



**CITY OF KIRKLAND**  
Department of Parks & Community Services  
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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager  
**From:** Linda Murphy, Parks and Community Services Recreation Manager  
**Date:** February 7, 2019  
**Subject:** Kirkland Performance Center Annual Report

## **RECOMMENDATION**

It is recommended that the City of Kirkland City Council receive an annual report from the Kirkland Performance Center (KPC). Executive Director Jeff Lockhart will be presenting.

## **BACKGROUND DISCUSSION**

The City has a long history of support for the Kirkland Performance Center. In 2018 the City of Kirkland entered into its third [10-year Use and Occupancy Agreement](#) with the Kirkland Performance Center. As stated and agreed to in this Agreement, KPC will provide a report each year that includes their annual budget and financial statements. The financial statement provided by the KPC is attached.

In addition to the use of the Kirkland Performance Center facility, the city provides direct financial support to the KPC's operations. Historically, the city has given \$50,000 annually, although this amount has sometimes been reduced in the past during times of economic hardship. The City has continued this funding for 2019 and 2020 through a one-time service package which was approved with the 2019-2020 budget. The City also rebates all ticket tax revenues from ticket sales back to the Kirkland Performance Center to support operations.

## **Attachments**

- A. 2018 KPC Financial Report

Financial Snapshot  
 Jun-18

**Income Statement**  
 For the twelve months ending June 30, 2018

	Actual	Budget	Over (under)	%
<b>Contributions and Revenue</b>				
Contributions and Fundraising	\$ 772,129	\$ 647,367	\$ 124,762	119% <sup>h</sup>
Program Revenue	969,006	908,221	60,785	107%
Concessions & other	75,132	73,287	1,845	103%
<b>Total Contributions and Revenue</b>	<b>1,816,267</b>	<b>1,628,875</b>	<b>187,392</b>	<b>112%</b>
<b>Expenses</b>				
Program expenses	964,537	923,898	40,639	104% <sup>i</sup>
Development & Fundraising	425,574	397,439	28,135	107% <sup>h</sup>
General and Administrative	295,460	280,880	14,580	105%
<b>Total Expenses</b>	<b>1,685,571</b>	<b>1,602,217</b>	<b>83,354</b>	<b>105%</b>
<b>Net Income (before depreciation)</b>	<b>\$ 130,696</b>	<b>\$ 26,658</b>	<b>\$ 104,038</b>	

For the first eleven months of the FY18 season, KPC's net income was \$104k more than budgeted.

<sup>h</sup> Actual includes \$123k of restricted donations for the technology campaign that are not part of the operating budget (used to buy Theatre & Equipment). Without this \$123k, unrestricted (annual fund) donations were \$649k. Including development expenses of \$426k, the net income from donation and fundraising events is \$223k.

<sup>i</sup> Presented season ticket sales include ticket fees. Discounts on ticket fees through subscription sales have impacted the budget by \$13k.

<b>Contributions</b> <sup>h</sup>	
Individual donations	108,721
Corporate & Foundation	67,502
Government	202,357
Artist sponsorship	111,085
Auction & other fundraising proceeds	282,464

**Balance Sheet**  
 As of June 30, 2018

Cash- operating	\$	152,823 <sup>a</sup>
Cash - restricted		246,040
Operating reserve		-
Pledges and Accounts Receivable		46,718 <sup>b</sup>
Endowment		606,720
Theatre & Equipment, net		1,541,421
Other		34,476
<b>Total Assets</b>	<b>\$</b>	<b>2,628,198</b>
A/P and other current liabilities	\$	9,101 <sup>c</sup>
Accrued Expenses		46,897 <sup>d</sup>
Deferred revenue		142,045
<b>Total current liabilities</b>		<b>198,043</b>
Line of Credit		-
<b>Total Liabilities</b>		<b>198,043</b>
<b>Total Net Assets</b>		<b>2,430,155</b>
<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b>2,628,198</b>

