

THE 2009 ARTSQUEST™
ANNUAL REPORT





It is no secret that the next several months will be a period of tremendous growth and change at ArtsQuest. As we enter the most dynamic time in our history, we are preparing to triple our arts and cultural offerings and double our staff size by the time the ArtsQuest Center and SteelStacks campus open in May 2011.

In an effort to better reflect its evolving goals and objectives, ArtsQuest has developed a new mission statement that will guide the organization and its programming development in the years to come. Through expanding and enhancing programming, developing new opportunities for the community to explore the arts and creating unparalleled arts and cultural experiences:

ArtsQuest will be an international model for providing access to exceptional artistic, cultural and educational experiences promoting individual and community creativity, enlightenment and fulfillment.

At ArtsQuest, we pride ourselves on providing residents of the Lehigh Valley and beyond with access to dynamic arts, culture and educational programs and events. How do we achieve this goal? By...

- Using arts and culture as key elements of economic development for our urban communities.
- Providing quality cultural experiences for individuals, families, youth, children at-risk, senior citizens and individuals with special needs.
- Partnering with business organizations, educational institutions, government agencies and other nonprofit organizations.
- Maintaining a strong, clear communication network for all stakeholders, including volunteers, donors, staff, vendors and the community.
- Empowering volunteers to govern the organization, and to develop and produce cultural programs that meet community needs.
- Developing a staff that demonstrates the excellence of the organization and works in harmony with each other and the volunteer corps.
- Providing education in the creative arts in areas not well represented by traditional educational institutions in the community and becoming a resource for arts education and arts-in-education for the region.

From presenting festivals, concerts and exhibitions that offer opportunities for local, regional, national and international artists to showcase their talents, to offering programs, performances and festivals that unite the community in celebration, ArtsQuest is more committed than ever to providing unprecedented access to music, arts and culture. With the support of our volunteers, corporate partners, members and the many others who believe in our mission and our programming, we will continue to present outstanding art-based experiences that touch the lives of more and more people each year.

MUSIC

Each August for the past nine years, the brick-paved courtyard of the historic Sun Inn has come alive with the sounds of nationally-acclaimed folk artists during Godfrey Daniels Day at Musikfest. Over the years, audiences have been delighted by performances from acts as diverse as Chris Smither, Artisan and Hoots & Hellmouth.

While it might cost \$20-\$30 to see artists of this caliber at other venues, thanks to ArtsQuest's commitment to presenting quality musical programming at affordable prices and Godfrey's connections in the folk world, festival guests can enjoy these acts for free, with the added bonus of seeing them amid the beauty that is historic downtown Bethlehem.

At Godfrey Daniels Day, everyone's a winner. The artists play at one of the nation's premier music festivals and Bethlehem's noted coffeehouse is able to reach out to new audiences. Most importantly, the community has an opportunity to experience a diverse array of music by talented regional and national acts.

"Godfrey Daniels Day is a good fit for the artists and it's a good fit for Godfrey's," says Godfrey Daniels former Artistic Director Mike Space, the organizer of Godfrey Daniels Day. "It's a very symbiotic relationship. It's absolutely a win-win-win partnership."

Godfrey's day at Musikfest is just one of the many examples of how ArtsQuest partners with nonprofits and community groups to enhance the quality of life in the region. Each year, more than 50 different schools and community partners have opportunities to present programming that impacts artists and audiences alike.

From the high school choral ensembles that sing at Christkindlmarkt, to local performing arts groups that make their home at the Banana Factory, ArtsQuest is providing quality opportunities that help these organizations fulfill their missions and achieve their programming objectives. More than 1.3 million people annually benefit as they enjoy dynamic musical, visual and cultural experiences, making Bethlehem and the Lehigh Valley premier destinations for enjoying and exploring the arts.



