



**Association of Performing Arts Professionals
2022 Annual Member Meeting Minutes
Tuesday, January 18, 2022
1:00 p.m. – 2:30 p.m. Eastern Standard Time
Zoom**

Present: Renae Williams Niles, Board Chair; Lisa Richards Toney, President & CEO; APAP Board of Directors; APAP Membership; APAP Staff

Board Chair Welcome, Renae Williams Niles

Williams Niles welcomed everyone and called the 2022 Annual Member Meeting to order at 1:01 p.m. Eastern Standard Time. She honored the many Native and Indigenous ancestors and elders whose legacies and land bring the APAP community together, specifically acknowledging the Piscataway, Pamunkey, and Anacostan people of what is now Washington, DC, the site of APAP's office. She also acknowledged the labor of enslaved African people and immigrants and the generations of their descendants who helped build much of the United States of America.

As the official annual business meeting for the Association, Williams Niles noted that only current members of the association may vote, with only one vote per organization.

- Electronic voting was open to members in advance of the conference, at which time the voting quorum was established.
 - 112 valid advance votes were cast (76 votes were needed to achieve quorum).

Approval of the 2021 Annual Member Meeting Minutes

Williams Niles called for a motion to approve the minutes of the 2021 Annual Member Meeting. There was a motion to approve the minutes, which was seconded. Hearing no discussion, members who had not voted previously were invited to vote.

- The final vote was 125 “yes,” one “no,” and 23 abstentions. The 2021 minutes were approved.

Chair's Report, Renae Williams Niles

- Williams Niles noted that at the member meeting the year prior (2021), outgoing Board Chair Karen Fischer eloquently spoke to the life-changing events brought on by the COVID-19 and the pandemic's enduring effects on the performing arts industry. Williams Niles commented that the world and the performing arts field are still learning and recovering.
- 2021 was the first virtual APAP conference, and some thought it would be the last. Over the course of the past year, the APAP staff worked diligently, overcoming incredible obstacles, and were leading towards a highly successful hybrid conference for 2022 with over 1,000 registered for the in-person convening in New York City. Due to the surge of the COVID-19 Omicron subvariant, the conference was moved to all-online just weeks before the event.
 - The state of the pandemic and the field required that the APAP staff not only pivot, but for the entirety of the field to problem solve, look for the positive, and act.
 - In the past week, Williams Niles noted that the APAP community did just that, and mentioned how deeply she was moved by all the ways connections were

found, whether in Affinity Groups, speed networking, small breakout discussions in workshops, and in the online chats during the plenaries.

- She thanked all members for contributing to the success of another incredible online conference.
- Williams Niles acknowledged the work of the APAP staff, their support of each other, and ultimately all their efforts towards the betterment of the field, not only through the conference but also the work accomplished year-round.
- She also expressed her gratitude for the compassionate, determined, and strategic leadership of Lisa Richards Toney. Having stepped into the President and CEO role in July 2020, Williams Niles stated that Richards Toney has been a valiant leader for this past year and a half. She also noted how honored she is to work so closely with Richards Toney as Board Chair in a shared service to the field.
- Williams Niles also thanked her fellow board members. She expressed her appreciation for their unwavering support of APAP, their monetary donations, for the increased meetings, heavy committee service work, and the endless other ways they serve the field.
- Williams Niles remarked that over the past year, the APAP board and the staff have worked to assess the organization's progress within the priority areas articulated in the strategic plan established in 2019. The commitments remain timely and necessary, including APAP's commitment to racial equity, diversity, and inclusion (REDI).
- APAP continues to analyze the ways it needs to evolve, strengthen, and grow its capacity. With Richards Toney at the helm along with her experienced team and board of directors who take on this great responsibility and even greater potential, significant growth and field leadership is ahead for APAP.
- Williams Niles shared that the board is also focused a great deal on helping ensure the financial stability and long-term viability of the organization.
- She ended by thanking Kendra Whitlock Ingram as the immediate past Board Treasurer and introduced Anna Glass, the new Board Treasurer, to give the financial report.

Treasurer's Report, Anna Glass

Glass began by acknowledging that many in the field are managing extraordinarily complex financial challenges due to the pandemic. Like most, APAP's staff, board of directors, and Financial Affairs Committee make every possible effort to remain fiscally diligent, focusing on building a more sustainable future.

Audit Findings

Glass presented the Association of Performing Arts Professionals' Audited Financial Report for the Fiscal Year ending June 30, 2021. The report represents the 2020-21 financial year (FY21), or July 1, 2020 through June 30, 2021, which was the first fiscal year that illustrates the full impact of the pandemic.

