

Attachment 1

Santa Barbara Bowl 2020 Annual Report



SANTA BARBARA BOWL

ANNUAL REPORT OF THE SANTA BARBARA BOWL FOUNDATION 2020

**Submitted to the County of Santa Barbara General Services Department
By Rick Boller & Andrew Gardner**

On behalf of the Santa Barbara Bowl Foundation Board of Directors

**Annual Report of the
Santa Barbara Bowl Foundation
2020**

The Management and Lease Agreement for the Santa Barbara Bowl provide that the Santa Barbara Bowl Foundation shall submit an Annual Report to the County of Santa Barbara which addresses six areas:

1. A list of the current Board of Directors and officers of the Foundation;
2. Financial results of operations including gross and net receipts and fundraising progress;
3. Subleases granted hereunder;
4. A report on the condition of the Bowl facility including planned and completed capital improvements and progress made toward meeting the goals set forth in the Master Plan;
5. A review of the schedule of events for the past year, including the number of events and the revenues thereby generated;
6. A summary of issues raised at Public hearings conducted by The Foundation pursuant hereto, and the resolution of said issues.

This report is organized to address these specific responsibilities, address other mandates related to the Management and Lease Agreement, and to provide the Board of Supervisors with a comprehensive update to the operations of the Santa Barbara Bowl Foundation for the 2020 calendar year.

The Board of Directors and Officers of the Santa Barbara Bowl Foundation

Pursuant to the bylaws of the Foundation, the following officers, board members and committee members were active participants in 2020:

Officers

Chair:	Charles T. Plough III
Vice Chair:	Karen Kerns
Secretary:	Brett Burkey
Treasurer:	Carola Nicholson

Board Members

Mike Allen, Wendy Barels, Graham Farrar, Andrew Firestone, Jeff Jacobs, Lori Kari, Laurie Bentson Kauth, Richard Kelty, Angel Martinez, Mike Mendoza, Chris Parker, Marianne Partridge, George Short, Sandy Stahl, Patti Stathis

Committee Members

Dan Blumenthal, Joe Campanelli, Yvonne Chin, Gerald Comati, Valerie Froscher, Jaimie Jenks, Steve Keithley, Casie Killgore, Paul Kuhn, Eder Mejia, Carrie Poytress, Shawn Rocha, Derek Shue, Robert Szerwo, Jeff Theimer, Tracy Trotter, Gregg Wilson

Financial Results of Operations

Overview

2020 was the 26th year managed by the non-profit Santa Barbara Bowl Foundation.

Due to the worldwide COVID-19 pandemic, effective March 16, 2020 the Foundation closed the Santa Barbara Bowl to be in compliance with the mandated shelter in place orders issued by the County of Santa Barbara. Consequently, the concert season was postponed, and no concerts were held in 2020. This resulted in the Foundation's operating revenues being reduced to \$699,943 compared to \$6,209,388 in 2019. The Foundation was able to reduce much of its operating expenses to offset the reduced revenues.

Total revenues for the Santa Barbara Bowl Foundation in 2020 were \$3,344,945 compared to \$9,524,053 in 2019, the decrease due to the postponed concert season. The total revenue amounts for 2020 included \$1,929,976 in fundraising revenue. Operating expenditures (excluding capital improvements) decreased to \$3,289,482 in 2020 compared to \$7,285,004 in 2019, due to the lack of concert season expenses. The total operating expenses include depreciation expense of \$1,144,920. The value of the Master Plan Leasehold Improvements, Land and Equipment, (net of accumulated depreciation) increased from \$28,807,408 in 2019 to \$29,528,535, due to the addition of new leasehold improvements and newly capitalized fixed assets in 2020.

Debt and other Financial Commitments

In 2020 the Foundation carried no long-term debt.

Fiscal Controls and Financial Management

To continue to assure adequate segregation of duties and appropriate internal controls, the staffing structure remained the same as years previous in the areas of Box Office operations and business management.

The 2020 Bowl staff configuration outlined above is as follows:

Executive Director:	Rick Boller
Business Manager:	Andrew Gardner
Event Operations Manager:	Tucker Papac
Box Office Manager:	Allison Fitton
Program Director:	Eric Shiflett
Development Manager:	Greg Kirchmaier
Outreach Program Manager:	Kai Tepper
Food & Beverage Manager:	Kori Soltz
Plaza Controller:	Derrick Duong

The Foundation continued to handle financial management and reporting on an in-house basis with the assistance of a part time contracted bookkeeper. The Business Manager and the bookkeeper handle all transactions and report preparation under the supervision of the Executive Director and the Board Treasurer. In addition, the independent accounting firm of Armanino, LLP provided audit and tax preparation services for the Foundation in 2020. While required by the lease agreement with the County, it is also the opinion of the Board of Directors that an independent audit is an essential component to an effective set of financial controls. The 2020 Audited Financial Statements and supporting documents is included with this report.

