

MOMENTUM

KIMMEL CENTER
260 S. BROAD STREET
SUITE 901
PHILADELPHIA, PA 19012

KIMMEL CENTER
ANNUAL REPORT 2007 – 2008

KIMMEL CENTER MISSION STATEMENT

The Kimmel Center's mission is to operate a world-class performing arts center that engages and serves a broad audience from throughout the Greater Philadelphia region.

The principle means by which the Kimmel Center achieves its mission include:

1. Operating and maintaining world-class performance venues including the Kimmel Center for the Performing Arts and the Academy of Music.
2. Providing state-of-the-art venues and support facilities for its resident companies and a broad range of other regional performance groups at below costs.
3. Presenting artistic programming of the highest quality that serves diverse audiences and brings world-renowned artists to Philadelphia.
4. Providing vital arts education and community programming to serve the interests of a broad and diverse audience.

BOARD OF DIRECTORS, JULY 1, 2007 – JUNE 30, 2008

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A PHILADELPHIA STORY

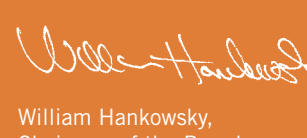
Currently in our eighth season, the Kimmel Center is many things to many people: a favorite stage for performers from around the world; a community partner offering quality programming for diverse audiences; an educator of future artists; and a much-anticipated Saturday night date. People young and old visit us throughout the year to see new works or beloved classics. A catalyst for creativity and supporter of the Philadelphia arts and regional economies, we have truly become the "crown jewel" of the Avenue of the Arts.

As the Kimmel Center looks back on the 2007–2008 season, we are proud to share with all of our supporters—with you!—a year characterized by momentum and success. The season was rich with vibrant Kimmel Center Presents Sponsored by Citi and Cadillac Broadway Series programs in our three performance spaces—Verizon Hall, Perelman Theater, and Innovation Studio—at the Academy of Music and, in collaboration with the Shubert Organization, at the Forrest Theatre. Artists from around the world graced our stages for sold-out performances and rousing productions by our eight resident companies. We formed new relationships with different communities in our area. And nearly 14,000 learners of all ages from Pennsylvania, New Jersey, and Delaware participated in our education programs during the year.

Thanks to the tireless work of many people, we reached our longtime financial goal of retiring the Center's construction debt. Our success was felt around the area when our patrons enjoyed the city's hotels, restaurants, and shops, used regional public transportation, and parked in neighboring parking lots, significantly impacting the region's economy. Subsidized tickets and free concerts brought even more people through our doors to experience our wide variety of music, theater, and dance offerings.

On the following pages, we share highlights of our fiscal year 2007–2008. As you read, please remember that this is your story as well. Your generous support and that of all of our donors, members, and ticket buyers make possible everything we do on our stages, in Commonwealth Plaza, with our partners, along the Avenue of the Arts, and throughout the region. We are grateful for your trust and thank you for helping to build upon our momentum and success.

Sincerely,



William Hankowsky,
Chairman of the Board



Anne Ewers,
President and CEO



ON SOLID GROUND

Since opening our doors in December 2001, the Kimmel Center has drawn visitors and artists from around the world. As we've grown into our role as a regional magnet for the arts, we've also faced the ongoing challenge of eliminating our \$30 million construction debt. Last year, we met this challenge head-on, retiring this debt, building the endowment, and increasing confidence and support of our vision and in our ability to execute it.

Many individuals and organizations collaborated to help us realize these financial successes. Four local philanthropies—H.F. “Gerry” Lenfest, the William Penn Foundation, the Neubauer Family Foundation, and The Pew Charitable Trusts—collectively provided \$25 million to retire the debt in accordance with an agreement with Wachovia and Citizens banks. The Commonwealth of Pennsylvania also has pledged \$5.5 million for capital needs. And the City of Philadelphia has committed \$2 million for capital improvements to help us maintain our magnificent Center.

