

VERMILLION CULTURAL ASSOCIATION

2018 ANNUAL REPORT



The Vermillion Cultural Association is a 501(c)(3) organization

Letter from the President

Dear friends and patrons:

When we started the Vermillion Cultural Association (VCA), we had a vision for what cinema and the arts could be in our community. That vision started with saving the Coyote Twin and its sister cinema, the Vermillion Theater, from a likely fire sale of equipment and building vacancy. We saw the potential of using the Coyote Twin as a first-run movie venue that could bring independent cinema, music, and art to the community in new and inventive ways.

As we cross into 2019, we're reflective. Since our inception, the VCA has renovated the Coyote Twin with the help of generous donors, sponsors, and engaged and committed community members. In 2017 we updated the projectors and sound system, opened the RED Steakhouse Auditorium with fantastic stadium seating, and christened the First Dakota National Bank Coyote Gallery at 12 E. Main, where the former video store was located. In 2018 we completed renovation of our side 2 auditorium, enabled easier pay systems, created efficiencies in how we staff and maintain inventory, and continued to learn how to book the best first-run and provocative films for our diverse community.

This past year we also hosted dozens of children and families for free films thanks to donors and created opportunities for people to learn within our walls with the OLLI program. Our partnership with the University of South Dakota has resulted in department and university sponsorship of films and free showings, and local businesses have also enabled special film screenings.

We want to double-down in the coming year. The investment we want to make in the Vermillion Theater—a new roof, HVAC, and floor repair—will transform it into a premier venue for hosting music, theater, and other creative arts. We've experimented with this event plan already through our Vermillion Cultural Programming efforts with great success. In 2018 alone we hosted a burlesque show that drew nearly 100 people, rock shows from local and regional artists, and a showing of *The Rocky Horror Picture Show* featuring a shadow cast that packed the house. All of these things show us what's possible, but we have significant fundraising ahead of us—nearly \$150,000—before the Vermillion will be in a position to sustainably host these events.

We have big ideas, but we also have to confront realities. Last year, infrastructure issues and other expenses led to exceeding our budget projections. Additionally, we had a significant loss due to big movie studios taking a higher portion (61%) of our ticket admissions. Although we're a nonprofit and we don't strive to operate at a high margin, we do need to be in the black. Each year prior to this, we managed to be, so we know it's possible.

This year, we're taking several steps to get our operating expenses and gross receipts back in line. We've set a target studio take of 50-55% to try to restore some balance at the gate, but that will mean bringing in more second-run films in between first-run blockbusters. In some ways, that's more empowering. We will now use the RED Steakhouse Auditorium (side 1) for those big, first-run films. We can then "flex" our second auditorium for second-run, independent, or notable films that we might have otherwise missed. We're excited to try this new model and reduce expenses while increasing film quality in the community.

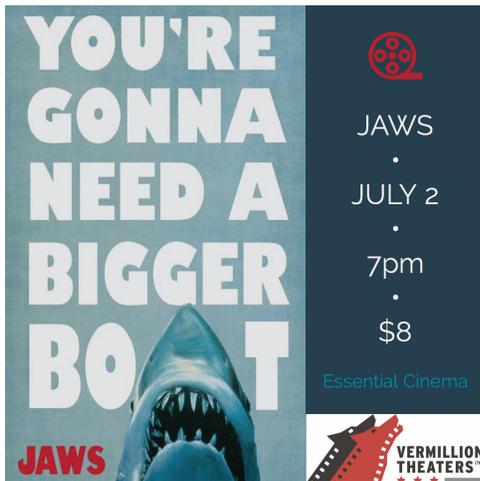
We are only as successful as our patrons, donors, and community help us to be. We're your community theater for a reason: we're a nonprofit that believes in Vermillion and the value that cinema, art, music, and theater have in this community. We believe that rich cultural experiences are for everyone, regardless of their ability to pay. We also believe that a vibrant culture enriches all facets of Vermillion, from Main Street health to fundamental principles such as diversity and inclusion, relationships, and social capital.

We hope this annual report gives you context for where we are as a nonprofit, what we hope to be, and how we can continue to be successful, together, in the years to come.

