



MAY FINANCIAL STATEMENTS

2025

Table of Contents

Executive Summary

Statements of Financial Position

Statements of Activities

Statements of Activities Budget Comparison

Confluence Council, Inc
Executive Summary
As of and for the Eleven Months Ended May 31, 2025 and 2024

Observations:

Statement of Financial Position:

- * \$43k decrease in the supplemental reserve due to funds approved by both boards to be used as operational cash during the current fiscal year. The \$100k supplemental reserve deposit requirement has been extended to June 30, 2025 instead of the original December 31, 2024 due date.
- * \$2.9 million decrease in Right of Use Asset and \$2.8 million decrease in Lease Liability due to renegotiation of the lease.
- * \$110k increase in other assets, related to a credit card chargeback reserve held by a credit card processor which started in FY 2025.
- * \$209k increase in accounts payable related to show payouts from the month of May and more consistent booking of invoices in the period of performance.
- * \$450k decrease in deferred revenue due to decrease in shows put on sale at a given time as well as number of shows in the season.

Statement of Activities:

- * Show revenue decreased \$463k due to change in the on sale model and fewer tickets sold compared to the previous year, as well as fewer shows in the current year.
- * Contribution revenue decreased \$601k due to fewer new pledges received in the current year.
- * \$315k decrease in artist expenses due to fewer shows in the current fiscal year.
- * \$69k decrease in credit card and ticketing fees due to fewer tickets sold.
- * Decrease in wages and payroll taxes and benefits of \$424k due to positions unfilled in the current year and how Shakespeare was classified in the prior year.
- * Decrease in building expenses of \$96 due to less maintenance expenses in the current year.
- * Increase of \$137k in Professional fees expenses due to legal fees, talent buyer fees and management consultants in the current year.
- * Decrease of \$384k in Noncash Lease Expense due to adjustments to the right of use lease calculations with renegotiation.

Budget Vs Actual(Reforecast):

- * Overall revenue under budget by \$613k due to underperforming shows. Two Broadway shows in October were substantially under budget for ticket sales.
- * Artist Expenses over budget by \$95k mainly due to additional show added for a December sold out performance.
- * Program Expenses \$174k under budget due to timing of Shakespeare costs.
- * Wages and payroll taxes about \$366k under budget, due to positions unfilled in current year and staff reductions.
- * \$146k decrease in occupancy costs due to renegotiations for no rent payments on the lease for October-March.
- * Noncash Lease Expense under budget by \$384k due to changes in the lease agreement. The lease adjustment for ASC 842 non cash expense is recorded here, as well as the related gain from the renegotiated lease.

Notes to the Readers:

The accompanying financial statements include the following departure from accounting principles generally accepted in the United States of America.

- * The financial statements omit substantially all of the disclosures, the statement of cash flows, analysis of expenses by natural and functional classification required by accounting principles generally accepted in the United States of America.
- * The financial statements do not classify the current portion of long-term debt as other current liabilities.
- * The statement of activities does not present the change in net assets classified as without donor restrictions and with donor restrictions.
- * The statement of activities splits additional expense with the straight line amortization of lease with the lease standard as other expenses instead of including the full amount in occupancy.
- * Contributions are show net of related expenses as part of other income (expense) on these statements.

Confluence Council, Inc. has contracted with an independent, third-party auditor to audit the fiscal year end financial statements, in accordance with requirements of the State of Wisconsin and grant requirements.

The financial statements are developed by the Company to comply with U.S. Generally Accepted Accounting Principles ("GAAP"), although there may be departures from GAAP not identified. These statements are primarily intended for use in managing the Company's operations and may not be suitable for other purposes. Users should be aware of these limitations when utilizing the financial statements.

See Executive Summary

Confluence Council Inc
Statements of Financial Position
As of May 31, 2025 and 2024