Our Board led the effort to retire the debt and increase the Kimmel Center's endowment. Members of our Board committed a total of \$13.7 million, including \$3 million leadership gifts from both Raymond G. Perelman and Harold A. Honickman. We leveraged this inspired support to collect additional endowment pledges—including \$25 million from Sidney Kimmel—which will eventually bring the total value of the Kimmel Center's endowment to more than \$72 million. Dorrance H. Hamilton has also contributed an additional \$2.5 million, raising her total commitment to the Kimmel Center to \$10 million.

With our sound business model, affirmed in a recent study by Deloitte Financial Advisory Services, and our strong financial foundation, the Kimmel Center will be able to further fulfill our mission to present world-class performances, arts education, and community programming.

SUCCESS

“This is a great moment for all of us who call the Kimmel Center home. Anne Ewers and her team have done an amazing job in building a more secure future for the Center and, in turn, all of its resident companies.”

— James Undercofler, President and CEO, The Philadelphia Orchestra



COMMUNITY OUTREACH

Last year, we celebrated new, and strengthened existing, ties to community and cultural organizations, bringing diverse audiences to the Center—and the world to Philadelphia. Prior to and after the Youssou N'Dour and Ladysmith Black Mambazo shows, the African Cultural Alliance of North America presented free performances by the region's best African musicians. When Bollywood legend Asha Bhosle made her Kimmel Center debut, we partnered with the Sangeet Society to host local Indian classical music artists. In celebration of Hispanic Heritage Month, we collaborated with the Mexican Cultural Center to present Free in the Plaza performances by the Fuego Nuevo Ensemble and Mariachi Los Halcones, along with a show of Aztec art, before and after the Ballet Folklórico de México de Amalia Hernández performances.

IMPACT OF OUR SUCCESS

The Kimmel Center's success is our region's success. In 2007–2008, we contributed \$40 million in economic impact to the region. (The Cadillac Broadway Series alone brought approximately \$13 million in additional revenue to the area through parking, restaurants, hotels, retail, and public transportation.) And over the past seven seasons, we have contributed more than \$447 million to the local economy.

EDUCATION

Cultivating current audiences and sparking the enthusiasm, imagination, and creativity of future generations of artists and arts lovers is key to our mission to champion the arts, and we are committed to providing meaningful education programs for adults and young people from across the area.

In 2007–2008, our Kimmel Center Youth Jazz Ensemble nurtured the talents of students from regional public, parochial, and private schools. Comprised of 21 middle-school students, the Ensemble met October through June for biweekly rehearsals and held six performances. Additionally, the Center's Merck Arts Education Center offered 71 free curriculum-based performing arts classes for approximately 1,275 young people; 77 students participated in weekly PHILADANCO taught dance classes; PNC's Grow Up Great Initiative welcomed 80 participants; 145 youth participated in our tuition-free 2007 Teen Summer Arts Camp; and 512 students participated in the Martin Luther King, Jr. Tribute.

Among the education programs for adults were our popular Artist Chats, a series of discussions with Kimmel Center Presents artists. The Chats offered discussions with noted classical, jazz, and world music musicians, as well as dance and organ guests. Approximately 4,500 people attended 19 chats.

In all, our education programs served approximately 7,000 students and 7,000 adults. We sold more than 1,000 subsidized tickets, at the cost of \$10 each, for a variety of 38 performances.

ENERGY

"It's great to be back in Philly! Verizon Hall is my favorite house in the country."

— k.d. lang

KIMMEL CENTER PRESENTS, SPONSORED BY CITI

On our stages last season the world's greatest artists sang, jammed, and danced. We hosted performers from 28 countries across 70 performances in our program series. Forty-one artists and ensembles made their Center debut, and the season included 169 performances, nearly half of which were free.

Among the highlights of a year full of highlights: the Shen Wei Dance Arts, whose leader and namesake choreographed part of the Opening Ceremonies of the 2008 Beijing Olympics, gave three mesmerizing performances; the Alvin Ailey American Dance Theater kicked-off its 50th anniversary season; comedian Chris Rock played to three sold-out houses; Yo-Yo Ma made his first recital appearance in Philadelphia in more than 15 years; and Dame Kiri Te Kanawa made us one of the few U.S. stops on her farewell tour.

