

WALKKILL RIVER SCHOOL
Annual Members Meeting
January 12, 2019

Chairman Report for 2019 Annual Meeting
Penny Thelman

This past year has been filled with changes. I am so pleased to introduce Sarah Fortner Pierson as our new Executive Director. Most of you will have already met Sarah and seen what a great job she has been doing with reorganizing our Gallery spaces as well as all of the other myriad parts of this demanding position. Liam Vogel has worked hard and grown in his position of Galley Director. He has brought a fresh view and many wonderful ideas to help the School. It has been an exciting and fruitful year.

I expect 2019 to be an exciting year. We are well into our Capital Campaign to purchase our building (including the building behind us). While we have been working hard to raise the necessary funds it will take an ongoing effort to make this dream come true. I hope that you will support this effort. More details on the Capital Campaign will be presented at the meeting.

I wish to thank each and every one of our Members. You are what makes us what we are – one of the best community supported organizations providing art and cultural benefits to artist and our community. Thank you!

Executive Director's Report on 2018
Sarah Fortner Pierson

If any of you have not met me yet, my name is Sarah Fortner Pierson and I am the new Executive Director of the Walkkill River School (WRS) as of June of 2018 when Shawn Dell Joyce retired. 2018 has been an adventure, getting to know everyone here and learning the ropes at WRS. I spent most of 2018 learning, building new structures and reorganizing. This is an amazing organization and community of people. I am excited about implementing some new ideas and programs in 2019 to build on our success, put us into the black and get us sufficiently staffed to operate smoothly.

Shawn Dell Joyce is a tough act to follow and I am appreciative that everyone has been so welcoming and kind. Thank you! There are so many people to thank I can't name them all, but some exceptional people were:

- Michelle Gukhman and Sara Tomaselli volunteered over the summer.
- Rick Parenti designed and built our painting storage and transformed our entryway into a calm, beautiful and organized space.
- Vaune & Michael Sherin for building our locked wine storage cabinet & installing and fixing some of our cabinet locks and other generally nice and helpful stuff
- Vicki O'Neill has put a lot of work into making the senior drop-in such a success.
- Bernice Furey helped out with painting and refurbishing.

- Lily Norton and the Cornell Cooperative have filled our galleries with stunning floral works every month.
- Lisa O’Gorman has volunteered her time to organize the Handmade for the Holidays and coordinating the Craft Gallery.
- William Southern donated over \$1,000 worth of art supplies

In 2018 we celebrated our 10th anniversary here in the Patchett House and our 19th year as an organization. Since Shawn, Gene & Steve founded the Wallkill River School (WRS), we have grown into an established regional art organization and we plan to grow in the coming years through increased advertising and networking. We have an email list of over 2,000 and a Facebook Group with over 1,000 members. As this report is being written, our membership is 120 members for 2019 and we are on track to significantly exceed last year’s numbers.

Wallkill River School grossed \$163,485 in 2018. In addition to paying overhead such as utilities and rent, an important use of this revenue is to provide income for our staff and to our local artists through art sales and instructors’ fees. We also use this money to provide free programs for our community. Some of the services we provided in 2018 were:

- Free senior drop in classes which average 18 people a week and 900 per year
- 35 kids’ scholarships for our Summer Art Program
- Free tuition offered for veterans
- 10 Sip and Paint Benefits to raise money for charities and nonprofits
- Free community meeting space for local non-profits and clubs
- Free and discounted Boy Scout and Girl Scout badge programs
- Free artist demonstrations
- Free figure drawing workshop in February
- Monthly art exhibits and receptions which are free and open to the public

Grants, Donations & Fundraisers

We received \$1,750 in grants, far less than in previous years. The available money for grants is decreasing and the competition for them is growing. We shall soldier on, but we cannot rely on grant funding to support WRS.