“ArtsQuest and their two prime events, Musikfest and Christkindlmarkt, exemplify both compelling and engaging visitor experiences and best practices in events management. Together these two events add greatly to the constellation of attractions and assets that we provide inbound visitors and local and regional households alike. Their stability anchors our state’s offerings and serves as a model for other local, regional and statewide events.”

Lenwood Sloan
Director of Cultural and Heritage Programs
Pennsylvania Tourism Office



ART



When 20-year-old Christina Villacis of Bethlehem saw an opportunity to learn new job skills that would make her more marketable to potential employers, she jumped at the chance.

Last summer, Villacis, an out-of-work student attending Northampton Community College, along with 11 other Lehigh Valley residents, took part in the first Photo Documentary Project, designed to teach unemployed and economically disadvantaged adults high-tech job skills in photojournalism, digital photography and desktop publishing. The program, a partnership between ArtsQuest, the American Recovery and Reinvestment Act, Lehigh Valley Workforce Investment Board Inc./PA CareerLink and Olympus America Inc., featured both classroom and in-the-field educational experiences, including photojournalism assignments covering Musikfest 2009 and SouthSide Bethlehem.



For one of her assignments, Villacis documented the story of a local vendor who found himself at the center of a controversy in the local business community. As part of her work, she interviewed the local attorney who represented the man pro bono to find out why the lawyer offered his services free of charge. As a criminal justice major, Villacis found the story the perfect way to blend her love of criminal justice with her newfound passions for photography and journalism.

The lawyer was so impressed by Villacis' skills, personality and passion that he offered her a job. Today, she is working as a paralegal assistant in his office, and she credits the Banana Factory for paving the path that launched her into her career.



"ArtsQuest opened every networking door possible for me. I met so many people working in the Photo Documentary Project for two months," Villacis says. "Without the Banana Factory, I wouldn't have had this tremendous opportunity."

Villacis' story is just one example of how ArtsQuest is using the power of the arts to change people's lives. Each year, the organization's visual arts programming touches hundreds of young people throughout the region. From the B-Smart after-school enrichment program, which introduces more than 200 middle school students annually to the visual arts, to BananaWORKS, which pairs 6-8 inner-city teens with an ArtsQuest artist to create a beautiful public mural, ArtsQuest is providing programs that positively impact people and communities. Free First Friday open houses at the Banana Factory, dynamic art exhibitions and more than 250 classes, camps and workshops annually provide additional opportunities for individuals to immerse themselves in the arts.



FESTIVALS & CULTURAL EVENTS

It's the week between Christmas and New Year in downtown Bethlehem....there are hundreds of laughing, screaming kids; rows of artwork that look good enough to eat and Just Born PEEPS® aplenty!

While cultural enrichment, community revitalization and arts education are at the forefront of everything ArtsQuest does, there is always a heavy dose of fun sprinkled in. In 2009, the organization's programming took on a sweet, new twist with PEEPS® Fest, a new event presented in conjunction with Bethlehem's own Just Born Inc. Delicious PEEPS®, fun children's activities, live music and the Just Born PEEPS® Chick drop made the festival an irresistible treat for Lehigh Valley residents, with more than 1,500 people attending the inaugural event.

As part of the festival, students throughout the region created wonderful works of art featuring PEEPS® in the first Lehigh Valley PEEPS® Scholastic Diorama Competition. The month-long event blended art and academics, resulting in a fun, creative learning experience for hundreds of children in area elementary, middle and high schools. Bethlehem area restaurants also joined in the PEEPS® Fest celebration, taking part in a special dessert competition designed to draw people to downtown restaurants during the Christmas week.

PEEPS® Fest is just one example of how strong partnerships are resulting in dynamic experiences for the community. Each year, numerous corporate, individual and community partners support ArtsQuest and its mission, resulting in dynamic arts programs and events that positively impact the lives of young and old alike.



