



STRATEGIC PLAN

- 2019 -







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WHO WE ARE

The Highland Arts Theatre (the HAT), is the future of professional performing arts in Cape Breton and its hometown of Sydney, Nova Scotia. In four short years this dynamic producer and presenter of quality theatre, music, and dance has experienced exponential growth filling a need and desire for high calibre entertainment.

The performing arts can be the heart of what makes a community strong. Through art that explores our beliefs and values, the performing arts cultivates understanding and forges relationships, bringing together a broad and diverse audience to celebrate the human condition.

With this 2019 Strategic Business Plan we seek to strengthen our core attributes and embark on a course to attain greater sustainability as we continue to create and share truly great theatre.

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The opening of the HAT has not only breathed new life into the Cape Breton theatre community, but is playing a significant role in revitalizing the Sydney Waterfront District.

- goCapeBreton.com Magazine

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MANDATE

It is the aim of HAT to study, practice, and promote all aspects of the dramatic arts with particular emphasis on professional production.

VISION

The HAT will be the leading centre for artistic excellence in the performing arts in the Cape Breton Regional Municipality and Sydney's downtown core, enriching the lives of artists, audiences, and the broader community through stimulation of the creative economy.

MISSION

HAT exists to foster a professional theatre community in Sydney's downtown, to work with artists and musicians to drive the creative economy, and to develop a professional community of performing theatre artists who produce first-class home-grown productions, with a special emphasis on Cape Breton stories and songs.



VALUES



LEADERSHIP

A commitment to community leadership is reflected in the betterment of our citizens through enlightenment, entertainment, education, and the associated benefits of a strong creative economy.

ACCESSIBILITY

A commitment to accessibility is evident in our welcoming and inclusive nature, the removal of physical barriers, and the mitigation of economic impediments to attendance.

QUALITY

A commitment to quality is reflected in the writing of each play, in the actors, directors, and designers who create each production, in professionalism and innovation, and in the volunteers, staff, funders, and audiences who support it.

SUSTAINABILITY

A commitment to sustainability is evident in our rigorous governance structure, our sound business practices, and our prudent financial management.

RESPONSIBILITY

A commitment to social responsibility is reflected in the respect we possess for our audience, and the positivity we inject into our efforts to nurture, educate, and inspire.



As we look ahead to our fifth anniversary, we are inspired by our past.

“The HAT” is the name of our society and our performance venue in downtown Sydney, formerly the home of St. Andrew’s United Church. When the church was decommissioned in 2013, local musician and businessman Kevin Colford stepped up to transform the historic building into a state-of-the-art centre for arts and culture. A non-profit society was formed, with a board of directors chosen for their connection to the community and their shared desire to see a thriving theatre community in Sydney. An appointed Artistic & Executive Director, with direction from the board, makes decisions on programming, marketing, and staffing.

The venue **OFFICIALLY RE-OPENED IN JUNE 2014** with an original musical comedy: *The Wakowski Brothers*, written by HAT Artistic & Executive Director Wesley J. Colford. Since then we have produced and presented more than 60 mainstage theatrical productions, largely programming Canadian (often Nova Scotian) content and using almost exclusively local casts and production teams.



St. Andrews Church Interior circa 1928.

In January 2015, we launched our first official season, with **356 subscribers** for five productions between January and May, three of which were original new works from Cape Breton playwrights. In the months to follow, we added a four-show summer repertory season that ran for eight consecutive weeks and four more productions for the fall – bringing our annual output to 13 productions per year.



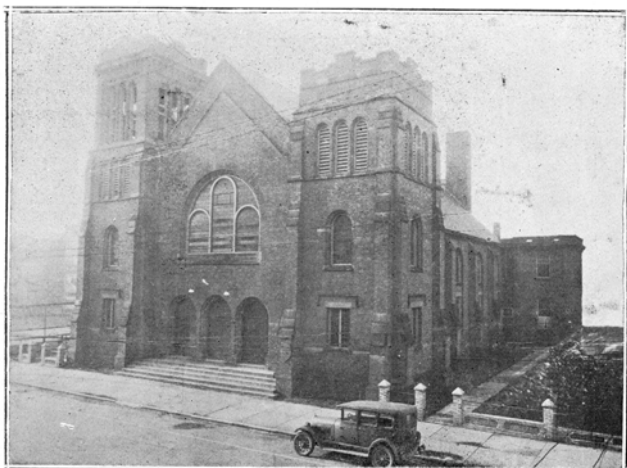
St. Andrews Church Exterior circa 1928.

By January 2016, we had nearly tripled our subscription base with **978 local audience members**. The 2016 summer and fall seasons doubled their previous numbers, and our 2017 winter/spring season broke records again with **1,546 subscribers**.

A combination of bold programming choices, local talent, and low subscription pricing has earned the HAT a loyal following, and in less than five years we have become a staple of the Sydney arts and culture scene. Last year we won awards from the Sydney Chamber of Commerce for Best Arts & Culture Venue, People's Choice Arts & Culture Experience, and Young Entrepreneur of the Year for Artistic Director, Wesley J. Colford.

In May 2016 we officially became a professional member of Theatre Nova Scotia, the first professional company member in Cape Breton. Since 2014, we have paid more than **\$1,100,000** to Cape Breton artists.

Our productions are based at our home venue in downtown Sydney; however, three original works developed at the HAT have gone on to have productions in Toronto through our sister company, Aim for the Tangent Theatre, including our original musical *Heart of Steel*, which was nominated for a Dora Award in 2016 for Outstanding New Musical/Opera.



St. Andrews Church Exterior circa 1928.

In 2015 we toured two productions to Halifax for the Atlantic Fringe, including *Punch Up* by Kat Sandler, which won the Fringe Award for Best of Festival. That production was later re-mounted at the Neptune Scotiabank Studio by Eastern Front Theatre as part of their Stages Theatre Festival in 2018.

KEY PERFORMANCE INDICATORS

	2015	2016	2017	2018
HAT Season Subscribers	356	978	1546	1549
Total Annual Attendance	13,516	19,863	26,779	32,901
Total Productions	13	13	13	14
Total Concerts/Events	26	36	37	56
Nights Open to Public	91	123	134	151
Gross Ticket Revenue	\$222,182	\$516,140	\$542,054	\$600,218
# of Artists Employed	140	182	193	233
Gross \$ Paid to Artists	\$95,362	\$221,000	\$351,239	\$418,018
Total Annual Revenue	\$330,358	\$534,262	\$705,249	\$950,294
Government Funding	\$1,500	\$12,437	\$60,729	\$200,416

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The Highland Arts Theatre is an example of a significant Game Changer within the Creative Sector.

- Cape Breton Regional Municipality
Creative Economy Growth Plan by Vibe

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PLAN DEVELOPMENT

As a nascent undertaking, the HAT began with a simple desire to produce plays in a decommissioned church, and in its earliest days, often on a wing and a prayer through volunteer efforts. The meteoric rise and exponential growth of the HAT since 2014 has been exciting and inspirational as the theatre has steadily transformed into a leading professional theatre company.

In 2018 Artistic & Executive Director Wesley Colford, along with a renewed Board of Directors, recognized the time was right to consider all aspects of the organization in order to strengthen its organizational underpinnings, develop stronger financial planning and management practices, and set the theatre on a course toward advanced sustainability.

Scott Burke Consulting Incorporated was engaged to conduct a Strategic Business Plan, involving input from staff, board members, stakeholders, funders, artists, and audience members, via various round-table discussions and one-on-one interviews. The main purpose of the plan was to articulate a strategic vision and applicable action plan coupled with in-depth financial analysis and development of advanced financial planning tools.



TODAY'S ENVIRONMENT

With the closure of the Sydney Steel Plant and the regional mining efforts, the economy of Industrial Cape Breton has been in an increasing state of decline over the past fifty years. Poverty, unemployment, and de-population plague our community while more and more of our young people leave the island for more vibrant opportunities.

Nevertheless, in recent years there has been a decided effort to rejuvenate and renew the spirit of Sydney both economically and socially, and we are very proud to say much of those efforts have come from the arts and culture sector. Initiatives like the Lumiere Art at Night Festival, public murals, and the vibrant music/bar scene keep the nightlife active – and we are proud to say Highland Arts Theatre is at the centre of that movement.

To our knowledge, before the HAT, there hasn't been an mainstream professional theatre company in Sydney since the touring days of Vaudeville. Several community theatre groups have flourished over the years, most notably championed by Liz & Harry Boardmore in the 1960's as well as annual musicals produced by the Rotary Club.

Over the years, independent companies such as Theatre by the Bay and the Rise & Follies of Cape Breton (followed by the Summertime Revue) began to grow, spurred by a blossoming of local talent and a renewed excitement for theatre as a Cape Breton art form. However, in time, these efforts waned and theatre once again stepped into the wings of our cultural identity.

For many years, the only theatre offered in the CBRM was provided by the Boardmore Playhouse, located and run by Cape Breton University. This venue filled a thirst for community theatre, offering a wide variety of programming from classical and American playwrights – as well as an annual One Act Festival that nurtured original works. From this community came a new wave of small, independent companies, including the Cape Breton Stage Company and the Bandshell Players, which followed similar community models - sometimes providing honorariums for their artists.

In 2013, the Savoy Theatre in Glace Bay – a stunning historical 750-seat opera house – began producing community-driven musicals after a long hiatus, taking up the mantle begun by the Rotary Shows and Theatre by the Bay. Since then they have produced one or two large-scale community musicals a year plus on-going dinner theatres.

Still missing from the creative landscape was a professional level theatre that would employ local artists and uphold industry standards to produce a consistent and varied offering of plays and musicals.



Over the past decades, Cape Breton has produced a myriad of world-class theatre artists whose work is valued all over the country – artists like Daniel MacIvor, Ron Jenkins, Richie Wilcox, Bryden MacDonald, to name a few – yet none of these artists have had a place to come home and work in their own community.

The Highland Arts Theatre was founded on the premise that Cape Breton artists deserved a place to develop and perfect their craft without having to relocate to a major metropolitan area, and that those who left deserved a place to return home and find gainful employment in professional theatre.

Cape Breton has a rich history of celebrating its culture, starting with the Mi'kmaq and growing through the settlement of the Irish, Scottish, English, French, and the dozens of ethnic groups who arrived to work in the mines and steel plant. This history has been made world famous through the work of musicians such as Rita MacNeil, the Rankin Family, and many others... but the theatrical potential has been largely kept secret or in its most successful cases, exported with little hope of return.

