

**Executive Director's Report  
Regular Meeting of the Board of Trustees  
14 November 2011**

At today's meeting, our mission comes to life in a very practical way as we recommend a series of investments in the arts and cultural community through our Project Support program for 2012.

We are very pleased to report that, if approved, 32 more organizations will be receiving grants from CAC this year, specifically due to increased outreach efforts and the success of the Project Support 2 program launched in April. Kudos to program manager Stacey Hoffman and director of grant programs Jill Paulsen for their diligent work, which has led us to today's grant awards announcement.

The grant awards are the most important item on today's agenda. But, at today's meeting, we will also continue to turn the elements of our vision, as discussed at the June board retreat and at our last board meeting, into action.

We continue to increase the overall community awareness of our work, and we are pleased to report that we now have some new tools to help us do just that. In your board packet, you will find two .pdfs: a positioning statement and a revised tagline for CAC, all reflecting our revised mission and new vision statements. Thanks to our friends at Liggett|Stashower for taking us through a process that culminated in the creation of these documents. We look forward to turning these concepts into tools that both we and our partner organizations can use to build awareness and recognition of CAC with the general public between now and the April 2012 rollout of our next report to the community.

We will also talk through our initial thinking on some institutional objectives for 2012 and how those will be expressed through our 2012 operating budget, which the board will be asked to approve in December.

We are pleased that our friends from CPAC will join us to provide a report on their important economic impact study of the region's music industry. Copies of the executive summary of the report will be distributed at the meeting.

And in the reports that follow from staff, you will read about the progress that we have made rolling out the changes to the GOS formula to our likely pool of applicants, you will see our regular financial reports, and you will read more about our newest team members. I encourage you to read on for more important information.

Thank you, as always, for your thoughtful attention to the matters before the Board. The staff team looks forward to answering your questions and working together to help strengthen our community through our investments in arts and culture.

**Reports from Staff**  
**Regular Meeting of the Board of Trustees**  
**14 November 2011**

**CAC GRANT PROGRAMS**

**PROJECT SUPPORT (PS)**

**Project Support 2011:** CAC funded projects take place throughout the year. To date, 50 percent of the projects are complete. Staff is making regular site visits to see the projects in action and build relationships with our cultural partners/grantees.

**Project Support 2012:** CAC held the PS panel October 17-19. See the Project Support board memo included in this packet for complete details that will enable the board to take three actions at the November 14 board meeting.

We request that the board discuss and approve:

- 1) panel scores;
- 2) funding allocation for Project Support I and I programs; and
- 3) grant amounts.

**Project Support 2013 - Planning Ahead:** CAC is already considering how to improve and build off the success of our Project Support program. In upcoming staff reports, we will share feedback we received from panelists and grant applicants and include early stage issues for consideration as refine the program for 2013.

**GENERAL OPERATING SUPPORT (GOS)**

**Welcome Maria!** We are pleased to announce that we have named Maria Miranda as our new program manager for the General Operating Support program. Maria joined our team on October 26<sup>th</sup>. We look forward to introducing you to her at our board meeting.

A native of Cleveland, Maria comes to CAC after serving nearly five years as development director at Junior Achievement of Greater Cleveland. Her professional and volunteer experience also includes involvement with Hard Hatted Women, Famicos Foundation, Cleveland Rape Crisis Center, the LGBT Center of Greater Cleveland, NARAL Pro-Choice Ohio and the Cleveland Leadership Center. She has been honored as Volunteer of the Year by Planned Parenthood and Distinguished Activist of the Year by Community Shares of Greater Cleveland. In addition, Maria remains connected to her sorority, Lambda Theta Alpha Latin Sorority, Inc. and manages her own performance arts collective, whisper to a scream. Maria graduated from Cleveland Metropolitan Schools and obtained her B.A. in Political Science and Women's Studies from Eastern Michigan University.

**Ongoing Due Diligence & Relationship Building:** Staff is building stronger relationships with our cohort of GOS 11-12 cultural partners. All organizations have successfully submitted their mid-year reports and received second payment. New this year, we provided each organization with personalized feedback on their reports. We'll continue this practice moving forward.

