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Bridging the Gap: Accountability at the San Francisco Symphony



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The logo for the San Francisco Symphony, featuring the letters 'SF' in a large, bold, serif font, followed by the word 'SYMPHONY' in a smaller, all-caps, serif font.

This case study was prepared by Michael Alan Anderson, Associate Professor of Musicology at the Eastman School of Music. ***The Eastman Case Studies*** are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements or sources of primary data nor are they to serve as illustrations of effective or ineffective leadership or decision making.

Chief Executive Officer Mark Hanson sits in his new second floor office at the San Francisco Symphony; it has four glass window panes, a “fishbowl” style always on view for staff. He hopes not to spend too much time in that office, so that it might serve as a room for teams to huddle. The creation of Hanson’s new office is just one part of a full office redesign plan that will open up the administrative space and facilitate more opportunities for collaboration. The fishbowl style reflects the transparency that he has tried to bring to the San Francisco Symphony since his hire in September 2017.

With administrative transparency comes responsibility and accountability. Faced with a history of operating deficits, Hanson and his new colleagues developed a plan to reverse the orchestra’s financial trajectory and put it on a course toward financial sustainability. He then secured valuable “bridge funding” from two anonymous donors to allow the plan to take hold at the San Francisco Symphony en route to its first balanced budget in a decade. Following drastic but necessary cuts to the workforce, organizational buy-in to the plan has been surprisingly high, and pressures brought by conditions of the bridge funding have increased the intensity around the office. Senior leaders are working closely with board members to make their targets month to month. In the middle of year two of a three-year bridge funding commitment to close planned deficits, Hanson wonders if and how the intensity will continue within the organization once the stop-gap funding has been disbursed.

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The San Francisco Symphony (SFS) opened its doors in 1911 as part of a rebuilding effort following the city’s widespread destruction from the earthquake and fire of 1906. Notable among its eleven music directors to date have been Pierre Monteux, Seiji Ozawa, and its present director Michael Tilson Thomas, who has ushered in an artistic golden age and developed new audiences for the symphony since his appointment

in 1995. Under the baton of “MTT,” the SFS has garnered eleven GRAMMY® awards, including three for its recording of ballet scores by Igor Stravinsky in 1999, and seven for the corpus of Mahler symphonies recorded over a period of ten years. At the forefront of modernism in symphonic music, the SFS has welcomed prestigious composers to the conductor’s podium including Stravinsky himself, Maurice Ravel, and Arnold Schoenberg. The 1979 appointment of John Adams as New Music Adviser also ignited the notion of composer-in-residence programs espoused by major orchestras across the United States. The SFS became the first orchestra in the United States to play on regular radio broadcasts and today airs on nearly 300 radio stations across the country.

The San Francisco Symphony remains at the forefront of modernism in symphonic music.

Education has been a particular focus under MTT, who launched a multimedia program in 2006 called *Keeping Score*, which aimed to create accessibility of classical music to people of all ages. The initiative manifested in a national PBS television series, an interactive website, a national radio series hosted by MTT himself, and K-12 classroom materials for schools, which weaved classical music into core subjects.

Managing Deficits

During the decade leading up to Mark Hanson’s arrival, the SFS’s financial position grew increasingly fragile as the organization experienced ten consecutive years of increasing operating deficits. In fact, expenses were projected to exceed revenue by nearly \$6 million in 2017-18, the year of Hanson’s arrival. These annual deficits were “managed” by borrowing from an increasing line of credit through the symphony’s lender, Wells Fargo. Borrowing the organization’s way through these periods was an unsustainable model, and the SFS was less forthcoming about its recurring financial problems than some of its sister arts organizations.

For example, next door to the SFS at the San Francisco Opera, significant annual operating shortfalls were likewise the norm, but these were known publicly. In contrast, the SFS never announced its budget deficits outside of contract negotiation periods and instead quietly released the information through required 990 filings; it did not even raise the issue at its public annual meetings of the Board of Governors. There was a fear that recurring deficits would lead to the perception that the organization could not manage its books nor make hard decisions about structural change. This perception could then generate a loss of confidence in the fundraising community, on whose constant charity the SFS heavily relied.