“ Just Born was very pleased to partner with ArtsQuest in the first ever PEEPS® Fest celebration. The ArtsQuest employees were very organized and professional from start to finish. The tents were beautifully decorated and represented our PEEPS® brand very well. The Lehigh Valley Scholastic Diorama contest was a big hit with the community and featured well over 100 entries. It was wonderful seeing participation from kids of all ages and I was very impressed with all the creativity. It was a very enjoyable experience for me personally as well. ”

Brian Bachrach
Senior Brand Manager
Just Born Inc.



EDUCATION AND OUTREACH

SteelStacks: Vision. Creativity. Commitment.

For more than a quarter-century, ArtsQuest has dedicated itself to economic development and urban revitalization through the arts. From the first Musikfest in 1984, to the old-world charm of Christkindmarkt, its cultural events and programs have been designed with the goals of enhancing tourism, strengthening the community and enriching the quality of life in the region.

In spring 2011, the Lehigh Valley will have a new destination for dynamic arts and cultural experiences - the ArtsQuest Center and SteelStacks campus. Located on a tract of former Bethlehem Steel property in south Bethlehem, the campus will be anchored by the 65,000-square-foot ArtsQuest Center, a three-story performing arts center teeming with music, art, film and fun.

At SteelStacks, the community will be able to enjoy experiences that are often found only in larger metropolitan areas like Philadelphia and New York. Live music, independent film, festivals, farmers markets, arts & antiques markets and more will all be showcased in one location, making the campus a mecca for celebrating the arts.

The presentation of year-round arts programming at the ArtsQuest's Center's Musikfest Café presented by Yuengling, Frank Banko Alehouse Cinemas, Town Square and other venues on the SteelStacks campus will serve as a valuable tool in neighborhood revitalization, expanding educational programs for at-risk young people and helping area employers recruit and retain the best and brightest workers. Local community and nonprofit organizations will also benefit from the campus since it will present new opportunities for them to share their missions, services and programs with the public.

Thanks to the vision and support of local and state government, corporate partners and generous individual donors, the SteelStacks project made tremendous strides in 2009. Seven years of planning culminated in October, when hundreds of people, including Gov. Edward G. Rendell and Bethlehem Mayor John Callahan, gathered for the ArtsQuest Center groundbreaking ceremony at First Street and Founders Way, in the shadows of the iconic Bethlehem Steel blast furnaces. Less than two months later, construction crews began work on the ArtsQuest Center site just after the New Year.





LEADERSHIP

When it's the middle of December and it's nice and warm inside, standing outdoors in blowing snow, biting wind or torrential rain is not where most people want to be.

Most people are not Jim Goodwin! Goodwin, a 6-year ArtsQuest volunteer, is in his element when he's outside the entrance to Christkindlmarkt directing traffic, greeting people and answering questions, all with a Christmas City smile. Only the most inhospitable weather conditions can keep him from volunteering, and he easily manages to put in more than 100 hours each year – all of them outside!

"I have always believed strongly in volunteering. It's either in your blood or it's not. It's just part of who I am," Goodwin says. "I do it to be part of the community."

Goodwin, who also volunteers nearly 100 hours at Musikfest each summer, is just one example of the dedicated volunteer corps that helps ArtsQuest present its events and programming each year. From assisting with the organization's strategic planning and program development, to helping staff the Gallery Shoppe at the Banana Factory and cleaning up after everyone has gone home from Musikfest, volunteers are an essential component of every aspect of ArtsQuest.

ArtsQuest volunteers come from all areas of the community and all walks of life. Our dynamic volunteer leadership alone represents a who's who of community, with 44 different businesses and a dozen cities and towns represented on our boards alone.

Volunteers provide strength, leadership, vision, stability and, of course, sweat equity. The most amazing part? Their numbers continue to grow! In 2009, ArtsQuest was honored to have a record 2,370 volunteers and 47 corporate groups lending a hand, proving that volunteerism is alive and well!



What's in a Number?

