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**
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.

**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.

---

**17 Million Visits**

*To Cultural Organizations*

- >4 Visits
- Equivalent to more than 4 Visits for Every Resident of Southeastern Pennsylvania
- Attendance +5%
- Admissions, Tickets, and Tuition Revenue +11%
- Memberships/Subscriptions +8%
- Individual Donations +20%

**Individually Saved the Day.**

**34,000 Visits**

*By School Groups to Cultural Organizations*

---

**Number of Funsavers Subscribers**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Subscribers</th>
<th>Number of Tickets Sold</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY08</td>
<td>43,252</td>
<td>66,203</td>
</tr>
<tr>
<td>FY09</td>
<td>42,064</td>
<td>78,873</td>
</tr>
<tr>
<td>FY10</td>
<td>44,644</td>
<td>88,055</td>
</tr>
<tr>
<td>FY11</td>
<td>45,119</td>
<td>100,608</td>
</tr>
<tr>
<td>FY12</td>
<td>50,056</td>
<td>115,600</td>
</tr>
</tbody>
</table>

---

Greater Philadelphia Cultural Alliance
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.

$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.

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.

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.

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.
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, Isdaner and Company. That report is available upon request.

STATEMENT OF FINANCIAL POSITION FOR THE YEARS ENDED JUNE 30

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$2,033,942</td>
<td>$1,638,492</td>
</tr>
<tr>
<td>Grants and contributions receivable</td>
<td>1,028,850</td>
<td>1,699,360</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>13,346</td>
<td>31,730</td>
</tr>
<tr>
<td>Total current assets</td>
<td>3,076,138</td>
<td>3,369,582</td>
</tr>
<tr>
<td>Grants and contributions receivable – due after 1 year</td>
<td>1,321,478</td>
<td>–</td>
</tr>
<tr>
<td>Other assets</td>
<td>28,620</td>
<td>9,797</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$4,426,236</td>
<td>$3,379,379</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$147,909.00</td>
<td>$83,328.00</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>122,215</td>
<td>19,924</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>270,124</td>
<td>103,252</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Core unrestricted</td>
<td>948,774</td>
<td>930,751</td>
</tr>
<tr>
<td>Board-designated – Peggy Amsterdam Memorial Advocacy Fund</td>
<td>191,654</td>
<td>188,304</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>3,015,684</td>
<td>2,157,072</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>4,156,112</td>
<td>3,276,127</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES &amp; NET ASSETS</strong></td>
<td>$4,426,236</td>
<td>$3,379,379</td>
</tr>
</tbody>
</table>
## Annual Expenses and Reserves

![Graph](chart.png)

### Statement of Activities for the Years Ended June 30

<table>
<thead>
<tr>
<th></th>
<th>2012 Unrestricted</th>
<th>2012 Temporarily Restricted</th>
<th>2012 Total</th>
<th>2011 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support &amp; Revenue</strong></td>
<td>$154,698</td>
<td>$3,033,177</td>
<td>$3,187,875</td>
<td>$1,319,670</td>
</tr>
<tr>
<td>Contributions &amp; grants</td>
<td>$154,698</td>
<td>$3,033,177</td>
<td>$3,187,875</td>
<td>$1,319,670</td>
</tr>
<tr>
<td>Membership</td>
<td>$255,451</td>
<td>-</td>
<td>255,451</td>
<td>267,245</td>
</tr>
<tr>
<td>Advertising</td>
<td>$80,563</td>
<td>$255,451</td>
<td>80,563</td>
<td>92,170</td>
</tr>
<tr>
<td>Health service</td>
<td>$66,398</td>
<td>$80,563</td>
<td>66,398</td>
<td>65,611</td>
</tr>
<tr>
<td>Publications &amp; seminars</td>
<td>$66,398</td>
<td>$80,563</td>
<td>66,398</td>
<td>65,611</td>
</tr>
<tr>
<td>Interest</td>
<td>$4,610</td>
<td>$29,308</td>
<td>4,610</td>
<td>5,807</td>
</tr>
<tr>
<td>Other</td>
<td>$15,269</td>
<td>$29,308</td>
<td>15,269</td>
<td>8,065</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>$2,174,565</td>
<td>($2,174,565)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL SUPPORT &amp; REVENUE</strong></td>
<td>$2,780,862</td>
<td>$858,612</td>
<td>$3,639,474</td>
<td>$1,766,493</td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th></th>
<th>2012 Unrestricted</th>
<th>2012 Temporarily Restricted</th>
<th>2012 Total</th>
<th>2011 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>$2,224,989</td>
<td>-</td>
<td>2,224,989</td>
<td>2,527,526</td>
</tr>
<tr>
<td>General and management</td>
<td>$349,479</td>
<td>-</td>
<td>349,479</td>
<td>335,675</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$185,021</td>
<td>-</td>
<td>185,021</td>
<td>207,769</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$2,759,489</td>
<td>-</td>
<td>$2,759,489</td>
<td>$3,070,970</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$21,373</td>
<td>$858,612</td>
<td>879,985</td>
<td>(1,304,477)</td>
</tr>
</tbody>
</table>

### Net Assets Beginning

- **2012:** $1,119,055
- **2011:** $2,157,072
- **2010:** $3,276,127
- **2009:** $4,580,604

### Net Assets Ending

- **2012:** $1,140,428
- **2011:** $3,015,684
- **2010:** $4,156,112
- **2009:** $3,276,127
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.

