

Greetings,

Thank you for your interest in learning more about ACT's fiscal health and goals. We are pleased to make available the audited financial statements for fiscal year 2019. Following this letter, you will find the completed audit as prepared by the accounting firm - Clark Nuber, P.S.

The financial statement of ACT Theatre includes results for three separate, related entities: ACT Theatre produces and presents theatre; Eagles Theatre Centre is the owner of the historic landmark building which houses the theatre; ACT Foundation receives and invests endowment contributions for the benefit of ACT Theatre. Because the three organizations share some common trustees/board members and common management, the accompanying audited financial statements consolidate all three entities. Pages 20 and 22 break out the performance of each entity.

ACT Theatre continues a strong financial course with an operating deficit of only \$57,298, less than 1% of its annual revenue, at the end of fiscal-year 2019.

### **No Cause for Going Concern**

Like many performing arts organization ACT has been deeply impacted by COVID-19 and health-mandated closure. As a result, our auditors requested modeling for July 2020-July 2021 to evaluate our ongoing financial condition. After reviewing cash flow scenarios, auditors found there was no basis for going concern and shared confidence in proposed fiscal plans and policies to sustain the theatre in this time of pandemic. More information can be found in Note 11 of the audited financial statement.



## 2019 Results

ACT had 4,047 Mainstage season subscribers and 669 ACTPass Members. Combined, these package ticket buyers contributed significantly to ACT's earned revenue. ACT's 54th Season on the Mainstage brought in 23,280 single ticket buyers for over 230 performances. ACTLab attracted 16,683 attendees across 143 performances of various events created through partnerships with area artists. The 44th annual production of *A Christmas Carol* brought in 14,708 patrons and over \$850,000 in revenue in a year with five fewer performances than previous years. There were 437 performances and events in ACT's five venues in 2019. Total performance attendance was over 88,000.

At first glance it may seem as though the theatre underperformed in contributed revenue in comparison to our 2018 fiscal year (see page 6 of audit). We received two significant estate gifts in 2018 from longtime friends of the theatre—Nancy Alvord and Karyl Winn—that account for the difference in fiscal years. If these generous gifts are excluded, we see that fundraising efforts were quite successful in 2019 and contributed revenue increased by seven percent.

## Artistic Milestones

The 54th Mainstage Season was a vibrant and daring year of work with iconic stories and classic themes explored alongside imperative current conversations. Highlights included the Tony Award-winning musical *Urinetown: The Musical*, ACT's 9th co-production with the 5th Avenue Theatre. *Urinetown* exceeded box office expectations and demand was so high that the run was extended. The classic Shakespeare romance *Romeo + Juliet* saw ACT partner with leaders in the Deaf community to create a bilingual production that honored the glorious language of this timeless play, making it accessible for Deaf and hearing audiences alike, and winning accolades from the New York Times as one of the must-see plays of the decade. *Pass Over*, Antionette Nwandu's extraordinary and painfully poetic play was named one of the seven most memorable plays of the decade by The Seattle Times.

Joan Didion's *The Year of Magical Thinking* transformed the story of the sudden and unexpected loss of her husband and their only daughter into a stunning and powerful one-woman play. *People of the Book* wowed audiences. This powerful new play by ACT Core Company member Yussef El Guindi, past winner of a Steinberg/American Theater Critics Association's New Play Award, also



received a grant from the National Endowment for the Arts (NEA). Steven Dietz provided ACT with an updated spin on *Dracula* creating a thoughtful and haunting interpretation of the story for a 21st century context. *Dracula* proved to be a critics' and audience favorite, becoming the highest grossing play in single ticket sales for a non-musical during the past 10 years.

In the ACTLab, we were thrilled to welcome back regular partners like Pratidhwani, BenDeLaCreme, Seagull Project, Dina Martina, 14/48 and eSe Teatro, as well as a number of new partners. We capped our season once again with *The Dina Martina Christmas Show*. This Seattle holiday favorite was received with rave reviews and sold-out houses and was our highest grossing show in the ACTLab season, breaking the all-time sales record for the ACTLab.

ACTLab had previously partnered with Deaf Spotlight, an arts organization run by and for Deaf and hard-of-hearing communities, to coproduce a festival of plays written by Deaf playwrights and performed in ASL by Deaf and hard-of-hearing actors. ACT was the proud recipient of Deaf Spotlight's Community Inclusion award in 2019 in recognition of efforts to include Deaf people in every aspect of the artistic process.

ACT's Young Playwrights Program debuted in 2002 and has more than doubled in size since its inaugural year to serve over 10 middle and high schools in the Puget Sound region. ACT supports greater access for under-resourced students by providing scholarships for 40 percent of YPP-enrolled students. The 250 new plays written as part of the program are celebrated each December. Eight plays are selected for the Young Playwrights Festival produced at ACT in March. In addition, we broadened our long-standing partnership with Native American youth theater company, Red Eagle Soaring.

The second-annual ACTOne Festival was launched featuring playwrights Dylan Thomas Elwood, Kimber Lee, Meg Miroshnik, and Sara Porkalob, in partnership with One Coast Collaboration. This week-long festival welcomes playwrights from around the country to ACT where they write and workshop their un-produced plays. Invited guests were able to see staged readings of each play and attend a panel discussion with the playwrights at the end of the week.

Finally, three new members were added to ACT's artist residency, The Core Company: Reginald A. Jackson, Lindsay W. Evans and Amy Thone.



## ACT's Future

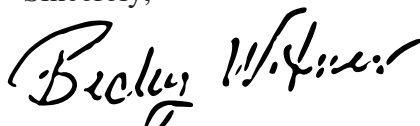
Building on the framework we began in 2018, ACT moved forward and implemented the 2019 Strategic Plan, incorporating five foundational strategic goals and the tactics board and staff will employ to achieve these goals: (1) Equity is integrated into every element of ACT's practice and purpose; (2) Financial sustainability informs all decision making; (3) ACT's building is appropriately utilized and financially supported in perpetuity; (4) ACT's brand is well-understood and attracts audiences across ages, cultures and life experiences; (5) ACT has a highly functioning, collaborative leadership structure. These goals also support ACT's organizational values, mission and vision. The 2019 Strategic Plan is intended as a living document that will continue to be updated as warranted.

It is vital to ACT's current and future success that we make our theatre a place where all in our community are invited and feel welcomed. It is intended that our staff, board and the art we put on the stage continue to reflect a firm commitment to financial sustainability, artistic integrity, and Equity, Diversity and Inclusion (EDI).

## Our Historic Home

ACT's building (Eagles Theatre Centre) continued to be a focus of our strategic plan, as we carry on with efforts to steward and preserve our historic home. Our building is on the National Register of Historic Places, is recognized as a Seattle Landmarked building and a member of Seattle's Downtown Historic Theatre District. We continue work to modernize our building while honoring the rich history of our historic building's past.

Sincerely,



Becky Witmer  
Managing Director