- \$500 Stewart Shoppes for Summer Camp Scholarships
- \$350 from OCAC for the Emerging Artist Program
- \$750 from OCAC for the Hudson Valley Plein Air Festival
- (2019) \$1200 from Arts Midhudson for the Hudson Valley Plein Air Festival

Applied for but didn't receive:

- \$250K To Regional Economic Development Council for Capital Campaign
- \$20K to NYSCA for General Operating Support
- \$15K to NYSCA for Emerging Artist Program
- \$15K to NEA for Emerging Artist Program
- \$10K Dyson Foundation for ED succession/professional development

Donations were just shy of \$8,000 this year which, although short of our budget goal of \$10,000, is up \$1,000 from 2017.

The 100/\$100 fundraiser for children's scholarships brought in \$6,000. In 2018 it was promoted as an online event, not a party, which may account for the lower participation. This program is essential for supporting our Summer Art Program and getting talented local kids into classes which they otherwise couldn't afford. We plan to have the 100/\$100 at the end of April this year and we plan to promote it as an exciting, elegant party. We are looking for ways to refresh or reinvent this fundraiser – bring us your ideas!

We participated in the Montgomery wide yard sale in June and October and raised \$488 by selling donated goods. We need to hold more fundraisers in 2019 and I am looking for ideas and volunteers to run them. Come see me!

School Report

Our nonprofit art school raised \$115,887 in tuition which means that tuition provides 70% of our total income. Tuition is our most significant and reliable source of income and shows how much our community values our programs. Our school had approximately 4,000 enrollments in 2018.

The Kids Summer Art Program in July and August 2018 had 1,422 enrollments and grossed \$36,146. After art supplies and paying teachers, the program generated \$16,521 of operating revenue for WRS.

Interest in Sip and Paint parties seems to be waning. Sip and Paint style parties continue to be popular for children's birthdays and charity fundraisers. We will look into promoting them to businesses as team building events and as activities for parents to do with their children. Some of our offerings will be rebranded as "2 Hour Workshops," and emphasize a fine art approach, in order to appeal to working adults who are interested in art but are unable to commit to ongoing classes.

The Wallkill River School was formed around plein air classes and is part of what differentiates us from other local arts organizations. Without grant funding we are unable to offer low-cost weekly plein air classes. Jim Laurino, Mel Stabin, Shawn Dell Joyce, Dennis Fanton and George Hayes offered plein air workshops in 2018 with moderate attendance. We also offered free Plein Air Paint Outs around Orange County throughout the summer. In 2019 we plan to offer workshops and month-long classes with a variety of teachers at fresh locations to try to build up our community of plein air enthusiasts.

We experimented with online classes in 2018. We found it did not work well to add an online student to a traditional class, however, private lessons, were effective. We will continue to explore the possibilities of online classes for private lessons, people with physical mobility issues and out-of-area students.

Membership

Our membership revenue has doubled compared to 2017 in large part due to an increase in Joint Artist membership in 2018 and 2019 is showing an increase in both Artist and Joint Artist

memberships. We have restructured our membership levels to encourage people to join by lowering the cost and providing more benefits.

For example, our artist level members have more opportunities to exhibit work than ever before. We have created new exhibit space in the stairwell and kitchen which Artist level members can apply for at no cost and they are invited to participate in the monthly Hallway Exhibit. We are clearing a portion of the glass porch to provide a work area for artists to take professional photographs of artwork and some basic tools such as a matt cutter and space for stretching canvas. We are also considering partnering with the Goshen Art League to provide free professional development workshops for artists. Let me know what topics you are interested in!

We have also separated the Exhibit Fees from the Represented Artist level memberships which were seen as too costly by the art community at large. This allows our represented artists to afford to stay involved with us every year and gives us the opportunity to bring in new artists and keep our audience excited about our shows.

We have also modified the Emerging Artist membership into a stand-alone mentoring program rather than a membership level. Artist members can participate in the program with or without a show, and receive career advice from established artists.

