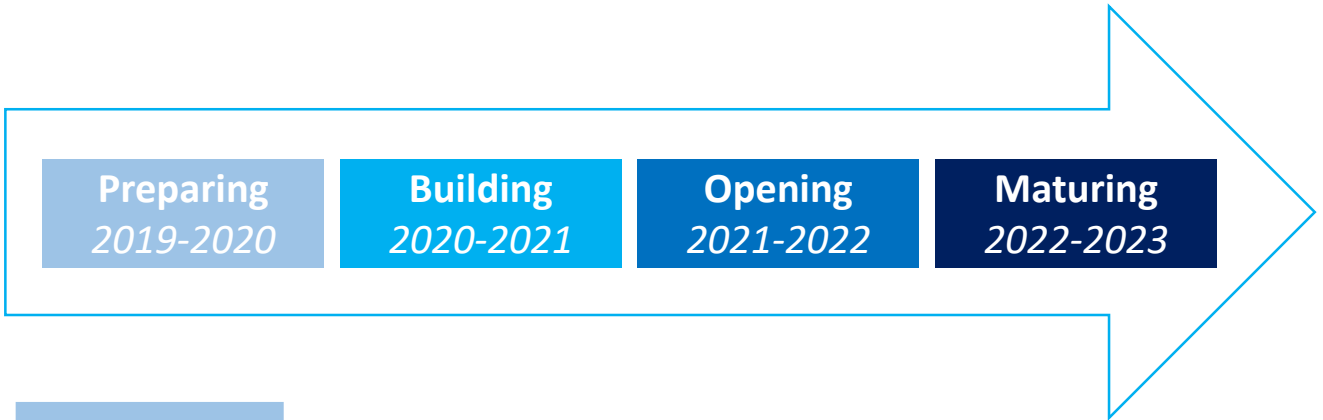
Over the course of the next 4 years, the Cain Center for the Arts will build and implement a center that will bring all the benefits, beauty, and joys of the arts together, right in the heart of the Lake Norman region.

Our strategic plan is organized to support this vision through year-by-year objectives centered on:

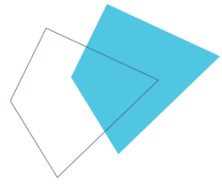
- **Preparing for Breaking Ground** – to meet / exceed fundraising targets, develop programming strategies, and establish a greater outreach network across the Lake Norman community
- **Building the Cain Center for the Arts** – to establish our physical presence in parallel with developing the program plans, technologies, and community awareness needed for our success
- **Opening the Cain Center for the Arts** – the finalization and deployment of our initial programming while creating a strong community presence through targeted marketing and outreach efforts
- **Maturing to Embrace the Future** – the growth and sustainment management of the center to become a sought-after destination for the arts



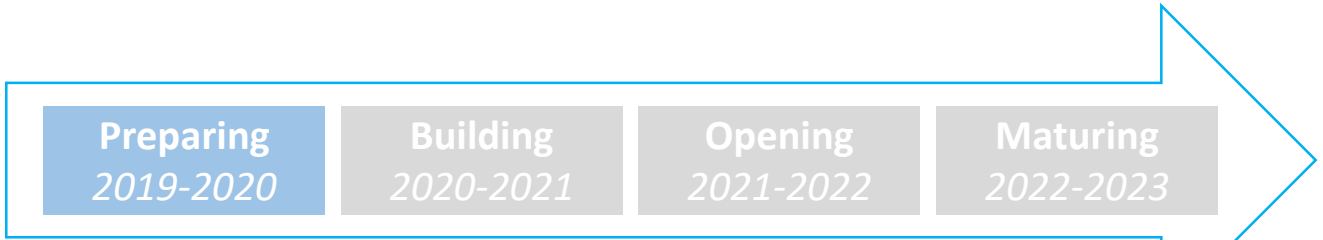
OBJECTIVES BY YEAR



| | |
|-------------------------|---|
| <p>Preparing</p> | <p><i>Primary focus: completion of the capital campaign for the Cain Center for the Arts facility (funds required for ground-breaking)</i></p> <ul style="list-style-type: none"> ▪ Meet / Exceed Fundraising Targets ▪ Develop Initial Programming Plan ▪ Establish an Outreach Network |
| <p>Building</p> | <p><i>Primary focus: construction management for the Cain Center for the Arts facility and programming delivery preparation</i></p> <ul style="list-style-type: none"> ▪ Manage Construction Completion ▪ Conduct Community Arts Awareness / Education ▪ Implement Technology Requirements ▪ Launch Next Wave Marketing and Development Initiatives |
| <p>Opening</p> | <p><i>Primary focus: open the Cain Center for the Arts facility and deploy initial programming</i></p> <ul style="list-style-type: none"> ▪ Scale up Staffing ▪ Capitalize on Marketing and Outreach ▪ Launch the Center ▪ Deploy the Program Strategy |
| <p>Maturing</p> | <p><i>Primary focus: scaled deployment of programs and the enhancement of center operations</i></p> <ul style="list-style-type: none"> ▪ Manage for Brand Growth ▪ Become a Sought-After Destination ▪ Streamline Operational Management |



PREPARING: OBJECTIVE DETAILS

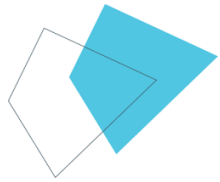


Enabling the center to best meet / exceed fundraising targets, developing programming strategies, and establishing a greater outreach network across the community