- The 2021 Annual Audit was conducted by the firm SB & Company, a certified public accounting and business advisory firm. The firm rendered a clean and unmodified opinion of the association's financial position as of the fiscal year ending June 31, 2021.
 - The Annual Audit was also reviewed by an independent Audit Committee and the Financial Affairs Committee.
 - The audited financials were presented by SB & Company and approved by the Board of Directors on October 25, 2021.

- The Association ended fiscal year 2021 with a net surplus of \$169K, which was extraordinary given the pandemic and significant decrease in conference revenue. Glass remarked that the audit revealed that the organization remains in a solid financial position.

TOTAL REVENUE - \$2.2M

As presented in the FY21 audit, revenue sources were cut in half from the previous year (\$4M in FY20), with totals of:

- 12% Conference Revenue at \$260,680
 - Glass noted that pre-pandemic revenue from the conference would have represented 50% of APAP's total revenue.
- 25% Membership Dues at \$558,875
- 10% Federal Grant (Payroll Protection Program [PPP] Loan) at \$212,800
- 15% Investment Income (net) at \$342,076
- 34% Grants and Contributions at \$768,083
- 4% Other revenue at \$89,828

TOTAL EXPENSES - \$2.1M

Glass noted that the total expenses were reduced compared to the previous year (\$4M in FY20), but APAP maintained its commitment to providing services to members with total program spending was the same proportion of our budget despite reduced resources. Expenses for the year totaled:

- 73% Program Services at \$1,512,682
- 27% Supporting Services:
 - 25% General and Administrative support at \$508,983
 - 2% Fundraising at \$40,896

PROGRAM EXPENSES - \$1.5M

Of the 73% in Program Services:

- 38% Supported the Annual Members Conference at \$579,807
- 28% Professional Development Programs at \$421,025
- 25% Membership Services at \$383,170
- 9% Marketing, Public Affairs and Communications at \$128,680

TOTAL NET ASSETS - \$2.9M

There was a \$169k increase to the net assets, which enabled the organization to begin fiscal year 2022 without a deficit.

- \$1,087,831 in Unrestricted Net Assets
- \$959,792 in Temporary Restricted Net Assets
- \$810,894 in Permanently Restricted Net Assets
 - Glass noted that the Permanently Restricted Net Assets shown are comprised of both the Dawson and Classical Connection Endowments, which support specific programs.

Reserves Update

As of the close of FY2021 the target reserve was \$804k, compared to \$916k in FY2020.

- APAP's cash reserves are held in an investment account and serve to support capital improvements or operating shortfalls. The balance in this account at the end of FY2021 was \$896k.

- Glass explained that the Board of Directors approves the use of the reserves, and the organization was fortunate to make it through FY2021 without drawing on these emergency funds.

CURRENT YEAR RECOMMENDATIONS

The auditors made two administrative recommendations:

1. The Investment Policy Asset Allocation should be reviewed annually.
 - As of the close of FY2021, APAP's Actual Investment Asset Allocation between Cash, Fixed Income, and Equities was roughly 5-8% outside of the Target Asset Allocation ranges for these asset types in the portfolio.
 - SB & Company recommended that the Association review its actual investment allocation on a recurring basis to ensure it aligns with the Investment Policy. Any changes needed should be reflected in the Investment Policy or with an addendum and approved by the Board.
 - Glass noted that the board and management are adopting this practice.
2. Establish a written accounting policy for Membership Dues revenue recognition, in accordance with recent changes in accounting guidance [GAAP].
 - The second recommendation was that the Association draft a written policy on the treatment of membership dues as earned revenue in accordance with updated accounting pronouncements. Management of the Association has historically taken the position that membership dues represent fees for services and benefits provided to members, and as such, membership dues are deferred and recognized over the membership period.
 - SB & Company recommended that having official written policies is the best practice to document the Association's critical accounting policies, as well as to assist in the transfer of knowledge.

FY2021 AUDIT SUMMARY

The FY2021 financial performance meets the requirements as set forth by the organization's governing committees and independent auditor's examination.

Glass thanked the membership for their time and attention.

Board Governance Report, Christopher Heacox

Heacox welcomed the membership and announced that the next items subject for member vote include the 2022 slate of new and renewing board members, as well as proposed changes to the bylaws.

Renewing Board Slate

Heacox reviewed the three board members eligible to serve a second term.