Advertising

In 2018 we spent \$3,900 on advertising and networking which was primarily advertising gallery events in Canvas and email campaigns. Our marketing for the school was mostly through social media, brochures and email blasts. Liam Vogel also submitted press releases monthly to our press list and submitted our events to newspapers.

In 2019 we plan to increase advertising and direct the money towards creating a consistent presence within a 20 mile radius and include more traditional media. We “will give the school side of the business a greater share of the traditional media advertising space. We will particularly look at attracting more retired folks and “Empty-nesters” and growing our children’s programs both in the summer and year-round. We will launch a new mobile friendly website later this month!

There is much more to be done to run WRS than two staff members can do in only 36 hours a week. We have added Debbe Femiak to the staff as a part-time receptionist to cover sick and vacation days and a Saturday a month. We also have Ayanna Terry as an intern through SUNY Orange and we are making arrangements to bring a couple more student interns on board to cover the desk and assist with digital marketing.

ED Gallery Report

Our gallery is the inspiration of our students and the aspiration of our local artists. It is an important tool for building the professionalism of our emerging artists, the social core of our art community and a cultural resource for our area.

Total revenue for the gallery was \$17,569 which was comprised of:

\$12,834	Fine Art sales
\$ 691	Craft sales
\$ 4,044	Gallery Fees, hang fees, jury fees

Happily, we have paid \$8,554 to artists in commissions for art sales.

Our sales are slower than in the past and art sales seem to be depressed nationwide. Jury and hang fees made a difference in 2018 and helped to cover the advertising, staff hours and other expenses involved in hanging our exhibits.

Liam Vogel, our Gallery Director, and I have re-evaluated our gallery policies and strategy for 2019. Our goals are to increase revenue in the long term by bring in fresh perspectives through more juried shows with jurors from outside of WRS, growing our audience through networking and increasing our reputation by placing an emphasis on artistic excellence.

Gallery Director's Report **Liam Vogel**

2018 has been an exciting year of growth and change for the Wallkill River School. With the departure of Shawn and arrival of Sarah, I was nervous about the year to come, but this much needed change has brought new life to our organization and gallery. As the Gallery Director, I am endlessly inspired by the artists and artworks that I see come through our door every month, and 2018 was no different.

This year we held a larger number of full scale group exhibits compared to previous years, which provided several benefits. We found that the group exhibits increased reception attendance, improved the diversity of work shown, and most importantly, brought new artists into our organization.

Group Exhibits

- Members Exhibit
- Teaching Artist Exhibit
- Nocturnes Exhibit
- Floral Exhibit
- 100/100
- Seniors and Teens Exhibit
- Hudson River School Exhibit

2018 also had a successful year of solo exhibits. we mentored 2 emerging artists in 2018. Local watercolorist Robert Scheffler held his first solo exhibit this March, and Illustrator Antonio Mastria held an exhibit as well. Antonio has even moved on to teach programs here at the Wallkill River School, helping us stay true to our mission of securing financial opportunities for local and emerging artists.

Solo Exhibits

Robert Scheffler
Keith Gunderson
John Slivjak
Antonio Mastria
Shawn Dell Joyce
Mike Jaroszko
Susan Wilson
Alan Lewis
Rick Parenti
Vaune Sherin
Shane Daley
Liam Vogel

2019 Gallery Plans

We have made several changes to our Gallery strategy for 2019. We see group exhibits as a very effective tool to increase engagement with new artists, while also creating more diverse and interesting collections of work. We are also experimenting with some more contemporary themes for our upcoming 2019 exhibits. We hope that this will allow us to reach a larger group of artists, and strengthen our current community. We know that several of our existing artists produce sculpture, abstract works, photography, and contemporary drawing/painting, and we hope this will encourage them to show that work. One of our largest goals for the future is online art sales. The world of art has seen a massive increase in online sales, with online sales accounting for up to 43 percent of all painting purchased by collectors internationally in 2018. We see this as a necessary component if we are to succeed in the future.

