

GREATER  
PHILADELPHIA  
CULTURAL  
ALLIANCE

ANNUAL REPORT 2012

greater  
philadelphia cultural  
 ALLIANCE

A woman in profile, wearing a black top with colorful sequins, has her right fist raised in a gesture of protest or solidarity. She is smiling slightly. In the background, a crowd of people is visible, some with their arms raised, under a bright blue sky with scattered white clouds. The overall scene suggests a public demonstration or festival.

THE  
STATUS QUO  
IS NOT  
AN OPTION



Fiscal Year 2012 was a year of strategic transition. Recognizing environmental changes that are structural, not cyclical, the Cultural Alliance wrote a new strategic plan that lays a strong foundation for the future. Our new plan affirms the Alliance's mission **to lead, strengthen and give voice to a diverse cultural sector that is making Philadelphia a world-class region to live, work and play.**

Always central to the Alliance's work is to release research that informs smart decision making. In FY12, we published the third edition of *Portfolio*. This year's report revealed the recession's impact on culture — an unusual combination of rising demand and falling income, highlighted by the rising importance of individuals as patrons and donors.

In FY12, we also consciously broadened our advocacy relationships to forge deeper partnerships across disciplines and geography. The result was to arrest, and in some cases reverse, the erosion of public cultural funding.

Demand for our public programs and services, including Phillyfunguide, Funsavers, Cultural List Cooperative, PhillySpaceFinder, and Job Bank continued to grow, as scarce resources increased the value of collaborative marketing.

And the Cultural Alliance was not alone in setting new strategic direction. As our key foundation partners crafted plans to focus investment on transformational change, artistic quality and measurable impact, the Alliance renewed multi-year partnerships with those funders to help advance their strategic priorities.

On behalf of the Cultural Alliance board and staff, it is our honor to represent the hundreds of cultural organizations that strengthen the fabric of Greater Philadelphia each day. In a region where the margin between opportunity and challenge is razor-thin, and the status quo is not an option, the creative sector is a positive change agent and partner in addressing civic priorities including education, sense of place, cultural diversity, quality of life and economic development. To our partners, members and funders, thank you for giving us the privilege of joining with you to lead this change.

**TOM KAIDEN, PRESIDENT**

## 2011 PORTFOLIO

In September 2011, the Cultural Alliance released its third edition of *Portfolio* to an audience of over 500 individuals at its Annual Member Meeting and Reception. The report provides an in-depth analysis on the health, breadth and diversity of the cultural sector, including the first comprehensive look at the effect of the recession on the region's nonprofit arts and cultural community. Following its release at the 2011 Annual Member Meeting, outreach was achieved through dozens of presentations on the report's key findings to major arts, leadership, service and civic groups.

# 17 MILLION VISITS

TO CULTURAL ORGANIZATIONS



EQUIVALENT TO MORE THAN 4 VISITS FOR EVERY RESIDENT OF SOUTHEASTERN PENNSYLVANIA



# +5%

ATTENDANCE

ADMISSIONS, TICKETS, AND TUITION REVENUE

# +11%

MEMBERSHIPS/SUBSCRIPTIONS

# +8%

INDIVIDUAL DONATIONS  
(while other sources of contributed income declined)

# +20%

## INDIVIDUALS SAVED THE DAY.

# 34,000 VISITS

BY SCHOOL GROUPS TO CULTURAL ORGANIZATIONS

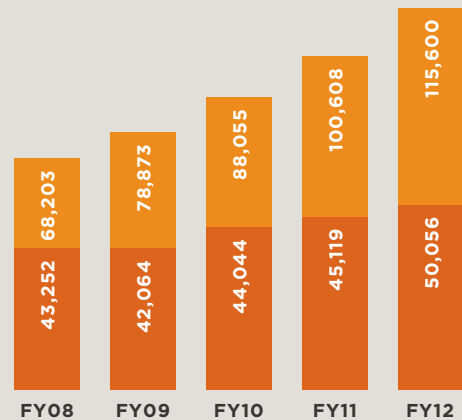


## ELECTRONIC MARKETING

We continued to expand our consumer marketing programs in FY12. PhillySpaceFinder now lists almost 400 creative spaces for rent throughout the region; Phillyfunguide traffic increased 25%; and Funsavers had its best year to date, with 50,000 tickets sold, returning \$800,000 in last-minute revenue to members.

