



Case Study #1: Things are Looking Up

Star Community Theater (SCT) has a long history serving the southwest suburbs of Cuyahoga County. For years this organization has done its best to produce lively seasons and fill the house—managing as best it could while part-time executive directors cycled in and out as cash-flow allowed. Despite all its hard work, it usually finishes the year in the red (in fact, SCT has run a deficit five of the last six years). Since the recession, annual giving has all but disappeared.

This year things are looking up. An unexpected gift from a major donor enabled SCT to pay down their small debt and enter the new year with ten percent of their operating budget in the bank. The Theater also landed a qualified, new executive director with experience running community theaters and a background in finance. She's rallied the board and spent the last six months pulling together a strategic plan that clearly outlines a plan to cut costs, raise new funds from latent donors and pay down existing debt with the local bank. More than anything, the new executive director understands her organization's financials: the good and the bad.

How would Star Community Theater likely fair on its GOS 2013-14 application as it relates to CAC's three components of financial health?

- **Trajectory**
Do you understand and can you articulate in writing to a panel your organization's financial path?
(0 – 5 points)
- **Operating Performance**
Is your organization running a surplus or deficit over a 3 year period?
(0 – 5 points)
- **Risk Tolerance**
How liquid is your organization?
(0 – 5 points)



Case Study #2: Rose-Colored Glasses

The Museum of Extraterrestrial Life (MEL) is widely regarded as one of Cuyahoga County's most well-known cultural organizations. Since its founding nearly 30 years ago from one substantial bequest, the Museum has garnered national attention and routinely attracts thousands of tourists. To keep pace with patron expectations and maintain its national prominence, the Museum completed a capital campaign that nearly tripled its square footage. The impressive, huge space now allows for new (yet costly) traveling exhibitions and requires more staff to manage. In the three years since its expansion, the MEL's expenses have skyrocketed, necessitating extensive draws on its lifeline: its endowment. They have little to no cash on hand. If left unchecked, the MEL faces a dire future.

In its CAC application, the MEL consistently wows the panel with details on its high quality programming and outreach efforts. Yet this year, its Cultural Data Project report and audit will shine a light on the MEL's financial reality. For the GOS 13-14 application, its staff did not mention its financial troubles, hoping its programmatic excellence would carry the day.

How would the Museum of Extraterrestrial Life likely fair on its GOS 2013-14 application as it relates to CAC's three components of financial health?

- **Trajectory**

Do you understand and can you articulate in writing to a panel your organization's financial path?
(0 – 5 points)

- **Operating Performance**

Is your organization running a surplus or deficit over a 3 year period?
(0 – 5 points)

- **Risk Tolerance**

How liquid is your organization?
(0 – 5 points)



Case Study #3: Small but Mighty

DanceArts Collective (DAC) was started five years ago by a closely knit cooperative of emerging choreographers and dancers. Their experimental work has quickly gained traction in Cuyahoga County, selling out at black box theaters and an occasional main stage production. This is a mighty feat for an organization with a \$275,000 annual budget. By partnering with larger, more established organizations DAC is able to produce cutting edge work at well-known venues.

DAC ran a deficit in 2009, but over the last two years has managed to build up a measurable surplus (nearly 15 percent of its operating budget). Each of its 11-member board gives to the annual campaign and buys a subscription. Despite the recession, DAC's annual giving has increased by 10 percent each year. It is experimenting with Kickstarter.com (the largest web-based platform for funding creative projects) to seed a new project for next year.

How would the DanceArts Collective likely fair on its GOS 2013-14 application as it relates to CAC's three components of financial health?

- **Trajectory**

Do you understand and can you articulate in writing to a panel your organization's financial path?
(0 – 5 points)

- **Operating Performance**

Is your organization running a surplus or deficit over a 3 year period?
(0 – 5 points)

- **Risk Tolerance**

How liquid is your organization?
(0 – 5 points)