Capital Campaign Report on 2018

Maureen Crush

Wallkill River School of Art board of directors resolved in 2018 to purchase by 2020, the Patchett House, our long-term home, from Devitt Management. We are now engaged in a capital campaign to raise \$250,000 in two years. This amount will be combined with a mortgage for \$250,000, plus a \$300,000 donation and resulting tax credit from Devitt Management, to equal the appraised value of Patchett House, plus the carriage house and connecting yard.

The official kickoff of the Capital Campaign occurred at our 10th Anniversary celebration on June 2, 2018, and \$62,600 of pledges were received from several of our active supporters.

We have had good results in the first six months of the campaign and are pleased to report collections through 12/31/18 of \$93,622.95 and an additional \$22,416 of pledges to be paid in 2019 for a total raised of \$116,038.95. We are right on target!

We would welcome all of our members and supporters to make a pledge and invest in the sustainability of the Walkill River School of Art. Pledges can be paid in installments, monthly, quarterly or annually over the next two years and automatic payments are possible.

WALLKILL RIVER SCHOOL, INC.
Statement of Activity and Budget
Year Ended December 31, 2018

Revenue:	Annual Budget	Jan	Feb	March	April	May	June	July	August	September	October	November	December	Total	YTD Budget
Donations	\$10,000.00	271.00	5,115.35	78.00	129.00	312.50	803.00	95.00	113.00	428.00	367.00	59.00	180.90	\$ 7,951.75	80%
Fundraising	\$15,000.00	-	1,500.00	400.00	1,000.00	942.65	2,673.99	-	-	-	-	-	-	\$ 6,516.64	43%
Gallery Sales	\$20,000.00	1,616.02	330.84	697.98	890.61	779.71	932.00	598.00	2,439.68	873.12	3,481.25	2,827.13	2,102.68	\$ 17,569.02	88%
Grants	\$15,000.00	-	-	500.00	-	750.00	500.00	-	-	-	-	-	-	\$ 1,750.00	12%
Memberships	\$6,000.00	4,130.00	(1,845.00)	405.00	1,095.00	955.00	335.00	185.00	460.00	60.00	290.00	3,325.00	2,855.00	\$ 12,250.00	204%
Rental	\$1,000.00	-	200.00	50.00	-	-	-	-	-	-	-	-	-	\$ 250.00	25%
Tuition	\$125,000.00	8,475.47	6,980.15	11,008.75	11,895.50	9,215.25	15,164.25	10,871.00	12,149.00	5,936.00	9,508.00	9,308.00	5,376.00	\$ 115,887.37	93%
Miscellaneous	\$1,000.00	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	-	\$ -	0%
Total Revenue	\$193,000.00	\$ 14,492.49	\$ 12,281.34	\$ 13,139.73	\$ 15,010.11	\$ 12,955.11	\$ 20,408.24	\$ 11,749.00	\$ 15,161.68	\$ 7,297.12	\$ 13,646.25	\$ 15,519.13	\$ 10,514.58	\$ 162,174.78	84%
Expenses:															
Advertising & Marketing	\$6,000.00	350.00	629.00	375.00	290.89	200.00	200.00	275.00	-	545.25	125.00	800.00	200.00	\$ 3,990.14	67%
Art Supplies	\$4,000.00	183.24	69.55	360.32	321.92	157.85	161.48	11.65	316.54	44.94	312.48	-	-	\$ 1,939.97	48%
Artist's Commissions	\$15,000.00	437.50	65.10	557.97	318.93	496.96	168.00	579.60	735.35	456.40	2,395.40	1,516.33	826.05	\$ 8,553.59	57%
Bank Fees	\$1,500.00	317.96	399.20	353.73	492.65	589.14	628.82	230.74	294.57	150.82	325.75	271.92	225.13	\$ 4,280.43	285%
Contract Labor	\$15,000.00	1,962.50	1,211.00	722.50	622.50	622.50	160.00	560.00	160.00	160.00	160.00	160.00	160.00	\$ 6,661.00	44%