This year also marked a new collaborative partnership with **PNC Arts Alive**, which now sponsors the most popular category on Phillyfunguide, Free Events.

■ Number of Funsavers Subscribers ■ Number of Tickets Sold



## STATE BUDGET

In FY12, the Cultural Alliance continued to broaden its base of policy partners, both geographically and by discipline. We assembled the sector's leading Government Affairs professionals to coordinate cultural strategy, messaging and lobbying. The Alliance also worked with Citizens for the Arts in Pennsylvania to expand the statewide coalition of cultural advocates, and brought a petition signed by almost 700 advocates to Harrisburg as part of Pennsylvania Arts Advocacy Day. On June 30, when Governor Corbett signed the final budget just before midnight, despite steep cuts in other parts of the state budget, we were pleased to have helped secure level funding or modest increases for a wide range of cultural line items. Funding for the Pennsylvania Council on the Arts and Zoos was unchanged, while Pennsylvania Historical & Museum Commission and Tourism Marketing budgets increased slightly, marking a reversal from the significant cuts of previous years.

**PCA** PENNSYLVANIA COUNCIL  
ON THE ARTS 

**PHMC** PENNSYLVANIA HISTORICAL  
& MUSEUM COMMISSION 

**TOURISM MARKETING** 

**ZOOS** 

**EITC** EDUCATION IMPROVEMENT  
TAX CREDIT 

# \$338,971

AWARDED TO

# 136 ORGANIZATIONS

IN

# 5 COUNTIES

THROUGH THE PENNSYLVANIA PARTNERS  
IN THE ARTS GRANT PROGRAMS

# 194

TOTAL PRESS HITS  
INCLUDING 43  
FEATURE ARTICLES

# 730

INDIVIDUALS ATTENDED  
16 PROFESSIONAL  
DEVELOPMENT WORKSHOPS

## MEMBERSHIP

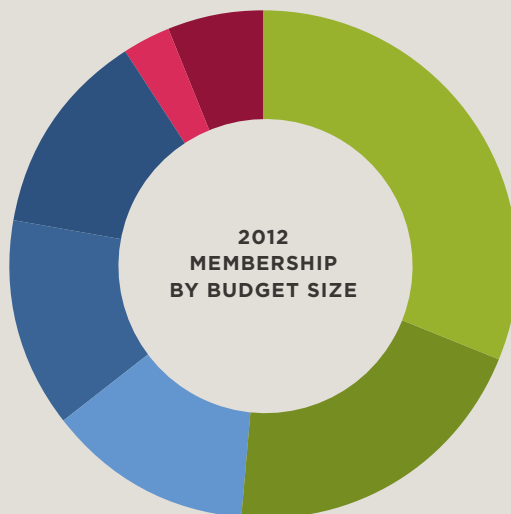
The Alliance had 402 institutional members in FY12, representing a wide range of sizes, locations and disciplines. On a membership survey fielded in April, 2012, 97% of respondents indicated their satisfaction with Cultural Alliance membership, and 93% would recommend the Alliance to a peer.