**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)

**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
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 Burridge
Donald R. Caldwell
Veronica Castillo-Perez
Susan W. and Cummins Catherwood, Jr.
John Conaway
Mollie and Joe Conti
David B. Devan
Kevin and Kim Dow
Nancy Faulk
Tim and Ellen Foster
Laura Foster and Aaron Goldblatt
Eric Franti
Valerie V. Gay
Elizabeth H. Gemmill
Linda Gerson
Jane Golden and Tony Heriza
Juliet Goodfriend
Grace E. Grillet
Daphne Hanford
Gail Harity
Judy Herman
Steve Highsmith
Peter Internaggio
Thomas F. and Susan A. Kaiden
Elyssa Kane
Richard Kassoway*
Neil Kleinman*
Sharon K. Kluger
Glen Knapp and Jeff Boyer
Don and Vicki Kramer
Robert S. Kravitz, DDS
Alan and Sheila Kuther
Kendra Lawton
Kelly Lee
Gerry Lenfest
William A. Loeb*
Jim McClelland
Jan Michener
Leslie A. Miller, Esq.
Amy Murphy
Dr. and Mrs. R. Barrett Noone
Michael L. Norris
Frances C. Novack
Doug and Nancy Page
Lynn and Joseph A. Pokrific
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 Tettemer
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

The Cultural Alliance’s policy, research and community engagement work in FY12 was supported by the William Penn Foundation; The Pew Center for Arts and Heritage, through the Philadelphia Cultural Management Initiative; the Peggy Amsterdam Memorial Advocacy Fund; the Lincoln Financial Foundation; and PECO. The 2011 Portfolio was made possible by The Pew Charitable Trusts, PNC and the William Penn Foundation, with additional support from the Dolfinger-McMahon Foundation.

Engage 2020 is sponsored by a lead grant from The Pew Charitable Trusts, with additional support in FY12 from the Wallace Foundation and the Philadelphia Foundation. Support for Phillyfunguide, Funsavers and related consumer programs is also provided by the National Endowment for the Arts, PNC, the John S. and James L. Knight Foundation and Google for Nonprofits Program.

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 administered 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.
BOARD OF DIRECTORS

David B. Devan, Chair, General Director & President, Opera Company of Philadelphia
Sean T. Buffington, Vice Chair, President & CEO, The University of the Arts
Valerie Gay, Vice Chair, Executive Director, Art Sanctuary
Virginia P. Sikes, Esq., Secretary, Partner, Montgomery, McCracken, Walker & Rhoads
Michael Scolamiero, Treasurer, Executive Director, Pennsylvania Ballet Association

Drew Becher, President, The Pennsylvania Horticultural Society
Romona Riscoe Benson*, President & CEO**, The African American Museum in Philadelphia
Ingrid E. Bogel, Executive Director, Conservation Center for Art and Historic Artifacts
Matthew Braun*, Executive Director**, Samuel S. Fleisher Art Memorial
Hon. Blondell Reynolds Brown, Ex Officio, Councilwoman At-Large, Philadelphia City Council
Laura Burnham*, Executive Director**, Abington Art Center
Catherine M. Cahill, President & CEO, The Mann Center for the Performing Arts
Veronica Castillo-Perez
Danielle Cohn, Vice President of Marketing & Communications, Philadelphia Convention & Visitors Bureau
John D. Conaway*, Executive Vice President & Managing Director, Philadelphia and Southern New Jersey, PNC Wealth Management, PNC

Gregory Corbin, Executive Director / Founder, Philly Youth Poetry Movement
Kevin Dow, Chief Operating Officer, Department of Commerce, City of Philadelphia
Hon. Dwight Evans, Ex Officio, Member, Pennsylvania House of Representatives
Eric Fraint, President, Your Part-Time Controller
Jane Golden Heriza*, Executive Director, City of Philadelphia Mural Arts Program
Juliet Goodfriend*, President, Bryn Mawr Film Institute
Kathy Hanrahan, Coach, Ed Snider Youth Hockey Foundation
Gail Harrity, President and Chief Operating Officer, Philadelphia Museum of Art
Steve Highsmith, Director of Community Relations, Phil17
Peter Intermaggio, Senior Vice President for Marketing Communications, Comcast Cable
Hon. James F. Kenney, Ex Officio, Councilman At-Large, Philadelphia City Council
Glen Knapp, Executive Producing Director, Philadelphia Young Playwrights
Kelly Lee, Associate Principal - Community and Project Finance, Seslia & Company
Virginia Logan, Executive Director, Brandywine Conservancy
Sharmain Matlock-Turner, President & CEO, Urban Affairs Coalition
Leslie Anne Miller, Esq.
Amy Murphy, Managing Director, Arden Theatre Company
Elizabeth Murphy, Vice President, Governmental & External Affairs, PECO
Natalye Paquin, Chief Executive Officer, Girl Scouts of Eastern Pennsylvania

Hal Real*, President, World Café Live
Siobhan Reardon, President & Director, Free Library of Philadelphia
Kim Sajet, President & CEO, Historical Society of Pennsylvania
Karen A. Simmons*, Fiscal Administrator, Greater Brandywine Cultural Alliance
Gary Steuer, Ex Officio, Chief Cultural Officer, Office of Arts, Culture and the Creative Economy, City of Philadelphia
Nick Stuccio*, Producing Director, Philadelphia Live Arts Festival & Fringe
Ed Tettemer
James Undercofler*, Professor**, Drexel University, Arts Administration Graduate Program
Patricia Washington*, Vice President of Cultural Tourism**, Greater Philadelphia 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