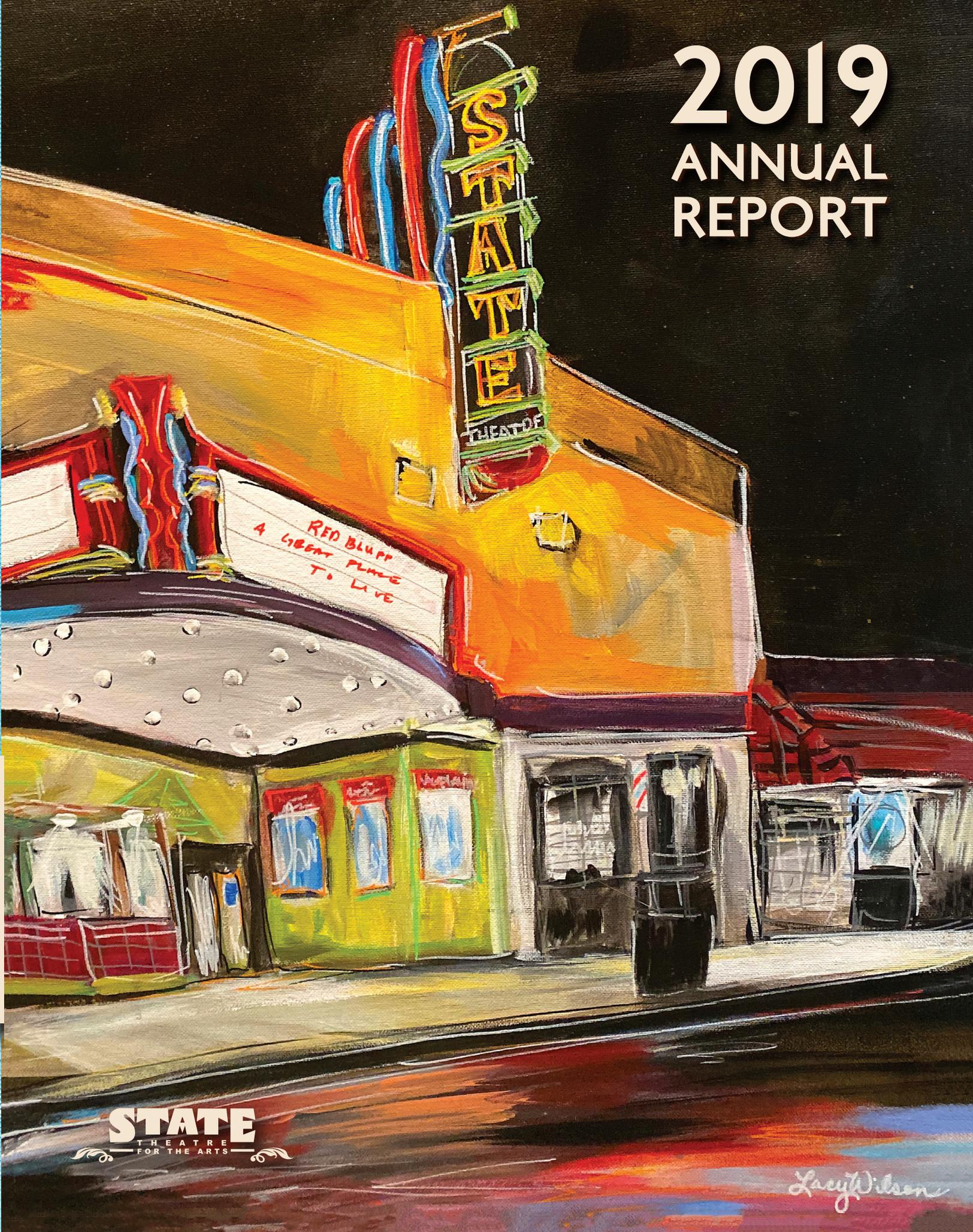


2019 ANNUAL REPORT



STATE THEATRE FOR THE ARTS

Annual Report 2019

It is the mission of the State Theatre for the Arts to develop the historic State Theatre as a vibrant community center for innovative cultural arts programming and popular events that foster the cultural enrichment and economic sustainability of historic downtown Red Bluff.

Dear friend of the State Theatre,

It is my pleasure to share with you that because of the amazing support of the entire community, the State Theatre for the Arts has during calendar year 2019 continued to make significant progress in fulfilling its mission as stated above. This report is prepared primarily in order to update those in the community who have placed their trust in STFTA by contributing financial and other support toward the purchase, restoration and operation of the historic State Theatre as a resource for the entire community today and for future generations. It is our belief that after reviewing this document, those of you who have provided financial support in the past will choose to continue your support of the historic State Theatre.