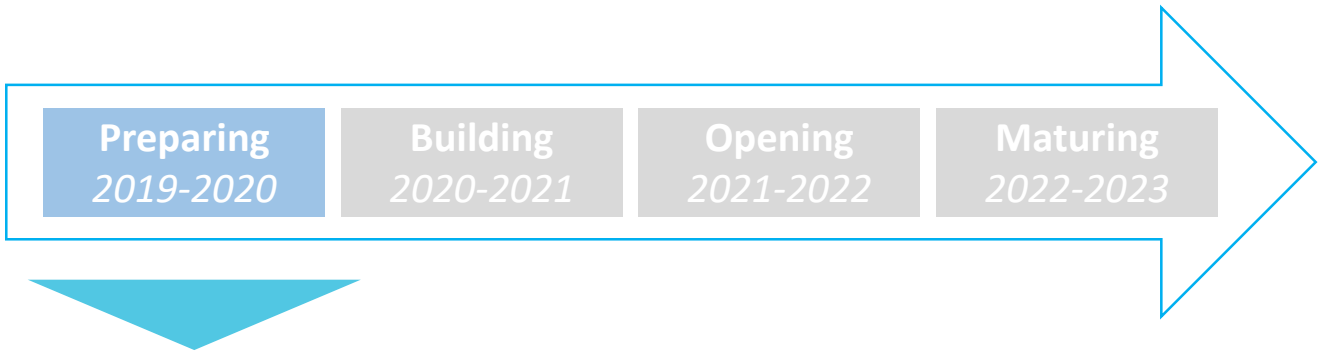
| Objective | Key Actions | Impact |
|--|--|---|
| Meet / Exceed Fundraising Targets | <ul style="list-style-type: none"> Continue the implementation of planned fundraising events and campaigns, including pledged donor follow-ups Plan and execute public campaign to attract entry level donors including greater mobile and social media efforts (mobile devices accounted for 48% of traffic to nonprofit websites¹) | <ul style="list-style-type: none"> Fundraising goals met to enable facility ground-breaking |
| Develop Initial Programming Plan | <ul style="list-style-type: none"> Create a base-model contract template, including what technologies and set-ups will be supported by the center and what would need to be provided and supported by the client Determine price point targets / break even levels and the programming needs to meet financial goals Review the Next Stage Consulting 2017 market study to target potential clients as aligned to community interests and create a plan for client marketing (commission an updated market study for continued program plan guidance, include client interests) | <ul style="list-style-type: none"> Programming plan developed (for opening and first full year) Targeting of potential presenting / rental clients (ready-to-go list for marketing) |
| Establish an Outreach Network | <ul style="list-style-type: none"> Create a volunteer coordinator position (an Advisory Board role working in partnership with the Development Associate role to later transition under the Community Engagement Associate) Define volunteer needs (what roles / support is needed), initial focus on awareness building (what is the center and its value) Develop a volunteer attraction, onboarding, and management plan <ul style="list-style-type: none"> 7 of 10 volunteers never come back; engagement can be improved through a focus on value alignment, group / partner activities, cadence of support, and sharing results² | <ul style="list-style-type: none"> Creating a volunteer network to promote the center |
| Determine Local Partnerships | <ul style="list-style-type: none"> Form and launch a taskforce collaboratively with the Town of Cornelius to seek out joint opportunities and ongoing alignment options regarding the Cornelius Arts Center | <ul style="list-style-type: none"> Developing an opportunity business case for decisioning |

¹ M+R, Non-Profit Fundraising Benchmarks Study, 2019

² Harvard Business Review, A Guide to Managing a Volunteer Workforce, 2016



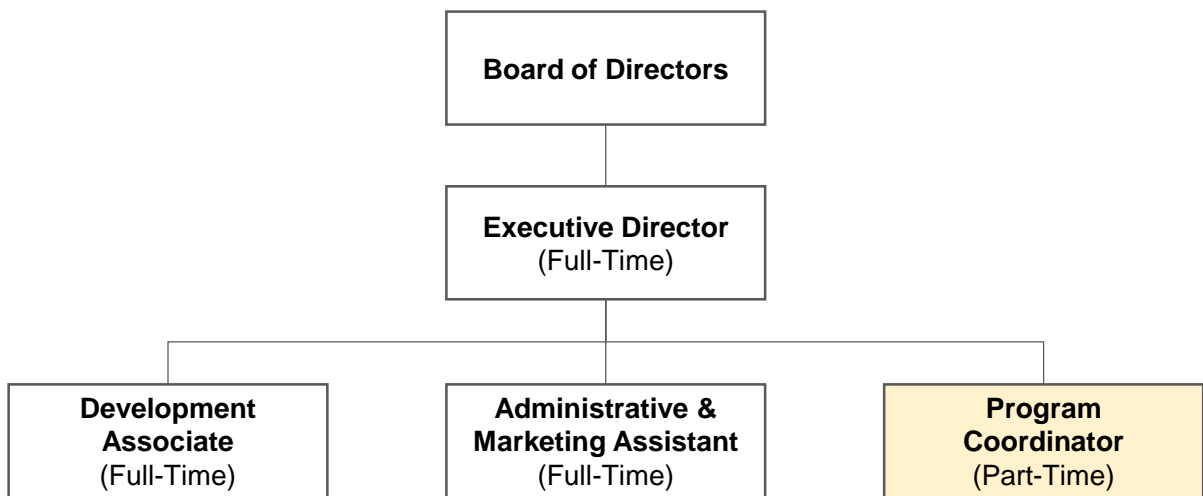
PREPARING: ORGANIZATIONAL DETAILS

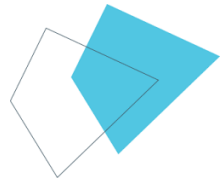


The current staff of the Cain Center for the Arts includes:

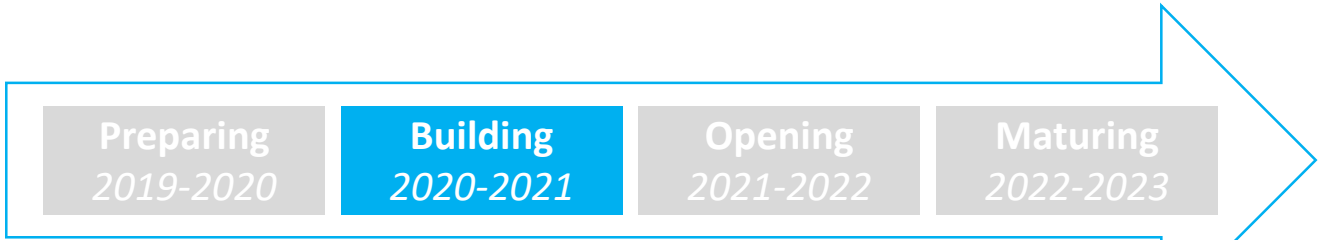
- Executive Director
- Development Associate
- Administrative and Marketing Assistant

The **Program Coordinator** role (shown in yellow) is planned to be added in 2019 as a part-time resource to develop the program strategy, in partnership with the Executive Director, in preparation for opening in April 2022 and for potential interim programming considerations.