28

NEW MEMBERS

97%

MEMBERSHIP  
SATISFACTION



<\$100,000

31%

\$100,000-\$249,999

20%

\$250,000-\$499,999

13%

\$500,000-\$999,999

13%

\$1,000,000-\$4,999,999

13%

\$5,000,000-\$9,999,999

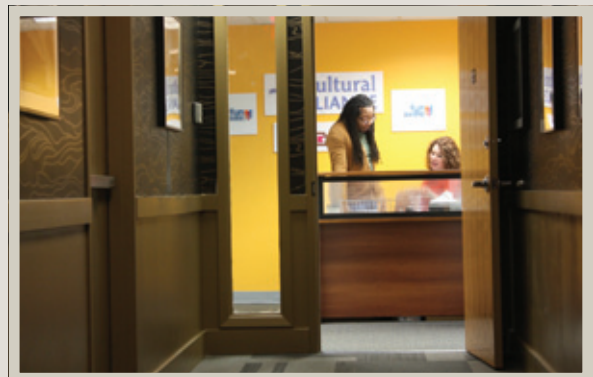
3%

>\$10,000,000

7%

## OFFICE MOVE

The Cultural Alliance relocated its office three blocks east to The Philadelphia Building at 1315 Walnut Street. As an advocate of both creative place-making and sound management, the Alliance followed its own advice by moving into a smaller but more creative and efficient space.



## STRATEGIC PLAN

Recognizing the evolution of its ongoing work for the field along with external factors such as the recession, a shifting political landscape and the uncertain cultural funding environment, the Cultural Alliance completed a new Board-approved strategic plan two years ahead of schedule in November 2011. The new strategic plan focuses the Alliance's efforts on supporting the vitality, adaptability and effective practice of the creative sector.

### OUR EXPANDED MISSION STATEMENT

We lead, strengthen and give voice to a diverse cultural sector that is making Philadelphia a world-class region to live, work and play.

**1 INTEGRATE CULTURE**  
as a strategic competitive advantage for the Philadelphia region

**2 ALIGN OUR ADVOCACY AGENDA**  
with partners to build critical mass and integrate culture into broader community goals

**3 LEAD BY EXAMPLE**  
and promote adaptive practices that move the cultural sector towards greater relevance

**4 UNITE AND INTERCONNECT**  
a cultural sector that is inclusive, diverse and collaborative

**5 STRENGTHEN THE SECTOR**  
by helping cultural enterprises identify their unique value propositions, diversify their audiences and build engaging, high-quality experiences

The strategic plan includes five strategic priorities that reflect the central themes of engagement, service excellence, diversity, advocacy, collaboration and new business models.

# FINANCIAL RESULTS

The Cultural Alliance completed the fiscal year ending on June 30, 2012, with unrestricted net income of \$21,000. This marks the 6th consecutive year that the Alliance has returned positive net income. Unrestricted net assets remain in excess of the minimum target level of 3 months of operating expenses established by the board. The Alliance remains on solid ground, with a safe operating reserve, no debt and membership of over 400 organizations.

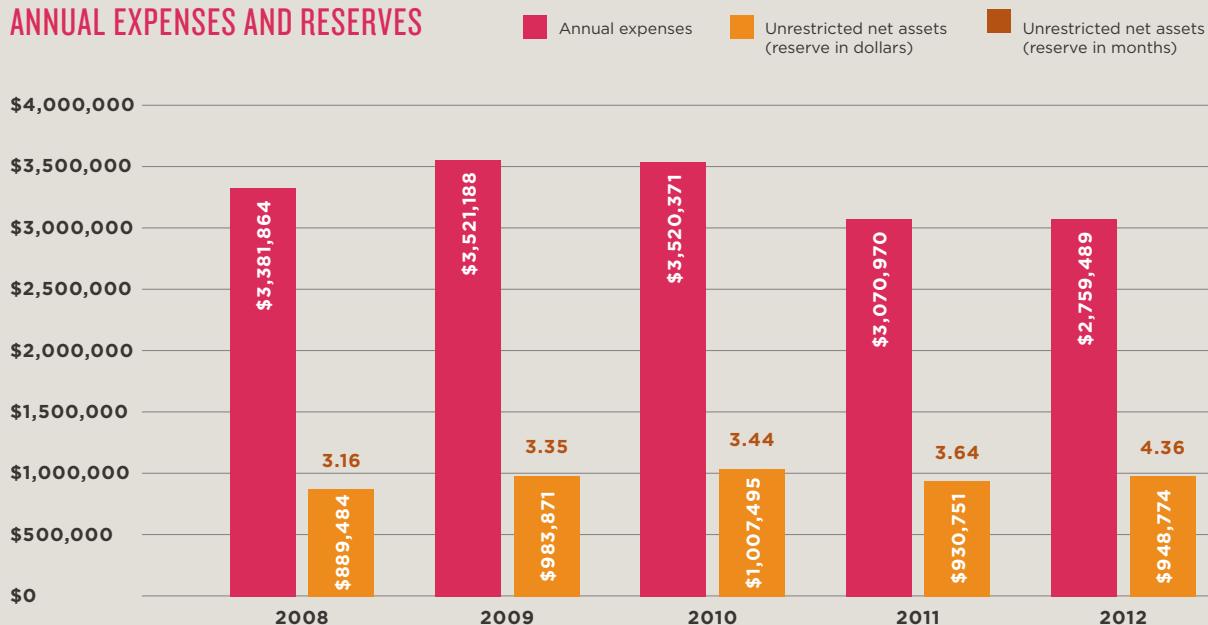
Additionally, the Alliance is in full compliance with all IRS fiscal transparency and 990 standards and received a clean and unqualified audit from its auditors, Isdamer and Company. That report is available upon request.