Fundraising

2020 marked the 23rd year of fundraising efforts by the Santa Barbara Bowl Foundation. The successful cultivation of donors provided the Foundation with \$1,929,976 in donations and pledges in the 2020 fiscal year. The Foundation's fundraising staff in 2020 was comprised of the Executive Director and Development Manager.

Outreach

The SB Bowl Outreach program is a community outreach initiative dedicated to supporting performing arts education for students in Santa Barbara County, and is a key component of the Foundation's Mission Statement. In 2020 the program expenditures were reduced due to the COVID-19 shutdown, however the Foundation contributed \$281,579 supporting schools and community organizations serving local schoolchildren through Outreach grants, scholarships and sponsorships.

In 2020 the Outreach program continued to facilitate the annual Pianos on State event in downtown Santa Barbara. For two weeks each Fall, pianos are available along State Street for musical exploration, impromptu play, and group performances. This one-of-kind interactive musical experience encourages people of all ages to play, listen, and sing along on upright pianos, decorated by local professional artists who transform each piano into a unique piece of art.

Through the generous support of community members, the Outreach program continued to fund two newer initiatives in 2020. The Instrument Fund project, designed to lend, repair, and replace musical instruments for area youth music programs, was created with the goal to ensure that the lack of an instrument doesn't prevent a child from learning to play an instrument. The Instrument Fund program contributed \$47,438 in instruments and repairs to area schools and music programs in 2020.

The Community Ticket Subsidy program provides subsidized tickets to performances at the Bowl and other venues for students in the Santa Barbara area. Participants in this program include foster families, high school aged performers, social service organizations, and students enrolled in Bowl-supported Outreach programs. The Foundation contributed \$4,100 to underwrite tickets for performances at local venues in 2020 prior to the COVID-19 shutdown.

SBBF Arts Subsidy

In accordance with the County lease agreement of 2011, the Foundation contributes to the Santa Barbara County Office of Arts and Culture's funding for community cultural arts programs. The amount payable to the S.B. Co. Office of Arts and Culture by the Foundation is designated as the Santa Barbara Bowl Arts Subsidy and is assessed at \$.50 per paid ticket sold annually, with a cap of \$50,000 per season. The SBBF Arts Subsidy is paid to and used by the S.B. County Office of Arts and Culture as it deems appropriate for the direct funding of cultural arts events and programs in the Santa Barbara community. Since the inception of the annual Arts Subsidy, the Foundation has made a total of \$383,172.75 in contributions to the S.B. Co. Office of Arts and Culture. Due to the postponement of the concert season no contribution was made in 2020.

Summary of the Foundation's Community Contributions

As outlined above, despite of the COVID-19 shutdown, the Foundation remained committed to an important part of its mission statement in the Outreach programs, contributing \$333,117 directly to performing arts and music education in the Santa Barbara County community in 2020.

Promotional Services Agreement

In 2015 the Foundation entered into a Promotional Services Agreement with a private promoter, Goldenvoice/AEG, effective with the 2016 concert season. This agreement expires in 2022 with an option to extend the agreement an additional two years. This was the sole concert promotion agreement in effect during the 2020 fiscal year. In November 2020 the Foundation exercised its option to extend this agreement through the 2024 concert season.

There were no subleases in effect in 2020.

Santa Barbara Bowl Condition Report

Hillside Failure and Improvements

In spring 2019 the facility experienced a failure of the northeast hillside slope adjacent to the venue seating area. This failure resulted in an emergency stabilization effort in spring and summer 2019. As a result of this failure, the Foundation began the design and construction of two new retaining walls and an improved drainage swale to permanently stabilize the hillside. In addition to the retaining walls, the Foundation also began the design and construction of a new storage building located in the hillside next to the retaining walls and the stage area. Construction of these improvements began in 2020 and are expected to be completed in 2021.

The Bowl continued to maintain a high level of ongoing facility stewardship protecting the Foundation's construction investments. All systems are serviced regularly and repairs are conducted immediately. In addition, the onsite emergency generator and emergency lighting system is tested regularly as legally specified.

The Foundation believes that by carefully protecting, maintaining and improving the existing structures, the reputation of the facility as one of the finest outdoor concert venues in the world will continue to remain intact.

2020 Schedule of Bowl Events

Due to the COVID-19 pandemic shutdown, no concerts were held at the Santa Barbara Bowl in 2020.

Public Concerns

Public Organizational Meetings of the Board were held in July and November of 2020 and were legally noticed in the Santa Barbara News Press as a means of encouraging input from neighbors. There were no public attendees for either meeting, however, staff continued to communicate with neighbors, City and County representatives proactively throughout the year.