	<u>05/31/2025</u>	<u>05/31/2024</u>	Increase (Decrease)
Assets			
Cash and Cash Equivalents	678,682	842,247	(163,565)
Restricted Cash	334,994	297,253	37,742
Accounts Receivable	120,870	8,151	112,717
Pledges Receivable	271,959	431,118	(159,158)
Prepaid Expenses	62,856	163,469	(100,613)
Property and Equipment, net of Depreciation	499,798	509,165	(9,367)
Right of Use Asset, Net of Amortization	6,411,003	9,279,736	(2,868,734)
Supplemental Reserve	127,561	671,388	(543,826)
Other Assets	110,000	-	110,001
Total Assets	<u><u>8,617,723</u></u>	<u><u>12,202,527</u></u>	<u><u>(3,584,803)</u></u>
Liabilities and Net Assets			
Liabilities			
Accounts Payable	311,524	101,856	209,668
Line of Credit	500,000	500,000	-
Accrued Expenses	85,548	124,029	(38,481)
Deferred Revenue	498,221	948,491	(450,270)
Deposits Held for Reserves	91,666	91,666	-
Due to Eau Claire Confluence Arts	2,500	-	2,500
Gift Certificates Payable	170,634	145,257	25,377
Lease Liability	7,357,412	10,154,116	(2,796,704)
Notes Payable	453,767	467,613	(13,846)
Total Liabilities	<u><u>9,471,272</u></u>	<u><u>12,533,028</u></u>	<u><u>(3,061,756)</u></u>
Net Assets			
Net Assets Without Donor Restrictions	(1,413,033)	(1,314,800)	(98,233)
Net Assets Without Donor Restrictions - Board Designated	141,667	241,667	(100,000)
Net Assets With Donor Restrictions - Time	274,960	564,360	(289,401)
Net Assets With Donor Restrictions - Purpose	142,857	178,272	(35,413)
Total Net Assets	<u><u>(853,549)</u></u>	<u><u>(330,501)</u></u>	<u><u>(523,047)</u></u>
Total Liabilities and Net Assets	<u><u>8,617,723</u></u>	<u><u>12,202,527</u></u>	<u><u>(3,584,803)</u></u>

See executive summary.

Confluence Council Inc
Statements of Activities
For the Periods Ended May 31, 2025 and 2024

	Month Ending 05/31/2025	Month Ending 05/31/2024	Month Change	Year To Date 05/31/2025	Prior Year To Date 05/31/2024	YTD Change
Revenue						
Show Revenue						
Ticket Sales	176,534	81,065	95,469	2,031,446	2,151,062	(119,616)
Theatre Rent	32,396	9,341	23,055	183,083	138,601	44,483
Facility Fee	-	144	(144)	-	22,408	(22,408)
Ticket Handling Fee	82,667	94,637	(11,969)	710,501	1,073,036	(362,536)
Marketplace Revenue	-	1,300	(1,300)	-	1,300	(1,300)
Rev - Pablo Arts	-	-	-	-	500	(500)
Other Sales	-	-	-	-	684	(684)
Total Show Revenue	291,597	186,487	105,111	2,925,030	3,387,591	(462,561)
Revenue from Services Provided						
Registrations	-	(36)	36	83,731	32,748	50,981
Concessions Revenue	25,024	18,668	6,356	369,648	402,974	(33,324)
Rental Revenue	55,139	53,552	1,587	634,201	588,608	45,592
Memberships	18,110	18,547	(437)	232,387	183,770	48,616
Total Revenue	476,196	277,491	198,705	4,598,070	4,837,085	(239,016)
Expenses						
Artist Expenses	158,334	68,310	90,023	1,930,202	2,245,612	(315,411)
Ticket and Credit Card Fees	30,896	36,296	(5,399)	255,580	324,955	(69,374)
Production Expenses	5,550	4,021	1,529	63,775	64,979	(1,205)
Hospitality Expense	-	11,483	(11,484)	6,025	65,758	(59,732)
Advertising	10,255	27,155	(16,900)	278,295	325,586	(47,291)
Concessions Expense	4,188	13,840	(9,652)	122,750	145,933	(23,184)
Wages	158,246	151,444	6,802	1,713,357	2,010,498	(297,141)
Payroll Taxes and Benefits	48,573	67,811	(19,238)	344,613	471,806	(127,193)
Building Expenses	32,260	26,835	5,425	341,551	437,531	(95,979)
Occupancy	55,207	62,147	(6,940)	477,487	730,907	(253,420)
Insurance Expense	5,663	15,538	(9,875)	106,163	124,588	(18,425)
Dues & Subscriptions	14,103	12,500	1,603	193,014	175,114	17,900
Office Expenses	2,657	2,483	174	47,073	53,649	(6,577)
Development	669	3,152	(2,482)	63,163	90,788	(27,625)
Program Expenses	7,435	53,489	(46,055)	186,533	197,483	(10,949)
Professional Fees	42,200	37,089	5,111	420,901	284,211	136,689
Staffing Costs	4,386	4,070	316	42,762	76,752	(33,990)
Miscellaneous Expenses	274	56	218	20,493	983	19,510
Total Expenses	580,896	597,719	(16,824)	6,613,737	7,827,133	(1,213,397)
Total Operating Change in Net Assets	(104,700)	(320,228)	215,528	(2,015,667)	(2,990,048)	974,381
Other Income (Expense)						
Contributions - Net	76,949	553,415	(476,466)	1,688,375	2,288,966	(600,591)
Other Income	1,393	2,975	(1,582)	48,945	33,221	15,724
Other Expenses	(7,957)	(1,820)	(6,136)	(57,341)	(53,952)	(3,389)
Depreciation Expense	(5,376)	(5,065)	(312)	(58,199)	(63,571)	5,372
Noncash Lease Expense	(26,773)	(38,016)	11,244	(34,013)	(418,181)	384,168
Total Other Income (Expense)	38,236	511,489	(473,252)	1,587,767	1,786,483	(198,716)
Total Total Change in Net Assets	(66,464)	191,261	(257,724)	(427,900)	(1,203,565)	775,665