In 2009, ArtsQuest volunteers donated 66,565 hours. If each volunteer were paid the minimum wage for each hour worked, that would equal nearly half a million dollars in wages! Volunteers are an invaluable resource not only for ArtsQuest, but also for the entire community as well.

<u>Number of Volunteers</u>	<u>Event/Program</u>
2,017	Musikfest
301	Christmas City
52	Banana Factory/ ArtsQuest

Number of Hours Volunteered= 66,565



CORPORATE AND COMMUNITY PARTNERS

6abc	Brickman Group, Ltd.	County of Lehigh	Grand Eastonian Suites Hotel
A D Computer Corporation	Brinjac Engineering, Inc.	Courtyard by Marriott - Bethlehem	Greenleaf Productions
AAA East Penn	Brown-Forman Beverages	Crayola	Guardian
AAA Moving and Storage	Camille Eyvazzadeh	Dan Schantz Farms & Greenhouses	Hale Trailer, Brake & Wheel
ABE Fence	Capital BlueCross	Dan's Camera City	Hampton Inn & Suites Bethlehem
Adamo Limousine	Capital Wine and Spirits Company	Darlington Exterior Services	Harold S. Campbell Foundation
Adams Outdoor Advertising of the Lehigh Valley	Carol Corriere	David Nepereny	Hasanna Birdsong HDR, Inc.
Aesculap Aetna Afiliat	Caruso Benefits Group Charity for Children	David Willard	HealthAmerica
Air Products and Chemicals Inc.	Christmas City Printing	Dickies Apparel	Herman & Claire Rij
Air Products Foundation	Citadel Communications	DP Partners	Highmark Blue Shield
Albarell Electric Inc.	City of Bethlehem	Duane Morris LLP	Hilton Garden Inn Allentown Airport
Altitude Marketing	Class E-Media	Ecotech Marine, LLC	Hilton Garden Inn Allentown West
Alvin H. Butz Inc.	Clear Channel Communications	Edge Restaurant	HOLA! RADIO 1600/1400 AM
Ameriprise Financial	Clipper Magazine	Edwards Business Systems, Inc.	Holiday Inn Conference Center
Anthony & Evelyn Carfagno	Coca-Cola Bottling Co of the Lehigh Valley	Elite Limousine	Holland & Knight
Aramark Corporation	Comfort Inn Bethlehem	Embassy Bank	Holt Family Foundation
B. Braun Medical, Inc.	Comfort Suites Bethlehem	Eric Steen	Homewood Suites by Hilton Bethlehem
Bacardi U.S.A., Inc.	Commonwealth of Pennsylvania	Events Staging	Honey Bunches of Oats
Bank of America	Compass Energy Services	Fairfield Inn & Suites by Marriott	Hotel Bethlehem
Banko Beverage Company	Concannon Miller & Co. P C	Festival Media Corporation	IESI PA Bethlehem Corporation
Barefoot Wine	Conectiv Energy	Four Points Sheraton Hotel & Suites	IndependenceIT
Barry Isett & Associates Inc.	Contractor's Equipment, Inc.	Fowler & Peña Creations	James Klunk
Bath Fitter	Convergent Communications	French & Parrello Associates, P.A.	Jangle Advertising
Beall & Marlene Fowler	Cooper Electric Supply Corporation	Fritch, Inc	Jeras Corporation
Benner & Piperato	Coordinated Health	G & L's Sign Factory	John J. Zeiner & Sons
Best Western Lehigh Valley Hotel & Conference Center	Cornerstone Advisors Asset Management, Inc.	Garden State Fireworks	Jonna-li Catrini
Bethlehem Dairy Store	Corporate Environments	GEICO	Just Born Inc.
Bethlehem Housing Authority	Coulbourn Instruments & Cobalt Computers	Glasbern	Kamran Afshar
Bethlehem Morning Star Rotary		Good Shepherd Rehabilitation Network	Kathy Gray
Boulevard Frame & Art			

