

NONPROFIT INVESTOR

INDEPENDENT RESEARCH FOR PHILANTHROPY

Urban Arts Partnership

Nonprofit Investor Rating:

BUY

Mission Statement

Urban Arts Partnership advances the intellectual, social and artistic development of underserved public school students through arts-integrated education programs to close the achievement gap

Financial Overview

\$ in MM, Fiscal Year Ended July 31

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenue and Support	\$2.4	\$3.2	\$3.9
Operating Expenses	\$1.9	\$2.5	\$3.0
% of Total:			
Program Services	85.3%	84.6%	82.9%
Management & General	7.9%	7.3%	7.9%
Fundraising	6.8%	8.1%	9.2%

Year Founded: 1991 (f/k/a Working Playground)

Contact Details

Urban Arts Partnership
21 Howard St, 5th Floor
New York, NY 10013
(212) 966-5881

www.urbanarts.org

EIN: 13-3554734

Analyst: Jason Schifman

Peer Review: Kent Chao, Janet Yen

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SUMMARY

Urban Arts Partnership operates and provides arts instruction in a variety of interdisciplinary arts programs that include in-school classroom integration, after-school programs, professional development, summer programs, arts festivals and special projects. The organization targets schools with a high percentage of students from low-income families located primarily in New York City and the surrounding area.

STRENGTHS

▲ **Consistently high percentage of budget spent directly on programs.** Program services represented ~85% in fiscal year 2009 and 2010, and ~83% in fiscal year 2011.

▲ **Key performance metrics tracked for each individual program demonstrate measured impact on participants' intellectual / social / artistic development.** >6,000 students served across >60 schools in fiscal 2011; program results show that Urban Arts Partnership initiatives have consistently facilitated improved student attendance, academic performance and overall engagement.

▲ **Selected as New York City's first Peapod Adobe Youth Voices Academy.** With support from the Black Eyed Peas' Peapod Foundation and the Adobe Foundation, Urban Arts Partnership created an academy to advance the intellectual, social and artistic development of >100 at-risk high school students from partner schools.

CAUTIONS

● **Reliance on government grants and uncertainty around renewals could leave organization vulnerable to funding swings.** Government grants represent ~40-50% of total revenue. A grant related to 21st Century After School rolled off in June 2012 and its renewal is currently unclear. However, the recent U.S. Department of Education Story Studio grant demonstrates continued ability to win prestigious government grants.

● **Rising fundraising expense.** Fundraising expense increased from 6.8% to 8.1% and then to 9.2% as a percentage of total expenses for fiscal year 2009, 2010 and 2011, respectively. Urban Arts Partnership could be forced to incur further fundraising expense increases if it wishes to mitigate reliance on government grants.

RECOMMENDATION: BUY

Urban Arts Partnership has developed a strong portfolio of arts-based programs and has demonstrated a proven track record of advancing students' intellectual, social and artistic development. NPI would recommend volunteering and / or further considering a donation.

OVERVIEW OF URBAN ARTS PARTNERSHIP'S ACTIVITIES

Urban Arts Partnership offers a variety of arts-based initiatives that are designed to advance the intellectual, social and artistic development of underserved public school students. The organization's programs are run by teaching artists, who are skilled educators and experts in their chosen craft. All teaching artists undergo training in the Urban Arts Partnership methodology and curricula to provide instruction through arts programs in a range of traditional, contemporary and emerging art forms. Each Urban Arts Partnership program is structured to challenge participants to:

- **Experience:** Students experience exemplary works of art, in live form wherever possible
- **Study:** Students study the art form and build artistic skills
- **Create:** Students create art and develop a strong personal voice
- **Refine:** Students present art for peer review and refine work
- **Present:** Students present artworks to a larger community
- **Reflect:** Students reflect and assess themselves according to criteria of curriculum and learning standards

Urban Arts Partnership serves students and their teachers through several innovative, arts-based programs as outlined below.