While this annual report contains requisite statistical information, its intended purpose is to provide the reader with a basic overview of successes achieved through our capital campaign to purchase and restore this grand old community treasure, and to give you a view of our efforts to broaden and increase utilization of this wonderful performing arts venue by all segments of the community.

Additional information is available through the State Theatre website at www.statetheatredbluff.com, or by calling the State Theatre at (530) 529-2787.

SEE YOU AT THE STATE!

Kevin Borrer, President
State Theatre for the Arts

The State Theatre for the Arts has occupied the State Theatre for eighteen years, the first ten years as a tenant of the theatre under private ownership. In early 2010, a decision was made to cease the landlord/tenant relationship and devote that year to making an informed decision regarding the potential for purchasing the theatre. After several months of study, a strategic planning session was held with community stakeholders. It was decided that, among other things, it was necessary to 1) thoroughly investigate the condition and market value of the State Theatre site's building, equipment, and mechanical systems, 2) investigate cultural arts and economic revitalization programming options, 3) determine needed facility and equipment improvements to accommodate new programming efforts, 4) develop a sustainable business plan, and 5) investigate the feasibility of a comprehensive capital campaign to attract the funding necessary to underwrite the cost of organization developments and community initiatives.

Upon completion of the above-referenced due diligence and strategic planning activities, a decision was made in December 2010 by the STFTA Board of Directors to undertake a multi-year comprehensive capital campaign. The purpose of the campaign was to provide for the purchase and eventual restoration or upgrading of the State Theatre facility for new and expanded programming, and for the eventual establishment of an endowment fund appropriate to the long-term needs of the State Theatre for the Arts and the community it hopes to enrich and serve.

In early March, 2011, an agreement was reached wherein the State Theatre for the Arts would purchase the State Theatre for \$440,000. Financing was secured on a two-year interest-only basis through the Rural Community Assistance Corporation, and escrow was closed on the purchase of the State Theatre on October 16, 2011. With the amazing support from the North State community, we were able to pay off our note and burn our mortgage at a State Theatre celebration held in May of 2013.

Governance

In order to satisfy the many facets of purchasing and operating a 74-year-old historic theatre, it is important to have ambitious, capable people with a whole lot of time to participate. This community is indeed fortunate to have such people! At the present time the State Theatre for the Arts operates the State Theatre largely as a volunteer organization. Following is a list of your friends and neighbors who served on the 2019 Board of Directors, and who along with many other volunteers completed over 4,000 hours serving the State Theatre in various capacities during calendar year 2019.

Kevin Borrer, President
Joe Vine, Vice President,
Joanne Bickley, Secretary
Joan Allen, Treasurer
Wes Combes, Vice President, Audit and Finance
Christy Forward, Marketing Chair
Kevin Borrer, Restoration Chair
Austin Harter, Facilities Committee

Kelly Dolling, Marketing Committee
Brandon Minch, Facilities Chair
Jean Moran, Grant Committee Chair
Andre Schuetz, Program Committee Chair
Carmel Growney, Resource Development
Leslie Stone, Volunteer Coordinator
Nancy Weber, Membership Chair
Kate Grissom, Social Media Chair

State Theatre Donor Recognition Program

Upon initiating our capital campaign to purchase and restore the historic State Theatre, we established a naming rights program whereby major donors were awarded naming rights for outstanding theatre features. Because all naming rights features were acquired almost immediately, a donor wall was installed at the theatre to recognize individuals, families, businesses and organizations that have contributed a minimum gift of \$1,000.00 to over \$25,000.00. At the present time nearly 200 individuals, families, businesses and other entities qualify for Donor Board recognition. We invite you to review our donor Board the next time you visit the State theatre.

It is the goal of the State Theatre for the Arts to fully restore this grand old theatre, and the support received in support of our efforts thus far has been simply amazing. Calendar year 2018 marked the sixth year in which we concentrated on restoring the theatre to its original state of grandeur. It is our sincere hope that those who have already contributed to our campaign will continue to see this project as a priority, one worthy of financial support. It is also our hope that others within the community who are capable of supporting this important project will provide additional funding during calendar year 2020. Additional information regarding the State Theatre restoration campaign can be obtained from any STFTA Board member, by accessing our website at www.statetheatreredbluff.com, or by calling the theatre office at (530) 529-2787.