Sincerely,

William Anderson

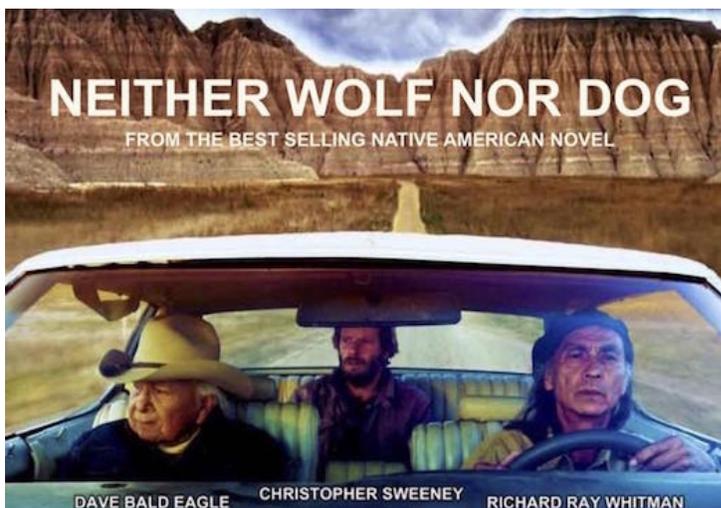
Cultural Programming and Community Cinema



The VCA's community programming filled the calendar in 2018. Every first Monday evening of the month featured our **Essential Cinema** series. Our big summer hit was *Jaws* (1975) with nearly 80 attendees, but we also we showed several documentaries highlighting contemporary issues, including *Human* (2015), *Rumble: The Indians Who Rocked The World* (2015), *Tricked: The Documentary* (2013), and *Jeremiah Tower: The Last Magnificent* (2016).

Our **Chick Flick Club** series mixed classics with current releases every second Monday of the month, with films such as *Gaslight* (1944), *Ocean's 8* (2018), *Doctor Zhivago* (1965), and *Mamma Mia! Here We Go Again* (2018). In 2018 the Chick Flick Club series was sponsored by local businesses Blue Monarch Boutique and The Spa at Wynie Mae's.

We had a diverse selection of **sponsored free showings** throughout the year. In May, Vermillion High School hosted a free showing of *West Side Story* (1961) in conjunction with the school's Shakespeare unit. June brought *E.T.* (1982) to screen thanks to Tim Hanson Insurance, August featured *The Great Outdoors* (1988) sponsored by Vermillion Federal Credit Union as well as NOVA



documentary *Decoding the Weather Machine* (2018) sponsored by the Edith B. Siegrist Vermillion Public Library, and September reaffirmed our partnership with the National Music Museum with a showing of *Sgt. Pepper's Lonely Hearts Club Band* (1978). The public library also supported showings of the biopic *Oscar Micheaux:*

Negro Pioneer (2017) and *I'll Push You* (2017). *Neither Wolf Nor Dog* (2016), the story of an elder Indian man's trip through Lakota country, was shown free to the

public in November thanks to the USD Anthropology Department. Our holiday movies in 2018 were sponsored by the Eagle's Club of Vermillion, Charlie's USD Store, and Tim Hanson Insurance.



The newly renovated **First Dakota National Bank Coyote Gallery** space hosted a number of art and sculpture exhibits, bringing local artists in contact with movie goers and the community at large. Local artisans Susan Heggstad, Autumn Berseth, the USD Sculpture Club, Inkpa, and Rick Johns displayed their work at the gallery, as did photographers Jacq Johns; the women of the local 52 Frames Community Group; and Abby Bischoff, who also launched *Quiet Remnants*, her collection of rural South Dakota photos combined with R.H. Swaney's poetry. Community-created art honoring the classic novel *Frankenstein* was shown in celebration of the two-hundredth anniversary of Mary Shelley's novel. The highlight of the year was an exhibition of Termespheres, which occupied the gallery for the month of June and was bookended by visits and craft talks by artist Dick Termes. The Vermillion Area Chamber and Development Company was instrumental in supporting those events.