Program	Students Served	Description
21 st Century After School	3,000	<p>Basis for Program:</p> <ul style="list-style-type: none"> • After-school programs may be the only opportunity for at-risk students to have quality academic support, recreation, or cultural enrichment activities such as music and dance (National Dropout Prevention Network, 2012) <p>Program Overview:</p> <ul style="list-style-type: none"> • Comprehensive, on-site after school programming that provides students with studio residencies that align with school day curricula • Also offers professional development for teachers and parent engagement activities
Creating Minds	1,000	<p>Basis for Program:</p> <ul style="list-style-type: none"> • In a report for the Gates Foundation on dropouts across the country, 47% of students stated that “classes were not interesting;” 69% were “not inspired to work hard” (Bridgeland et al, 2006) <p>Program Overview:</p> <ul style="list-style-type: none"> • Holistic, school-wide arts program that aims to integrate at all levels of learning to help improve student attendance, graduation rates and performance
Los Angeles Pilot Program	1,000 (via program-trained teachers)	<p>Program Overview:</p> <ul style="list-style-type: none"> • School-wide professional development support for teachers and principals in Los Angeles Unified School District schools; implemented in 5 schools last year • Strives to demonstrate how educators can incorporate arts into core subject area classrooms • Los Angeles Pilot Program is offered at no cost to the school

Fresh Prep	700	<p>Basis for Program:</p> <ul style="list-style-type: none"> • Black and Latino male high school students’ decision to drop out appears to be the result of a consistent pattern of academic failure, and less than 30% obtain their Regents diploma within four years of starting high school (NYU Steinhardt School of Culture, Education & Human Development, 2009) <p>Program Overview:</p> <ul style="list-style-type: none"> • Alternative Regents exam preparation for at risk / previously failing students • Exam preparation is facilitated through original hip hop music tailored to course specific content; course content is largely proprietary • Seeks to build confidence, develop critical thinking skills and prepare students to succeed on Regents exams
Story Studio	350	<p>Basis for Program:</p> <ul style="list-style-type: none"> • 25% of immigrant students live in linguistically isolated households, and 66% of children in immigrant families have parents who have difficulty speaking English (Kids Count Data Center, Annie E. Casey Foundation, 2010) <p>Program Overview:</p> <ul style="list-style-type: none"> • Storytelling and literacy based programs for recent immigrants • Attempts to advance proficiency and fluency in usage of the English language, as well as develop storytelling skills and increase students’ scores on language arts tests • Implemented in 5 middle and elementary schools last school year (funded through U.S. Department of Education grant); expect to serve 8-10 schools next school year • Urban Arts Partnership’s teaching artists conduct program once a week for 35 weeks • Story Studio is offered at no cost to the school
The Peapod Adobe Youth Voices Academy	100	<p>Basis for Program:</p> <ul style="list-style-type: none"> • The availability of arts education within New York City’s public schools is “highly erratic” due to a “lack of time, resources, and space within the schools,” creating a need for community-based organizations to provide access to high-quality arts education services during after school hours (RAND Education, 2008) <p>Program Overview:</p> <ul style="list-style-type: none"> • Four year sequential program for high school students; program operated out of Urban Arts Partnership’s facilities • Provides advanced arts programming, leadership training, internship opportunities and college access • The Academy is offered at no cost to the student; funded through the Black Eyed Peas’ Peapod Foundation and the Adobe Foundation

iDESIGN	50	<p>Basis for Program:</p> <ul style="list-style-type: none"> Over one-third of all dropouts are lost in the 9th grade; academic success in 9th grade coursework is highly predictive of eventual graduation (Alliance for Excellent Education, 2010) <p>Program Overview:</p> <ul style="list-style-type: none"> Attendance improvement for students who are at risk of repeating a grade due to patterns of absenteeism; targets 9th grade students who missed significant class time in 8th grade Program helps students develop self-advocacy skills, as well as enables students earn credits to get back on track for graduation Program operated out of New Design High School, which was founded in partnership with Urban Arts Partnership iDESIGN is offered at no cost to the school
Master Classes	NA	<p>Program Overview:</p> <ul style="list-style-type: none"> Special events that connect acclaimed professionals with Urban Arts Partnership students to provide feedback on works-in-progress and tools for further growth as artists Master classes are sponsored by Montblanc

PROGRAM RESULTS AND EFFECTIVENESS

In 2011, Urban Arts Partnership served more than 6,000 students across over 60 schools.