Highland Arts Theatre aims to change that. For five years we have been creating quality work with exponential growth thanks to extraordinary community support. The people of Cape Breton have rallied behind us... and we're just getting started. Now the real work begins. We can't wait.



STRATEGIC FRAMEWORK

MISSION

The HAT exists to foster a professional theatre community in Sydney's downtown, to work with artists and musicians to drive the creative economy, and to develop a professional community of performing theatre artists who produce first-class home-grown productions, with a special emphasis on Cape Breton stories and songs.

VISION

The HAT will be the leading centre for artistic excellence in the performing arts in the Cape Breton Regional Municipality and Sydney's downtown core, enriching the lives of artists, audiences, and the broader community through stimulation of the creative economy.

LONG-TERM STRATEGIC DIRECTIONS

- Be a financially sustainable organization
- Become an iconic performing arts centre in the Atlantic Region
- Increase innovation in theatre productions, creating the next generation of Cape Breton performing artists, and adding to the canon of new plays and musicals
- Develop high quality infrastructure and acquire high quality equipment, constantly addressing capital improvement priorities.

SHORT-TERM PRIORITIES

- Develop and adopt a stable funding model
- Governance and board development, as well as professional development
- Respond to Human Resources requirements: acquisition of a General Manager or Administrator and succession planning
- Improve remuneration and benefits
- Capital improvements: lobby expansion and HVAC consultation

MOVING FORWARD

In its remarkable start-up phase, the HAT has proven itself adept at creating theatre under challenging economic circumstances, steadily growing the organization, its output, and professionalism. Benefitting from a talented and committed visionary Artistic & Executive Director, a renewed Board of Directors recruited from business and community leaders, dedicated staff and artists, strong volunteer corps, and the devotion of a committed subscription base, the HAT is extremely well placed to enter into a growth phase that will see the organization achieve sustainability.

The HAT's long-term strategic directions will inform its artistic and administrative leadership and decision making, and ensure the HAT thrives and prospers. The HAT's short-term priorities will be activated and measured through operational plans for the upcoming three years.



LONG-TERM STRATEGIC DIRECTIONS

Strategic directions are guideposts on our path towards our mission and vision. Our strategic directions work in balance and guide the HAT management and board in development of future seasons and operational plans.

1. TO BE A FINANCIALLY SUSTAINABLE ORGANIZATION

Having completed an impressive start-up phase, the HAT recognizes the need to examine its financial circumstances, its financial planning processes and tools, and its priorities in budget allocations.

To achieve our goal we will:

- Aspire to the highest industry standard level long term financial planning, annual business plan generation and accounting practices.
- Sustain and grow a strong, healthy box office through visionary programming and innovative best practices for subscriber retention.
- Secure annual operating funding from Municipal, Provincial, and Federal Government programs and sources.
- Protect newly acquired Registered Charity Status and leverage private donations.

2. TO BECOME AN ICONIC PERFORMING ARTS CENTRE IN THE ATLANTIC REGION

The HAT's performing arts facility, formerly the home of St. Andrew's United Church, is a beloved landmark building situated in downtown Sydney. To fully establish iconic status would represent ultimate success.

To achieve our goal we will:

- Develop partnerships with organizations across all of Cape Breton.
- Initiate Off-Island regional marketing to Mainland, Atlantic Provinces.
- Refine the programming formula, maintain and improve the quality of the work.
- Undertake building and lobby renovations and expansions, including addition of a Marquee to the façade.
- Participate in the creation of a Sydney Arts and Culture District.



3. INCREASE INNOVATION IN THEATRE PRODUCTIONS, CREATING THE NEXT GENERATION OF CAPE BRETON PERFORMING ARTISTS, AND ADDING TO THE CANON OF NEW PLAYS AND MUSICALS

Central to the HAT's mission is the creation of a community of professional artists engaged in the highest level of theatrical creation through innovation, engagement of mature artists, and the nurturing of emerging artists keen to hone their craft.

To achieve our goal we will:

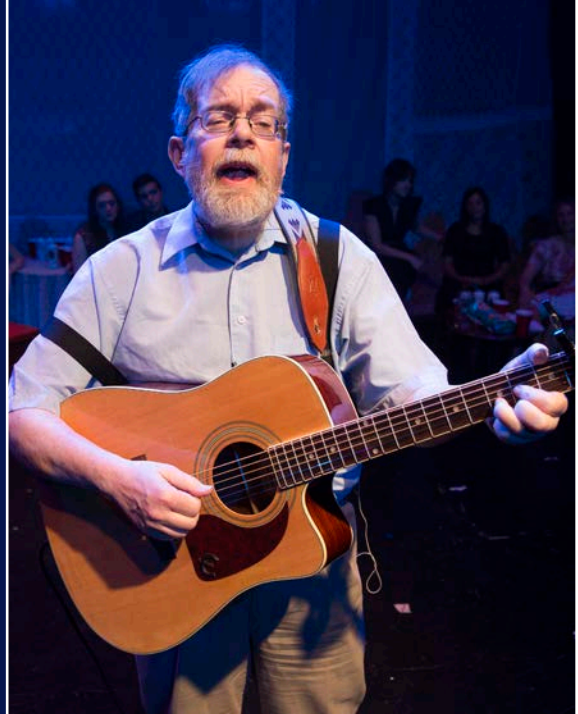
- Offer educational opportunities from Theatre Camps to Master Classes and everything in between – including year-round professional training opportunities.
- Provide professional engagement opportunities for mature, established, and emerging artists.
- Continue to develop the HAT Playwrights Unit, cultivating a reputation as a development leader for new plays and musicals.
- Continue to develop and produce World Premieres of new Canadian works.

4. TO DEVELOP HIGH QUALITY INFRASTRUCTURE AND ACQUIRE HIGH QUALITY EQUIPMENT, CONSTANTLY ADDRESSING CAPITAL IMPROVEMENT PRIORITIES

The HAT's theatre facility and physical plant lies at the core of its production abilities, and identifying areas for improvement, upgrading and ongoing maintenance are in the best interest of the company fulfilling its mission.

To achieve our goal we will:

- Develop maintenance and capital improvement inventories and priorities.
- Compile a master list of equipment (both rented and owned) and prioritize maintenance and future acquisitions.
- Solicit customer feedback to understand and plan how to meet and exceed their needs.
- Improve lobby amenities and accessibility.
- Increase and improve rehearsal, workshop, storage, office, and educational spaces.



SHORT-TERM PRIORITIES 2019 – 2021

1. TO DEVELOP AND ADOPT A STABLE FUNDING MODEL

Our approach

Financial sustainability is paramount to the ongoing success of the HAT and we must avail ourselves of experienced, professional guidance as we educate ourselves in best practices for a solid financial future.

To achieve this we will:

- Pursue a sustainable level of operating grants, estimated to be \$200,000 annually, with contributions from all three levels of government.
- Add a Capital Improvement Fund (CIF) charge to every ticket sold.
- Fully explore and implement our new Theatre Manager software.
- Develop a Sponsorship sales plan with dedicated resources.
- Solicit donations from patrons and foundations, leveraging our newly acquired Charity Status.
- Expand the business model of our burgeoning youth training programs, helping to sustain organizational operations.

2. GOVERNANCE AND BOARD DEVELOPMENT AND PROFESSIONAL DEVELOPMENT

Our approach

The HAT is only as strong as the people driving its success. Strong governance practices, a committed, intelligent, engaged Board of Directors committed to their own development and the professional development of all staff will be instrumental in forging a bright future.

To achieve this we will:

- Undertake a Governance Review including ongoing By-law review.
- Develop Governance Policies and create an associated manual.
- Survey Board and Staff for professional development priorities and budget for implementation.
- Conduct an annual retreat for the Board of Directors for strategic planning.



3. RESPOND TO HUMAN RESOURCES REQUIREMENTS: ACQUISITION OF A GENERAL MANAGER OR ADMINISTRATOR AND SUCCESSION PLANNING

Our approach

Since its inception, the HAT has benefitted from the dogged determination, jack of all trades attitude, and time commitment of its founding Artistic Director, Wesley Colford. While this is often the case in emerging organizations, the end of the start-up phase and entry into the growth phase requires administrative support to carry on the extensive operations of a thriving organization.

To achieve this we will:

- Develop and set Wesley Colford's job description, in an effort to streamline his areas of oversight, and identify areas that can and should be delegated.
- Develop and set a Facility Manager job description and commit resources for hire during the first quarter of 2019.
- Develop a succession plan.
- Investigate possibility of full time marketing/promotions position.





4. IMPROVE REMUNERATION AND BENEFITS

Our approach

The HAT is committed to the highest level of professionalism including remuneration of staff, artists and technicians. This is a challenging goal, but one that must be achieved in order to ensure the ongoing vitality and even existence of the organization.

To achieve this we will:

- Make stabilizing the organization's full-time staff positions a priority.
- Pursue an ongoing commitment to evaluate the HAT in comparison to Industry Standards.
- Monitor new benefits plan to ensure effectiveness.



5. CAPITAL IMPROVEMENTS INCLUDING LOBBY EXPANSION AND HVAC CONSULTATION

Our approach

The HAT recognizes two priority areas for capital improvement and that audience comfort is an important component to their ultimate enjoyment of the entertainment experience.

To achieve this we will:

- Priority one: HVAC – enter into consultations and acquire quotes.
- Priority two: Lobby expansion – Develop our plan and consult with funding bodies to create realistic timeline with confirmation of support from government and private donors.
- Improve rehearsal space conditions.
- Continue improvements to the environment around the theatre.
- Develop and Launch Capital Fundraising Campaign for 2019.
- Investigate geothermal or solar energy as green alternative for power.



WHAT'S AHEAD

The Highland Arts Theatre is proud of its achievements to date and committed to growing the organization to its fullest potential. Input from Board members, Staff, Artists and Technicians, volunteers and many other stakeholders to this Strategic Business Plan have allowed us to reflect on where we have come from, where we are now, and how to build the organization we aspire to become.

With a well-articulated plan and all of our stakeholders continued commitment to the HAT's success, we are confident we will reach our goals.