Donations (to other orga	\$0.00	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	
Equipment/Tech	\$500.00	159.90	63.39	56.00	-	54.05	-	11.99	9.97	-	-	-	-	\$ 355.30	71%
Fundraising Expense	\$10,000.00	-	106.32	-	140.55	-	103.72	-	-	122.50	-	-	-	\$ 473.09	5%
Instructors	\$70,000.00	3,158.75	3,030.50	5,182.65	5,931.95	4,608.30	7,024.00	11,656.50	11,581.75	2,913.50	4,524.60	6,020.48	3,607.34	\$ 69,240.32	99%
Insurance	\$3,500.00	58.24	-	-	-	-	7.37	1,829.03	-	-	-	694.08	109.25	\$ 2,697.97	77%
Professional Fees	\$0.00	-	-	-	-	750.00	-	-	-	-	-	-	-	\$ 750.00	
Office Supplies	\$2,000.00	453.08	311.40	306.74	519.83	355.58	191.47	606.69	1,079.30	311.40	1,347.23	248.68	13.38	\$ 5,744.78	287%
Other Business Expenses	\$1,500.00	150.00	-	-	-	-	-	-	54.24	-	259.32	(60.00)	129.95	\$ 533.51	36%
Payroll & Payroll Taxes	\$30,000.00	1,955.40	3,474.46	3,611.14	3,574.19	3,498.21	3,533.87	5,393.37	3,284.97	3,592.73	3,722.99	3,435.88	3,720.23	\$ 42,797.44	143%
Rent	\$18,000.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	\$ 18,000.00	100%
Taxes & Licenses	\$3,500.00	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	0%
Utilities	\$4,500.00	1,019.00	94.50	1,057.40	1,360.51	39.19	522.55	239.47	18.04	209.23	373.58	313.94	433.41	\$ 5,680.82	126%
Total Expenses:	\$179,000.00	\$ 11,705.57	\$ 10,954.42	\$ 14,083.45	\$ 15,073.92	\$ 12,871.78	\$ 14,201.28	\$ 22,894.04	\$ 19,034.73	\$ 10,006.77	\$ 15,046.35	\$ 14,901.31	\$ 10,924.74	\$ 171,698.36	96%
Net Income	\$ 14,000.00	\$ 2,786.92	\$ 1,326.92	\$ (943.72)	\$ (63.81)	\$ 83.33	\$ 6,206.96	\$ (11,145.04)	\$ (3,873.05)	\$ (2,709.65)	\$ (1,400.10)	\$ 617.82	\$ (410.16)	\$ (9,523.58)	-68%

a We did not receive many grants despite applying for them.

b Whoo-hoo! Revenue from memberships has grown greatly in the last year mostly due to joint artist and artist level memberships.

c Most of our space rental income was counted as tuition since they were paint and sip style birthday parties. We will advertise straight space rentals more in 2019

d Our bank fees are almost exclusively comprised of credit card processing fees. Paypal's fees were not recorded in previous years. Only the net amount of sales minus fees was recorded in QuickBooks. Consequently, both revenue and bank fees were understated in 2017. 2017 Bank Fees wer actually \$5,018. So, despite being over budget, we actually paid \$738 less than 2017, despite the number of credit card transactions increasing, because we changed processing companies.

e Accounting costs were not included in the budget and were recorded

f Some office supply costs were booked to different accounts in previous years. Also, software and software licences is included in office supplies and that is a growing expense which will be it's own budget category in 2019

g Insufficient money was budgeted for two staff members.

h As a non-profit we don't pay taxes and licenses. Sales tax is not counted as income, but is held in a separate account and paid to the state from there.

i Cost of electricity and gas has increased. We will look for lower cost providers in 2019.