



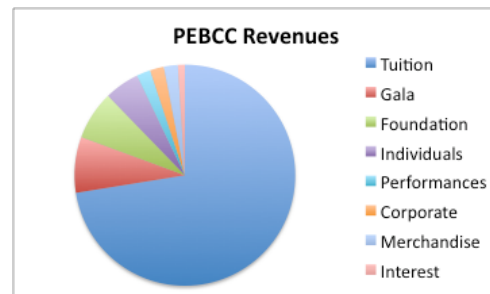
“Choir Economics 101”

A primer on where the Piedmont East Bay Children's Choir money comes from, where it goes to, and why YOUR continuing support is so vital to our future!

The Piedmont East Bay Children's Choir is chartered as a “501©3 non-profit public benefit corporation.” Though we're a “non-profit,” we have to run the Choir as seriously as any “normal” business in the community, and earn enough income to cover our expenses each and every year.

Where does the money come from?

As you can see in the diagram, tuition is the single largest component of the Choir's income, comprising about 72% of our operating budget. Though we are aware that the investment we ask our families to make via tuition payments is substantial, it's important to understand that we don't ask you to bear the burden of keeping the Choir in operation all by yourselves.



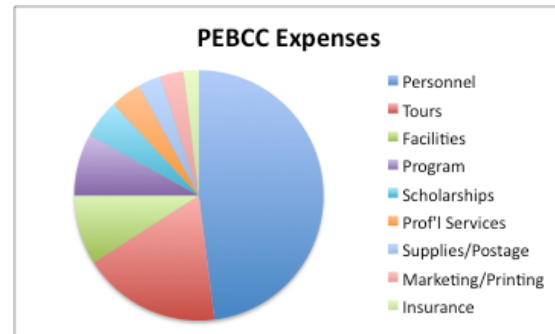
Ticket and merchandise sales make up another 3% of our revenue. Combined with tuition, that makes 75% of our income. The remaining 25% we must go out in the community and ask for and raise in every way we know how!

- **Foundations:** Unfortunately non-profits (especially in the Arts) are less and less able to rely on foundation underwriting for support. We still make every effort, of course, to identify funders that actively support children and the arts. Our administrative staff spends hundreds of hours each year preparing and submitting dozens of complicated grant applications. Unfortunately, though we're always told we're “worthy,” with each passing year, foundation-based funders have less and less to give to organizations like ours, and we can no longer look to them to make more than a modest contribution to our cause.
- **Corporations:** The corporate donations we receive these days are primarily tied to individual donations through the matching gift programs that many Bay Area companies have for their employees. We are always grateful when our individual donors are thoughtful enough to explore their employers' matching gift programs.
- **Government:** As you might suspect, thanks to funding priorities in Sacramento and Washington, government funding for the Arts has all but disappeared and is not something we can count on.
- **Individual Giving:** Increasingly, it is gifts from individuals (like you!) that we rely upon. Recent statistics show that **85% of all contributions to non-profits are now coming from individual donors** rather than foundations, corporations or government. We are grateful to the many individuals and families who understand our need for financial support, and who have recently come through for us so generously in response to our annual appeal letter.
- **Gala Fundraiser:** Our other main fundraiser is the annual Gala Celebration and Auction, held each March. Each year we are usually to be able to raise about \$50,000 for our choir programs through a combination of event tickets and money raised through bidding on donated auction items.

So as you can see, without the continuing support – beyond tuition fees – of our current and past choir families and other friends in the community, we truly wouldn't be able to continue with our mission of enriching the lives of children and their families through music.

Where does all that money go?

The largest component of expenditures, about 48%, is invested in faculty and staff salaries and benefits, and professional services in support of the choral program. Tour and camp expenses come next, at about 18%. [It is important to know that these are self-funding; i.e., wholly paid for by the families participating.] Facility rental makes up another 9% of expenses. Scholarships comprise 5% of our budget. The distribution of the other major expense areas within the budget is shown in the diagram.



Every effort is made to hire the best teachers and present the highest possible quality choral program, while controlling non-program expenses. We are always trying to reduce overhead expenses and streamline operations so that more resources are directly available for the choral program. Our new online registration system is part of this effort. However, the costs of basic and necessary expenses like facility rental, insurance, payroll expenses, and new music continues steadily to climb. We are also making an effort to steadily bolster our scholarship budget to assist those families who would otherwise be unable to participate in our choir programs. We try our hardest to see that every dollar of your tuition fees (and our other income) is carefully spent, and we are grateful for your understanding of the challenging fiscal situation we face on your behalf each choir season.

In closing, please accept, on behalf of the entire staff, a heartfelt "thank you" for all you have done to keep us fiscally healthy and musically thriving. Please – continue to do what you can to support us and help us grow:

- Enroll your children in our choirs, and talk us up with friends and neighbors so they'll join our choir family as well.
- Bring people to our concerts.
- Make donations of money, goods, or services.
- Come to the Gala and bid on an extravagant bottle of Cabernet or other "treasure."
- Volunteer your time at rehearsals, performances, or in the choir office.
- Buy choir CDs and gifts and give them to everyone you know!

What we promise to give you and your children in return is priceless – a chance to participate in the unforgettable, life-changing and character-building experience of "Growing with Music" as part of a true community treasure – the Piedmont East Bay Children's Choir.