ACKNOWLEDGEMENTS

The Highland Arts Theatre would like to express its appreciation to the following organizations who provided financial support for this Strategic Business Plan:

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Arts Nova Scotia
Cape Breton Regional Municipality

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Strategic Business Plan research and report by:

Scott Burke Consulting Incorporated

Proven Expertise for the not-for-profit sector
Specializing in Arts, Culture and Heritage Organizations



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BUSINESS PLAN

- 2019 -



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EXECUTIVE SUMMARY

THE REASON FOR THIS BUSINESS PLAN

From humble beginnings in 2014, the Highland Arts Theatre (the HAT) has navigated an incredibly successful start up phase, and is entering its first growth period with tremendous momentum. In early 2018, the founders and a recently elected board of directors recognized the need to enter into strategic business planning with the goal of ensuring sustainability going forward.

COMPANY PROFILE AND HISTORY

The Highland Arts Theatre is the name of the society and the organization's performance venue in downtown Sydney, formerly the home of St. Andrew's United Church. When the church was decommissioned in 2013, local musician and businessman Kevin Colford stepped up to transform the historic building into a state-of-the-art centre for arts and culture. A non-profit society was formed, with a board of directors chosen for their connection to the community and their shared desire to see a thriving theatre community in Sydney. An appointed Artistic & Executive Director, with direction from the board, makes decisions on programming, marketing, and staffing.

The venue officially re-opened in June 2014 since then the company has produced and presented more than 60 mainstage theatrical productions, largely programming Canadian (often Nova Scotian) content and using almost exclusively local casts and production teams.

A combination of bold programming choices, local talent, and low subscription pricing earned the HAT a loyal following, and in less than five years the company has become a staple of the Sydney arts and culture scene.



MANAGEMENT AND KEY PERSONNEL

The Highland Arts Theatre Society has a six-member volunteer Board of Directors. The AGM and election of board members takes place within three months of the end of the fiscal year, December 31st. Board members are elected for a two-year term, half the board being elected one year, half the next. The board is elected from the registered membership. The executive consists of a president, vice president, treasurer, and secretary.

The staff is growing. At the time of writing, the HAT has five full-time paid positions: Artistic & Executive Director, Community Outreach Coordinator, Box Office Manager, Technical Director, and Assistant Artistic Director. Throughout the year, the HAT offers part-time positions for special projects and summer programs for students. Aside from its artists, the company also employs seven additional employees for regular, part-time contract work.

ADMINISTRATIVE STRUCTURE

The administrative structure for the HAT is based on an Artistic & Executive Director model where a single senior management position is responsible for both Artistic Direction and General Management. The Artistic & Executive Director oversees all aspects of the organization, but also relies on various staff and occasionally-contracted positions to conduct required work. Wesley J. Colford was appointed Artistic Director in 2014 with a change in title to Artistic & Executive Director in 2018.

Hilary Scott was a key contributor as Facility Manager since the founding of HAT and is responsible for much of the aesthetic of the organization. Ali MacDougall began work as Box Office Manager in January 2016, and Kayla Cormier (Technical Director) and Frank McKibbin (Community Outreach Coordinator) both started full-time in early 2018.

The HAT enjoys an enthusiastic, sizable, committed volunteer base in the order of 130 individuals who support numerous activities.

PRODUCTS AND SERVICES

The Highland Arts Theatre produces and presents an extensive theatrical program in an annual season. The bulk of the season consists of thirteen mainstage productions along with a number of special presentations including fundraising events. The theatre benefits from numerous rentals featuring concerts, weddings, conferences, and even funerals.

MARKET ANALYSIS AND STRATEGY

INDUSTRY ANALYSIS

As detailed in the Government of Canada's Culture Satellite Account, an accounting framework created to better measure the economic importance of culture, arts, heritage and sport in the Canadian economy, the Provincial Culture Indicators for 2010 to 2016:

- Culture GDP in Nova Scotia grew 0.7% to \$874.1 million in 2016. This accounted for 2.3% of the total provincial economy. The live performance domain (+4.7%) contributed the most to the growth in culture GDP.
- In 2016, there were 13,719 culture jobs in Nova Scotia. This was a 4.9% year-over-year increase and followed two years of job losses. Economy-wide jobs were down 0.1% in the province.

While both Provincial and Federal governments have incrementally raised culture spending over the last two decades, historical entry into operating funding programs often means new and emerging organizations have a difficult time getting a share of these most important sustainable funding dollars.

The HAT, through diligent advocacy, has successfully opened the door to one-time or project-based sources of government funding, and continuation of this support is expected on an annual, though not guaranteed basis. This bodes well for the organization eventually being assigned sustainable, year-over-year funding.

GEOGRAPHIC MARKETS

The main geographic market for Highland Arts Theatre is the Cape Breton Regional Municipality. The geographic market for the company is projected to stay approximately the same during the next several years.

CUSTOMERS

The main audience for the Highland Arts Theatre offerings are residents of the Cape Breton Regional Municipality that also fit the predominant demographic for the performing arts which is "upscale, university educated, aged 35-65." The company also attempts to reach a younger, family audience for appropriate programming including special Christmas and other holiday themed productions and presentations.

COMPETITION

Competition for the Company comes from other areas where consumers can spend their leisure dollars and specifically from other entertainment enterprises producing work in the Cape Breton Regional Municipality. The HAT, like all professional theatre companies, must draw its audience from a population with more leisure time options than ever before. Cable television and streaming services such as Netflix, movies, dining, concerts, bars, sporting events all compete for the consumer's leisure time and dollars.

From the very start, the HAT has found itself in a most enviable position market wise: it set out to fill an identified historic dearth of grassroots professional theatre production in the CBRM. Into this vacuum the HAT inserted its creativity and entrepreneurship, and exploded onto the scene, attracting a verifiably hungry and now established audience, delighted with the growing opportunities to attend live theatre in the downtown core. Further, support from volunteers and visionary stakeholders within the community speak to a widespread desire for the company to further establish itself and reach a level of sustainability.

PRODUCT PLAN

The Highland Arts Theatre will continue to produce and present plays from local, national and international playwrights, packaged into Fall, Winter/Spring, and Summer seasons. A diverse mix of genres, including dramas, comedies, and musicals, with varying degrees of challenging content and feel good entertainment. Rental and Fundraising Events, Touring, the operation of a Resident Company and Playwrights Unit, Play Development, partnerships with independent theatre companies, and community outreach activities will add to the robust offerings of the company making it a unique and viable performing arts organization.

PRICING STRUCTURE

Average Single Ticket Price 2019: \$33.00 + HST

Season Ticket Package 2019: \$99.00 + HST

One of the defining features of the Highland Arts Theatre has been its hugely popular subscription package pricing that has led to an enviable, incremental growth in subscribers. For four years of seasons, HAT has provided cost-effective ways for its patrons to see a seasonal grouping of shows at discounted prices – up to 65%.

Subscription pricing and the building of a large and reliable subscription base have been mainstays of professional theatre marketing for decades. Wesley Colford's background in box office management gives him an advanced understanding of set up, marketing and data collection associated with subscriptions.

It's a winning strategy expected to be maintained leading to further growth.

ADVERTISING AND PROMOTION

The company undertakes a number of activities to reach its audience including:

- Advertising in the major area newspaper and other print media
- Seasonal brochures
- Operating a web site with online box office
- Mailing List "E-Blasts" and Newsletters
- Radio advertisement
- Paid and unpaid Facebook advertisement
- Postcard distribution
- Billboard/LED Screen advertisement
- Promotion of company by cultivating stories on the season in local, regional and national publications and media outlets

The company derives financial resources to meet their advertising and promotion needs through their marketing budget which for the 2018 season sits at approximately \$30,000.

Future plans to grow and improve the reach of the Advertising and Promotions area include:

- Utilizing strategic targeting for discounts and coupons using the new Theatre Manager ticketing system to entice lapsed and repeat buyers.
- Promotional giveaways/prizes to entice new demographics.
- Increased Facebook advertising and investigation of YouTube advertising for video.
- Investigation into Bus Stop advertising, municipal flag promotion, and placemat ads.
- Connecting with other theatres on the mainland to cross-promote and distribute our material.
- Marketing more specifically for hotels (day of discounts and coupons) and the university population (student discounts and promo).
- This year, SoLocal, a local marketing company, has come on board as a sponsor with \$5000 of in-kind marketing services. We look forward to seeing what ideas they contribute.

CRITICAL RISKS AND ISSUES

This business plan assumes the company will be able to maintain and improve upon its results from the record setting 2018 season. While there is good reason to believe these assumptions are reasonable there are always the risks involved when projecting revenues that are above historical averages. At some point in the future the company will experience an attendance/box office plateau.

Perhaps the most serious risk for the HAT is common in start up operations of any organization, and that has to do with succession planning. Burnout is always a risk in artistic organizations that may be overextended in human resource areas – where too few people are trying to accomplish too much on limited resources. Remuneration is a key issue for the organization. Leadership has expressed a desire to pay “industry standard” rates and at present there is a large divide. Government funding will be an ever-increasing need for the organization to sustain itself.

This plan seeks to set a future path for the organization on an operational basis and while it has presented aspirational capital improvements, it does not purport to deal with future capital requirements overall going forward. A full inventory of capital requirements, and a suitable plan to meet those needs is an action item in the short-range action items and will require future planning initiatives.

1. INTRODUCTION

1.1 THE REASON FOR THIS BUSINESS PLAN

From humble beginnings in 2014, the Highland Arts Theatre (the HAT) has navigated an incredibly successful start up phase, and is entering its first growth period with tremendous momentum. As is the case with so many arts organizations, early efforts are often viewed as accomplished 'on a wing and a prayer'. When nascent success leads to further artistic creation and output, very often the latter shines and develops a strong audience base, while the administration, financial planning and accounting, governance, and fundraising efforts can lag behind. Such is the case with the HAT, and in early 2018, the founders and a recently elected board of directors recognized the need to enter into strategic business planning with the goal of ensuring sustainability going forward.

1.2 LEGAL MANDATE & MISSION STATEMENT

LEGAL MANDATE

The objectives of the Highland Arts Theatre Association are:

- To encourage and promote the performing arts in Nova Scotia
- To acquire, by way of grant, gift, purchase, bequest, devise or otherwise, real and personal property and to use and apply such property to the realization of the objects of the Association
- To buy, own, hold, lease, mortgage, sell and convey such real and personal property as may be necessary or desirable in the carrying out of the objects of the Association

MISSION STATEMENT

The HAT exists to foster a professional theatre community in Sydney's downtown, to work with artists and musicians to drive the creative economy, and to develop a professional community of performing theatre artists who produce first-class homegrown productions, with a special emphasis on Cape Breton Stories and Songs.