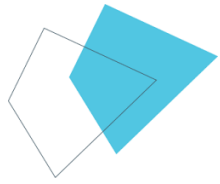


BUILDING: OBJECTIVE DETAILS

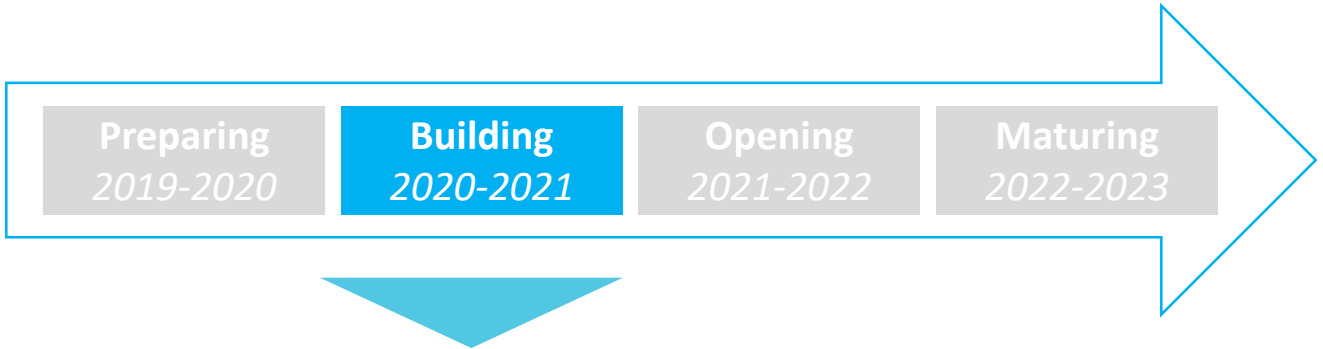


Establishing the Cain Center for the Arts facility (physical construction) in parallel with developing opening plans

| Objective | Key Actions | Impact |
|---|--|---|
| Manage Construction Completion | <ul style="list-style-type: none"> Monitor regular construction progress, quality, and risks via a designed Construction Committee (including Town of Cornelius representation) Determine if / how the established contingency funds will need to be utilized or increased | <ul style="list-style-type: none"> Meeting the target construction completion date (Dec. 2021) in accordance with budget targets |
| Conduct Community Arts Awareness / Education | <ul style="list-style-type: none"> Define awareness goals, target audiences, and potential partnerships (at the town level and in collaboration with related area centers) Develop collateral materials and talking points (engage volunteers – prioritizing social media strategies with a physical display at the construction site) | <ul style="list-style-type: none"> Creating a “buzz” about the center, attracting donors, volunteers, and clients |
| Implement Technology Requirements | <ul style="list-style-type: none"> Define technology needs (e.g., Projection, Sound, Lights, Box Office, Customer Relationship, Back-Office Programs, etc.) Research (comparisons, references) and select vendors, document system training for future staff knowledge transitions | <ul style="list-style-type: none"> Having an operational ticketing platform, and related technologies / tools for program and service management |
| Launch Next Wave Marketing and Development Initiatives | <ul style="list-style-type: none"> Create the communication strategy (to shift the Centers’ requests from construction to evolution) Align campaign objectives to annual fundraising targets, investment needs, and expense gaps Determine long-term investment strategies | <ul style="list-style-type: none"> Completing the Capital Campaign and transitioning to an ongoing fund for center sustainment and innovation |



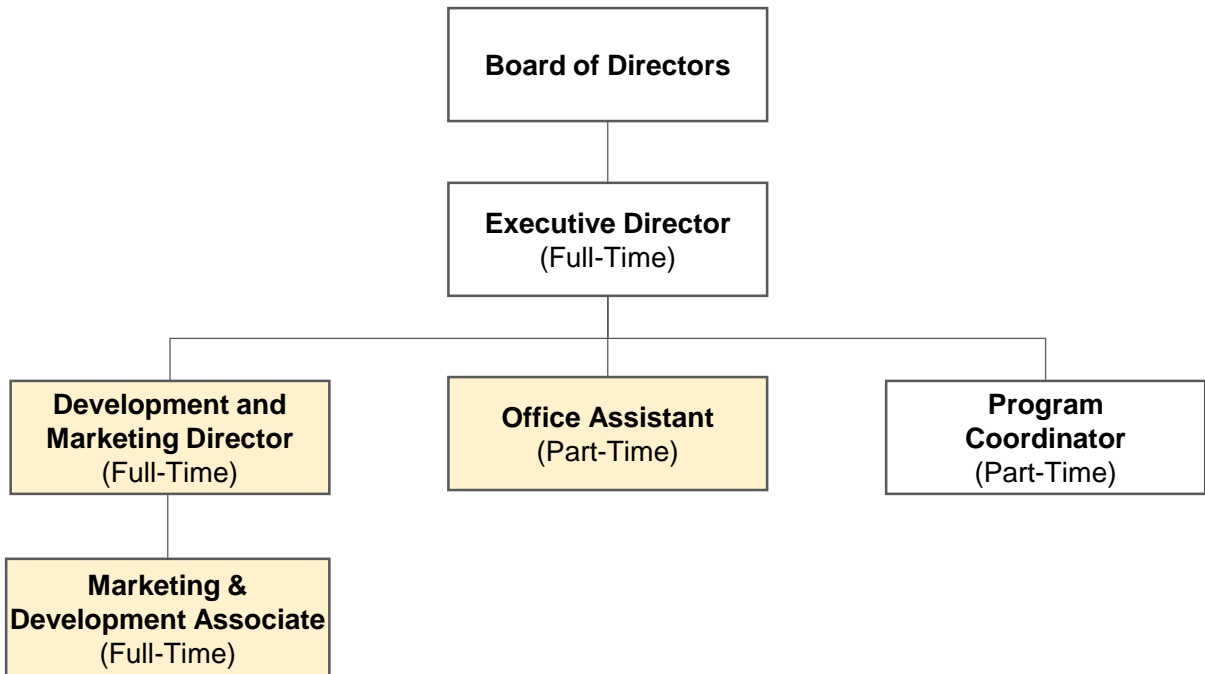
BUILDING: ORGANIZATIONAL DETAILS

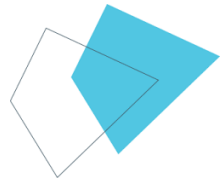


The Development Associate role transitions to a **Development and Marketing Director** accountable for all sales and fundraising activities.