We also partnered with the Opera Company of Philadelphia and the Curtis Institute of Music's Opera Theatre to co-produce the Philadelphia premiere of Osvaldo Golijov's *Ainadamar* (Fountain of Tears). And we honored outgoing Philadelphia Orchestra music director Christoph Eschenbach in a recital where he performed with Orchestra musicians on the stage of Verizon Hall.

In all, approximately 106,000 people attended Kimmel Center Presents events during the year.

INDEPENDENT PRESENTATIONS

The Center's distinct and versatile spaces make us a favorite setting for special events of all sizes. Last year, regional organizations and institutions hosted 169 independent presentations in our venues. These ranged from commencements to the inauguration of Mayor Michael A. Nutter, from an interactive exhibition celebrating the lifelong relationship between Pope John Paul II and the Jewish community to a gala reception for retiring Philadelphia Police Commissioner Sylvester Johnson.

Independent presenters also brought a diverse array of celebrities to the Kimmel Center, including R&B singer John Legend, talk show host Rush Limbaugh, comedian Lewis Black, and children's entertainer Laurie Berkner.

In total, 122,000 patrons attended independent presentations at the Kimmel Center. These events contributed \$1.7 million in net revenue to the Kimmel Center.

CADILLAC BROADWAY SERIES

Broadway is hot in Philadelphia. Our Cadillac Broadway Series entertained more than 320,000 patrons at the Academy of Music, Forrest Theatre, and Innovation Studio—making it, relative to the national theater touring industry, one of North America's top ten touring presenters in terms of attendance and revenue.

The 2007–2008 season also marked the first full year of our collaboration with the Shubert Organization, operators of the Forrest Theatre, to present the best of Broadway right here in town. From family musicals to musical comedies, classic favorites to first-time premieres, we offered something for everyone.

A record-breaking number of people flocked from across the region to enjoy the sold-out, three-week return run of *Wicked*. We hosted the Philadelphia premieres of Oprah Winfrey Presents *The Color Purple* and the South African sensation *African Footprint*. And *Avenue Q*, Broadway's smash-hit 2004 Tony Award® winner, made its Philadelphia debut.

A 15-HOUR PARTY!

Philadelphia loves a party! Annually, the city and its neighbors look forward to the spirited festivities of the Mummers Parade and celebratory events of Sunoco Welcome America, for example. With every year, the Kimmel Center's Summer Solstice Celebration solidifies its place among these annual markers as a Philadelphia favorite. The 2008 Solstice was bigger and better than ever. More than 4,000 people—14 percent more than 2007—attended the 15-hour celebration.



KIMMEL CENTER FACTS & FIGURES

Approximately 1 million people attended 800 performances and events at the Kimmel Center, the Academy of Music, and the Forrest Theatre. Of these events: 85 were Kimmel Center Presents, 198 were Cadillac Broadway Series, 84 were Free in the Plaza, and 458 were resident company performances or community rentals.

ENGAGED COMMUNITY

As a catalyst for creativity and dialogue about arts, culture, and civic engagement, the Center is proud of our partnerships with performers, audiences, resident companies, and area institutions. This year we launched a new civic initiative with the Philadelphia community at-large when we engaged PennPraxis and the Penn Project for Civic Engagement to lead a citizen-driven design process aimed at activating and energizing our public spaces—Commonwealth Plaza, the Dorrance H. Hamilton Garden, and our street level exterior.

As part of this initiative, we invited Kimmel Center patrons and interested neighbors to share their thoughts about these spaces and recommendations for improving them. In all, a total of 200 people attended four public forums. Chris Satullo, Center Square columnist for the *Philadelphia Inquirer* and the founder and director of the paper's Citizen Voices program, also engaged *Inquirer* readers in the discussion by soliciting their feedback online.