1.3 COMPANY PROFILE AND HISTORY

The Highland Arts Theatre is the name of the society and the organization's performance venue in downtown Sydney, formerly the home of St. Andrew's United Church. When the church was decommissioned in 2013, local musician and businessman Kevin Colford stepped up to transform the historic building into a state-of-the-art centre for arts and culture. A non-profit society was formed, with a board of directors chosen for their connection to the community and their shared desire to see a thriving theatre community in Sydney. An appointed Executive and Artistic Director, with direction from the board, makes decisions on programming, marketing, and staffing.

The venue officially re-opened in June 2014 with an original musical comedy: *The Wakowski Brothers*, written by the HAT's Executive and Artistic Director Wesley J. Colford. Since then the company has produced and presented more than 60 mainstage theatrical productions, largely programming Canadian (often Nova Scotian) content and using almost exclusively local casts and production teams.

In January 2015, the HAT launched its first official season, garnering 356 subscribers for five productions between January and May, three of which were original new works from Cape Breton playwrights. In the months to follow, the HAT added a four-show summer rep season that ran for eight consecutive weeks and four more productions in the fall – bringing its annual output to 13 productions per year.

By January 2016, the HAT had nearly tripled its subscription base with 978 local audience members. The 2016 summer and fall seasons doubled attendance numbers, and the 2017 winter/spring season broke records again with 1,546 subscribers. In May 2016 HAT officially became a professional member of Theatre Nova Scotia, the first professional company member in Cape Breton.

A combination of bold programming choices, local talent, and low subscription pricing earned the HAT a loyal following, and in less than five years the company has become a staple of the Sydney arts and culture scene. In 2017 the HAT won awards from the Sydney Chamber of Commerce for Best Arts & Culture Venue, People's Choice Arts & Culture Experience, and Young Entrepreneur of the Year for Executive and Artistic Director Wesley J. Colford.

Productions are based at the HAT venue in downtown Sydney; however, three original works developed at the HAT have gone on to have productions in Toronto through sister company, Aim for the Tangent Theatre, including the original musical *Heart of Steel*, which was nominated for a Dora Award in 2016 for Outstanding New Musical/Opera.

In 2015 HAT toured two productions to Halifax for the Atlantic Fringe, including *Punch Up* by Kat Sandler, which won the Fringe Award for Best of Festival. That production was presented at the Neptune Scotiabank Studio by Eastern Front Theatre as part of their Stages Theatre Festival 2018.

KEY PERFORMANCE INDICATORS

	2015	2016	2017	2018
HAT Season Subscribers	356	978	1546	1549
Total Annual Attendance	13,516	19,863	26,779	32,901
Total Productions	13	13	13	14
Total Concerts/Events	26	36	37	56
Nights Open to Public	91	123	134	151
Gross Ticket Revenue	\$222,182	\$516,140	\$542,054	\$600,218
# of Artists Employed	140	182	193	233
Gross \$ Paid to Artists	\$95,362	\$221,000	\$351,239	\$418,018
Total Annual Revenue	\$330,358	\$534,262	\$705,249	\$950,294
Government Funding	\$1,500	\$12,437	\$60,729	\$200,416



1.4 PRODUCTION HISTORY

2014:

- *The Wakowski Brothers - A Cape Breton Vaudeville*, book, music, lyrics, and direction by Wesley J. Colford
- *The Lieutenant of Inishmore*, by Martin McDonagh, directed by Birdie Gregor
- *A Christmas Carol*, by Charles Dickens, adapted and directed by Wesley J. Colford

2015:

- *Shit Song for Some Island*, written and directed by Kyle Capstick
- *Punch Up*, by Kat Sandler, directed by Birdie Gregor
- *Heart of Steel*, book, music, lyrics, and direction by Wesley J. Colford
- *Zadie's Shoes*, by Adam Pettle, directed by Sarah Blanchard
- *First Time Last Time*, written and directed by Scott Sharplin
- *Heart of Steel* (remount), book, music, and lyrics by Wesley J. Colford
- *Mature Young Adults*, by Wesley J. Colford, directed by Anna Spencer
- *No Great Mischief*, by Alistair MacLeod, adapted for stage by Davis S. Young, directed by Todd Hiscock
- *The True Meaning of Cape Breton*, by James FW Thompson, directed by Wesley J. Colford
- *Alice in Wonderland*, adapted and directed by James FW Thompson
- *Black Jack*, by Jason Burke, Walter Carey, James FW Thompson, and Jenn Tubrett
- *Communion*, by Daniel MacIvor, directed by Sarah Blanchard
- *A Christmas Carol* (remount), by Charles Dickens, adapted and directed by Wesley J. Colford

2016:

- *The Wakowski Brothers* (remount), book, music, lyrics, and direction by Wesley J. Colford
- *All in the Timing*, by David Ives, directed by Tom McGee
- *Dream - A 1950's Midsummer Musical* (re-mount), adapted and directed by Wesley J. Colford
- *Extinction Song*, written and directed by Ron Jenkins
- *Herstory*, book, music, lyrics, and direction by Lindsay Thompson
- *Dream - A 1950's Midsummer Musical*, adapted and directed by Wesley J. Colford
- *I Love You, You're Perfect, Now Change!*, book and lyrics by Joe DiPietro, music by Jimmy Roberts, directed by Marc Richard
- *Kitchen Party*, written and directed by Wesley J. Colford with contributions from the ensemble
- *Halo*, by Josh MacDonald, directed by Todd Hiscock
- *Sucker*, by Kat Sandler, directed by Ron Jenkins
- *Vigil*, by Morris Panych, directed by Mike McPhee
- *A Christmas Carol* (remount), by Charles Dickens, adapted and directed by Wesley J. Colford
- *Holiday on Christmas Island*, written and directed by Wesley J. Colford

2017:

- *Morro & Jasp Do Puberty*, created by Amy Lee and Heather Marie Annis, directed by Byron Laviolette
- *Criminals in Love*, by George F. Walker, directed by Hilary Scott
- *The Return of the Cape Breton Liberation Army*, written and directed by Wesley J. Colford
- *The (curious case of the) Watson Intelligence*, by Madeleine George, directed by Tom McGee
- *Next to Normal*, by Brian Yorke & Tom Kitt, directed by Ron Jenkins
- *Marion Bridge*, by Daniel MacIvor, directed by Todd Hiscock
- *Tribe of One*, by Michael McPhee, directed by Tayves Fiddis
- *The 25th Annual Putnam County Spelling Bee*, by Rachel Sheinken & William Fill, directed by Ron Jenkins
- *Dream - A 1950's Midsummer Musical* (re-mount), adapted and directed by Wesley J. Colford
- *Three Men in a Boat*, adapted by Mark Brownell, directed by Sue Miner
- *Punch Up* (re-mount), by Kat Sandler, directed by Birdie Gregor
- *She Loves Me*, by Joe Masteroff, Sheldon Harnick, & Jerry Bock, directed by Wesley J. Colford
- *A Christmas Carol* (re-mount), by Charles Dickens, adapted & directed by Wesley J. Colford

2018:

- *Of Mice & Morro & Jasp*, created by Amy Lee and Heather Marie Annis, directed by Byron Laviolette
- *The Glass Menagerie*, by Tennessee Williams, directed by Mark Delaney
- *Disco Nights - A Groovy New Musical*, adapted & directed by Wesley J. Colford
- *The Penelopiad*, by Margaret Atwood, directed by Birdie Gregor
- *The Happy Prince*, adapted by Leslie Arden, directed by Ron Jenkins
- *A Tribute to the Rotary Show*, compiled & directed by Wesley J. Colford
- *The 25th Annual Putnam County Spelling Bee*, by Rachel Sheinken & William Fill, directed by Ron Jenkins
- *Kitchen Party* (re-mount), written & directed by Wesley J. Colford
- *Heart of Steel* (re-mount), written & directed by Wesley J. Colford
- *Disco Nights - A Groovy New Musical* (re-mount), adapted & directed by Wesley J. Colford
- *Mary's Wedding*, by Stephen Massicotte, directed by Ron Jenkins
- *West Moon*, by Al Pittman, directed by Sarah Blanchard
- *She Loves Me*, by Joe Masteroff, Sheldon Harnick, & Jerry Bock, directed by Wesley J. Colford
- *A Christmas Carol* (re-mount), by Charles Dickens, adapted & directed by Wesley J. Colford

The company derives its operating revenues from ticket sales and other earned revenues (74%), sponsorships, donations and special events (6%) and government grants (20%).

2. ARTISTIC VISION AND PROGRAMMING

The Highland Arts Theatre criteria for programming include five main objectives or goals:

ORIGINAL CAPE BRETON WORKS

The HAT fosters the talents and craft of both emerging and established Cape Breton playwrights and gives them a professional development and production process while allowing the community to see their stories told on stage. Three plays the HAT helped develop have already gone on to be produced in Toronto, and one (*Heart of Steel*) was nominated for a Dora Award for Outstanding New Musical/Opera in 2016.

BRING THEM HOME

Cape Breton has an abundance of nationally renowned theatre artists who have had limited opportunity to work at home. Playwrights and directors like Daniel MacIvor, Anne Marie MacDonald, Ron Jenkins, Bryden MacDonald, and Richie Wilcox remained unproduced and unknown on their native soil while winning prestigious awards across central and western Canada. On the other side of the scale, our most talented emerging theatre artists have been forced to leave Cape Breton for training without any hope of professional work at home. The HAT has already had the great pleasure of success on both of these fronts, producing and employing artists like Daniel MacIvor, Ron Jenkins, Richie Wilcox, and Francine Deschepper, with more plans to continue to educate local audiences about the talent Cape Breton has exported and by giving young NS talent valuable professional experience.

RELEVANT CONTEMPORARY CANADIAN WORKS

The HAT has worked diligently to introduce Cape Breton audiences to contemporary theatre, programming productions that tackle relevant social and political issues. There are so many incredible Canadian plays the HAT strives to deliver fresh and relevant theatrical experiences using current Canadian material as much as possible, exposing the audience to modern plays and playwrights to which they would otherwise have no connection.

RELEVANT CONTEMPORARY INTERNATIONAL WORKS

The HAT occasionally programs current works from the United States and Europe when their message is immediately relevant to political or social issues observed in the community. This includes shows like *The Watson Intelligence* and *Next to Normal*, which address specific issues the company wanted to shine a light on, such as in these examples; the disparity between technological evolution and social evolution or the complications of navigating our contemporary mental health system. The HAT selects works that hold special resonance for the specific themes of a season.

