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PPPM 507 Financial Management for Arts Organizations
Dashboard and Financial Analysis

The Archie Bray Foundation for the Ceramic Arts was founded in 1951 in Helena, Montana as an internationally recognized destination for those working in ceramics. The organization's financials from 2009 through 2013 reflect a history of success, with a healthy balance sheet high in assets and very low in liabilities.

The largest sources of revenue for the Archie Bray Foundation include 1) contributions, gifts, and grants at 44% in 2013, inventory sales at 24%, pottery sales at 14% 4) investment income at 6% and class and workshop fees at 6%. Overall there is a somewhat inconsistent, yet generally increasing trend in total revenue. Memberships and contributions specifically have showed increases, demonstrating continued and increasing public support. There have been increases in many different revenue areas but very few with any certain consistency so it is difficult to project just how reliable these revenue sources really are. The only thing that has consistently increased has been investment revenue. Lastly, while program expenses have steadily increased, rising 20% over five years, program revenues have been inconsistent, rather than rising to follow increasing expenses. But in general, revenues do demonstrate an increasing trend, even if inconsistent.

As revenues have increased, so have expenses, typical of organizational growth. While revenue has increased approximately 42% over the five years, expenses have increased just 27%. While this seems fairly positive, expenses were already fairly high in comparison to revenues. While 2011 and 2012 brought in higher net revenue, likely due as a result of the Bray's 60th anniversary efforts, the other three years were not as successful. Two of the last five years ended in a deficit, including the most recent, and a third was barely in the black. The organization spends just the right portion on programming, and most recently this was at 66% of total expenses. At only 9%, general operating expenses seems slightly low. The remaining 25% of expenses is contributed to fundraising, and this seems a bit high considering their fundraising efficiency that year was 57%. Even in their best fundraising year (2011) their efficiency ratio was still over 50%. They are spending a lot on fundraising in comparison to the actual contributions being received. It is clear that they need to improve the efficiency of their fundraising efforts to increase revenue while cutting back on some expenses.

The organization is rich in assets. Their unrestricted net assets ratio is over 250%, which is very high and demonstrates that they have a high amount available in reserve. They are also contributing regularly to an endowment. They have seen increases in cash, pledges, and most definitely investment earnings, which have doubled in five years. At 0.014 in 2013, their debt ratio is very low. The organization seems stable and has a healthy base from which to operate, but they do need to do some work increasing revenues and decreasing expenses, especially in relation to fundraising efforts.