All of this discussion ultimately resulted in the formation of six basic principles for making our spaces more engaging. Using these principles, University of Pennsylvania and University of the Arts students worked in tandem to create designs that would energize and activate the Center's open spaces. We then invited local design firms to submit proposals for a feasible incorporation of the students' design concepts. KieranTimberlake was selected to develop a master plan for the Center's public spaces.

In the meantime, we've made some simple changes already, including hanging colorful banners in Commonwealth Plaza and signs on our facade, providing comfortable seating in the lobby for visitors, and working with the Center City District to install welcoming lighting outside our Avenue of the Arts entrance. Look for more changes as we continue to make Commonwealth Plaza the true public square our founders intended it to be. For more about this initiative, visit www.planphilly.com/kimmel.

““[O]ne of Philadelphia's crown jewels —
the Kimmel Center for the Performing Arts.””

— Philadelphia Inquirer

VISION

CITY OF ART

Philadelphia hums with creativity. Music. Visual arts. Dance. Theater. Ours is a city of artists, performers, patrons, and aficionados, either in residence or visiting from all corners of the world. The Kimmel Center will showcase this tremendous artistic energy and talent in an annual citywide arts festival starting in the spring of 2011.

Hosted by the Kimmel Center, the thematic festival will involve our eight resident companies and a large number of Philadelphia's arts and culture organizations. Designed to collaboratively shine a light on the cultural offerings in our region, the festival will help further establish Philadelphia as an international destination for the performing arts.

During the monthlong festival, popular pieces will share the spotlight with works commissioned by the Kimmel Center and others. Organizations will co-produce new interpretations of rarely seen works. Performers from across the region will take center stage next to guest artists from around the world, illustrating the region's artistic treasures, as well as the Kimmel Center's unique role as an international catalyst for creative collaboration.

With a generous \$10 million grant from The Annenberg Foundation, we are in the early stages of planning our first festival. The grant will support programming, commissioning, production costs, and festival marketing. Stay tuned for more about the theme of the 2011 festival and all it will offer.

SUSTAIN THE MOMENTUM

People walk through the doors of the Kimmel Center and sit in our theaters to be entertained and inspired. We are proud that they are awed by our programs—that the performances they see on our stages move them to laughter or tears, to jump up and dance or raise their voices to sing along. And you too should be proud. Member and donor support directly impacts our ability to provide diverse programs of unsurpassed quality.

With your support, our vision to present an extraordinary lineup of jazz, classical music, dance, world and pop music, and Broadway becomes reality. Your contributions have helped make us “the crown jewel” of the Avenue of the Arts. You fund innovative programs that attract thousands of people, expanding their cultural horizons and offering them countless hours of entertainment and learning. Your generosity enables us to offer education programs that cultivate future audiences and artists.

With your support, the Kimmel Center is able to maintain our steadfast commitment to serving the region. Your leadership not only inspires generations of patrons but future philanthropists whose support will be instrumental to our successes in future years.

To learn more about membership and other giving opportunities at the Kimmel Center, contact **Sheryl Bullitt** at **(215) 790-7173**.



CITI PARTNERSHIP

The Kimmel Center welcomed a new strategic partner this year. Citi, the world’s largest global financial services company, is the presenting sponsor for the next five seasons of the Kimmel Center Presents and Cadillac Broadway Series.

*“Citi is proud to be in **partnership** with the Kimmel Center. Being a part of Philadelphia’s premier arts organization has given us an opportunity to support world-class performances, contribute to Philadelphia’s vibrant arts scene and provide our employees a cultural outlet. We look forward to many more years of a growing and collaborative relationship.”*

— William Brown, Senior Vice President and Philadelphia Market Leader



“Randall and I are proud to be members of the Kimmel Center. As members we are supporting Philadelphia’s premier arts organization and enjoying world-class performances.