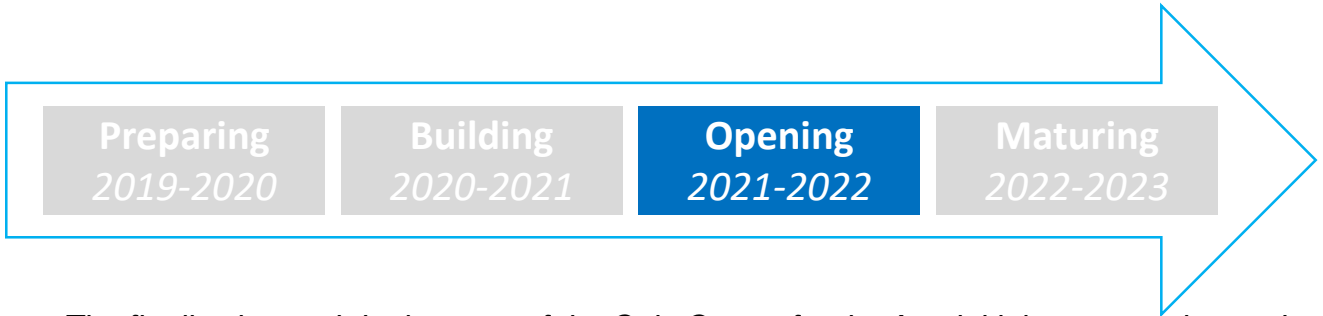
The Administrative and Marketing Assistant role shifts to a **Marketing & Development Associate** for greater dedication to sales / marketing and outreach support, reporting to the Development and Marketing Director.

A part-time role is added as an **Office Assistant**, taking over the former administrative duties from the past Administrative and Marketing Assistant role.



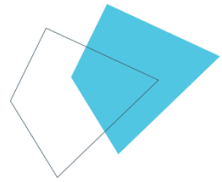


OPENING: OBJECTIVE DETAILS

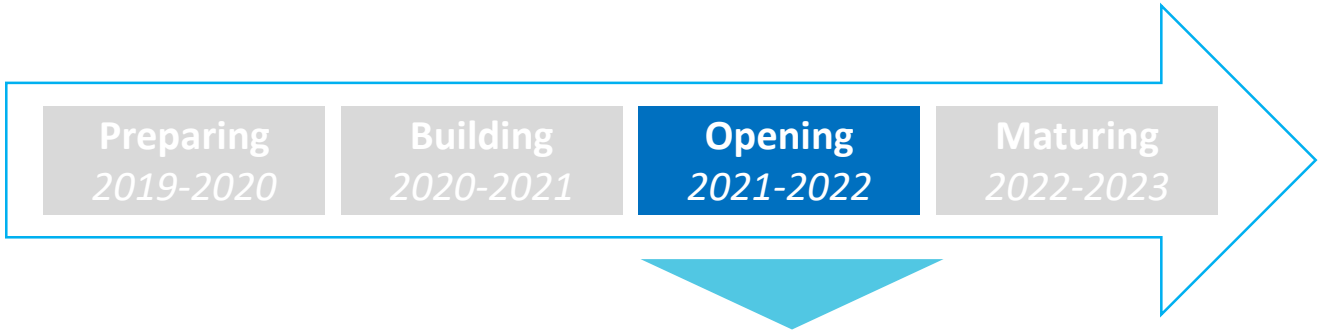


The finalization and deployment of the Cain Center for the Arts initial programming and creating a strong community presence through targeted marketing and outreach efforts

| Objective | Key Actions | Impact |
|---|---|---|
| Scale Up Staffing | <ul style="list-style-type: none"> Refine role responsibilities and develop job postings (promoted via traditional postings, social media, and the volunteer network) Hire for staff and management positions (targeting management up to 6 month prior to opening and general staff up to 4 months prior to opening) | <ul style="list-style-type: none"> Resourcing is in place to open the center and deliver on the programming strategy |
| Capitalize on Marketing and Outreach | <ul style="list-style-type: none"> Complete outreach to targeted vendors / partners, place paid ads for key gaps Convert ongoing awareness and fundraising channels into client marketing sources | <ul style="list-style-type: none"> Bookings of programs / rentals have been secured |
| Launch the Center | <ul style="list-style-type: none"> Define and prepare for Day One – dedicated opening campaign with a relatable theme for initial programming Provide visual sponsorship / donor recognition and gratitude Conduct regular staff lessons learned sessions (appreciation and development focused) for a quality workplace culture | <ul style="list-style-type: none"> Opening of the center with high-customer draws and appreciation shown for supporters (staff and donors) |
| Deploy the Program Strategy | <ul style="list-style-type: none"> Coordinate fixed and variable bookings (as per opening timeline) Establish a quality delivery protocol (checklist and contingencies) | <ul style="list-style-type: none"> Executing of the program strategy with a quality focus |