Kistler O'Brien Fire Protection	Minuteman Press	Sam & Betsy Torrence	TruGreen
Kitchen Magic	Morning Star Rotary Club of Bethlehem	Sands Casino Resort Bethlehem	U. S. Foodservice, Inc.
KNBT, Division of National Penn Bank	Nassau Broadcasting	Sayre Mansion Inn	UGI Utilities Inc.
Kohl's	Nazareth Pallet Company, Inc.	Service Electric Cable TV & Communications	United Healthcare
Lafayette Ambassador Bank	Northampton Community College	ServiceMaster by Round the Clock Cleaning	United Way of Berks County, Inc.
Lehigh Pizza	Northampton County	Shahriar Naghshineh	United Way of the Greater Lehigh Valley
Lehigh Valley Carpenters Union Local #600	Offset Impressions	Sherwin Williams	Verizon Foundation
Lehigh Valley Community Foundation	Osram Sylvania	Shirin Nabati	Verizon Wireless
Lehigh Valley Easy Pages	Owens Corning	Sign Design Associates, Inc.	Viamedia
Lehigh Valley Economic Development Corporation	Pearson Funeral Home	Sobrinski Painting	Waitz Corporation
Lehigh Valley Health Network	Pennsylvania Council on the Arts	Sonicbids Corporation	Waste Management
Lehigh Valley International Airport	Pennsylvania Lottery Pennsylvania	Spillman Farmer Architects	WDIY-FM Community Public Radio
Lehigh Valley Marketplace	Performing Arts on Tour	St. Luke's Hospital & Health Network	Wegmans Food Markets
Lehigh Valley Style	Penske Truck Leasing	Starters Pub	Werkheiser Electric
Looper's Grille & Bar	PenTeleData	State Theatre Center for the Arts, Inc.	WFIL/WNTP
Lutron Electronics Company, Inc.	PGB Trust & Investments	Staybridge Suites by Holiday Inn	WFMZ-TV/Channel 69 News
Mack Trucks Inc.	Phillipsburg-Easton Honda	Straub Automotive Group	WGPA Radio Sunny 1100
Marani Spirits	Pig Pen Sports Bar & Grill	Summit Management & Realty Company	Wii
Marjorie Diggs Freeman	Plantique, Inc.	Sundance Vacations, Inc.	William E. Crawford
Martin Guitar Charitable Foundation	Playstation	Target Greatland Stores	WXLV FM
Martin Guitar Company	Plymouth Soundings, LLC	The Cambridge Schools	Wydnor Hall Inn
McGinty Brothers, Inc.	PNC Bank	The Express-Times	WZZO-FM Z-95
Merry Maids	PPL	The Lafayette Inn	
MetLife East Penn Financial Group	PrimoHoagies	The Morning Call	
Metropolitan Contemporary Glass Group	Pulse Weekly	The Warko Group	
Michael Thomas Floral Design	Randy S. Krail	Tina M. Merrill-Leonard	
Mid Atlantic Waterproofing	Raven One To One Marketing	T-Mobile	
	Renewal by Andersen	Trans-Bridge Lines Inc.	
	Richard S. Horvath, Sr. Electrical Contracting, Inc.		
	Rodeway Inn		