DIVERSITY

The HAT is committed to creating art that welcomes and communicates to all people, regardless of gender, race, cultural affiliation, sexual orientation, or economic class. The company works hard to accurately represent its community and the community of artists that come forward with their work (either through submission or audition). The HAT is especially proud of the work it has done to represent women on stage and strives for diversity always.

3. MANAGEMENT AND KEY PERSONNEL

3.1 GOVERNANCE AND HUMAN RESOURCES

The Highland Arts Theatre Society has a six-member volunteer Board of Directors. The AGM and election of board members takes place within three months of the end of the fiscal year, December 31st. Board members are elected for a two-year term, half the board being elected one year, half the next. The board is elected from the registered membership. The executive consists of a president, vice president, treasurer, and secretary.

The current board members have diverse backgrounds, coming to the company from business, government, and the not-for-profit sector, all with experience in the arts (musicians and actors) or interest in the promotion of the arts.

The HAT's current Board of Directors consists of:

Valerie MacMillan, President	Frank Bruleigh, Vice-President
Richard Lorway, Treasurer	Kim Sadley, Secretary
John Malcom	Robert Lewandowski

This new Board has taken ownership of re-vitalizing the organizational structure which had for too long been driven solely by the hopes and dreams of one person. The current members are actively setting up best practice standards for governance, strategic planning, and the creation and better use of a committee structure. The board is not involved in the day-to-day operations of the society, but the supportive and positive relationship between the board and staff ensures the HAT continues to grow and mature.

There are currently four Board Committees: Governance, Finance, Fundraising, and Human Resources.

The staff is also growing. At the time of writing, the HAT has five full-time paid positions: Artistic & Executive Director, Community Outreach Coordinator, Box Office Manager, Technical Director, and Facility Manager. Throughout the year, the HAT offers part-time positions for special projects and summer programs for students. Aside from our artists, we also employ seven additional employees for regular, part-time contract work.

3.2 ADMINISTRATIVE STRUCTURE

The administrative structure for the HAT is based on an Artistic & Executive Director model where a single senior management position is responsible for both Artistic Direction and General Management. The Artistic & Executive Producer oversees all aspects of the organization, but also relies on various staff and occasionally contracted positions to conduct required work. Wesley J. Colford was appointed Artistic Director in 2014 with a change in title to Artistic & Executive Director in 2018.

Wesley J. Colford is a Dora-Nominated playwright/actor/director/producer from Cape Breton who currently resides in Sydney, Nova Scotia. He has studied theatre performance at Sheridan and George Brown College and spent eight years working in Toronto's independent theatre scene, working as a writer, director, actor, and producer for multiple companies, as well as box office manager for Tarragon Theatre. His plays have been produced in three provinces and have won national awards, been published, and adapted for film. Under his leadership, the Highland Arts Theatre has produced 56 mainstage theatrical productions in less than five years and been nominated for Merritt, Excellence in Business, and Nova Scotia Music Industry Awards. He is a recipient of a 2015 Vital Award, the 2016 Jack Yazer Young Entrepreneur of the Year Award, and was nominated for "Male Business Person of the Year" from the Sydney and Area Chamber of Commerce Excellence in Business Awards. He is currently co-chair of the Waterfront District Regeneration Committee. In his free time, he enjoys playing squash, board games, and Doctor Who.

Hilary Scott, originally from Oakville, Ontario, began work at the HAT from its earliest moments of conception, directing promotion design, logo development, and establishing the organization's brand, style, and aesthetic. From peddling tickets on the boardwalk to running sound to designing programs, Hilary has dabbled in every aspect of the HAT operations. A frequent actor, director, and artistic collaborator, Hilary is also most proud of her creative design work which includes poster design for all 60+ HAT productions. Her regular duties pertain largely to promotions, marketing, and outreach and she is an intrinsic part of the fabric of the HAT, proud to be known as the resident hobgoblin.

Ali MacDougall began work as Box Office Manager in January 2016, and Kayla Cormier (Technical Director) and Frank McKibbon (Community Engagement Coordinator) both started full-time in early 2018.

Ali MacDougall was born and raised in Cape Breton. She studied business administration and accounting at Compu College in the mid 90's. Her journey at the Highland Arts Theatre began long before the building was a theatre. Ali was baptized, her 3 children were baptized, and she was even married in the former St Andrew's Church. Later, for eight years, she served as the church secretary until its closure. Now she is the face of the HAT to the majority of patrons as Box Office Manager.

Kayla Cormier is a visual artist from Sydney River, Cape Breton. She attended Cape Breton University where she was first introduced to theatre at the Boardmore Playhouse when designing the set of *The Pillowman* in collaboration with Rod Nichols. From there she assisted in the building and creation of a variety of plays at both the Boardmore Playhouse and The Highland Arts Theatre. *The 25th Annual Putnam County Spelling Bee* marked a turning point in her theatre career as the first show for which she was the lead costume and set designer. The following March, she took the position as Technical Director at the HAT. As the Technical Director Kayla has had the opportunity to design eight of the major stage productions including *She Loves Me* (set), *The Penelopiad* (set, costume, and props), *Mary's Wedding* (set, costume, and props).

Originally from Millerton, New Brunswick, Frank McKibbin has made a home in many corners of the world over the last 20 years, focused mostly in the Maritimes, Nunavut, and South China. In that time, he has gained a variety of trades ranging from cooking to teaching and has worked in both the public and private sectors, all the while finding stages from which to sing and tell stories. He has also been an active volunteer wherever he lived, focusing his time on music festivals and education focused fundraisers. Joining the HAT team as Community Engagement Coordinator in February of 2018 was a natural progression for Frank, as it involves bits of all his past endeavors. Fundraising, writing, education, and customer relations make up parts of almost every day within the organization. He is a passionate supporter of the work being done at our theatre and looks forward to helping strengthen the foundations of an organization he hopes to be connected to for many years to come.

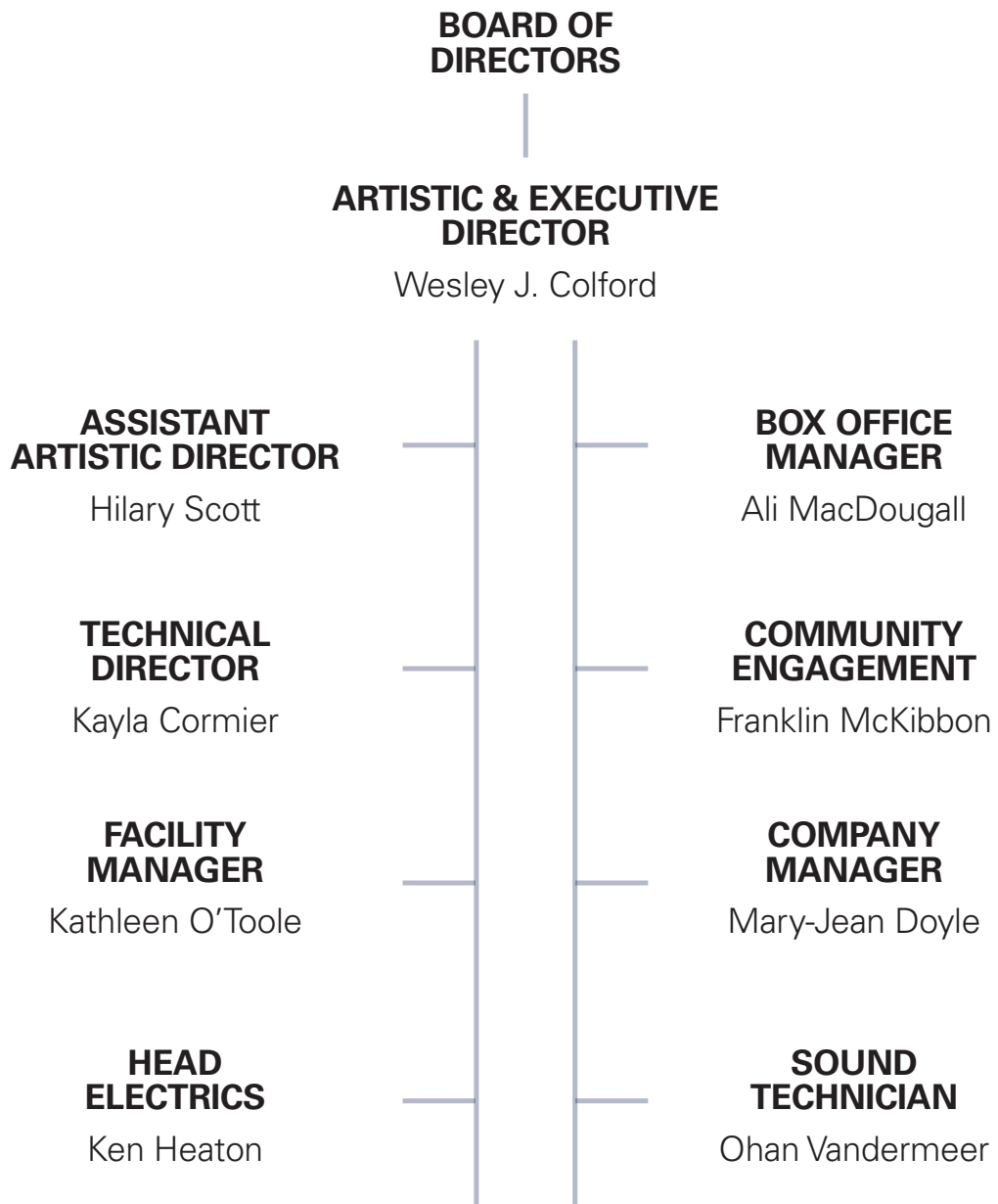
These five individuals form the basic human resources team for the Highland Arts Theatre.

Volunteers are at the heart of the organization. The volunteer coordinator manages over one hundred people who give of their time and resources. For larger community outreach projects and fundraiser shows, actors and musicians have volunteered their time. The company would not have reached its current position without the countless hours of blood, sweat, and tears from literally hundreds of people in the community who care about this organization and the work the company has created in downtown Sydney. Volunteers support activities in the following ways:

- Taking tickets and ushering during performances
- Helping raise awareness and promotion
- Building, transporting, and compiling sets, props, etc.
- Cleaning and tearing down after performances
- Selling even split tickets and assisting with fundraisers
- Lending their talents for special events and annual benefit performances



3.3 HIGHLAND ARTS THEATRE ORGANIZATION CHART



4. HIGHLAND ARTS THEATRE ACTIVITIES

The Highland Arts Theatre produces and presents an extensive theatrical program in an annual season. The bulk of the season consists of thirteen mainstage productions along with a number of special presentations including fundraising events. The theatre benefits from numerous rentals featuring concerts, weddings, conferences, and even funerals.