OPENING: ORGANIZATIONAL DETAILS



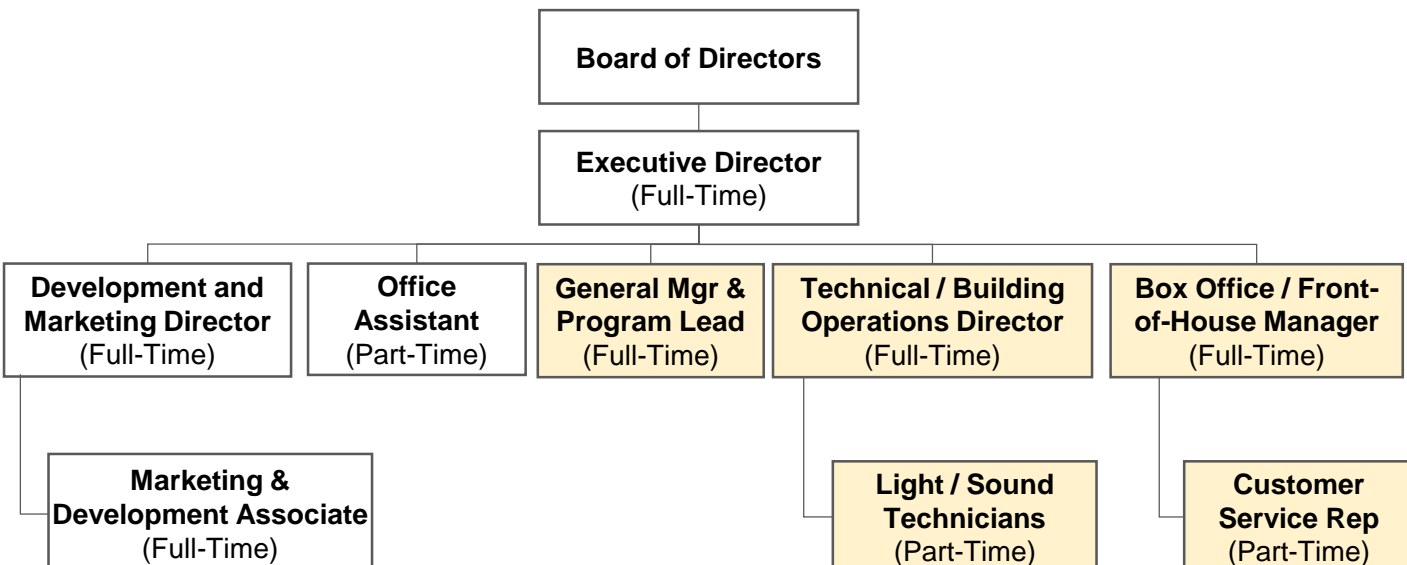
The Program Coordinator role transitions to a full-time **General Manager & Program Lead** role to be accountable for the overall programming strategy and delivery management.

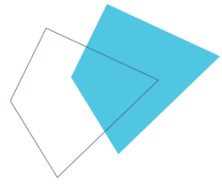
Two new full-time roles are added in preparation for opening:

- **Box Office / Front-of-House Manager** to oversee all ticketing operations
- **Technical / Building Operations Director** to oversee center technologies and day-to-day operations for programming support and rental management

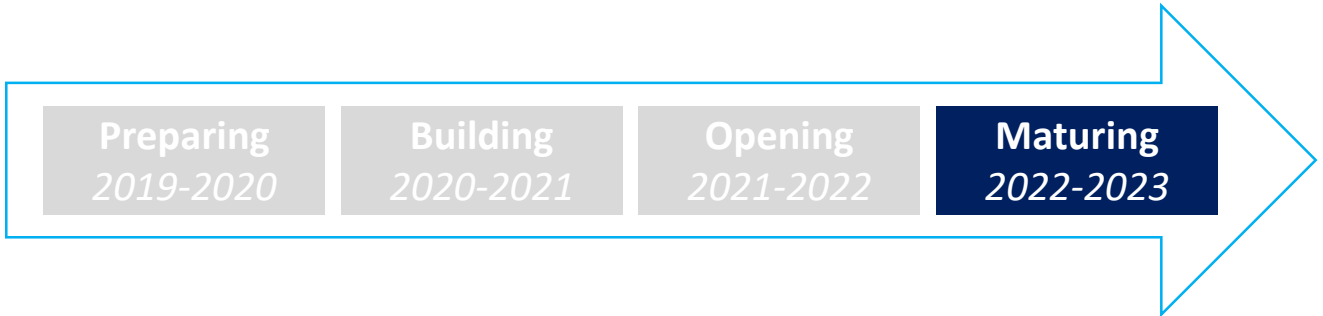
Additional part-time roles are added for center operational delivery; **Customer Service Representative** and **Light / Sound Technicians**.

All changes from 2020 to 2021 are shown in yellow.



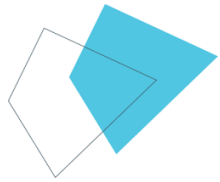


MATURING: OBJECTIVE DETAILS

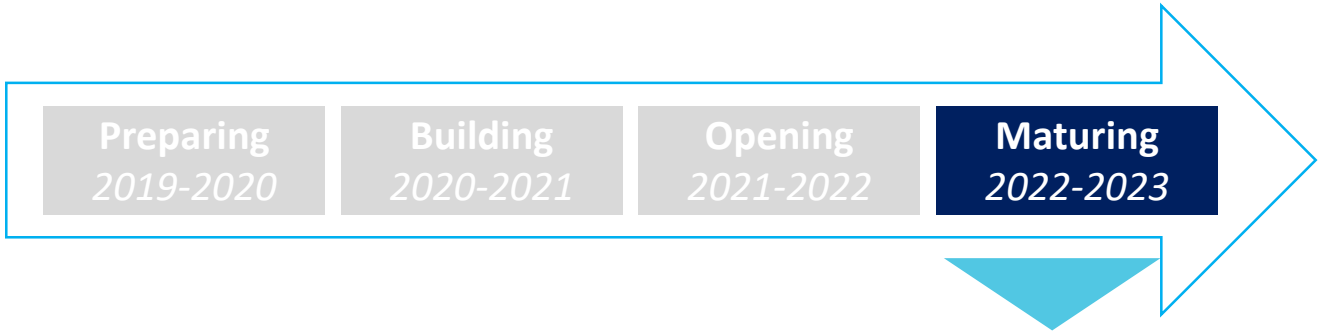


Managing the growth and sustainment of the Cain Center for the Arts to become a sought-after destination for the arts across Lake Norman and the Carolinas

| Objective | Key Actions | Impact |
|--|--|---|
| Manage for Brand Growth | <ul style="list-style-type: none"> Formalize means for client and customer feedback collection Analyze and review data for opportunities to increase client and customer satisfaction Create key client development plans (for mutual benefit – to increase their bookings / revenue) Conduct staff and volunteer developmental discussions to align to best-fit opportunities | <ul style="list-style-type: none"> Developing a reputation as a center clients, customers, and staff respect |
| Become a Sought-After Destination | <ul style="list-style-type: none"> Seek out partnership opportunities beyond the Lake Norman areas Explore opportunities for state level funding and arts / education program alignment Increase the scope of outreach campaigns and marketing with partners and state-level programs to increase client and donor attraction | <ul style="list-style-type: none"> Expanding the support of the center beyond the Lake Norman area |
| Streamline Operational Management | <ul style="list-style-type: none"> Understand staff time allocations to client value drivers – realigning roles from generalist to specialists (maximizing staff and volunteer roles for the maturing center) Review Board positions and composition to reevaluate for post opening support needs | <ul style="list-style-type: none"> Enhancing day-to-day management and delivery effectiveness |