## STATEMENT OF FINANCIAL POSITION FOR THE YEARS ENDED JUNE 30

ASSETS		
Current Assets	2012	2011
Cash	\$2,033,942	\$1,638,492
Grants and contributions receivable	1,028,850	1,699,360
Prepaid expenses	13,346	31,730
Total current assets	3,076,138	3,369,582
<b>Grants and contributions receivable - due after 1 year</b>	<b>1,321,478</b>	<b>-</b>
<b>Other assets</b>	<b>28,620</b>	<b>9,797</b>
<b>TOTAL ASSETS</b>	<b>\$4,426,236</b>	<b>\$3,379,379</b>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$147,909.00	\$83,328.00
Deferred revenue	122,215	19,924
<b>Total current liabilities</b>	<b>270,124</b>	<b>\$103,252</b>
Net assets		
Unrestricted		
Core unrestricted	948,774	930,751
Board-designated - Peggy Amsterdam Memorial Advocacy Fund	191,654	188,304
Temporarily restricted	3,015,684	2,157,072
<b>Total Net Assets</b>	<b>4,156,112</b>	<b>3,276,127</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$4,426,236</b>	<b>\$3,379,379</b>



## ANNUAL EXPENSES AND RESERVES



## STATEMENT OF ACTIVITIES FOR THE YEARS ENDED JUNE 30

	2012 Unrestricted	2012 Temporarily Restricted	2012 Total	2011 Total
<b>SUPPORT &amp; REVENUE</b>				
Contributions & grants	\$154,698	\$3,033,177	\$3,187,875	\$1,319,670
Membership	\$255,451	-	255,451	267,245
Advertising	\$80,563	-	80,563	92,170
Health service	\$66,398	-	66,398	65,611
Publications & seminars	\$29,308	-	29,308	7,925
Interest	\$4,610	-	4,610	5,807
Other	\$15,269	-	15,269	8,065
Net assets released from restrictions	\$2,174,565	(\$2,174,565)	-	-
<b>TOTAL SUPPORT &amp; REVENUE</b>	<b>\$2,780,862</b>	<b>\$858,612</b>	<b>\$ 3,639,474</b>	<b>\$1,766,493</b>
<b>EXPENSES</b>				
Program services	\$2,224,989	-	2,224,989	2,527,526
General and management	\$349,479	-	349,479	335,675
Fundraising	\$185,021	-	185,021	207,769
<b>TOTAL EXPENSES</b>	<b>\$2,759,489</b>	<b>-</b>	<b>\$2,759,489</b>	<b>\$3,070,970</b>
Change in net assets	\$21,373	858,612	879,985	(1,304,477)
<b>NET ASSETS BEGINNING</b>	<b>\$1,119,055</b>	<b>\$2,157,072</b>	<b>\$3,276,127</b>	<b>\$4,580,604</b>
<b>NET ASSETS ENDING</b>	<b>\$1,140,428</b>	<b>\$3,015,684</b>	<b>\$4,156,112</b>	<b>\$3,276,127</b>