**GOS 2013-2014: Planning for the next cycle**

CAC continues to plan for the next cycle of GOS funding. We are focused primarily on 1)

launching the revised funding formula which was approved at the September board meeting; 2) reinforcing the importance of 'public benefit' (reiterating that public dollars must be used for public good); and 3) improving a few technical aspects of our grantmaking process. We will look to the board, and our cultural partners, for ongoing feedback as we prepare to bring forward GOS 2013-14 guidelines in early 2012. Specifically for the board, we are planning a special working session in January and a more formal presentation/approval of guidelines for the February board meeting.

On October 28<sup>th</sup> we took a significant step toward familiarizing our grantees with the revised funding formula. In tandem with Nonprofit Finance Fund director Nicole Simoneaux, we led an audience of over 100 people through an interactive, 2-hour workshop at Rainey Institute. We covered the formula basics and walked through the new components: 1) making score count; 2) using 3 years revenue to calculate grant awards; and 3) incorporating measurements of financial health.

We've received positive feedback from attendees and are preparing additional trainings. A mix of webinars, personalized outreach/site visits, and potential NFF consultation with our grantees will ensure that our grantees understand the formula changes and are prepared for the 2013-14 application process.

## **FINANCE & ADMINISTRATION**

### **REVENUE- JAN-OCTOBER 2011**

- Actual revenue for January through October was \$14,402,848. This is \$379,997 above forecast year to date.
- Interest income from STAROhio through October was \$9,967.
- Note that cigarette tax revenue has been more volatile this year than in prior years.

### **EXPENSE - JAN-OCTOBER 2011**

Expenditures through October were just under \$14.1 million, slightly under budget overall. Grant expenses are tracking as expected. Ninety percent (90%) of the 2011 GOS allocation of \$14million has been paid, with 10% remaining to be paid when final reports are received in January. Project support grants are paid within 30 days of project completion, upon receipt of final reports. General and administrative expense variances are primarily related to the timing of payments for contracted services, grants awards and open staff positions.

### **AUDIT/FINANCE COMMITTEE**

The audit and finance committee of CAC, originally scheduled to meet on September 16<sup>th</sup>, 2011, has been rescheduled for November 21<sup>st</sup>, 2011. The agenda for this meeting includes an annual review of the current financial controls in place at CAC. Any forthcoming recommendations for changes to this policy will be presented to the Board for approval at the December meeting. Additionally, staff will present a memo to the audit and finance committee members summarizing the due diligence conducted in the search for an investment firm. The memo will focus on the selection of Baird Public Investment Advisors for the management of CAC investment funds.

## **COMMUNICATIONS AND EXTERNAL AFFAIRS**

**Welcome Jennifer!** We are pleased to announce that we have named Jennifer Schlosser as our communications manager. Jennifer will join our team on November 17<sup>th</sup>. We look forward to introducing you to her at our board meeting.

Jennifer comes to CAC after spending the past three years as media relations manager at The Cleveland Orchestra. Her professional experience also includes significant work in the communications department for the State of Ohio, Office of the Governor, during the Taft administration. Jennifer currently serves on the board of the Tandana Foundation and is the co-president of the Cleveland Young Arts Professionals Network. Jennifer obtained her B.A. in English from Otterbein College and completed coursework in music history and piano performance at the University of Ottawa.

### **Social Media**

CAC is building a strong social media presence through Facebook and Twitter. With an increased focus on expanding “likes”, we are pleased to report that we’ve increased FB likes from 278 to 320 and Twitter from 529 to 571 in the past few weeks. These increases can likely be attributed to dedicated efforts to Tweet and update Facebook during the recent PS12 adjudication process, and by reminding CAC’s supporters to “like” the page and follow the Twitter feed. The social media activities during the panel were especially helpful to applicants, and we will likely continue them at future public events.