Program	Summary of Results
21 st Century After School	<ul style="list-style-type: none"> Teaching artists worked with more than 3,000 students who created more than 9,000 works of art in music, dance, theater, visual arts, poetry, and digital media 700 students attended the Urban Arts Festival to present their works to their peers
Creating Minds	<ul style="list-style-type: none"> Students in schools with arts-integrated classrooms average a 90% attendance rate during a year when 20% of all City school students missed one month or school or more In 20 classrooms, 86% of students passed their subject area classes when they were integrated with the arts Over 600 students created more than 900 integrated projects showcasing common core learning standards across all academic disciplines
Fresh Prep	<ul style="list-style-type: none"> 130 students who had previously failed their U.S. and Global History Regents exams at least once took Fresh Prep and successfully passed their exams Of these students, 31 were designated as special needs; on average, these students increased their scores by 16 points with a highest score increase of 33 points
Story Studio	<ul style="list-style-type: none"> 80% of students demonstrated increased knowledge of artistic and academic vocabulary 75% of students demonstrated significant increases in English fluency on the oral exam portion of the NYS English Language Achievement Test 75% of participating ESL teachers have developed the ability to teach visual and theater units as part of their curriculum
The Peapod Adobe Youth Voices Academy	<ul style="list-style-type: none"> 100% of the 15 seniors in The Academy are advancing to college 14 films created by Media Lab students were screened at film festivals and community centers across New York 100% of students surveyed responded that they became passionate about their art and made significant improvements in their skills as a result of the Academy classes

iDESIGN	<ul style="list-style-type: none"> • 50 students with a chronic rate of absenteeism in the 8th and 9th grades increased their annual attendance to 81% • 78% of students gained enough credits in one year to get back on track to graduate • 100% of the students' families were involved in the academic achievement and counseling of their children to ensure their success
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TRANSPARENCY