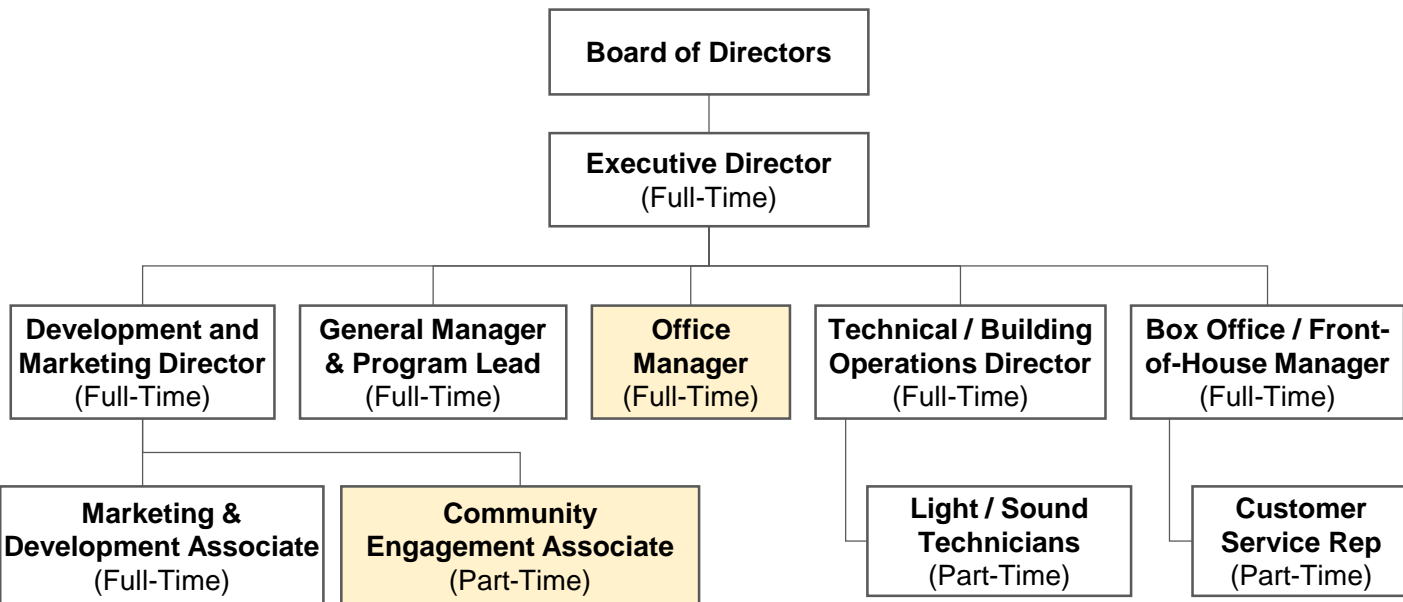
MATURING: ORGANIZATIONAL DETAILS

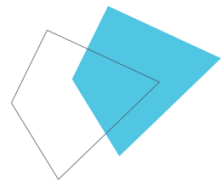


The office assistant role transitions from part-time to a full-time **Office Manager** role due to the increased staff and center support needed.

A new part-time role, **Community Engagement Associate**, is added to support community partnerships / volunteer networks.

All changes from 2021 to 2022 are shown in yellow.





FINANCIAL PROJECTIONS

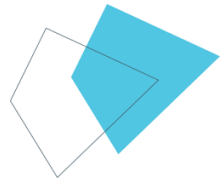
Financial projections have been included for directional strategic planning purposes only and do not constitute audited or guaranteed revenue or expense amounts.

Projections have been based on comparable market research and planned initiatives, financial details will be monitored with projections adjusted as per evolving details.

| | <i>Preparing 2019-2020</i> | <i>Building 2020-2021</i> | <i>Opening 2021-2022</i> | <i>Maturing 2022-2023</i> |
|------------------------------|--------------------------------|-------------------------------|------------------------------|-------------------------------|
| Revenue | | | | |
| Earned | \$ 0k | \$ 0k | \$ 180 to 215k | \$ 530 to 645k |
| Contributed - Government | \$ 325k | \$ 330k | \$ 335k | \$ 340k |
| Contributed - Fundraising | \$ 20k | \$ 100 to 175k | \$ 220 to 265k | \$ 370 to 390k |
| Total Revenue | \$ 345k | \$ 430 to 505k | \$ 730 to 815k | \$ 1.2 to 1.4M |
| Expenses | | | | |
| Labor | \$ 260k | \$ 310 to 385k | \$ 423 to 511k | \$ 553 to 688k |
| Programming | \$ 0k | \$ 0k | \$ 145k | \$ 440k |
| Admin / Other | \$ 85k | \$ 120.1k | \$ 160.2k | \$ 250.5k |
| Total Expenses | \$ 345k | \$ 430 to 505k | \$ 730 to 815k | \$ 1.2 to 1.4M |
| Net | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

Definitions

- Earned Income: Refers to all income gained through ticket sales, facility rentals, or concessions
- Contributed – Government: Income gained through State, City/County, or related sources
- Contributed – Fundraising: Income gained through individuals, corporations, grants, or other sponsorship programs
- Labor – Personnel related expenses including salaries, benefits, and payroll taxes
- Programming – Expenses for marketing and delivering performances, classes, exhibits, facility rentals, concessions, and others related programs / services
- Administrative / Other – All other expense items such as technology, accounting, communications, liability insurance, office supplies, marketing, etc.



STAFF AND BOARD OF DIRECTORS

Cain Center for the Arts Staff

Justin Dionne
Executive Director

Allison Elrod
Development Associate

Anita Overcash
*Administrative &
Marketing Assistant*

Board of Directors

Greg Wessling
President
The Lake Norman Company

Joshua Dobi
North Main Financial Group

Bill Morgan
Morgan Associates

Pat Bechdol
Vice President
Deloitte Consulting (retired)

Jim Duke
Federal Executive (retired)

Caroline Mullan
Community Volunteer

Troy Stafford
Treasurer
Devore, Acton & Stafford, P.A.