MAINSTAGE PRODUCTIONS

The mainstage productions at the HAT generally fall into three categories: world premiere productions of new plays by Nova Scotian playwrights that are often commissioned and developed in-house at the HAT; second or subsequent productions of plays from the Canadian theatre canon, and international hit plays and musicals.

The productions generally have a two to five week rehearsal period and are presented over a period of one to two weeks.

RENTAL EVENTS

The HAT has a growing reputation for Music and Stand-Up Comedy. Last year the HAT hosted more than 50 individual rental companies, resulting in memorable performances from local, maritime, and national performers.

Notable touring performers include Sean McCann, Port Cities, Ron James, Derek Edwards, Murray MacLauchlan, Heather Rankin, JP Cormier, & John McDermott, to name a few.

Touring theatre productions have also rented their space, including productions from Mulgrave Theatre, Go-Fly-a-Kyte Productions, and Viewer Discretion Productions.

Weddings, conferences, lectures, and funerals also make up a significant portion of rental income, and are relatively easy to accommodate if the timing lines up between productions. Scheduling is increasingly an issue, but the HAT makes efficient use of every possible second – with 151 evenings of public performances or events in 2018.

FUNDRAISING EVENTS

Over the year, the company produces a number of fundraising events, including the biennial Gala event, the “*HAT-A-Versary*,” a Variety Show featuring numbers and performers from mainstage productions from the past year.

Two or three times a year, the HAT produces a novel and always entertaining event called *The Confidential Musical Theatre Project*. Performers volunteer their talents for a one-night presentation of a secret Broadway musical that the audience has no knowledge of until the first note is sung. Originally co-produced with the Savoy Theatre, this is a new tradition that has built a strong audience and led to full productions of the more popular offerings.

Other smaller scale fundraising activities include the selling of even split tickets, the HAT merchandise, and specialty runs of handcrafted items – such as individually crafted mugs by local potter Elizabeth Burt.

One of the 13 Mainstage productions is also a fundraiser for the company, with actors donating their time to help hold over the young company. Historically, this has been a mega-musical production of *A Christmas Carol*. In 2018, the HAT added a 14th show to act as an additional fundraiser, *A Tribute to the Rotary Show*.

TOURING

The HAT has had some success touring its more successful/portable shows throughout the country. In its first year, the world premiere of *First Time, Last Time* went on to tour Ontario, including a two-week run at Theatre Passe Muraille in Toronto. New plays that were developed at the HAT also received new productions in Toronto, including *Shit Song for Some Island* and *Heart of Steel*, which was selected for production at the Next Stage Festival and received a Dora Nomination for Outstanding New Musical.

Two popular productions have made waves at the Atlantic Fringe Festival in Halifax; *The Wakowski Brothers* and *Punch Up*, the latter of which won the award for “Best of Fest” in 2015 and was later programmed into Eastern Front’s Stages Festival in 2018 for an encore performance in the Neptune Studio Space.

The Wakowski Brothers has also toured Cape Breton, with demand performances in St. Peters, Louisbourg, and Sydney Mines.

PLAYWRIGHTS UNIT

In 2018, the HAT launched its first official Playwrights Unit, choosing four playwrights from a National submission process to support in various ways over the course of the year.

Inaugural playwrights included Lindsay Thompson, Michael McPhee, Richie Wilcox, & Leon Dubinsky. Excerpts or drafts of the plays were read over the course of a marathon play reading day at local coffee shop, Doktor Luke’s. The HAT will continue to monitor the progress of these new works while choosing new playwrights for 2019.

One play, *See Jane Run* by Lindsay Thompson, has premiered as part of the 2019 Winter-Spring Season.

PLAYWORKSHOPS AND COMMISSIONING

Outside of the Playwrights Unit, the HAT has a long history of commissioning and workshopping new plays – many of which have gone on to be produced. To date the HAT has debuted sixteen World Premieres of new plays and musicals, all of which were developed and/or commissioned by the HAT.

THE HAT RESIDENT COMPANY

In 2016, the HAT launched its first ever Resident Company – taking almost 80 performers of various ages into an 8-week program which provided level-based training in singing, dance, and acting.

Experience ranged from Beginner to Veteran and spanned ages 9 to 69, but all participants shared a passion for performance and a willingness to take risks. The program culminated with a two-hour variety show that showcased what the participants had developed. Graduates of the program had the option of continuing to the following year, and in 2018 it was offered through the winter as a 20-week program.

HATCH PROGRAM

In 2018, the Sydney Kiwanis Club and the Province of Nova Scotia joined forces to sponsor a two-week pre-professional training program for young performers age 10-18. Thirty young performers were chosen from auditions and experienced workshops, classes, and rehearsals with professional mentors every day for two weeks.

The program ended with two public performances of their work – a series of songs, scenes, and bite-sized musical productions, with the benefit of the HAT's complete production team and technical resources. The emerging artists got to experience as close to a professional rehearsal process as possible, working with faculty from such backgrounds as Neptune Theatre, Sheridan College Musical Theatre, and Mount Allison Music Program.

PARTNERSHIPS WITH INDEPENDENT THEATRE COMPANIES

The HAT has a history of working with local theatre companies, such as the Savoy Theatre, the Boardmore Theatre, and the Louisbourg Playhouse - often sharing resources, coordinating schedules with performers, and cross-promoting on a regular basis.

The HAT has also supported many emerging indie companies on the island, offering everything from strategic planning and promotion to rehearsal space or admin resources. Partnerships have included support or space given to: TheatreHUB, Enter Left Productions, Viewer Discretion Productions, The Bandshell Players, The Cape Breton Stage Company, and more.

CHARITY FUNDRAISER EVENTS

As the HAT's reputation grows, so too does its standing in local charity and fundraising circles. In the past year the HAT has been commissioned to create entertainment for two local charities – the United Way annual Gala (a choral performance with our JR Resident Company and the Brookland Elementary School Choir) and a three-hour musical extravaganza for the Festival of the Greens, an annual gala fundraiser for Cancer Research, organized by the Cape Breton Regional Hospital Foundation.

COMMUNITY OUTREACH PROJECTS

Aside from its regular programming, the HAT regularly engages in public or community projects for the benefit of the local neighbourhood. The following are a few select examples:

PUBLIC ART

In the summer of 2017, the HAT engaged a North Sydney-born muralist to depict a 45-foot-tall rendition of one of its show posters on the back wall of the theatre facing Charlotte Street, the heart of the Sydney downtown. In order to help cover costs, the HAT launched a social media campaign to raise support for the idea. In a matter of days, it had received such immediate and generous support, it was able to double the original budget, commissioning the artist to start a second mural depicting an image from another of the productions. In summer 2018, a second mural was started, this time by HAT Technical Director, Kayla Cormier, depicting more characters from popular HAT productions on the adjacent hall exterior on Bentinck St.

CHIAROSCURO

One of our most exciting partnerships in 2017 was with choreographer Thomas L. Colford. Thomas choreographed and performed in an hour-long dance production featuring more than 60 pre-professional performers. This emotional, beautiful, invigorating showcase of talent (and its accompanying crowdfunding campaign) raised over \$45,000 for five local dance studios. The HAT provided the company of dancers with practice space throughout the summer, the venue for three nights, and all the technical support, crew, and workers needed to pull off the event.

REMEMBRANCE

In November of 2017, the HAT was approached by Ashby Legion Branch 138 to help add a new element to their Remembrance Day ceremony, in honour of their special guest speaker, the Honourable Lieutenant-General Roméo Dallaire. The HAT produced an original 50-minute musical theatre piece featuring over 100 performers that was performed as part of the Remembrance Day ceremony. This show was written, performed, and produced absolutely free of charge to the Legion through the generous volunteerism of the entire team.

CARILLON BELLS

During December, and also to celebrate certain productions, the HAT engages Glenda Watt, a third-generation bell-ringer, to return to her family's tower and enchant the downtown with our bells. She plays traditional songs and contemporary Cape Breton ballads to spread cheer through the Sydney Waterfront District. In 2015 a video of her playing "Angels We Have Heard on High" went viral and garnered over 1.6 million views in only nine days.

NON-SECULAR SEASONAL FELLOWSHIP

Christmas Eve 2017, the HAT opened its doors to the community for anyone who felt the desire regardless of their faith or background. Over 200 people attended and in 2018 the number grew to almost 400, including many international students who dubbed it their "first experience of Christmas." Billed as *A Very Merry Highland Arts Christmas Eve Sing-a-Long Service*, the event featured a group of regular HAT performers leading an hour of singing together as one, a chance for fellowship for anyone who felt the desire.

5. MARKET ANALYSIS

5.1 INDUSTRY ANALYSIS

Since the beginning of civilized society, culture has played an important part in the development of the world and continues to do so today. The Highland Arts Theatre fits into the cultural sector of the Canadian and Provincial Economies.

As detailed in the Government of Canada's Culture Satellite Account, an accounting framework created to better measure the economic importance of culture, arts, heritage and sport in the Canadian economy, the Provincial Culture Indicators for 2010 to 2016:

- Culture GDP in Nova Scotia grew 0.7% to \$874.1 million in 2016. This accounted for 2.3% of the total provincial economy. The live performance domain (+4.7%) contributed the most to the growth in culture GDP.
- In 2016, there were 13,719 culture jobs in Nova Scotia. This was a 4.9% year-over-year increase and followed two years of job losses. Economy-wide jobs were down 0.1% in the province.

In the excellent *Cape Breton Regional Municipality Creative Economy Growth Plan*, consultants Vibe Creative Group maintain, "It is critical to formulate a case for dedicated investment in creative industry and to illustrate to every community, every person, how arts and culture will lead to the sustained growth and prosperity of the region."

There is no question that government funding is an important aspect of the health of the culture sector.

For the past two years, the HAT has received burgeoning support from the Cape Breton Regional Municipality towards the production of the Summer Theatre Season through the CBRM Festivals and Events grant, which doubled in 2018. Also in 2018, the HAT received \$10,000 towards the purchase of Theatre Manager ticketing software and this Strategic and Business Plan (through the CBRM Sustainability Fund).

