



July 29, 2015

Greetings,

Thank you for your interest in ACT Theatre. We are pleased to make available the audited financial statements for fiscal year 2014. Following this letter you will find the complete audit, prepared by the accounting firm of Clark Nuber, P.S.

The financial portfolio of ACT Theatre contains three separate, related entities: ACT Theatre produces and presents theatre; Eagles Theatre Center manages the landmark building; ACT Foundation receives and invests endowment contributions for the benefit of ACT Theatre. Because the three organizations share some common board members and common management, the accompanying audited financial statements consolidate all three entities. Pages 16 and 18 break out the performance of each entity.

In 2014 ACT continued to make significant strides toward self-sufficiency and financial sustainability. ACT's major gifts campaign was fully underway in 2014. At present, ACT has already raised more than \$1 million in this campaign, which will retire ACT's debt, provide for necessary maintenance of the historic Eagles Auditorium building, and develop working capital reserves to provide an internal source of funds to meet the needs of ACT's normal business cycle.

Total contributed revenue in 2014 was up 12% over 2013. ACT also took better advantage of the revenue potential of our physical building in 2014; ticket revenue and venue rentals were up, exceeding our budgeted goals by \$105,000. A *Christmas Carol* set yet another record for ticket sales, exceeding our goal by \$71,000. These successes were offset by diminished corporate giving and operational funding in 2014. Foundation revenue for ACT's operating budget is lower in 2014 – however, this figure is slightly misleading. Some foundation gifts arrived after the fiscal year end and will appear as a boost to our 2015 revenue.

As ACT continues to make steady progress toward sustainability, we paid off another \$279,000 of our outstanding notes in 2014. At the beginning of 2014, ACT reduced its bank line of credit by \$290,000, which allowed the ACT Foundation to put its principal under management (rather than holding it in a CD at the bank in guarantee of the line of credit). As a result, the ACT Foundation returned \$69,068 in interest and dividend revenues in 2014 to ACT – for the first time ever.

In 2015, ACT is increasing venue rentals, taking advantage of the inherent revenue potential of our facility. ACT is also taking targeted step to maximize the efficiency of its newly restructured Development team, working closely with professional consultants to improve the integration of ACT's staff across multiple departments as we unite to drive our Major Gifts campaign. Overall, ACT's 2015 budget reflects conservative goals: we have set moderate and achievable revenue goals. We continue our commitment to living within our means, while not undercutting the programming that drives our ability to produce earned and contributed revenue.

Looking ahead, the 2016 season celebrates “the next era” of ACT. Planning is under way to maximize growth in audience development and to publicly launch John Langs' first season as Artistic Director in our 51st Season.

Sincerely,

Carlo Scandiuzzi, Executive Director