As fiduciaries of the SFS, board members were responsible for managing the assets and monitoring the financial performance of the organization. Indeed, they approved several paths to stop the annual hemorrhaging of the SFS and secure its

Board members attempted several paths to stop the annual hemorrhaging of the San Francisco Symphony and secure its financial position.

financial position. In 2014, consultants from McKinsey & Co. offered pro bono assistance to the SFS, which produced a deep dive into a single year's budget to discover efficiencies. The analysis was a negative experience, as the McKinsey recommendations involved revenue projections that were clearly unachievable based on longer trends. Another consultant was hired to conduct a wide set

of interviews with SFS stakeholders and customers in 2016. The result was a recommended "bundle" of audience development initiatives intended to enhance the customer's SFS experience through a variety of touchpoints, such as patron-centric communication before and after program offerings, a shuttle service to and from Davies Symphony Hall, and the creation of an "immersive lobby experience." The investments

in "activating" the lobby area of the hall also did not turn things around, as elements of the bundle proved to be prohibitively expensive, while earned revenues—subscriptions in particular—continued to decline. Finally, an internal deep dive into the SFS, known as the "Clean Sheet" initiative, focused on organizational expenses. The cuts proposed to programs were centered mainly in the area of education, which drew a negative response from board members, some of whom were expecting more shared sacrifices across the business. Community beneficiaries also raised concern at drastic reductions in education programs, prompting some board members to revive those programs in the short term.

The challenges facing the organization were exacerbated by a temporary void in leadership at the SFS. Brent Assink, Executive Director of the SFS for 18 years, took a sabbatical leave from the organization in early 2016. Shortly after his return, he announced that he would be stepping down in March 2017. The SFS was left somewhat rudderless with an Interim Executive Director as a search for Assink's successor consumed the organization. In October 2017, Music Director Michael Tilson Thomas also declared his retirement to take effect following the 2019-20 season. After 25 years on the podium, a celebration of his artistic contribution and legacy was essential in the near term. Dovetailing administrative and artistic vacuums left staff and musicians feeling uncertain about the future of the SFS.

Hanson's Arrival and a Plan

After seven years at the Houston Symphony, Mark Hanson landed in San Francisco in a time of organizational crisis. Despite the annual operational deficits that beset the SFS, the board had established a surprisingly strong relationship with the senior leaders of the symphony. As some board members later reflected, a strong relationship is not the same as a strong working relationship. Board members had become too trusting of executive management, even deferential. As current board president Sakurako

Fisher admitted, “In retrospect, we should have been more forceful with asking harder questions.”

Annual deficits now needed Hanson’s immediate attention. The inability to close gaps year to year was not only damaging to the organization’s financial health but also had harmful effects on institutional morale. A number of administrative staff were feeling the effects of “deficit fatigue.” Without organizational transparency, the musicians of the SFS became

Annual deficits were not only damaging to the organization’s financial health but also had harmful effects on institutional morale.

suspicious of the persistent budgets in the red: many even felt that reported deficits were “manufactured” by management for leverage in contract negotiations. Staff members were likewise concerned about transparency, “not just around financials but around how the organization works and about how everyone’s

role was to interconnect,” said Oliver Theil, Senior Director of Communications at the SFS.

Thrust into the organizational trauma upon his arrival in September 2017, Hanson remembers there was an “edict from above that I heard loud and clear.” With barely an opportunity to learn about the inner workings of the organization he was about to head, he would have just a few months to develop a multiyear financial roadmap to ensure that the SFS did not find itself in this place again. Hanson developed a plan that allowed the symphony’s many stakeholders to see better days ahead, but not without some difficult choices right away.

A pressing concern within the financial predicament involved the SFS’s standing with its lender Wells Fargo. The symphony had secured a line of credit with the bank, which had reached \$21 million by Hanson’s arrival. Annual deficits were being covered precariously by increased borrowing from the line of

credit. The amount of available credit was beginning to approach 10% of the SFS endowment funds, a dangerous percentage to exceed for organizational health. The good news was that the SFS endowment had an outstanding performance, mirroring the stock market’s upward trend over several years. The same percentage draws from the endowment could provide extra funds as that pot expanded. The bank also had been accommodating increases in the line of credit. The strength of the endowment, if not the SFS’s annual draw on it, could help save the organization.

Debt Reduction

Hanson worked closely with his CFO Jim Kirk, other SFS senior leaders, and the finance committee of the board through the end of 2017 to determine a viable path for the symphony. Kirk calculated that \$8 million was needed urgently to plug the projected hole in the 2017-18 budget. (Almost \$6 million was required to cover the anticipated operating deficit of the present fiscal year, while another \$2 million represented a combination of a planned contribution to the Orchestra Pension Plan and extra liquidity to cover operating expenditures, should revenue not be received when projected.) To obtain the necessary funding, the customary reaction would be to borrow against the line of credit, which needed to be extended. Upon this request of Wells Fargo, the bank surprised the SFS by rejecting the proposal for increased credit and offering a loan on different terms. Wells Fargo’s denial was a clue to Hanson and CFO Kirk that business as usual could not continue.

Wells Fargo’s rejection of a proposal for increased credit was a clue that business as usual could not continue at the San Francisco Symphony.