*As contributors at the Founders Circle level, we’re **making an investment** in the future and helping to ensure that the Kimmel Center is positioned to be a cultural treasure for the entire region. We also enjoy the benefits from being members of the Founders Circle, including meeting other members in the Founders Club before a performance and during intermission.”*

— Dr. Janice Tildon-Burton and Randall Burton



*“**Having access** to a wide range of performing arts adds to the quality of our lives and is a major reason why we love living in Philadelphia. We’re proud to give support to the Kimmel Center so many can enjoy the world-class performances on Philadelphia’s Avenue of the Arts.”*

— Linda and David Glickstein

VOLUNTEER COMMITMENT

Volunteers lead our free tours, provide a warm smile and useful information to visitors, assist with our education programs, and support our staff. Last year, 157 volunteers contributed a total of 8,931 hours in service. This represents \$174,000 in saved staffing costs.* They provided customer service to more than 47,000 visitors; led tours for nearly 6,000 people; and contributed 2,420 hours of departmental assistance, which represents a savings of more than \$47,000 in staffing costs.

*Independent Sector, www.independentsector.org

PUBLIC PERFORMANCES BY COMPANY

KIMMEL CENTER PRESENTS

sponsored by Citi®

Great Orchestras On Tour

La Scala Philharmonic Orchestra/
Riccardo Chailly

Kirov Orchestra/
Valery Gergiev

Academy of St. Martin
in the Fields/
Sir Neville Marriner

Orchestre National de France/
Kurt Masur

Fresh Ink

Ethel

So Percussion

Christopher O'Riley

Fear & Loathing: The Music of Phil Kline

Fresh Ink

Ethel

So Percussion

Christopher O'Riley

Fear & Loathing: The Music of Phil Kline

Jazz Fridays and Jazz Up Close

Nnenna Freelon with the Count Basie Orchestra /
Paquito D'Rivera Quintet

John Pizzarelli and the Swing Seven /
Django Reinhardt Festival

Tiger Okoshi Band

Jane Bunnett

Mingus Big Band / Cyrus Chestnut Trio

Richard Bona Band

Wayne Shorter Quartet / Terell Stafford Quartet

Daniel Szabo Trio

Dave Brubeck Quartet / Freddy Cole

The Movie Music of Spike Lee & Terence Blanchard

Patti Austin, Raul Midon, and Musiq Soulchild

Danilo Pérez, John Patitucci, Jaunito Pascual
and Jamey Haddad

Dance

Shen Wei Dance Arts (3 performances)

Alvin Ailey American Dance Theater
(3 performances)

World & Pop

The Boston Pops Esplanade Orchestra

Johnny Mathis

Ballet Folklórico de México de Amalia Hernández

Tango Buenos Aires

Tania Libertad

Max Raabe & Palast Orchester

Vienna Boys Choir

Salzburg Marionettes (4 performances:
Mozart's *The Magic Flute* and
Rodgers & Hammerstein's *The Sound of Music*)

Youssou N'Dour and the Super Étoile de Dakar

Mazowsze

Sing-Along *Messiah*

Pablo Ziegler Trio for New Tango

Blind Boys of Alabama / Dirty Dozen Brass Band

Gerald Veasley's Jazzy Christmas

Band of the Coldstream Guards and Royal Scots

Dragoon Guards

Ladysmith Black Mambazo

Jerry Blavat's Geator Gold and Jerry Blavat's
Doo Wop Reunion

Paco Peña Flamenco Ensemble

Shoghaken

The 5 Browns

Chris Rock

k.d. lang

Pink Martini

Oswaldo Golijov's *Ainadamar* ("Fountain of Tears")
in association with Opera Company of
Philadelphia and the Curtis Institute of Music

The Chieftains

Asha Bhosle

Dan Zanes and Friends

Summer Solstice Celebration

CADILLAC BROADWAY SERIES

High School Musical

Wicked

Defending the Caveman

The Drowsy Chaperone

Rent

The Fantasticks

Rain

Avenue Q

African Footprint

My Fair Lady

Annie

Tony 'n Tina's Wedding

Hairspray

Gypsy

Eddie Izzard

David Copperfield

Oprah Winfrey Presents *The Color Purple*

AMERICAN THEATER ARTS FOR YOUTH

Anne Frank (3 performances)

Babes in Toyland (5 performances)

A Christmas Carol (7 performances)

Black Journey (7 performances)

Sleeping Beauty (6 performances)