# LOOKING AHEAD

## MARKETING & COMMUNICATIONS

### FUNSAVERS TICKETING

Introduce new common ticketing platform to simplify user experience, streamline box office management, and generate self-sustaining income stream

### DEMAND MAPPING

Launch planning tool to help members forecast market demand prior to expansion by overlaying internal data with geographic, demographic and supply-side data

### AUDIENCE & DONOR ANALYTICS

Provide cultural organizations with state-of-the-art analytical tools to cultivate individual relationships, deepen engagement and increase income

### MEMBER WORKSHOPS

Provide learning opportunities on future of media and cultural coverage, capitalization and alternate business models

As we begin FY13, the Cultural Alliance is now well-positioned with a new strategic plan, multi-year funding and a strong management team in place. Accordingly, we have laid out an ambitious work agenda of research, communications, advocacy and collaboration. That agenda recognizes the cultural sector's significant financial challenges, but also its unique capacity and responsibility to advance civic change and economic growth for the Philadelphia region.

## POLICY & COMMUNITY ENGAGEMENT

### GROUNDSWELL

Expand grassroots base and promote community-based partnerships

### SUSTAINABLE FUNDING COALITION

Work with partners across the state and peers in other related sectors to advance advocacy and lay foundation for sustainable funding

### ADVOCACY

Respond to critical policy threats, issues and opportunities at the federal, state and local levels

## RESEARCH

### DOCUMENT ECONOMIC IMPACT

Publish *Arts, Culture & Economic Prosperity* report and disseminate to public and civic leaders through media, board presentations and public testimony

### STATEWIDE VOTER ANALYSIS

Quantify and map voting rates for cultural participants by legislative district

### TEMPCHECK SURVEY

Gauge current trends in earned and contributed income and expense management

## ADMINISTRATION

### EXPAND MEMBERSHIP

Include individual cultural advocates and commercial creative enterprises

### PHILACULTURE 3.0

Restructure site to simplify user experience based on engagement level

### BOARD DEVELOPMENT

Recruit 10 outstanding, diverse candidates to fill upcoming board vacancies (one-third of board)

# FY12 SUPPORT

## FOUNDATIONS

The Barra Foundation  
CHG Charitable Trust  
Dolfinger-McMahon Foundation  
Independence Foundation  
John S. and James L. Knight Foundation  
Lincoln Financial Foundation  
Malfer Foundation, recommended  
by Ann and Frank Reed  
The Pew Center for Arts & Heritage,  
through the Philadelphia Cultural  
Management Initiative  
The Pew Charitable Trusts  
The Philadelphia Foundation  
Suzanne F. Roberts Cultural  
Development Fund  
The Wallace Foundation  
William Penn Foundation

## CORPORATE PARTNERS

Athenian Razak  
Azavea  
Bank of America  
DMD Productions  
Harmelin Media  
Joel Katz Design Associates  
The Melior Group  
Ovation  
PECO  
Philly in Focus  
PNC Arts Alive  
Ticket Philadelphia  
Your Part-Time Controller, LLC

## PUBLIC AGENCIES

National Endowment for the Arts  
Pennsylvania Council on the Arts,  
a state agency  
Philadelphia Cultural Fund

