

**UTAH SYMPHONY | UTAH OPERA**  
**FULL BOARD MEETING**  
**AUGUST 4, 2021**  
**MINUTES**

**Attended via video or teleconference:** Doyle Arnold, Steven Brosvik, George Cardon-Bystry, John D’Arcy, Kathryn Eberle (musician), Julie Edwards (musician), Brian Greeff, Stephen Tanner Irish, Tom Jacobson, Annette Jarvis, Robin Milne, Dave Petersen, Frank Pignanelli, Gary Porter, Shari Quinney, Pat Richards, Miguel Rovira, Joanne Shiebler, Stan Sorensen, Naoma Tate, Jim Tozer, David Utrilla, Kelly Ward, Jennifer Webb (Onstage Ogden), Richard Williams, Kim Wilson, and Henry Wurts attended from the Elected, Ex-officio, and Lifetime Boards.

USUO staff members present included: David Green, Steve Hogan, Christopher McBeth, Jon Miles, Leslie Peterson, Jessica Proctor, Toby Tolokan, and Heather Weinstock. Julie McBeth was present to record the minutes and facilitate the video conference.

**I. Welcome and Consent Agenda:** USUO President & CEO Steve Brosvik welcomed the members of the Board of Trustees and staff participating in the meeting and noted that Mr. Love was unable to attend due to an unexpected matter. Mr. Brosvik asked if there were any questions about or recommended changes to the Consent Agenda. Upon a motion duly made and seconded, the Consent Agenda, which included the draft minutes from the May 25, 2021 Full Board meeting and a proposed schedule of board and regular committee meetings for the 2021-22 Fiscal year was adopted by unanimous vote.

**II. Finance Committee report:** USUO VP of Finance and CFO Steve Hogan talked through the balance sheet and updated budget projection for the current fiscal year, attached as pages 3-5. Finance Committee Chair John D’Arcy referenced the resolution adopted at the May 2021 meeting to segregate cash from ticket sales for future performances into a separate account to be used when expenses related to those performances occurred. He then noted that execution of the resolution would likely result in approximately \$2.5 million of the currently projected surplus for FY21 being utilized during FY22. He shared a recommendation from the Finance and Executive Committees to put the remaining surplus (estimated to total approximately \$1.8 million at the close of the fiscal year) into a newly-created reserve account. Mr. D’Arcy moved to adopt the following resolution. The motion was seconded and, following discussion and responses to clarifying questions, was approved.

Resolved that an Operating Reserve account be created. This Operating Reserve would be in addition to the currently existing Unrestricted Endowment. The distinction between the two accounts is that the Operating Reserve would be invested only in short-term investment grade fixed income securities in anticipation of any funding being utilized within a one to three-year time frame to fund institutional initiatives including operating deficits. Investment of the Operating Reserve would be the responsibility of the Investment Committee. The Board has the authority to fund the Operating Reserve with fiscal year-end surpluses or specially designated gifts. Transfers from the Operating Reserve to “Operations” require Executive Committee approval to be ratified by the Board.

Mr. D’Arcy then presented a proposed budget for FY22, attached as page 6. He shared that the finance committee had extensively discussed the budget and that both the Finance Committee and the Executive Committee recommended adoption of the proposed budget with the \$2.28 deficit shown, with the goal to keep the structural deficit top of mind while the organization worked to increase revenues (as opposed to using the reserve and additional possible draw from the endowment to show a balance). Following thorough discussion, and upon a motion duly made and seconded, the Trustees voted to approve the FY22 budget, as presented on page 6.

**III. USUO updates:** Musician Representative Julie Edwards, whose two-year term of representation was ending at the end of the month, expressed her thanks to the board, staff, and musicians of the organization for all that so many had done to sustain USUO through the pandemic and to put it on a strong trajectory for the upcoming season. She shared that the most important quality to the musicians was excellence—in performance, reputation locally and nationally, communications, and relationships—and noted that the musicians would continue to push for excellence in all aspects of the organization.

Mr. Brosvik relayed that Thierry Fischer would not be able to conduct the Forever Mighty Tour as he was hospitalized for treatment of a kidney infection. He noted that Associate Conductor Conner Gray Covington would lead the tour concerts.

**IV. Other Business / Adjourn:** Mr. Brosvik asked if there was any additional business to discuss. There being none, the meeting was adjourned at 4:50pm.

**Minutes Recorded By:**

Julie McBeth

**Minutes Approved By:**

Board vote at 9/28/2021 meeting

Utah Symphony & Opera  
Statement of Financial Position  
Operating/Unrestricted (in '000's)

	as of June 30, 2021	as of August 31, 2020
1 Cash/Cash Equivalent	2,060	312
2 Segregated funds	4,234	-
3 Accounts Receivable	2,438	777
4 Prepaid	237	375
5 Fixed Assets	2,970	3,322
6 Other Assets	171	58
7 Total Assets	<u>12,111</u>	<u>4,844</u>
8 Payables	439	611
9 Line-of-Credit	-	-
10 Deferred Revenues	2,634	3,691
11 Notes	2,050	50
12 Total Liabilities	<u>5,124</u>	<u>4,352</u>
13 Net Assets	<u>6,987</u>	<u>492</u>
14 Total Liabilities and Net Ass	<u>12,111</u>	<u>4,844</u>

Footntes:

- 2 Invested in S/T bond fund, includes future tickets and FY21 Draw
- 3 June 30 has \$1.2 million from SL County - ZAP; \$918k Tax Credit
- 8 June 30 has no payroll accrual; Aug 31 has \$286k payroll accrual
- 11 June 30 has PPP2 loan. Once forgiven the loan will be recognized as revenue and increase net assets.