The **Vermillion Theater** reopened in early 2018 with some diverse and engaging performances. A burlesque show led by Vermillion native Foxy Tan/Heather



Wilson; local bands The Warning Shots, Bluff Ridge Band, Canby Misfits, and Blue Ruin; The Beards and the Bard: Music and Monologues (sponsored by the South Dakota Shakespeare Festival), all performed at the Vermillion. In addition, the Vermillion Theater hosted a

sold-out crowd for *The Rocky Horror Picture Show* (1975) and live shadow cast.

The programming arm of the VCA held its second annual Fool's 48 Film Project in April, and in June the VCP collaborated with the community to organize a Native American River Honoring and potluck.

The Vermillion Public Library, in partnership with the VCA, entertained young Vermillionaires and public school students with movies every Thursday afternoon



for six weeks during summer break and four times over the course of the school year on early-out days.

Several **community organizations** also rented the auditoriums in the Coyote Twin and/or the FDNB gallery for events ranging from private parties to special presentations, to nonprofit fundraisers. The Osher Lifelong Learning Institute also held its Vermillion Chamber ribbon-cutting in the space.

Finances

The movie theater business presented multiple challenges to small-market theaters like the Coyote Twin in 2018. The cost of first-run movies averaged 61% of ticket sales at the Coyote Twin, narrowing an already tight bottom line. Several cost control measures were implemented at the beginning of the year, but they were not sufficient to combat this steep rise in studio costs.

Nonetheless, 2018's ticket sales revenues increased by 23% over 2016, which was the first full year of VCA ownership. Gross receipts, including tickets, concessions, rental and program revenue also increased, a three-year growth trend expected to continue in 2019.

Management will continue to reduce costs whenever and wherever the opportunity arises in 2019, including a balanced offering of first-run, second-run, and independent films with a goal of reducing film costs to 50–55% of ticket sales.

2018 Revenues & Expenses

Revenues	
Ticket sales	\$174,644
Concessions	100,389
Other	14,957
Expenses	
Cost of Goods Sold	134,772
Operating	170,564
Net Operating	- 15,346
Other Revenues	
Contributions	16,890
Grants	3,176
Programming	10,513
Other	202
Other Expenses (w/o depreciation)	
Programming	8,034
Other	27
Net Other	22,720
Net All Funds	7,373

Financial statement not audited at time of publication.

2018 Staff

Executive Director (Jan–April) – Jason Thiel
Executive Director (May–Dec) – Shannon Cole
Operations Manager (May–Dec) – Brody Stone
Accountant – Lori Rofles

2018 Board of Directors

President – Bill Anderson
Vice President – Michelle Maloney
Treasurer – Greg Redlin
Cultural Programming Chair – Jessi Hanson

Members

Kim Grieve
Susan Heggstad, Vermillion Area Chamber Representative
Rich Holland, City Council Representative
Ted Muenster (retired July 2018)
Jen Peterson
Betty Smith
Josh Sorbe, USD Student Body President
Susan Tuve (joined Oct 2018)
Jim Wilson

Find us online!

Coyote Twin

 vermilliontheaters.com

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VCA Programming

 vermiculture.org

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2018 Partners

The Bean Community Coffeehouse
Beyond School Adventures
Blue Monarch
Charlie's USD Store
Classic Hits 106.3
Clay County Historic Preservation Committee
Eagles Club of Vermillion
Equality South Dakota
Louie's Cleaning and Disaster Restoration
Maloney Real Estate
National Music Museum
National Parks Service
Osher Lifelong Learning Institute
R-Pizza
Red Roof Inn
Sanford Vermillion
SESDAC
The Spa at Wynie Mae's
South Dakota Shakespeare Festival
Vermillion Area Chamber & Development Company
Vermillion Federal Credit Union
Vermillion Parks & Recreation
Vermillion Public Library
Vermillion Schools District
USD

- Campus Activities Board
- Dept. of Anthropology
- Dept. of English
- Dept. of History
- Dept. of Political Science
- Dept. of Physics
- Housing
- Native Student Services
- Sculpture Culture
- Student Government Assoc.
- Student Programming
- TRIO