## MATCHING GIFTS

Bank of America  
The Pew Charitable Trusts

## INDIVIDUALS

Anonymous  
Stuart Adair  
Evelyn Adler  
Mr. and Mrs. David Amsterdam\*  
Sarah Anton\*\*  
Jacqueline Axilbund  
Jo and David Baskin  
Constance W. Benoliel-Rock  
Romona Riscoe Benson  
Ingrid Bogel  
Matthew Braun  
Sean T. Buffington  
Laura Burnham  
Annie Burrigge  
Donald R. Caldwell  
Veronica Castillo-Perez  
Susan W. and Cummins Catherwood, Jr.  
John Conaway  
Molli and Joe Conti  
David B. Devan  
Kevin and Kim Dow  
Nancy Faulk  
Tim and Ellen Foster  
Laura Foster and Aaron Goldblatt  
Eric Fraint  
Valerie V. Gay  
Elizabeth H. Gemmill  
Linda Gerson  
Jane Golden and Tony Heriza  
Juliet Goodfriend  
Grace E. Grillet  
Daphne Hanford  
Gail Harrity  
Judy Herman  
Steve Highsmith  
Peter Intermaggio  
Thomas F. and Susan A. Kaiden  
Elyssa Kane  
Richard Kassoway\*  
Neil Kleinman\*  
Sharon Kling\*\*  
Joseph H. Kluger  
Glen Knapp and Jeff Boyer  
Don and Vicki Kramer  
Robert S. Kravitz, DDS  
Alan and Sheila Kutner  
Kendra Lawton  
Kelly Lee  
Gerry Lenfest  
William A. Loeb\*  
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Amy Murphy  
Dr. and Mrs. R. Barrett Noone

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Lynn and Joseph A. Pokrifka  
Hal Real and Anne E. Sheppard  
Paul B. Redman  
Ann and Frank Reed  
Kenneth Richman\*  
Charles Rose  
Dan and Barbara Rottenberg  
Gregory Rowe  
Ms. Charleen Rutschky  
Kim Sajet  
Mary Biddle Scheetz  
Michael Scolamiero  
Nancy Shaw\*  
Virginia P. Sikes  
Karen Simmons  
Patti and Richard Slavin\*  
John F. Smith, III  
In honor of the nuptials of Wendy  
Schwartz and David Amsterdam,  
Robert Spiegelman and Truda Bloom\*  
Marcia and Dennis Spivack\*  
Mr. and Mrs. Vincent F. Staffieri\*  
Zachary Stalberg  
Dominick Stuccio  
Adelaide Sugarman and Marshall  
Greenberg  
Ed Tettermer  
Lee van de Velde  
Patricia Washington  
Susan Weiss\*\*  
John Murray and Vera Wilson  
Dennis M. Wint  
Tom Woodward

## IN-KIND

12th Street Catering  
CRMFusion, Inc.  
Google, Inc.  
Independence Seaport Museum  
JJ Tiziou Photography  
Mobile Citizen  
PECO  
Salesforce.com Foundation  
TechSoup  
Vertical Response

*\* Gifts in memory of Peggy Amsterdam  
or to the Peggy Amsterdam Memorial  
Advocacy Fund*

*\*\* Gifts to the Otis Morse Advocacy  
Scholarship Fund*





# ACKNOWLEDGMENTS

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The Program and Project Stream initiatives are a Pennsylvania Partners in the Arts program of the Pennsylvania Council on the Arts, a state agency. They are funded by the citizens of Pennsylvania through an annual legislative appropriation, and administrated locally by the Greater Philadelphia Cultural Alliance. The Pennsylvania Council on the Arts is supported by the National Endowment for the Arts, a federal agency. The Project Stream is sponsored by PECO.

Operating support for the Cultural Alliance in FY12 was provided by the William Penn Foundation; The Pew Charitable Trusts; The Pew Center for Arts and Heritage, through the Philadelphia Cultural Management Initiative; The Barra Foundation; Pennsylvania Council on the Arts, a state agency; Independence Foundation; Philadelphia Cultural Fund; Your Part-Time Controller; Bank of America; CHG Charitable Trust; Ovation; AthenianRazak; Philly in Focus; Ticket Philadelphia; and the Cultural Alliance’s Board of Directors and individual donors.



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Brandywine Conservancy

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**Elizabeth Murphy**, Vice President,  
Governmental & External Affairs, PECO

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Tourism Marketing Corporation

**Thomas C. Woodward**, *Chair Emeritus*;  
Pennsylvania State President and  
Philadelphia Market President, Bank  
of America

*\* Board Term completed in FY12,  
with our thanks for your service*

*\*\* Former position held during FY12*



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