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(\$000'S)

	A April Projection for FY21	B July Projection for FY21
Total Revenue	\$ 21,066	\$ 22,411
Total Expenses	(18,542)	(18,033)
Surplus/(Deficit) before Reserve and Depr.	\$ 2,524	\$ 4,377

	2021 A	2021 B
1 Performance Rev	\$ 2,222	\$ 2,481
2 Performance Exp	(3,072)	(2,803)
3 Net Other Rev	153	153
<b>4 Net Performance Rev/(Exp)</b>	<b>\$ (697)</b>	<b>\$ (170)</b>
5 General Production Exp	\$ (1,087)	\$ (937)
6 Production Salaries	(2,178)	(2,002)
7 Salary & Benefits Orch	(8,492)	(8,755)
8 Salary & Benefits Staff	(2,637)	(2,465)
9 Overhead/Fundraising	(717)	(712)
<b>10 General Expenses</b>	<b>\$ (15,111)</b>	<b>\$ (14,871)</b>
11 Net Gala Events	\$ -	\$ -
12 Endowment Draws	-	-
13 Gov't & Contr. *	10,736	11,546
14 CARES/COVID Relief Funding	-	-
<b>15 Total Fundraising</b>	<b>\$ 10,736</b>	<b>\$ 11,546</b>
<b>16 Operating Surplus/(Deficit)</b>	<b>\$ (5,072)</b>	<b>\$ (3,496)</b>
17 One-time grants	7,955	8,232
18 Depreciation	(359)	(359)
<b>19 Surplus/(Deficit) after Depr. and one-time grants</b>	<b>\$ 2,524</b>	<b>\$ 4,377</b>

**Line 2**

Performance expenses include; Conductor, guest artists, hall rent, stage management, lighting, sound, extra orchestra musicians, marketing, costumes, sets, music and royalties.

**Line 5**

General production expenses include: Artistic staff salaries and benefits, music licenses, general and subscription mrktg, opera ensemble artists, ArtTix and CC fees, Production Studio utilities, and vehicles.

**Line 7**

Orchestra pay was reduced from the CBA (Collective Bargaining Agreement) level by 23% (\$1.6 million) into April 2021, at which time the contract rate was restored.

<b>Line 13</b>	<b>2021 B</b>
Government	\$ 3,946
Contributions	7,600
Program Sponsorships	-
* Gov't & Contr. Total	<b>\$ 11,546</b>

**Line 17**

FY20 Covid relief gifts are recognized in FY21 (approx \$600k) is recognized with regular contributions (line 13).

	<b>2021 B</b>
Dell Loy Hansen	\$ 500
Kem Gardner	500
Alternative Visions	600
State - UAM	1,000
SBA PPP/2 Loan Forgivable	2,757
Employee Retention Tax Credit	2,112
Shuttered Venue Operators Grant	
Other CARES Funds	762
	<b>\$ 8,232</b>

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	A	B	C
	Actual for FY19	Projection for FY22	Risk for FY22
1 Total Revenue	\$ 22,942	\$ 22,493	
2 Total Expenses	(23,132)	(23,800)	
Surplus/(Deficit) before			
3 Reserve and Depr.	\$ (190)	\$ (1,307)	
	2019	2022	diff. w/ column A
4 Performance Rev	\$ 7,780	\$ 6,800	\$ (981)
5 Performance Exp	(6,315)	(5,855)	460
6 Net Other Rev	333	254	(79)
	\$ 1,799	\$ 1,199	(100) to 500
7 General Production Exp	\$ (1,189)	\$ (1,123)	67
8 Production Salaries	(1,966)	(2,296)	(330)
9 Salary & Benefits Orch	(9,938)	(10,671)	(733)
10 Salary & Benefits Staff	(2,589)	(2,778)	(189)
11 Overhead/Fundraising	(805)	(730)	75
	\$ (16,487)	\$ (17,598)	
12 Net Gala Events	\$ 8	\$ -	N/A
13 Endowment Draws	1,637	1,527	Set
14 Gov't & Contr. *	12,688	12,488	(200)
15 COVID Relief Funding	-	-	None
	\$ 14,333	\$ 14,016	
16 Operating Surplus/(Deficit)	\$ (355)	\$ (2,383)	(2,028)
17 Special Draw	495		
18 Depreciation	(330)	(348)	(18)
19 One-time funding	-	1,424	1,424
20 Surplus/(Deficit) after Depr.	\$ (190)	\$ (1,307)	(1,117)
<b>* = Line 14</b>			
	2019	2022	
Government	\$ 4,340	\$ 4,529	189
SBA PPP Loan Forgivable	-	-	
Contributions	8,298	7,959	(339)
Program Sponsorships	50	-	
* Gov't & Contr. Total	\$ 12,688	\$ 12,488	250 to 500