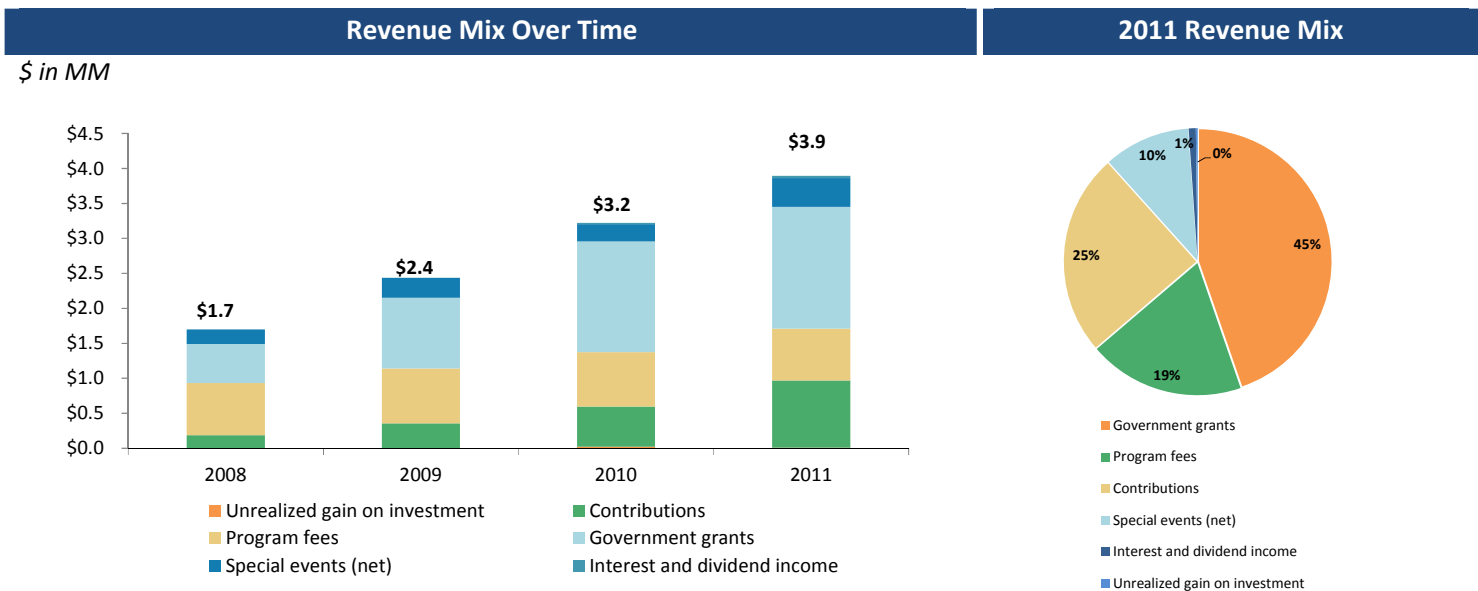
Urban Arts Partnership files Form 990 with the IRS and also publishes annual reports with audited financial statements. The organization's website includes detail on the various programs offered, as well as information on the impact / effectiveness of its initiatives.

FINANCIAL OVERVIEW

Urban Arts Partnership derives revenue primarily from government grants (45% of fiscal year 2011 revenue), donations (25% of fiscal year 2011 revenue), fees charged for certain of the organization's programs (19% of fiscal year 2011 revenue) and proceeds from special events (10% of fiscal year 2011 revenue). The organization experienced 21% revenue growth in fiscal year 2011, driven largely by greater focus on securing individual and corporate contributions, as well as the organization's continued ability to secure a strong flow of government grant funds. Contributions grew 67% to \$1.0MM. Notable non-government donors include the Heckscher Foundation, Montblanc North America and the Robin Hood Foundation. Government grants continue to represent the largest revenue stream, growing 10% in fiscal year 2011 to \$1.7MM. A government grant that partially funds the 21st Century After School program rolled off in June 2012 and it is currently unclear as to whether the grant will be renewed. More clarification is necessary regarding the status of the grant renewal process and the implications of potentially losing this source of funding.

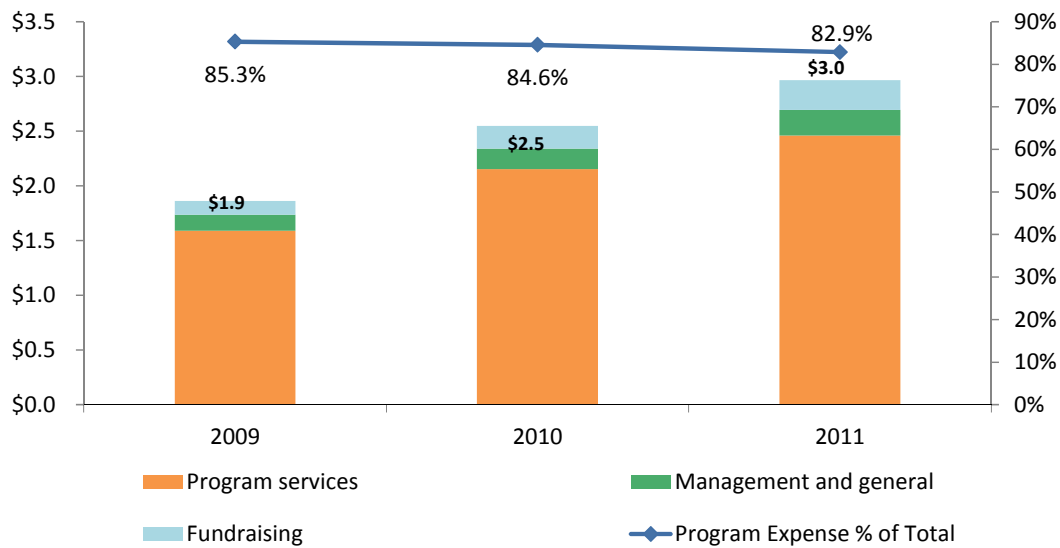
On the expense side, Urban Arts Partnership directs a large majority of its budget toward its program. Program services represented ~85% in fiscal year 2009 and 2010, and ~83% in fiscal year 2011. Consistent with Urban Arts Partnerships' effort to diversify its revenue sources, the organization has experienced an uptick in fundraising expense. The above-mentioned growth in Contributions has been accompanied by an increase in fundraising expense from 6.8% to 8.1% and then to 9.2% as a percentage of total expenses for fiscal year 2009, 2010 and 2011, respectively.