Kate Gaither
Newport Properties

Paul Newton
*Newton Construction
Services*

Cynthia Bush
Secretary
*UNC Charlotte Faculty
Member*

Ginger Griffin
*Ginger Griffin Marketing &
Design*

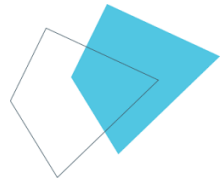
Janice Travis
*IBM Global Services
Consulting (retired)*

Denis Bilodeau
*Commissioner – Town of
Cornelius*

Donna Johnson
Community Volunteer

Woody Washam
*Mayor – Town of
Cornelius*

Steve Brumm
Brumm Properties



OUR PATH FORWARD

WE'RE BUILDING SOMETHING EXTRAORDINARY



Over the next four years, the Cain Center for the Arts will evolve from artistic renderings to a physical presence that will feature national touring companies and world-renowned entertainers to local productions and grassroots performers.

Preparing
2019-2020

- We will complete our capital campaign and break-ground on the Cain Center for the Arts facility

Building
2020-2021

- We will be managing the construction of the center, building awareness, and preparing for program delivery

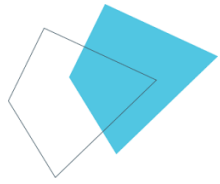
Opening
2021-2022

- We will be opening our doors to the public and deploying our initial programming

Maturing
2022-2023

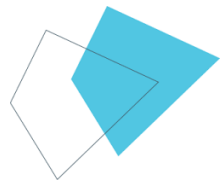
- We will be delivering your first full-year of programming and scaling / enhancing our operations

The Cain Center for the Arts will bring the benefits, beauty, and joys of the arts together in the heart of the Lake Norman region; and our planned objectives and organizational structure will enable us to achieve this vision.



APPENDIX I

Revenue and Expense Details



Expenses: Labor Estimate Details

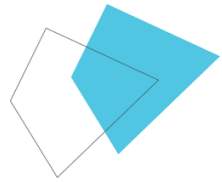
| Role | Part / Full Time | Preparing 2019-2020 | Building 2020-2021 | Opening 2021-2022 | Maturing 2022-2023 |
|--|------------------|---------------------|-------------------------|-----------------------|-----------------------|
| Executive Director | FT | 105k | 108k to 140k | 111k to 140k | 115k to 140k |
| Development Associate | FT | 50k | 60 to 75k (Director) | 60 to 75k (Director) | 60 to 75k (Director) |
| Administrative & Marketing Assistant | FT | 42k | See Mkg& Dev. Associate | -- | -- |
| Program Coordinator | PT | 30k | 32k to 40k | 32k to 40k | See GM |
| Box Office / FOH Manager | FT | -- | -- | 18 to 23k | 35 to 45k |
| Technical Director & Building Operations | FT | -- | -- | 30 to 38k | 60 to 75k |
| Customer Service Rep. | PT | -- | -- | 7 to 8k | 20 to 25k |
| Light Technician | PT | -- | -- | 5 to 8k | 15 to 25k |
| Sound Technician | PT | -- | -- | 5 to 8k | 15 to 25k |
| General Manager | FT | -- | -- | 28 to 33k | 55 to 65k |
| Office Manager | PT/FT | -- | 25 to 30k | 25 to 30k | 35 to 40k |
| Marketing and Development Associate | FT | -- | 45 to 50k | 46 to 52k | 46 to 54k |
| Community Engagement | PT | -- | -- | -- | 25 to 30k |
| Labor Salaries | | \$ 227k | \$ 270 to 335k | \$ 368 to 445k | \$ 481 to 599k |
| Benefits | | \$ 16k | \$ 19 to 24k | \$ 27 to 32k | \$ 35 to 43k |
| Payroll Taxes (7.65%) | | \$ 17k | \$ 20 to 26k | \$ 28 to 34k | \$ 37 to 46k |

Summary

- 2019-2020: Addition of the Program Coordinator role as a part-time resource
- 2020-2021: Transition of the Development Associate to a Director role, Marketing role becomes full-time, with a part-time Office Assistant added
- 2021-2022: Two new full-time roles added (Tech/Ops Director and Box Office) and part-time / hourly staff brought on for light, sound, and customer services (assumes mgr roles at 6 months, all others at 4 months)
- 2022-2023: New full-time role of General Manager, Office role becomes full-time, and a new part-time role for community engagement is added

Reference Notes:

- New position salaries ranges based on a review of ~200 NC based roles with similar titles (publicly available data via Monster.com and Career Builder)
- 2020-2021 increases as per current budget plans with 3% year-over-year salary increases thereafter
- Any bonuses would be in addition to the projected amounts shown
- Benefits are estimated at 7.2% of salaries; a competitive benefits study is recommended for longer-term alignment (opening and post opening as package may run upwards of 30%)
- Payroll Taxes are estimated at 7.65% of salaries

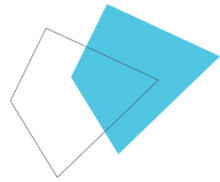


Expenses: Administrative / Other

| Category | Preparing 2019-2020 | Building 2020-2021 | Opening 2021-2022 | Maturing 2022-2023 |
|---|------------------------|-----------------------|----------------------|-----------------------|
| Accounting & Payroll | 22k | 31k | 36k | 42k |
| Tax Preparation | 4k | 5k | 6k | 7k |
| Audit | 7k | 9k | 10k | 12k |
| Expenses and Reimbursements | 9k | 12k | 14k | 16k |
| Communications - Phone | 4k | 5k | 6k | 7k |
| Office Supplies | 2k | 3k | 3k | 4k |
| Technology/Software | 3k | 4k | 5k | 6k |
| Memberships / Dues | 2k | 3k | 3k | 4k |
| Liability Insurance | 2k | 3k | 3k | 4k |
| Board Meeting Expenses | 3k | 3k | 3k | 4k |
| Board and Officers / Workers Compensation | 1k | 1.1k | 1.2k | 1.5k |
| Marketing and Development Expenses | 25k | 28k | 60k | 120k |
| Fundraising Expenses | 0k (via campaign) | 9k | 11k | 23k |
| Administrative / Other Total | \$ 84k | \$ 118.1k | \$ 163.2k | \$ 250.5k |