Wizard of Oz (8 performances)

Cinderella (5 performances)

THE CHAMBER ORCHESTRA OF PHILADELPHIA

Carl Maria von Weber/
Ignat Solzhenitsyn

Steinberg Performs Berg/
Ignat Solzhenitsyn

Bidini Performs Beethoven/
Ignat Solzhenitsyn

Bach I Boccherini I Handel
Grant Llewellyn

Scarlata Performs Ravel &
Stravinsky/Randall Craig Fleischer

Bartók I Berg I Xenakis
Ignat Solzhenitsyn

Rameau I Debussy
Jérémie Rhorer

Terry Riley Meets Maurice Ravel
Ignat Solzhenitsyn

Gustav Mahler
Dirk Brossé

Mozart I Beethoven
Ignat Solzhenitsyn

Mozart I Beethoven
Ignat Solzhenitsyn

Mozart I Beethoven
Ignat Solzhenitsyn

Mozart I Beethoven
Ignat Solzhenitsyn

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Ignat Solzhenitsyn

Mozart I Beethoven
Ignat Solzhenitsyn

Mozart I Beethoven
Ignat Solzhenitsyn

OPERA COMPANY OF PHILADELPHIA

Rigoletto

Hansel and Gretel

Cyrano

Oswaldo Golijov's *Ainadamar* "Fountain of Tears"
In association with Kimmel Center
Presents sponsored by Citi® and
the Curtis Institute of Music

Norma

THE PHILADELPHIA CHAMBER MUSIC SOCIETY

Emerson Quartet

Juilliard Quartet

Orion Quartet

Ida Kavafian, viola, David Soyer, cello

Christian Tetzlaff, violin

Alexander Lonquich, piano

Matthew Polenzani, tenor

Julius Drake, piano

Monica Groop, mezzo

Rudolf Jansen, piano

Tokyo Quartet

Anthony McGill, clarinet

Richard Goode, piano

Christian Zacharias, piano

Piotr Anderszewski, piano

Guarneri Quartet

Anna Polonsky, piano

Beaux Arts Trio

Garrick Ohlsson, piano

Mitsuko Uchida, piano

Borletti-Butoni Ensemble

INDEPENDENT PRESENTATIONS

Eastern Technology Council (annual full facility gala).

Philadelphia Speaker Series,
featuring Madeleine Albright, Salman Rushdie,
and Christiane Amanpour

Curtis Institute of Music

Temple University, Boyer College of Music and Dance

Academy of Vocal Arts

Vox Ama Deus

Ebony Fashion Fair

The Orpheus Club

The Hispanic Choice Awards

Philadelphia School District (All-City Concert)

Archdiocese of Philadelphia

The Rock School of Philadelphia

Atilla Glatz: Salute to Vienna

Commonwealth Youth Choirs

The Savoy Company

Covenant House Philadelphia

Human Capital Solutions

THE PHILADELPHIA ORCHESTRA

The Rite of Spring / Eschenbach

Night of the Mayas / Harth-Bedoya

Paradise and the Peri / Rattle

Beethoven's Emperor / Conlon

Bernstein Festival West Side Story / Eschenbach

Janáček's Sinfonietta / Dutoit

Alpine Sympony / Dutoit

Carmina Burana / Campestrini

Dutoit Conducts The Planets / Dutoit

Pictures at an Exhibition / Slatkin

2001: A Space Odyssey / Minczuk

"Symphony of a Thousand" / Eschenbach

PHILADANCO

Xmas Philes (5 performances)

In the Black Tradition (5 performances)

PETER NERO AND THE PHILLY POPS®

Broadway Showstoppers

Motown Magic

Holiday POPS!

¡Viva Latina!