In February 2018, a request was made to the municipality for ongoing Operating funding to an annual amount of \$40,000 which was denied citing lack of funds. In a difficult financial climate, the HAT has the moral support of the local government with optimism that further funding will be granted in future. The HAT will continue to pursue ongoing funding from this level of government, which is considered essential for the continued operations of the theatre.

In his introduction to the 2014 Creative Nova Scotia Leadership Council Report *Culture: Nova Scotia's Future*, Chair Ronald Bourgeois states, "Our intention with the release of this document is to promote increased investment in the sector by positioning Nova Scotia's artistic, cultural, and creative industries as a key strategic pillar for the province's economic and social development."

Later in the report, "Department of Communities, Culture and Heritage (CCH) statistics reveal that, on average, only 40% of all applications to the existing arts and culture programs receive approval. The CNSLC maintains that while the suite of programs offered at CCH ensures a base of support, it is inadequate if we intend to foster real growth in Nova Scotia's creative economy."

And, “While historic underfunding for arts and culture in Nova Scotia has restricted the sector’s development, the cultural sector’s annual growth typically outpaces most of the other economic sectors in the province.”

Federal funding for the arts via the Canada Council in Nova Scotia totalled \$5.6 million in 2016-2017, with \$1.1 million accruing to the discipline of theatre.

While both Provincial and Federal governments have incrementally raised culture spending over the last two decades, historical entry into operating funding programs often means new and emerging organizations have a difficult time getting a share of these most important sustainable funding dollars. Often, government program leadership personnel must respond to emerging organizations that in order for them to enter ongoing operating programs, existing organizations would have to drop out – an exceptionally rare occurrence.

Organizations like the HAT, who are able to show phenomenal early growth coupled with strong economic impact in specific markets are sometimes able to appeal, at least to municipal and provincial governments, and receive funding outside of regular programs – either from economic development programs, one-time emerging project programs, or from other government discretionary funds. The HAT, through diligent advocacy, has successfully opened the door to these latter alternate sources of government funding, and continuation of this support is expected on an annual, though not guaranteed basis. This bodes well for the organization eventually being assigned sustainable, year-over-year funding.

GEOGRAPHIC MARKETS

The main geographic market for Highland Arts Theatre is the Cape Breton Regional Municipality. The geographic market for the company is projected to stay approximately the same during the next several years.

CUSTOMERS

The main audience for the Highland Arts Theatre offerings are residents of the Cape Breton Regional Municipality that also fit the predominant demographic for the performing arts which is “upscale, university educated, aged 35-65.” The company also attempts to reach a younger, family audience for appropriate programming including special Christmas and other holiday themed productions and presentations.

COMPETITION

Highland Arts Theatre operates in Nova Scotia’s culture sector, specifically as a year round producer of theatrical productions.

Competition for the Company comes from other areas where consumers can spend their leisure dollars and specifically from other entertainment enterprises producing work in the Cape Breton Regional Municipality. The HAT, like all professional theatre companies, must draw its audience from a population with more leisure time options than ever before. Cable television and streaming services such as Netflix, movies, dining, concerts, bars, sporting events all compete for the consumer’s leisure time and dollars.

CBRM is home to several performance centres in addition to the Highland Arts Theatre, including the Centre 200 sports arena in Sydney, home to the Cape Breton Screaming Eagles (a Quebec Major Junior Hockey League team), and the historic Savoy Theatre in Glace Bay. The Holy Angels Arts & Cultural centre is currently undergoing a \$12 million renovation. Glace Bay is also home to the Cape Breton Miners' Museum, the Marconi National Historic Site and the Glace Bay Heritage Museum. Louisbourg is home to Fortress of Louisbourg, the largest historical reconstruction in North America.

The region boasts several festivals of art and music such as the Celtic Colours International Festival, Lumiere Art at Night, and the Cape Breton International Drum Festival. The area is also well known for its music scene.

A competitive advantage that live theatre has always had is its very nature. The "live" aspect of theatre cannot be replicated by television or the movies and this has kept theatre as a popular leisure time activity throughout the 20th century when numerous other options became available. Live theatre also gives consumers an opportunity to get out of their homes for entertainment, which makes it a popular option.

From the very start, the HAT has found itself in a most enviable position market wise: it set out to fill an identified historic dearth of grassroots professional theatre production in the CBRM. Into this vacuum the HAT inserted its creativity and entrepreneurship, and exploded onto the scene, attracting a verifiably hungry and now established audience, delighted with the growing opportunities to attend live theatre in the downtown core. Further, support from volunteers and visionary stakeholders within the community speak to a widespread desire for the company to further establish itself and reach a level of sustainability.

5.2 PRODUCT PLAN

The Highland Arts Theatre will continue to produce and present plays from local, national and international playwrights, packaged into Winter/Spring, Summer, and Fall Seasons. A diverse mix of genres, including dramas, comedies and musicals, with varying degrees of challenging content and feel-good entertainment. Rental and Fundraising Events, Touring, the operation of a Resident Company and Playwrights Unit, Play Development, partnerships with independent theatre companies, and community outreach activities will add to the robust offerings of the company making it a unique and viable performing arts organization.

5.3 PRICING STRUCTURE

Average Single Ticket Price 2019: \$33.00 + HST

Season Ticket Package 2019: \$99.00 + HST

One of the defining features of the Highland Arts Theatre has been its hugely popular subscription package pricing that has led to an enviable, incremental growth in subscribers. For four years of seasons, the HAT has provided cost-effective ways for its patrons to see a seasonal grouping of shows at discounted prices – up to 65%.

Subscription pricing and the building of a large and reliable subscription base have been mainstays of professional theatre marketing for decades. Wesley Colford's background in box office management gives him an advanced understanding of set up, marketing and data collection associated with subscriptions.

It's a winning strategy expected to be maintained leading to further growth.

6. ADVERTISING AND PROMOTION

The main audience for the Highland Arts Theatre offerings are residents of the Cape Breton Regional Municipality that also fit the predominant demographic for the performing arts which is “upscale, university educated, aged 35-65.” The company also attempts to reach a younger, family audience for appropriate programming including special Christmas and other holiday themed productions and presentations.

The company undertakes a number of activities to reach these people. These activities include:

- Advertising in the major area newspaper and other print media
- Operating a web site
- Radio
- Facebook
- Post card distribution
- Promotion of company by cultivating stories on the season in local, regional and national publications and media outlets

The company derives financial resources to meet its advertising and promotion needs through the marketing budget which for the 2018 - 2019 season sits at approximately \$30,000 as follows:

Production Advertising Expenses 2018

Social Media	\$7,050
Radio	10,300
Digital & Print Media	10,500
Post Cards	1,550
Other	150
Total	\$29,550

Future plans to grow and improve the reach of the Advertising and Promotions area include:

- Utilizing strategic targeting for discounts and coupons using our new Theatre Manager ticketing system to entice lapsed and repeat buyers.
- Promotional giveaways/prizes to entice new demographics.
- Increased Facebook advertising and investigation of YouTube advertising for video
- Investigation into transit/bus stop advertising, municipal flag promotion, and placemat ads.
- Connecting with other theatres on the mainland to cross-promote and distribute our material.
- Marketing more specifically for hotels (day-of discounts and coupons) and the university population (student discounts and promo).
- This year, SoLocal, a local marketing company, came on board as a sponsor with \$5000 of in-kind marketing services. We look forward to seeing what ideas they contribute.

7. THEATRE OPERATIONS

The table below outlines the number of employment weeks the Highland Arts Theatre offers on an annual basis and the total dollars spent on salaries and fees for these weeks.

Employment Area	Employment Weeks 2018	Total Expenditure 2018
Artistic	1,127	\$465,018
Technical	108	\$71,628
Administration	225	\$122,738
Marketing	48	\$22,227
TOTALS	1508	\$681,611

In the 1970's the Canada Council for the Arts, the country's principle arts funding agency, developed a short form calculation for the economic impact of a performing arts organization. The formula is listed below along with calculations for the economic impact of the HAT's 2018 Season.

CANADA COUNCIL "SHORT FORM" ECONOMIC IMPACT CALCULATION

Box Office Revenue x 1.06 = *Total Ancillary Spectator Expenditure*

Total Ancillary Spectator Expenditure +

Total Theatre Expenditure x

Economic Multipliers = *Economic Impact*

Economic Multipliers: *Local x 1.4, Provincial x 1.5, and National x 2.1*

2018 Box Office Revenue	\$512,470
Total Ancillary Spectator Expenditures	\$543,218
Total Theatre Expenditure	\$936,127
Total Related Expenditure	\$1,479,345
Local Impact (1.4)	\$2,071,083
Provincial Impact (1.5)	\$2,219,018
National Impact (2.1)	\$3,106,625

8. CRITICAL RISKS AND ISSUES

This business plan assumes the company will be able to maintain and improve upon its results from the record setting 2018 season. While there is good reason to believe these assumptions are reasonable there are always the risks involved when projecting revenues that are above historical averages. At some point in the future the company will experience an attendance/box office plateau. Monitoring these key factors against seating inventory will allow leadership to adjust, with actions including ticket price increases, hold overs of successful productions, lengthening or shortening production runs based on historical performance of various genres.

Perhaps the most serious risk for the HAT is common in start up operations of any organization, and that has to do with succession planning. What would the company do without the dynamic leadership of founder Wesley Colford? Is there someone within the organization who would be capable of stepping into his shoes should there be a short or long-term absence? Ensuring the sharing of information across the organization and contingency planning for succession would mitigate these concerns.

Burnout is always a risk in artistic organizations that may be overextended in human resource areas – where too few people are trying to accomplish too much on limited resources. Realistic consideration for size and scope of individual productions, their order in the season planning process, and generally attempting to not bite off more than one can chew is advisable. Continuous pursuit of increases in financial support aimed at adding personnel and all the many things that will support them properly in their work, is a worthy goal to avoid burnout.

Remuneration is a key issue for the organization. Leadership has expressed a desire to pay “industry standard” rates and at present there is a large divide. Leadership insists that all artists are paid as generously as the circumstances allow. As above, the pursuit of additional funding must continue.

Government funding will be an ever-increasing need for the organization to sustain itself. Few theatres outside of Broadway and the UK’s West End are for profit companies, and those that exist worldwide in the not-for-profit sector rely in part on government subsidy. The HAT has made important and meaningful headway via start up and emerging organizational funding, and must continue to approach all levels of government for these opportunities until multi-year operational funding is secured.