- Jamie Grant, Consultant, Leadership Initiative, Rancho Mirage, CA
- Chris Heacox, Executive Director, Jay and Susie Gogue Performing Arts Center, Auburn University, Auburn, AL
- Murielle Borst-Tarrant, Cultural Artist, director, playwright, New York, NY

Heacox entertained a motion to approve the slate of the three renewing board members. There was a motion to approve, which was seconded. There was no additional discussion and the members who had not previously voted were invited to do so.

- The final vote was 139 “yes,” three “no,” and 17 abstentions. The renewing board members were approved.

New Board Slate

Heacox shared that at the October 2021 board meeting, the Board of Directors endorsed one new candidate for the board as presented by the Governance Committee. The candidate was nominated by APAP members in the 2020 nominations cycle, and with the membership’ ratification this candidate will begin their first three-year term, seven calendar days after their election at the 2022 conference. The proposed one new Board Member is:

- Mercedes Caxaj, Head of Programs, Small World Music & Artistic Co-Director, Sunfest-London Committee for Cross Cultural Arts, Toronto, Ontario Canada

Heacox entertained a motion to approve the new board member. There was a motion to approve the minutes, which was seconded. There was no additional discussion and the members who had not previously voted were invited to do so.

- The final vote was 147 “yes, two “no,” and nine abstentions. The incoming board member was approved.

Bylaws Changes

There were two proposed revisions to the APAP Bylaws. Heacox explained that the updates have been considered and approved by the APAP Governance Committee and the Board of Directors (vote effective April 20, 2021) and were brought forth to membership for final approval.

First proposed bylaws change: increase board size

- Increase the maximum number of board positions from 23 total to 28.
 - The maximum of 28 would include 27 voting directors plus the President & CEO serving as the ex-officio (nonvoting board member).
- Heacox shared that the maximum number of board seats was previously changed to 23 with approval dating back to 1993. He also explained the intent for increasing the maximum board size:
 - The potential increase would allow for broader representation of our membership. Such would also align with and support the name change to the Association of Performing Arts Professionals (formerly Association of Performing Arts Presenters), which was approved in 2017 to be more reflective and inclusive of professionals within the touring and performing arts field.
 - The APAP Board is a working board and the addition of up to five new members would add more knowledge, relationships, and capacity to better fulfill the demands and responsibilities of the board.
 - Recent board nomination cycles have been highly competitive due to increasingly impressive candidates, unfortunately with very few open seats to fill.
 - APAP is committed to reflecting diverse perspectives and expertise, particularly within the board.
- Heacox noted that increasing the board size from 23 to 28 would allow up to 27 voting members plus 1 non-voting ex-officio APAP President & CEO, but does not mandate that the board to always maintain the maximum number of seats. The minimum number of directors as determined in the by-laws remains to be 17.

Second proposed bylaws change: adopting gender inclusive language

- Update related language in the bylaws to be gender inclusive, replacing all language that suggests a gender binary.
- Heacox explained that it is necessary to contemporize the language within the bylaws to be inclusive of all gender expressions, replacing “he/she” with “the member” or similar verbiage.

Heacox entertained a motion to approve the proposed amendments to the bylaws. There was a motion to approve, which was seconded. There was no additional discussion and the members who had not previously voted were invited to do so.

- The final vote was 144 “yes,” five “no,” and 12 abstentions. The changes to the bylaws were approved.

President and CEO Remarks: State of the Association, Lisa Richards Toney

General Remarks

- Richards Toney welcomed everyone and thanked the membership for the success of the conference.
- APAP looks forward to embarking on our strategic planning process this year. Richards Toney assured members of APAP’s readiness and stated that “we are not starting from scratch even as we take on such a great pivot.”
 - She reminded members of the four current pillars of APAP’s strategic framework: increasing year-round professional development and programs; exploring new business models; strengthening field engagement, and continuing our commitment to Racial Equity, Diversity, and Inclusion (RED) efforts.
- This year’s second round of the pandemic, alongside the resulting need for increased connection and real-time information, created a welcomed opportunity to lean into APAP’s leadership differently, which resulted in the development of Real Talk in Real Time, The APAP Listening Lounge.
 - On the first Wednesday of each month since February 2021, Richards Toney and Board Chair Renae Williams Niles have gone live with approximately 70-100 members to answer questions about APAP, the particulars around recovery and reopening, and more, all guided by our commitment to help carry our field forward. Richards Toney thanked everyone who has participated in Real Talk in Real Time sessions.
- APAP is unique in its broad viewpoint informed by the breadth of our professionally diverse membership. Richards Toney stressed that her focus remains on strengthening APAP’s capacity so that more people can be under the “big broad tent” that is the live booking and touring industry.
 - While the role of a service organization has previously been more of support, Richards Toney explained that what is needed now is a bit different. Now the field needs leadership, convening, and connection.