See executive summary.

Confluence Council Inc
Statement of Activities Budget Comparison
For the Periods Ended May 31, 2025 and 2024

	Month Ending		Month Over/(Under) Budget	Year To Date		YTD Over/(Under) Budget
	05/31/2025			05/31/2025		
	Actual	FY Reforecast	Actual	FY Reforecast		
Revenue						
Show Revenue						
Ticket Sales	176,534	212,048	(35,514)	2,031,446	2,593,599	(562,153)
Theatre Rent	32,396	21,625	10,771	183,083	192,920	(9,837)
Ticket Handling Fee	82,667	55,327	27,340	710,501	746,822	(36,321)
Gallery Art Sales	-	-	-	-	5,000	(5,000)
Total Show Revenue	291,597	289,000	2,597	2,925,030	3,538,341	(613,311)
Revenue from Services Provided	86,326	65,344	20,982	353,073	358,950	(5,877)
Registrations	-	-	-	83,731	16,750	66,981
Concessions Revenue	25,024	26,146	(1,122)	369,648	490,689	(121,040)
Rental Revenue	55,139	59,777	(4,638)	634,201	594,279	39,921
Memberships	18,110	75,000	(56,890)	232,387	157,000	75,387
Total Revenue	476,196	515,267	(39,071)	4,598,070	5,156,009	(557,939)
Expenses						
Artist Expenses	158,334	160,788	(2,454)	1,930,202	1,835,567	94,634
Ticket and Credit Card Fees	30,896	12,216	18,679	255,580	263,840	(8,259)
Production Expenses	5,550	-	5,551	63,775	17,115	46,660
Hospitality Expense	-	2,100	(2,100)	6,025	44,250	(38,225)
Advertising	10,255	15,000	(4,746)	278,295	300,249	(21,955)
Concessions Expense	4,188	4,938	(750)	122,750	171,863	(49,113)
Wages	158,246	153,697	4,549	1,713,357	1,954,042	(240,685)
Payroll Taxes and Benefits	48,573	34,917	13,656	344,613	470,022	(125,409)
Building Expenses	32,260	22,731	9,529	341,551	350,593	(9,042)
Occupancy	55,207	65,689	(10,482)	477,487	623,150	(145,662)
Insurance Expense	5,663	11,331	(5,668)	106,163	114,363	(8,200)
Dues & Subscriptions	14,103	14,523	(420)	193,014	183,906	9,108
Office Expenses	2,657	900	1,757	47,073	36,804	10,268
Development	669	3,851	(3,182)	63,163	61,034	2,129
Program Expenses	7,435	15,846	(8,411)	186,533	360,927	(174,393)
Professional Fees	42,200	19,400	22,800	420,901	266,794	154,106
Staffing Costs	4,386	4,350	36	42,762	48,825	(6,063)
Miscellaneous Expenses	274	3,000	(2,726)	20,493	43,666	(23,173)
Total Expenses	580,896	545,277	35,618	6,613,737	7,147,010	(533,274)
Total Operating Change in Net Assets	(104,700)	(30,010)	(74,690)	(2,015,667)	(1,991,001)	(24,666)
Other Income (Expense)						
Contributions - Net	76,949	54,645	22,304	1,688,375	1,508,066	180,310
Other Income	1,393	1,833	(440)	48,945	20,166	28,778
Other Expenses	(7,957)	(2,010)	(5,946)	(57,341)	(22,368)	(34,973)
Depreciation Expense	(5,376)	(5,425)	48	(58,199)	(59,675)	1,477
Noncash Lease Expense	(26,773)	(38,017)	11,244	(34,013)	(418,182)	384,167
Total Other Income (Expense)	38,236	11,026	27,210	1,587,767	1,028,008	559,759
Total Total Change in Net Assets	(66,464)	(18,984)	(47,480)	(427,900)	(962,994)	535,093

See executive summary.