



Textile Center – FY20 Draft Budget February 15, 2019

The FY20 draft budget is still a work in progress, and we will have a final, balanced budget for you to approve in March. As of now, net income is at -\$61,740, and before the staff and I make the final effort to bring it all to balance, we wanted to review where we are at with you ... our board. This is a milestone budget. Thanks to the upcoming McKnight Artist Fellowships, our operating budget will, for the first time, exceed \$1 million! Textile Center is growing.

Operating vs. Capital

At this point a year ago, we were preparing a purchase agreement for 3300 University Ave. SE, and we created two separate budgets for operating and capital. (The FY19 operating budget total is \$869,143. The FY19 capital budget is \$1,114,690, which was the budget we build for acquisition of 3300.)

For the sake of comparison, we have one column detailing the draft FY20 budget, and the column next to it is a FY19 comparison budget, which builds includes costs (such as salaries) allocated in the FY19 capital budget.

Major Financial Assumptions

This year we are anticipating the following major changes:

- McKnight Artist Fellowships will add \$125,000 in income and expenses to our operating budget. Major increases in wages, travel, lodging, hospitality, artist fees, etc., are a part of this new initiative.
- Staffing: This budget calls for two new staff. The first is a Fellowship / Program Assistant (half of it funded by the McKnight Program), and a Development/Fundraising staff position, which is supported through increased grant and individual giving income, as well as capital campaign revenue.
- Staff Benefits: This budget includes an increase of Textile Center's coverage of medical insurance for qualifying staff ... from 50% to 80%.
- Special Events: We have increased the net goal for the April Garage Sale, and we have included \$30,000 net revenue for the 25th Anniversary Gala.

We will walk through all the major line items during the board meeting, and your feedback will inform our work to complete the budgeting process in the next two weeks. Our Finance Manager Jayne Usery will be joining us.

- Karl Reichert, Executive Director