APAP’s Standing

- Richards Toney shared that APAP remains optimistic that it will be able to conclude this fiscal year with a well-earned sense of accomplishment having weathered this second year of the crisis with expanded services to our members and shrewd management of the APAP operation.
- However, APAP’s business model is outdated and needs adjustment. In response to this, APAP will deepen its efforts to galvanize the field and increase access to more relief funding, augmenting what had been the nucleus of APAP financial success.

- At the date of the meeting, the APAP membership count was just under 1,200. Pre-pandemic membership was over 1,600. Similarly, the conference attendance was 1,400 (virtually), a stark decrease from the approximately 5,000 attendees in New York City, pre-pandemic.
- Sources of income for well over half the budget have been decimated due to the impact of the pandemic. Richards Toney shared that due to exorbitant shortfall, APAP's business model is expected to suffer in future fiscal years, including the current one (FY2022).
 - Because of this, APAP continues to examine the structure of its business model with key attention to the needs of the field (reduced membership dues and conference registration costs) and changing financial landscape.
 - Richards Toney acknowledgement that even once the pandemic concludes, the field will likely continue to manage a hybrid existence, including virtual access points to APAP's conference and year-round programming.
- Richards Toney and the APAP staff continue to do their best to mitigate the areas in which the organization assumes greatest risk, namely its conference hotel contracts. APAP will continue our negotiations with the hotels in the hopes that APAP can relieve the economic burden that such agreements pose, knowing that conferences like APAP | NYC+ will not look the same as they did years ago.
- APAP takes advantage of all government assistance opportunities like many of its members, including both rounds of the Payroll Protection Program (PPP), Employee Retention Tax Credit, and more regrating opportunities with national funders, similar to the *ArtsForward* program (funded by the Andrew W. Mellon Foundation).
- APAP also continues to interrogate operational areas such as information technology to ensure a more user-friendly experience for its members, as well as looks for new opportunities to tell the Association's story, which will build the advocacy and momentum to ensure that APAP has the wherewithal to carry the performing arts field forward.
- Such efforts – some already realized and some in process – will have a major impact on the 2022 final budget reconciliation and APAP's starting position for fiscal year 2023, though APAP is not fully clear of financial challenges.
 - This year APAP endured a liability with the Hilton Hotel for \$236,000, which was only realized due to the surge of the COVID-10 Omicron subvariant and the need to cancel the in-person gathering for everyone's safety. In February, once all financials have settled, the organization will be able to see the true cost of the conference and what revenue, if any, was raised.
- A financial deficit is expected for the close of FY22. Richards Toney explained that she will actively work over the next five months (before our fiscal year's end, June 30, 2022) to reverse this.
 - She has met with known "family of foundations that have historically supported APAP", and there is opportunity to connect with new funders as well.
 - However, APAP's capacity is stretched, and while the association works to mitigate shortfalls, she is expecting that APAP too will need to expand its operations to ensure the organization has the internal capacity to shoulder the work ahead.
- APAP considers research and programmatic partnerships that will allow the organization to develop and co-present innovative programming and share resources that thoughtfully speak to its member needs, which will lead and advocate for the field. APAP must "keep its big tent open" and be nimble and flexible enough to hold all its people. Yet, APAP must also remain focused enough on the big issues of recovery and reopening without the misstep of

underestimating the influence of good public health and wellness in addition to the demand and expectation for greater race equity, diversity and inclusion efforts.

- Richards Toney remarked that APAP still has a lot to do to embrace all these pivots, but she remains committed to the necessary strategic prioritization of fundraising and membership growth and retention so that the Association can achieve its goals.
- Richards Toney ended by extending appreciation to the board and staff, as well as the members: “We are stronger together and we are worth it.”

Williams Niles added that visionary leaders often talk about growth at times like this. “We are looking at what else APAP needs to be and should be, and we have great potential.” She stated that the approved changes to the bylaws support APAP’s growth.

Williams Niles concluded by welcoming and congratulating Mercedes Caxaj, the incoming board member, and thanked the renewing board members for their service.

Williams Niles adjourned the business meeting at 1:40 p.m. Eastern Standard Time.