Calendar Years 2013-18 Restoration improvements at the State Theatre

Because we now own this grand old building, we believe businesses, individuals, and foundations will look much more favorably at funding requests for building improvements and restoration. Because of the amazing support of this community, we have been very well positioned to address and complete several safety, program and restoration projects in calendar years 2014, 2015, 2016 and 2017. These projects are as follows:

- ▶ In calendar year 2013 we applied for a grant from the McConnell Fund of the Shasta Regional Community Foundation to fully restore the State Theatre blade (the exterior vertical sign) and marquee. Though the stated maximum amount available through the grant was \$50,000, the Foundation was so impressed with the level of support demonstrated by the community that we were awarded the entire project cost of \$65,000. The new blade and marquee were completed in the spring of 2014, and they now shine brightly over downtown Red Bluff on a nightly basis. We thank the McConnell Fund of the Shasta Regional Community Foundation for their support of the State Theatre.

- ▶ The State Theatre has a seating capacity of 730, slanting from bottom to top on a gradual incline. In order to ensure the safe passage of all who enter the theatre, we have installed safety railings to assist patrons as they navigate our stairs in the theatre balcony.

- ▶ With the support of the Tehama County AB109 cabinet-making program, we were able to tear out our old makeshift concession area and replace it with a beautiful state-of-the-art concession area that will serve patrons for decades to come. We thank the Tehama County Board of Supervisors, the Tehama County Probation Department, and especially program director Mike Shaffer, for creating this magnificent addition to the State Theatre.

▶ In support of our new concession stand, we were able to install new floor covering in our lobby area. We thank Dale's Carpet & Design for their role in providing this beautiful theatre addition!

▶ In the spring of 2014, a decision was made to demolish and replace the pavement in the alley adjacent to the theatre and our green room (dressing room), and to construct a 1,000 square foot concrete patio area for use in outdoor celebrations. This beautiful and safety-minded addition is valued at \$40,000. All work and materials were donated by the following contractors and businesses: Dudley Underground Constuction, Ben's Trucking, Foothill Redi-Mix, Robert Douglas Construction, Tullis Construction, Red Bluff Fence, and Sierra Pacific Industries. We now have a beautiful, safe environment in our alley/patio area at no cost to STFTA.

▶ We have been able to tear out and replace our undersized and outdated State Theatre stage. This project, as with most at the State Theatre was upported in large measure by financial and in-kind contributions from such businesses as the Sierra Pacific Foundation, Madera Framing, and Bear Creek Contractors. We thank these great businesses for their support.

▶ 2014 also marked the completion of a beautiful restoration of our interior marquee, allowing us to post notices of and advertise for upcoming events.

▶ In early 2015 we applied for and received a grant from the McConnell Fund of the Shasta Regional community Foundation for \$50,000 to replace our 60 year old boiler heating system. We are pleased to report our new system is much more efficient to operate, and provides for a warm and cozy theatre throughout the winter months.

▶ With the 2015 completion of the new Haleakala Stage in our auditorium, we have installed a beautiful new stage curtain system that not only looks terrific, but enhances the overall effectiveness of our sound system in the State Theatre.

▶ With financial support from one of our valued supporters, we were able to upgrade and install new fixtures in the original 1946 vintage men's and women's restrooms.

▶ With the support of our valued supporters, we were able to replace the tile flooring in the lobby of the State Theatre.

▶ With the support of a major financial donor who requested to remain anonymous, we were able in 2016 to enhance our State Theatre sound system and our lighting system. With this addition we are able to utilize a secondary sound board system adjacent to the theatre stage, and are now in a position to host any and all concerts without having to augment our systems with expensive rental equipment. We were also able to update our outdated electrical system within the stage area, providing more cost effective and safe service. 2016 was a very productive year as relating to restoration and safety enhancements in the historic State Theatre.

▶ In October of 2016 we rolled out our Seat Replacement Program. The cost to replace all 740 70-year old seats was approximately \$275,000. The entire cost of this project was funded from our Seat Sponsorship Program, wherein for \$500 groups and individuals were able to honor someone or something special with an inscription on a new seat.

► With proceeds received from a McConnell Fund of the Shasta Regional Community Foundation grant, we also completed the following restoration projects in calendar year 2017: auditorium ceiling and mural repair, carpet replacement in the auditorium and lobby, hardwood floor restoration.

► With proceeds from an anonymous donor, we purchased and installed theatre spotlights and painted the entirety of the lobby.

* With financial support provided by theatre supporter Pat Jenkins, The Paint Mart and The Paint Smith, we were able to paint the entire exterior of the theatre during the summer of 2018.

Calendar Year 2019 Restoration Projects:

Auditorium light restoration:

With financial support provided by theatre supporter Pat Jenkins, we were able to restore and replace the beautiful sconce lighting within the auditorium.

2019 Calendar of Events at the State Theatre

The State Theatre served as the preferred venue for 37 different events during calendar year 2019. These events were attended by a total of over 15,000 patrons, for an average of over 400 patrons per event.