### **E-blasts**

E-blasts have become an excellent, quick way for CAC to communicate with supporters. We have continued to seek and disseminate “free events” announcements which are blasted every two weeks to the entire email list. The response has been positive and arts and cultural partners continue to ask for inclusion in future blasts. E-blasts are strategically scheduled for best results.

### **Earned Media**

The Plain Dealer has been responsive to media alerts from CAC. Absent specific, contemporaneous events, regional media outlets like the Plain Dealer and NPR are more likely to write about CAC in a general way that addresses the broader work of the organization and we’ve tailored a media strategy accordingly. Press releases are tailored for smaller, local publications and powerfully written general releases are designated for regional publications and outlets. We have included Patch Media, a community-based online news source, to announce CAC events and ensure regional coverage.

Revenue & Expenditures  
January-October 2011

Modified Cash Basis	Through 10/31/2011	Through 10/31/2011	\$	%
	Actual	Budget	Over/Under Budget	of Budget
<b>Ordinary Revenue/Expenditures</b>				
<b>Revenue</b>				
Excise Tax	\$ 14,402,848	\$ 14,022,851	\$ 379,997	102.7%
Interest	\$ 9,967	\$ 25,000	\$ (15,033)	39.9%
<b>Total Revenue</b>	<b>\$ 14,412,815</b>	<b>\$ 14,047,851</b>	<b>\$ 364,964</b>	<b>102.6%</b>
<b>Expenditures</b>				
<b>Arts &amp; Cultural Programming</b>				
Salaries, Wages and Benefits	\$ 158,788	\$ 191,706	\$ (32,918)	82.8%
Program	\$ 40,771	\$ 96,796	\$ (56,025)	42.1%
Grants**	\$ 13,380,740	\$ 13,600,250	\$ (219,510)	98.4%
<b>Total A&amp;C Exenditures</b>	<b>\$ 13,580,299</b>	<b>\$ 13,888,752</b>	<b>\$ (308,453)</b>	<b>97.8%</b>
<b>General &amp; Administrative</b>				
Salaries, Wages and Benefits	\$ 266,548	\$ 294,749	\$ (28,202)	90.4%
Facilities, Supplies, Equipment	\$ 26,184	\$ 55,192	\$ (29,008)	47.4%
Professional Fees	\$ 222,138	\$ 262,917	\$ (40,779)	84.5%
<b>Total G&amp;A Expenditures</b>	<b>\$ 514,870</b>	<b>\$ 612,858</b>	<b>\$ (97,988)</b>	<b>84.0%</b>
<b>Total Expenditures</b>	<b>\$ 14,095,169</b>	<b>\$ 14,501,610</b>	<b>\$ (406,441)</b>	<b>97.2%</b>
<b>Net Ordinary Revenue</b>	<b>\$ 317,647</b>	<b>\$ (453,759)</b>	<b>\$ 771,406</b>	

\*\* Grants figure is actual paid for FY11, balance of awarded funds appear on the balance sheet

## Cuyahoga Arts &amp; Culture

## Balance Sheet

As of October 31, 2011

**ASSETS**

## Current Assets

## Checking/Savings

KeyBank 160,932

Star Ohio Excise Tax 21,908,743

Total Checking/Savings 22,069,675

## Accounts Receivable

Accounts Receivable 1,231,977

Total Accounts Receivable 1,231,977

Total Current Assets 23,301,652

## Fixed Assets

Furniture and Equipment 67,311

Software and Webdesign 23,867

Accumulated Depreciation -50,698

Total Fixed Assets 40,479

TOTAL ASSETS 23,342,131**LIABILITIES & EQUITY**

## Liabilities

## Current Liabilities

## Accounts Payable

Accounts Payable 91,355

Total Accounts Payable 91,355

## Other Current Liabilities

Payroll Liabilities 517

GOS Grants 1,398,083

Project Support Grants 237,574

Total Other Current Liabilities 1,636,174

Total Current Liabilities 1,727,529

Total Liabilities 1,727,529

## Equity

Retained Earnings 23,024,480

Net Income -1,409,878

Total Equity 21,614,602

TOTAL LIABILITIES & EQUITY 23,342,131