The SFS team next considered moving forward with a new \$8 million bank loan to provide liquidity until a more comprehensive financial plan could be developed and reviewed in detail. Meantime, Kirk recommended

taking \$15 million in recent earnings from the endowment to both pay down the line of credit at Wells Fargo and provide much-needed liquidity for 2017-18. Once a multiyear plan was in place, all outstanding loans and the credit line could be paid down. It was thought any deficit incurred at the end of each year going forward, which had been funded by the line of credit, could be paid down with earnings from the endowment. The board finance committee, chaired by John Gambs, objected that increasing reliance on earnings from the endowment was not necessarily the key to a clean bill of financial health for the SFS. Rather, it recommended a more disciplined draw rate on the endowment. Board finance committee member Robert O'Donnell distilled the point: "There was a realization that you can't draw from the endowment on a long-term basis and preserve intergenerational equity at the rate we're drawing now."

The dangerous financial circumstances were sobering to Hanson and Kirk, and they were looking for an escape hatch that would be satisfactory to the organization. \$21 million was required to eliminate the line of credit and another \$8 million to fund the current year's deficit. Since the amount of debt could no longer be supported through collateralization of endowment assets, the leaders reasoned that it was no longer appropriate to continue carrying the debt at all. Gambs and the board finance committee supported the subsequent idea of using \$29 million of endowment funds to pay down the line of credit in full and to fund the current year's liquidity needs. This action would remove dependence on the lender entirely, making the SFS free of debt. More importantly, the organization could then attempt to stand on its feet again. In November 2017, the SFS Board of Governors approved the special endowment distribution of \$29 million to pay off the bank loan. Being a special distribution, it was understood that this one-time move was no strategy for the future—it was a way to wipe the slate clean and start anew.

Bridge Funding

As burdens with the bank were lifted, a group of

ten—including Hanson, Kirk, Gambs, and the board finance committee—were already at work drawing up a financial rescue plan for the SFS, which would aggressively transform the organization and eventually produce a balanced budget for the first time in over a decade. The team was in search of a solution over the medium term that would deliver a lifeline to the symphony through aggressive goals based on realistic projections. How long was the medium term though? No one could fathom slashing expenses drastically in one year, nor was it tenable to set a plan that required very little financial discipline or was void of tough decisions. Over the course of six months in a process best described as "iterative," board finance committee and senior leaders worked through scenarios that would reduce and eventually eliminate the severe annual operating deficits. Reductions in all parts of the business would be affected. A workforce reduction was proposed, coupled with a new open office floorplan that not only achieved savings but also would bring staff together into one location, promoting collaboration and creativity. The structure of the SFS's concert season was put under the microscope for savings. Meanwhile, strategies were put forward to increase contributed income as plans developed for an endowment campaign to stabilize the organization. The group determined that a "sweet spot" for executing necessary and healthy budget adjustments seemed to be a five-year timeframe.

The financial projections Hanson and his team developed were relatively easy to understand, a key to generating buy-in across the organization. A new way of doing business, however, hinged on obtaining an outside gesture of support—known as bridge funding—in order to right the ship at the SFS. Bridge funding is not uncommon in large organizations that need cash in the short term to

The new financial plan hinged on obtaining an outside gesture of support known as bridge funding.

ensure health in the long term. Hanson's idea was to identify individuals with the interest and capacity to make a lasting investment in one of San Francisco's most treasured musical institutions and set it on a path to prosperity. On the face of it, a bridge funding investment may not have the cachet of a restricted or endowed gift for a specific orchestra chair, initiative, or capital project, but senior management made the case that this was a rare occasion to affect the orchestra as an organization for the long term.

The five-year plan required \$15 million of bridge funding. Over that period, the organization would have the chance to examine its operating expenses, regrow its audiences, diversify its funding base, celebrate the legacy of Music Director Michael Tilson Thomas, and prepare the way for his successor. The \$15 million would not be disbursed all at once, giving the bridge funders some protection over their pledge and the organization an opportunity to show that it could deliver an improved financial performance (**Appendix 1**). A portion of the \$15 million contribution would blunt the expected operating deficit in year 1 of the plan (2018-19). With each successive year, the bridge funds would be released in smaller sums until the organization was projected to operate without a deficit in the fifth year of the plan (2022-23).

In addition to making the aggregate revenue and expense goals each year, there was an additional suggestion made by the board. Namely, the SFS should work to direct its sources of revenue toward pre-determined targets of 35%, 35%, and 30% for earned revenue (ticket sales), contributed income (donations from foundations, corporations, grants, and individual donors), and endowment funds, respectively. Aware of the trend of decreasing subscriptions, the board felt that this 35/35/30 model was more sustainable and realistic than the 40/40/20 paradigm under which the organization tended to operate.