Reference Notes:

- Items based on the 2019-2020 Cain Center for the Arts budget
- Directional assumption that all expenses will increase as the size and complexity of the Cain Center for the Arts continues to grow – projecting rate increases scaled to the percentage of labor cost increases
- Marketing and Development (based on Cain Center for the Arts SME insights)
- Fundraising estimated at ~7% of the fundraising target

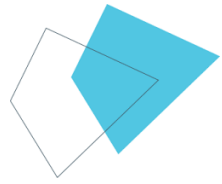


Revenue & Expenses: Programming

| Category | Opening 2021-2022 | Maturing 2022-2023 | Nationwide Average |
|---------------------------------------|-----------------------|-----------------------|-----------------------|
| Revenue | | | |
| Programming Income | 94 to 114k | 280 to 343k | 690k |
| Facility Rental Income | 47 to 57k | 140 to 171k | 163k |
| Concessions Income | 36 to 44k | 108 to 132k | 126k |
| Education / Outreach Program Income | -- | -- | 94k |
| Income Sub-Total | \$ 177 to 215k | \$ 528 to 646k | |
| Expenses | | | |
| Programming Fees | 110k | 330k | 380k |
| Facility Expenses | -- | -- | 56k |
| Concessions Expenses | 35k | 106k | 106k |
| Education / Outreach Program Expenses | -- | -- | 76k |
| Expenses Sub-Total | \$ 145k | \$ 436k | |

Reference Notes:

- Nationwide averages based on studies by the Theatre Communications Group, income and expense items shown for areas most applicable to the Cain Center for the Arts (in terms of budget peer groups)
- Assumes that 2022 to 2023 will be the first full year of programming delivery, with 2021 to 2022 as a partial year of program delivery (estimated at 33% of a full year)
- Income is based on working sessions with the Cain Center for the Arts Executive Director for the initial programming strategy (number / types of programs)
 - **Conservative estimates were used**, based on the Theatre Communications Group study of on average Theatre 62% paid capacity; a range of 50% and 70% are shown
 - A review of local facility rental competition was conducted and the income estimate was found to be in-line with general competition offerings
- Program Fees: Includes contract fees, general non-payroll artistic fees (travel / accommodations), and any non-contract stage or visual display management/supplies
- Facility Expenses: Expenses related to maintenance would be managed via the Town of Cornelius; **for discussion would utilities be covered by the Town of Cornelius or a responsibility of the center?**
- Education / Outreach Programs: No income or expenses are shown are the Cain Center for the Arts focuses on a presentation / rental strategy, however any joint operations with local groups if decided (e.g., Cornelius Arts Center) would impact these areas



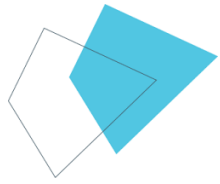
Revenue: Contributed Income

| Category | Preparing 2019-2020 | Building 2020-2021 | Opening 2021-2022 | Maturing 2022-2023 |
|--|------------------------|-----------------------|-----------------------|-----------------------|
| Town of Cornelius Appropriation Request | 323k | 329k | 336k | 343k |
| Grants | -- | 25k | 28k | 30k |
| Fundraising / Sponsorships | 15k | 100 to 175k | 189 to 242k | 340 to 360k |
| Contributed Income Total | \$ 338k | \$ 454 to 529k | \$ 553 to 606k | \$ 713 to 733k |

Reference Notes:

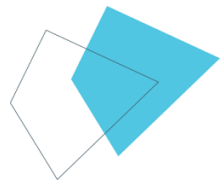
- Town of Cornelius appropriation request **remains consistent overtime** with 2% year-over-year inflation
 - **Support may be reduced** over time if decided, with any balance to the estimated support level shifted to be covered by either Fundraising / Sponsorships or Earned Income
 - **Town of Cornelius is assumed to cover all maintenance related expenses** with the related funding and expense figures excluded from these projections (net zero)

- Grants are estimated as per Cain Center for the Arts 2019 to 2021 budget planning with 10% target increase for both 2021-2022 and 2022-2023
- Fundraising / Sponsorships targets for 2021 and beyond are estimated as the gap to closure to projected negative balances
- Investment income / endowments are not include in the projections and should be considered as per Cain Center for Arts financial planning for post Construction Capital Campaign actions
- ASC tax impacts are not included within the financial projections



APPENDIX II

Cornelius Center for the Arts Details



Expenses and Revenues: Cornelius Arts Center

| EXPENSE | FY 2018 ACTUALS | |
|---------------------------|------------------------|-----------|
| SALARIES-FULL TIME | \$ | 49,686 |
| SALARIES-PART TIME | \$ | 27,859 |
| 401K-NON SWORN | \$ | 2,447 |
| FICA | \$ | 5,690 |
| RETIREMENT | \$ | 3,731 |
| INSURANCE BENEFITS-HEALTH | \$ | 6,262 |
| STATE UNEMPLOYMENT | \$ | 19 |
| PROGRAM SUPPLIES | \$ | 18,370 |
| TELECOMMUNICATIONS | \$ | 1,105 |
| ELECTRIC | \$ | 9,690 |
| BUILDING MAINT | \$ | 6,596 |
| EXTERNAL PROMOTIONS | \$ | 1,587 |
| BUILDING RENT | \$ | 55,320 |
| CONTRACT SVCS | \$ | 80,501 |
| EXPENSE TOTAL: | \$ | 268,863 |
| REVENUE: | \$ | 163,637 |
| NET: | \$ | (105,226) |

Example Opportunities

- Pricing Optimization: Example of a first year change of +15% (to be closer to market levels of 30%+)
- Increased Hours: Example of longer evening and weekend hours to increase rental and classroom utilization options by up to 40%

Reference Notes:

- Source: PARC Cornelius Arts Center program FY18 budget from Troy Fitzsimmons
- A separate CAC / Cain Center for the Arts Alignment Task Force is recommended to evaluate a combined services opportunity and develop a business case and go-forward plan