The organization's financials were audited by Dinowitz and Bove, who issued an unqualified opinion, concluding that Urban Arts Partnership adheres to GAAP financial accounting.



Expense Breakdown Over Time

\$ in MM



Detailed Financial Information

Fiscal Year Ended July 31, \$ in 000's

	2009	2010	2011
Revenue and Expenses (GAAP Accounting Basis)			
Operating Revenue:			
Government grants	\$1,011	\$1,584	\$1,742
Program fees	783	776	741
Contributions	358	574	960
Special events (net)	284	247	411
Interest and dividend income	2	18	33
Unrealized gain on investment	0	22	9
Total Revenues	\$2,437	\$3,221	\$3,895
<i>% Growth</i>	43.5%	32.2%	20.9%
Expenses:			
Program services	\$1,590	\$2,153	\$2,459
Management and general	147	187	235
Fundraising	127	206	274
Total Expenses:	\$1,863	\$2,547	\$2,967
<i>% of Revenue</i>	76.4%	79.1%	76.2%
Change in Assets	\$574	\$675	\$928
Net assets - beginning of year	\$712	\$1,286	\$1,961
Net assets - end of year	\$1,286	\$1,961	\$2,889
KEY BALANCE SHEET INFORMATION			
Cash and Cash Equivalents	\$1,048	\$490	\$908
Investments in marketable securities	\$0	\$1,039	\$1,177
Total Assets	\$1,330	\$2,055	\$3,006
Program services as a % of Total Expenses	85.3%	84.6%	82.9%
Management and general as a % of Total Expenses	7.9%	7.3%	7.9%
Fundraising as a % of Total Expenses	6.8%	8.1%	9.2%

Source: Annual report

OTHER THIRD PARTY RATINGS

Urban Arts Partnership is not currently covered by Charity Navigator, GreatNonprofits, Philanthropedia and GiveWell.

GET INVOLVED

Urban Arts Partnership welcomes individuals, organizations and companies to get involved in a number of ways:

Make Donations	Become A Volunteer
Make a financial donation www.urbanarts.org/donate Contribute to one of Urban Arts Partnerships' Producers Projects www.urbanarts.org/donate/projects Become a corporate sponsor www.urbanarts.org/partners/funders	<ul style="list-style-type: none"> • Event support • Program review panelists • Participate in school / community beautification projects • Volunteer in variety of other capacities (www.urbanarts.org/partners/volunteers)

DISCLOSURES

Jason Schiffman certifies that he does not have any affiliation with Urban Arts Partnership and has never made a donation to the organization. Additionally, Jason Schiffman has not supported directly competing organizations in a greater capacity than a nominal donation. NPI analysts and NPI as an organization do not receive any form of compensation from reviewed charities.

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