This plan seeks to set a future path for the organization on an operational basis and while it has presented aspirational capital improvements, it does not purport to deal with future capital requirements overall going forward. A full inventory of capital requirements, and a suitable plan to meet those needs is an action item in the short-range action items and will require future planning initiatives.

9. FINANCIAL PROJECTIONS

9.1 Pro Forma Statement of Operations and Changes in Fund Balance

Annual 2018 - 2021	Actual 2018	Projected 2019	Projected 2020	Projected 2021
REVENUE				
Subscription Sales	162,275	180,000	200,000	220,000
Single Ticket Sales	350,195	430,000	445,000	460,000
Concessions	87,875	95,000	100,000	105,000
Rentals	40,485	45,000	50,000	60,000
Education/Outreach	15,200	25,000	45,000	75,000
Other Earned revenue	4,891	15,000	50,000	55,000
Fundraising	28,245	40,000	40,000	42,000
Sponsorships	41,500	75,000	85,000	90,000
Special Events	19,172	29,000	35,000	50,000
Federal Grants	43,716	50,000	75,000	100,000
Federal Student Employment Grant	11,046	15,000	15,000	30,000
Provincial Grants	95,962	100,000	110,000	120,000
Provincial Student Employment Grant	31,692	35,000	35,000	35,000
CBRM	15,000	30,000	35,000	50,000
Other Municipal	3,000	5,000	5,000	5,000
TOTAL REVENUES	950,254	1,169,000	1,325,000	1,497,000
EXPENSES				
Permanent Artistic Personnel	81,156	119,400	129,400	139,400
Concert Artist Fees	186,787	200,000	210,000	220,000
Production Related Expenses	222,830	267,000	298,750	329,400
Professional Development and Studies		35,000	50,000	50,000
Education and Outreach		30,000	40,000	70,000
Fundraising	49,009	48,000	50,000	50,000
Publicity & Promotion	103,273	75,000	140,000	160,000
Administration	293,072	384,480	390,820	453,820
TOTAL EXPENSES	936,127	1,158,880	1,308,970	1,472,620
Surplus (Deficit)	14,126	10,120	16,030	24,380
Cash Beginning	0			
BALANCE	14,126	24,246	40,276	64,656

9.2 Pro Forma Statement of Financial Position

Annual 2018 - 2021	2018	2019	2020	2021
ASSETS				
Current				
Cash	198,539	208,659	224,689	249,069
Receivables	25,887	25,887	25,887	25,887
Capital Assets	32,525	32,525	32,525	32,525
TOTAL CURRENT ASSETS	256,951	267,071	283,101	307,481
LIABILITIES				
Current				
Payables & Accruals	80,807	80,807	80,807	80,807
Deferred Revenue	162,017	162,017	162,017	162,017
TOTAL LIABILITIES	242,824	242,824	242,824	242,824
NET ASSETS				
Unrestricted	-18,398	-18,398	-18,398	-18,398
Investment in Capital Assets	32,525	32,525	32,525	32,525
OPERATING FUND	14,127	24,247	40,277	64,657
	256,951	267,071	283,101	307,481

9.3 Pro Forma Statement of Cash Flow

Net Inflow (outflow) of cash related to the following activities

	2018	2019	2020	2021
OPERATING				
Excess (deficiency) of revenues over expenses	198,539	10,120	16,030	24,380
Adjustments for items not affecting cash				
Depreciation	(4,776)	-	-	-
Loss on disposal of capital assets	-	-	-	-
TOTAL CURRENT ASSETS	193,763	10,120	16,030	24,380

Net changes in non-cash operating working capital items

Receivables	25,887			
Capital Assets	37,301			
Payables and accruals	(80,807)			
Deferred revenues	(162,017)			
	(179,636)	-	-	-
Increase (decrease) in cash	14,127	10,120	16,030	24,380
Cash, beginning of year	-	14,127	24,247	40,277
Cash, end of year	14,127	24,247	40,277	64,657

9.4 NOTES TO FINANCIAL PROJECTIONS

PRO FORMA STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

General

This page provides details of the Highland Arts Theatre's (HAT) actual operating results for the fiscal year 2018 along with projected results for 2019 through 2021.

There are some modest discrepancies in the various financial pages due to rounding differences.

Subscription Sales

The Highland Arts Theatre has experienced exponential growth in subscription sales up to and including 2018 and incremental increases are expected in the coming three years. Projected sales for 2019 represent 2500 subscriptions (divided between Winter, Summer, and Fall Seasons), projected sales for 2020 represent 2900 subscriptions, and projected sales for 2021 represent 3300 subscriptions.

Ticket Sales

The Highland Arts Theatre has experienced exponential growth in ticket sales up to and including 2018 and incremental increases are expected in the coming three years. Projected sales for 2019 represent 68% of total seating capacity, Projected sales for 2020 represent 69% of total annual seating capacity, and projected sales for 2021 represent 70% of total annual seating capacity.

Earned Revenues - Concessions

Concession sales represent a significant source of earned revenue for the organization and are expected to grow with increased incremental attendance.

Earned Revenues - Rentals

Rental revenues for 2018 represent 60% of total rental capacity. While capacity for additional rental opportunities is not expected to increase due to the consistent use of the performance space for in house productions, rates and percentage booking of total capacity are expected to increase over the next three years.

Earned Revenues – Education/Outreach

With the success of our burgeoning educational programs, we began 2019 by doubling our capacity for space in our Resident Company Program for the winter, which completely sold-out within 3 days. We are working on strategies to further expand this program, but are limited by space and staffing constraints. With each successive year, we plan to expand our output and capacity to take in more participants to our various programs, culminating in 2021 when we hire a full-time Educational Coordinator to be our primary instructor and organizer for a year-round set of educational course programming.

Other Earned Revenue

The HAT derives other earned revenues from elements such as programme advertising, merchandise sales, and contracted performances using our creative teams and artists. This was bolstered in 2018 by some special events which we were commissioned for, which are not expected to be annual, yet all of these elements are expected to incrementally increase over the next three years as word-of-mouth continues to spread and we market them more specifically as opportunities. Major projected increases in other earned revenue in 2020 and 2021 reflect increases to education as described above.

Fundraising - Individuals

The HAT has enjoyed strong support from individual donations since the organization's inception, despite the inability to issue charitable tax receipts. The HAT has been actively pursuing registered charitable status since November 2017 and in February 2019 officially became a registered charity. The ability to issue tax receipts for individual donations is expected to lead to an immediate jump in receipts in 2019 followed by incremental increases in future years.

Fundraising - Corporate

The HAT receives donations and sponsorships from corporations each year. Increased sponsorship efforts and the hiring of a Community Engagement Coordinator beginning February 2018 is expected to continue to grow future corporate sponsorship revenues in coming years.

Fundraising – Special Events

The HAT benefits from a number of Special Events whose revenues are expected to grow incrementally through increased attendance in 2019 and 2020, and to grow substantially with the addition of a new special event in 2021.

Public Support – Federal Grants and Student Employment Grants

In the past year, we have found wonderful allies in the Atlantic Canada Opportunities Agency, who supported us in two major projects including this Plan. As we continue to grow, we expect them to remain invested in our success and continue to be interested in supporting our engagements. We have not yet begun to tap into the Canada Council for the Arts, having only recently become eligible, and expect to slowly build that relationship as well over the next 3 years, starting with touring and project/festival grants.

Public Support – Provincial Grants and Student Employment Grants

Similarly, in the last year we have received extraordinary support from the province, particular by Community, Culture, & Heritage and Arts Nova Scotia. We expect them to continue supporting us with project grants and have been given a glimmer of hope for ongoing operational funding, which will hopefully be increased in the provincial budget in the next three years. We expect our summer student grants to remain constant.

Public Support – Municipal Grants

We recognize that the Cape Breton Regional Municipality is limited in their budget, however we are optimistic that our continued success will earn consideration in their Sustainability Fund deliberations, ultimately leading to continued operating funding as well as capital or festival support.

Permanent Artistic Personnel

This line represents remuneration for the Artistic & Executive Director, Technical Director, and the Assistant Artistic Director.

Concert Artist Fees

As our rentals increase (see above), so too will the ticket revenue from rental concerts, which in turn increases the fees returned to our performing renters. This incremental increase is tied to the increase in ticket sales and rental revenue.

Production Related Expenses

This line covers the areas of Performing Artists (Actors and Musicians), Creative Artists (Directors, Designers, Playwrights), Other Artistic Expenses (set, prop, costume materials etc.), and Other Production Expenses (Technicians, travel, rental of rehearsal hall etc.) and represents the direct costs of producing the mainstage shows.

These areas show year-over-year increases in 2019, 2020, and 2021 due to a long-term plan to increase artist fees towards industry standards, implementing increased budgeted fees for every production, as noted in individual yearly budgets.

Education and Outreach

As we increase our educational output and programming (see above), so too will our expenses rise. We currently lack qualified professionals to give their full focus to our educational programming (too often they are already involved in our mainstage programming), however as our programs expand, we are creating room in our budget to hire dedicated educational staff to guide our programs and grow our market.

Fundraising

This line represents cost related to remuneration of staff dedicated to fundraising efforts for the organization.

Publicity and Promotion

These are the costs related to marketing the HAT's activities. As our reach grows, we will prioritize a standard marketing and promotions plan which will more rigorously target our demographics for both specific show advertisements as well as year-round promotion of the venue and our on-going activities. This budget line increases dramatically in 2020 as we plan to hire a full time Marketing and Promotions Manager to create and implement this plan.

Administration

This area covers administration staffing office costs and occupancy costs for offices, rehearsal spaces, and performance space.

PRO FORMA STATEMENT OF FINANCIAL POSITION

1. Cash balances derived from Pro Forma Cash Flow Statements. Opening Cash balance obtained from Highland Arts Theatre 2018 Statement (see appendix).
2. The end of year position on Receivables, Prepaids, Payables & Accruals and Deferred Revenue is kept the same each year beginning in 2019 for the purposes of these projections.

PRO FORMA STATEMENT OF CASH FLOW

1. Opening cash balance derived from 2018 Highland Arts Theatre Financial Statements.
2. The Operating Fund shows an excess of revenue over expenses in each year of this plan.
3. No change in receivables, inventory, prepaids, payables and accruals or deferred revenues for the purpose of these pro-formas.

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