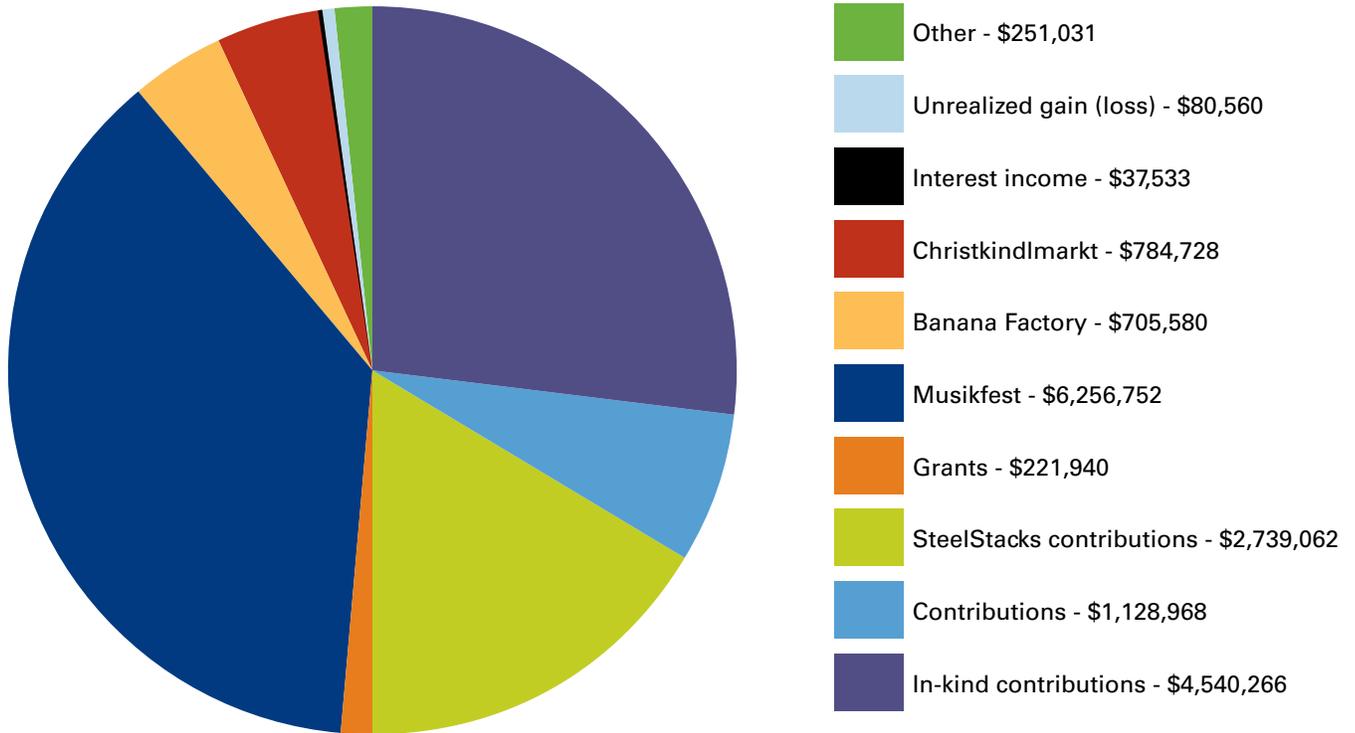
ArtsQuest and Affiliate Consolidated Statement of Activities