We Love Lucie

The POPular Vote

PENNSYLVANIA BALLET

Company B

Dracula

The Nutcracker

Messiah

Coppelia

Carnival of Animals



STATEMENT OF FINANCIAL POSITION – June 30, 2008 and 2007 (dollar amounts in thousands)

	2008	2007		2008	2007
Assets			Liabilities and Net Assets		
Cash	\$9,453	\$12,415	Accounts payable and accrued expenses	\$3,471	\$2,750
Current portion of contributions receivable, net	3,752	2,639	Line of credit	-	4,864
Other current assets	2,319	2,478	Other current liabilities	6,426	13,928
Total current assets	15,524	17,532	Total current liabilities	9,897	21,542
Non-current portion of contributions receivable, net	8,204	1,937	Bonds payable, net of current portion	-	25,000
Endowment funds and pledges, net	64,499	39,123	Notes payable, net of current portion	543	863
Land, building and equipment, net	204,801	210,839	Other liabilities	216	222
Deferred financing costs, net	11	696	Total liabilities	10,656	47,627
Other non-current assets	1,600	1,835	Total net assets	283,983	224,335
Total assets	\$294,639	\$271,962	Total liabilities and net assets	\$294,639	\$271,962

STATEMENT OF ACTIVITIES – For the year ended June 30, 2008 (dollar amounts in thousands)

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
Operating revenue and support				
Programming and education	\$13,886	\$ -	\$ -	\$13,886
Ticket surcharges	2,694	-	-	2,694
Outside and resident company rentals and charges	9,633	-	-	9,633
Contributions, sponsorships and memberships	3,131	11,519	-	14,650
Other	1,626	2,055	-	3,681
Contributions and sponsorships released from restrictions	4,796	(4,796)	-	-
Total operating revenue and support	35,766	8,778	-	44,544
Operating expenses before depreciation and amortization				
Programming and education	6,611	-	-	6,611
Facilities operations	16,786	-	-	16,786
Marketing and communications	4,625	-	-	4,625
Management, administration and general	3,822	-	-	3,822
Fundraising	1,519	-	-	1,519
Total operating expenses	33,363	-	-	33,363
Interest expense	1,199	-	-	1,199
Operating income (before depreciation, and amortization)	1,204	8,778	-	9,982
Depreciation and amortization	(6,678)	-	-	(6,678)
Change in net assets from operations	(5,474)	8,778	-	3,304
Non-operating revenue, support and non-recurring charges				
Contributions	5,839	-	28,133	33,972
Extinguishment of debt	25,311	-	-	25,311
Other revenue and expense	235	(2,217)	(919)	(2,901)
Change in fair value of interest rate swap	(39)	-	-	(39)
Contributions released from restrictions	(982)	982	-	-
	30,364	(1,235)	27,214	56,343
Change in net assets	\$24,890	\$7,543	\$27,214	\$59,647

STATEMENT OF OPERATIONS – For the year ended June 30, 2008 (dollar amounts in thousands)

	2008	2007
Operating revenue and support		
Programming and education	\$13,886	\$15,753
Ticket surcharges	2,694	2,823
Outside and resident company rentals and charges	9,633	8,534
Contributions, sponsorships and memberships	3,131	4,576
Other	1,626	1,939
Contributions and sponsorships released from restrictions	4,796	4,290
Total revenue and support	35,766	37,915
Operating expenses before depreciation and amortization:		
Programming and education	6,611	9,056
Facilities operations	16,786	16,370
Marketing and communications	4,625	3,897
Management, administration and general	3,822	3,618
Fundraising	1,519	1,710
Total operating expenses	33,363	34,651
Interest expense	1,199	1,660
Total operating expenses before depreciation and amortization	34,562	36,311
Operating income (before depreciation and amortization)	\$1,204	\$1,604

FISCAL YEAR 2007–2008 FINANCIAL HIGHLIGHTS

- The Kimmel Center retired the \$30 million of debt remaining from the construction of the Center. This greatly reduces our future interest and principal payments and gives us operating flexibility that we've never had. (See story on page 4.)
- We ended fiscal year 2007–2008 with an operating surplus of \$1.2 million after interest but before depreciation and amortization. This marks the third year in a row that we reported an operating surplus.
- Our endowment increased from \$39.1 million to \$64.5 million, and we have additional pledges that will further increase the endowment to \$72 million. (See story on page 4.)

