

Financial Narrative Reports for Oct 2019 Board Retreat

1- 8/31/19 YTD Budget Report with Year-End 2019 Projections

BIG PICTURE INCOME AND EXPENSE

- We've secured 99% of our total income goal for 2019 to date
- Expenses are projected to come in at 90% of budgeted total. The savings were realized in the specific areas of:
 - Programs: 16% under budget
 - Convening 2019 reductions
 - Project reductions Sept-Dec (owing to lack of staff to manage projects)
 - Communications: 40% under budget
 - Savings in web development
 - Low Marketing spending (will increase in 2020)
 - Operations (Contingency): 25%
 - We will not use any of our budgeted \$20k contingency funds
- \$600,000 projected year end expenditures.

CASH RESERVES

- Common Field has a reserve of approximately **\$71,675**.
- It's projected we won't use **any** of the funds in the unrestricted reserves as originally approved
 - In February the board approved \$50k for the 2019 Convening
 - In July this amount was reduced to \$29.5k owing to the project ending under budget
 - As of September, I'm projecting we won't use any of these funds, owing to several decisions about spending including:
 - Convening 2019: Reduced spending to ensure our reserves would be maintained
 - Projects: Refinement and Re-think of program model and lack of staff capacity
 - Communications: Savings in development and marketing

INCOME

- Outstanding grants to Houston funders won't be confirmed until year-end/early in 2020 and are now budgeted as income in the 2020 budget proposal with \$0 projected in 2019.
- Small individual donor effort launched this year, with the goal of \$3000. Currently at \$2100. Goal to raise \$1000 this fall.
- Network Membership fees is bringing in more than initially expected for the year; 93% to goal as of 8/30/19.
- Role as fiscal lead for office rental was strategic and is benefiting the org's finances and income diversity goals towards achieving balance in our income sources.
- NEA grant of \$35,000 adds to diversity of funding sources and adds credibility to our provisional status

EXPENSES

- See big picture report for highlights

2- 2020 Budget Proposal

BIG PICTURE:

- A priority for 2020 is to refine our program vision (Network-Projects-Convening), prioritize responsiveness to the network, grow our advocacy, increase impact and better support day to day business and operations. A larger team is needed to do this. It also will help move CF forward and by doing so hopefully make CF an even more viable candidate for national funders.
- This organization needs more staff staff capacity It's time. It's time to make a leap@
- Warhol will likely increase their grant to us by \$125k for fiscal 2020 (and moving forward) for a total of \$500k.
- Our reserves remain healthy at \$71.5k.
- 76% of the proposed budget is already for the most part secured
- 24% remains to be confirmed, but by October 25, all of it will have been requested.

EXPENSE

- Proposal of a 36% increase in expenses in 2020

Staffing: increase by 39% [\$89,000] from 2019.

- Addition of 1 new FT staff member. Break Comms/Network role into two positions

Program: increase by 32% [\$77,000] from 2019.

- Projects and Network: to realize refined and expanded program activities
- Convening 2020: Increase in rentals, hospitality and basic costs.

Communication: increase in 53% [\$26,000 vs \$17,000 from 2019]

- \$4,000 additional to Marketing and PR and small increase to web development costs

INCOME

Total income by %:

Contributed (grants and donors): 88%

Earned (convening): 4.5%

Network Membership: 3.5%

Other (rent): 4%

Total Income by % Warhol vs % Other:

Warhol: 60%

Other: 40%

Grants

*Houston Grants: \$125,000 Goal

-Grants Pending: Houston Endowment, Brown Foundation, Stardust and Houston Arts Alliance

-We'll hear back in December/January/February.

-We're hopeful these funds will be secured - 61% likelihood/confidence is what the budget is based on.

*Other Foundation Grants: \$75,000

- Budgeted 30% of the amount we're requesting: Ford, Open Society, Willhelm Foundation, LA Dept of Cultural Affairs.
- Ford Cultivation hopeful to finally turn into support in 2020. Funds would be for July 2020 and onward
- Open Society's newly launched Art program team is interested in Common Field. We have internal advocates and have already met with them.

Total unsecured grant income: \$200K

Donors

- Small individual giving program with goal of \$10,000 (2019 goal was \$3,000).

Earned: (13% of our budget)

- *Rental Income/Expense: Net neutral aspect of CF's operations that increases the bottom line of our income and expense budgets.

EXPENSE DETAIL

Programs Overall:

- Program spending will increase by 40% in 2020.

Programs: Projects

- A reenvisioned Projects program will be launched in 2020 with a dedicated staff member to manage and realize them.

Programs: Network:

- The Network team has refined and focused the vision of their work for 2020, with a new program called "Field Agents" to be developed and launched in 2020

Programs: Convenings

- Convening budgets have been approved for 2020
- Early 2021 planning costs are included in the 2020 budget

Communications

- A dedicated Communications staff member
- 47% increase from 2019 (\$8,000 increase from 2019)
 - Additional funds for marketing and PR in 2020 (spending was very low in 2019)
 - Additional consulting fees for web developers to implement phase 3 of our website.

Travel

- 16% increase in staff travel.
 - Additional funds for travel to NYC. All past visits have not been paid for by Common Field and this is no longer the case in 2020.
 - More staff means an increase in travel costs.

Staff

-39% increase from 2019 (\$320k from \$230)

-Addition of 1 additional staff member with related benefits and costs (see big picture section). The team is too small to manage programs and network responsiveness.

-Very small increase in professional development fund so each person has 1 supported opportunity in 2020

Operations

-Similar to 2019

-The only difference is a \$20,000 contingency

3- Restricted and Unrestricted

-2019 Restricted Income for use in 2020: \$7,500

-2020 Restricted Income for use in 2021: \$37,500

4- Exit Ramp Strategy

Common Field's financial and growth/goal strategy for 2020 requires some risk capacity that would allow us to more capably realize our mission. This is reliant on a significant increase in Foundation grant income - specifically \$200,000 (\$125k from Houston based funders and \$75k from National funders).

Here is a proposed "exit ramp" should Houston funding not materialize by March and should national general support not materialize by late spring.

Convening 2020 - Decision: Feb/March 2020

I believe CF will be able to secure some local support from Houston based funders. This strategy represents a 20% cut in direct 2020 Convening spending.

Strategy:

-Common Field will enact is pre-approved Cuts budget that was adopted by the Board in July 2019 by March if full funding is not secured.

- \$50,000 pre-approved cuts

-We only need to secure \$75,000 in grants from Houston funders