Year Ended December 31, 2009 with Comparative Totals for 2008

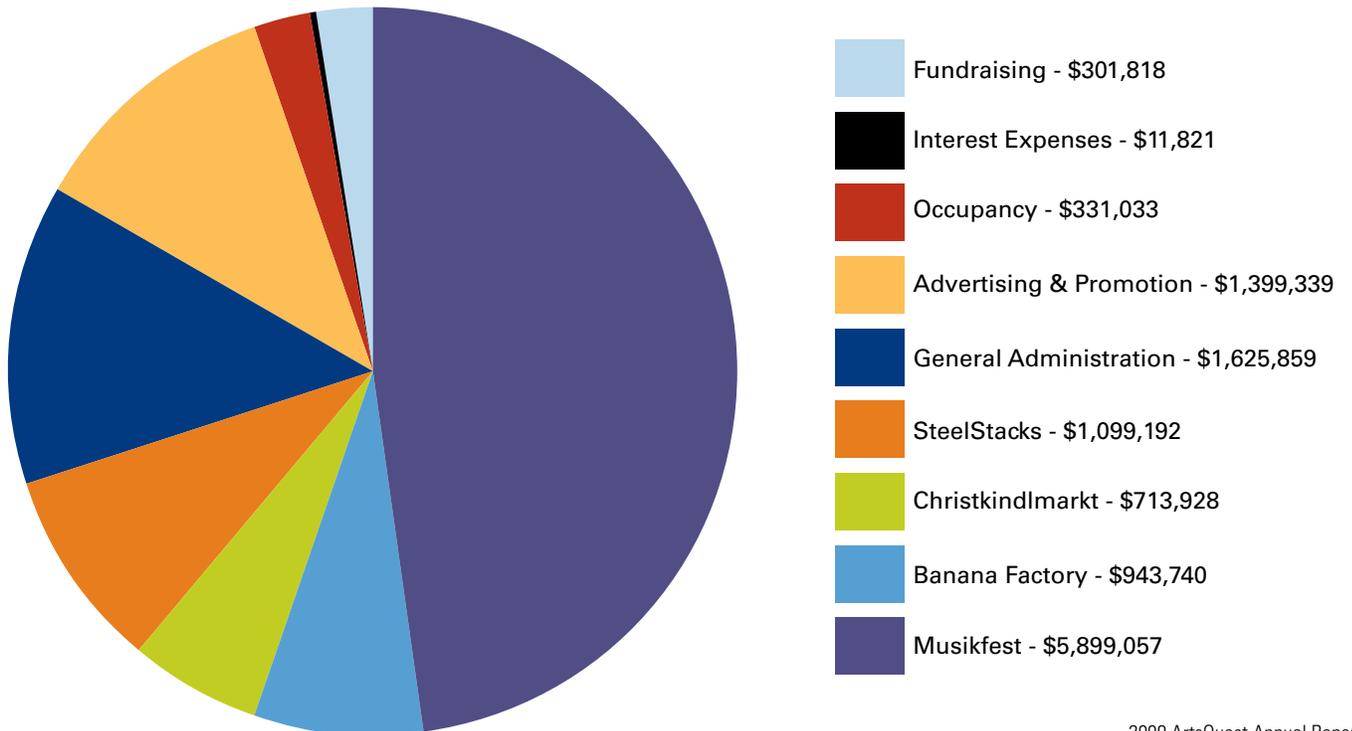
	December 31,	
	2009	2008
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents - unrestricted	\$312,458	\$326,303
Accounts receivable, net of allowance of \$2,000 for 2009 and 2008, respectively	177,305	765,805
Pledges, less allowance of \$25,500 in 2009 and 2008, respectively	1,514,273	935,447
Inventory	134,328	98,571
Total Current Assets	2,138,364	2,126,126
PROPERTY, FURNITURE AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	7,832,258	3,778,171
OTHER ASSETS		
Restricted cash	17,907,582	597,328
Restricted investments	445,856	315,534
Pledges receivable, net	897,929	648,486
Deposits and other assets	111,347	10,279
Deferred financing fees	1,228,484	0
Note receivable (Note 9)	19,015,000	0
Total Other Assets	39,606,198	1,571,627
Total Assets	\$49,576,820	\$7,475,924
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$549,265	\$349,504
Accrued expenses and other current liabilities	1,156,157	342,822
Deferred revenue	32,259	31,922
Current portion of long-term debt (Note 11)	59,888	0
Total Current Liabilities	1,797,569	724,248
LONG-TERM LIABILITIES		
Deferred compensation	103,087	51,257
Long-term debt, net of current portion (Note 11)	36,555,112	0
Total long-term liabilities	36,658,199	51,257
Total Liabilities	38,455,768	775,505
COMMITMENTS		
NET ASSETS		
Unrestricted	7,651,813	4,093,428
Temporary restricted	2,469,239	1,606,991
Permanently restricted, Endowment Fund	1,000,000	1,000,000
Total Net Assets	11,121,052	6,700,419
Total Liabilities and Net Assets	\$49,576,820	\$7,475,924

Financial Summary for 2009

Total Support and Revenue - \$16,746,420



Total Expenses - \$12,325,787





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