State Theatre-sponsored concerts included such notable performers as Josh Gracin, Collin Raye, Lorrie Morgan, Alpin Hong, John McCuen, The Irish Rovers, The Glenn Miller Orchestra, Sierra Hull, Tribute to Luke Perry and Lane Frost, Chicks with Hits, Alex Ramon, US Air National Guard Band, Summer Theatre Group, I am They, Jim Messina, and the Polar Express.

It should also be noted that several events staged at the theatre in 2019 were targeted toward community children, in keeping with our pledge to sponsor children's programming whenever possible. Of special note was our first annual week long Children's Theatre Camp, sponsored by past STFTA President Venita Philbrick.

Program Sponsors

Calendar year 2019 marked the fourth year of our State Theatre Performance Series Sponsorship Program. Funds generated from this program are used to underwrite and guarantee quality programming at the State Theatre, as well as to support various State Theatre restoration and maintenance projects. We are happy to report that our Performance Series Sponsorship Program continues to grow.

We are very appreciative of our 2018-19 Performance Series Sponsors, and could not grow our State Theatre product without their support. Silver Sponsors: Banner Bank, The Paint Smith, Ken Miller, Attorney at Law, Prescott Ballroom, Cornerstone Community Bank, Tedon Specialties. Gold Sponsors: Wheeler Logging, Sierra Pacific Foundation. Platinum Sponsors: Dignity Health, Rolling Hills Casino, Tehama Angus Ranch, Mill Creek Ranch, PJ Helicopters, KIXE Public Television, Haleakala Walnuts, Sierra Central Credit Union and David and Tina Gunsauls.

State Theatre Membership Program

While our capital campaign was designated for acquisition and restoration purposes, membership funds are necessary if we are to operate this majestic old theatre on a daily basis. We are proud to announce that our 2019 membership numbers exceed 200 members, with over \$25,000 being contributed to our membership program in support of theatre operations.

It is our goal in 2020 to build our membership to 250, with a total contribution of \$28,000. We are continually looking for ways to reward our members. Additional information can be obtained by logging on to the State Theatre website at www.statetheatredbluff.com.

Personnel

While the State Theatre continues to function as a mostly volunteer organization, operating a theatre is nearly a full-time job. The State Theatre for the Arts is extremely fortunate to have Linda Bullock filling the critical role of House Manager at the State Theatre. Linda is a life-long member of this community and a long-time downtown business person with a wealth of knowledge about the community as well as about theatre operations. Linda is available most anytime to discuss State Theatre business. She can best be reached by calling the theatre office at 529-2787.

We are also very grateful for the services of State Theatre Concessions manager, Tom Sale; Technical Director Casey Hickok; Lighting Director Pete Bilton, and official State Theatre Photographers, Karen Roy Crockett and Michelle Hickok..

State Theatre Operations Budget for Calendar Year 2019

Following is a very general financial accounting of profits and losses associated with operating and restoring the State Theatre during calendar year 2019. I am happy to report that calendar year 2019 was a very successful year as relating to funding programming, restoration and operations issues. Following is a very general summary of our Income and Expense Reports for 2019.

Income/Expense

Our calendar year 2019 income projection for the entire operation was \$526,400. Our projected expense budget was set at \$497,800. At years end we found that our income for the year was \$393,805 or \$132,595 less than projected while our expenses came in at \$364,989 which was \$133,000 less than our projection. The most important thing to understand is that during calendar year 2019 the State Theatre for the Arts brought in nearly \$29,000 more in income than was expended.

Financial Health of the State Theatre

To put it in to the simplest terms possible, the State Theatre is in a very good position from a fiscal standpoint. When the decision was made to purchase the theatre in 2011, STFTA had less than \$40,000 in our financial reserve account. In six short years STFTA has not only purchased and totally paid off the theatre building, but has also purchased and paid off the adjacent green room building as well.

STFTA has also made significant structural and restorative improvements to the State Theatre. The current fixed asset valuation of STFTA owned property/equipment is \$1,156,264.

The State Theatre financial reserve (checking, savings, endowment) at the end of 2017 was \$426,237. This reserve at the end of 2019 was 540,789 an increase in liquid reserve assets of \$114,552 in two calendar years. Total State Theatre assets are \$1,697,053, an increase of over \$115,584 as compared to year end 2017.

Calendar Year 2019 was another amazing record-breaking year in the history of the State Theatre! Our membership continues to grow. Our State Theatre Performance Series Sponsors are wonderful, allowing us to grow and improve the quantity and quality of State Theatre programming with each passing year.

Calendar year 2020 promises to be another busy year at the State Theatre. We hope you will continue your amazing support of the historic State Theatre.

Sincerely,

**Kevin Borrer, President
State Theatre for the Arts**