**Endowment**

Cumulative amount pulled (since 2012) 185,000

**Quick Ratio**

**3.56**

Cash & A/R (a + b) 199,541

A/P, CC, & Other current (c + d) 55,998

Average since August 2016 3.70

**A/P by Age**

Current \$ 9,101

1-30 Past Due

31-60 Past Due

61-90 Past Due

90+ Past Due

**Total A/P \$ 9,101**

**Presented Show Summary**

For the 12 months ended June 30, 2018

Show (Date)	Tickets Sold	Capacity %	Ticket Sales	Artist Fee & Hospitality	Tech, FOH, & BO Labor	Production	
						& Marketing	Gross Margin
Jim French (9/25)	235	60%	\$ 4,422	\$ 1,750	\$ 253	\$ 295	\$ 2,124
Loudon Wainwright III (10/19)	235	60%	9,313	5,267	410	1,088	2,548
Roger McGuinn (10/20)	378	90%	16,635	7,219	423	1,675	7,318
Take me to the River (10/21)	357	91%	22,560	15,179	751	2,613	4,017
Paula Cole (10/27)	219	56%	8,419	6,811	221	1,458	(71)
New West Guitar Group (11/3)	137	35%	4,582	3,785	229	692	(124)
Kirkland Investor Sharks (11/04)	93	24%	4,348	0	873	626	2,849
Brothers Four (11/09)	338	86%	15,020	7,119	404	1,060	6,437
JCI - Black Lagoon (11/11)	90	23%	1,930	744	182	480	524
Jim French (11/13)	177	45%	3,321	1,750	301	283	987
SICC (11/24)	378	96%	17,366	7,663	462	933	8,308
Kenny G (11/30)	365	93%	47,053	42,300	1,052	6,466	(2,765)
Dianne Reeves (12/6)	269	68%	16,690	16,455	752	3,644	(4,161)
Cherry Poppin Daddies (12/15)	361	92%	17,527	11,971	810	1,746	3,000
Twisted Flicks - Santa Claus (12/16)	142	36%	2,788	1,047	321	516	904
SBT: Elves and the Toymaker (multiple)	4752	51%	38,791	16,175	908	2,799	18,909
Geoffrey Castle (12/22)	379	96%	13,997	6,093	884	917	6,103
Golden Dragon Acrobats (1/14)	742	94%	23,896	14,649	1,300	1,488	6,459
Marc Cohn w/ Blind Boys (1/26)	392	96%	25,079	17,025	653	2,817	4,584
The Posies (2/2)	373	95%	10,369	5,301	587	996	3,485
Twisted Flicks - Escapes (2/10)	128	32%	2,610	982	94	521	1,013
Jim French (2/12)	283	72%	5,093	1,750	417	348	2,578
Andrew Joslyn (2/16)	193	49%	5,284	2,489	670	799	1,326
Taj Mahal Trio (3/2)	377	96%	25,477	18,496	745	2,415	3,821
Come Together (3/9)	356	90%	18,481	5,000	878	1,258	11,345
Geoffrey Castle (3/15)	303	77%	11,139	4,659	1,098	1,064	4,318
Sierra Hull (3/16)	336	85%	11,744	6,561	772	1,224	3,187
Evening with Groucho (3/24)	338	43%	13,682	9,240	1,041	1,090	2,311
Survivorman - Les Stroud (3/30)	183	46%	6,727	3,594	615	967	1,551
SRO - Led Zeppelin (3/31)	380	96%	16,974	8,957	734	1,463	5,820
Kaki King (4/5)	254	64%	6,744	4,564	422	868	890
Noah Gundersen (4/6)	374	95%	10,125	7,115	428	2,161	421
Jim French (4/9)	312	79%	5,793	1,750	440	381	3,222
Pink Martini (4/18)	380	96%	31,922	22,066	1,420	4,221	4,215
Hari Kondabolu (4/27)	380	96%	9,894	6,687	577	728	1,902
JCI Lost Folio (5/5)	82	21%	1,722	699	264	405	354
The Weepies (5/17)	366	93%	16,370	10,316	675	1,385	3,994
Rufus Wainwright (5/18)	345	88%	27,212	19,657	617	2,239	4,699
Indigo Girls	370	94%	28,274	20,765	595	2,239	4,675
<b>Total</b>	<b>16,152</b>	<b>72%</b>	<b>\$ 559,373</b>	<b>\$ 343,650</b>	<b>\$ 24,278</b>	<b>\$ 58,368</b>	<b>\$ 133,077</b>

**Venue Rental Summary**

For the 12 months ended June 30, 2018

Type	Rental Revenue	Tech/FOH Labor	Production Costs	Ticket Fee Expense	Gross Margin
Non-Profits	\$ 368,564	68,323	25,866	\$ 6,470	267,905
Corporate	41,069	7,309	3,055	739	29,966
<b>Total</b>	<b>\$ 409,633</b>	<b>\$ 75,632</b>	<b>\$ 28,921</b>	<b>\$ 7,209</b>	<b>\$ 297,871</b>