A Shorter Leash

Early 2018 was a decisive moment for the San Francisco

Symphony. A financial plan had been developed, which relied on a crucial gift of \$15 million over five years. Finance committee chair John Gambs painted the bleak picture at a board meeting in February 2018: "It took us many years to get here, and we shouldn't expect an overnight solution. At the same time, we need to have a sense of urgency and resolution to make changes." Although the finance committee was in support of the plan from the management team, the terms of the financial recovery made a few key members of the Board of Governors uncomfortable. They reasoned not only that \$15 million was a substantial gift to the symphony but more importantly that five years was too long to achieve the operating results so desperately needed. "It was too long of a leash for them," as Hanson remembered. The board sent SFS management back to the drawing board with instructions to shorten the time that it would take to achieve a sustainable and balanced budget.

After two weeks of deliberation, the group of ten led by Hanson settled on a four-year timeline for the bridge funding to accomplish the same goal. Because one year was eliminated from the plan, the fundraising goal could also be adjusted downward. The team proposed \$10 million in bridge funding, instead of \$15 million. The SFS had a better shot at a \$10 million ask than \$15 million, and the results could be realized more quickly. But the pressure was on to make big changes and soon. Jim Kirk recalled, "The conditions on the bridge funding were right on; funders wanted to see the change happen."

The shorter leash on bridge funding won over those board members who rejected the initial five-year financial plan. SFS board members approved the measure and fortunately located two anonymous donors who, together, agreed to put forward \$10 million to allow the organization to become solvent after a four-year period. Hanson bore in mind that the donors wanted the SFS "not just to survive, but to thrive." To that end, the anonymous bridge funders put two critical metrics in place, which had to be met

Board members approved the four-year financial plan and located two anonymous donors who, together, agreed to put forward \$10 million to allow the organization to become solvent after this time.

exactly as laid out in each year of the four-year plan: (1) the organization had to achieve the designated bottom-line results, and (2) it had to maintain the designated ratio of earned income to expenses. The second condition was meant to ensure that contributed income from one or several donors did not distort the true performance of the organization with gifts that delivered the total revenue needed at a given year's end. Funding for each successive year would be dependent

on the SFS meeting both of these conditions in the year prior. There was no incentive to inflate revenue projections, as had been done in the past, because the bridge funding would be withdrawn if the actual budget targets were not made year to year.

According to the revised plan (**Appendix 2**) and pending successful fulfillment of both bridge funding conditions, \$5 million would be released for 2018-19. Then, \$3.5 million of bridge funding would be collected in the next year. Finally in 2020-21, \$1.5 million would be disbursed. By the fourth year (2021-22), the SFS would not depend on bridge funding and instead anticipated a balanced budget. Hanson argued that "the board essentially approved a three-year plan." Because \$8.5 of the \$10 million pledge was to be disbursed in the first two years, it could almost be said that the board approved a two-year plan. Once the bridge funders committed, board members began to increase their collective giving, inspired by the new wave of confidence in the organization's promising road to recovery. Not to be forgotten is Music Director Michael Tilson Thomas. While not part of the budget planning negotiation and bridge funding solicitation, he was involved and sympathetic to the needs of the

organization. He understood the tension between artistic integrity and the costs associated with it and was always helpful when it came to raising funds. According to Rebecca Blum, the Senior Director of Orchestra and Education Planning, "No one could sell the vision better than [MTT] could. And he always delivered."

Plan Execution

Backed with bridge funding, the board-approved financial plan necessitated some painful cuts in administrative costs, none more painful than the reduction of staff positions. Because of the move from a five-year plan to a four-year plan, there was no time to delay planned decreases in expenditures. Elimination of staff positions was part of the steeper "glide slope" associated with the approved plan, in the words of Robert O'Donnell of the board finance committee. The plan required the termination of 18 positions (12 vacant positions, 6 staffed positions), or 11% of the administrative staff.

The institutional strain during layoffs at the SFS was amplified by the burden others had to accept in picking up the load of those let go by the symphony. Board leadership was crucial in this moment, reassuring Hanson and explaining to senior staff that this is what the organization needed to restore confidence among major donors and board members at large. It is difficult to overstate the support of the board throughout the financial overhaul of the SFS. As a new CEO, Hanson would not have had sufficient power on his own to propose radical changes (including administrative layoffs), let alone to achieve board ratification support for a plan that looked very different from previous annual targets of revenue and expenses. Hanson provided support for those

It is difficult to overstate the board's support of CEO Mark Hanson throughout the financial overhaul of the San Francisco Symphony.

staff who remained following the workforce reduction, from employee forums and regular coffee chats to a bonus vacation week.

Beginning in March 2018, the new financial roadmap and its implications for the organization were shared with board members, staff, and musicians. In just a few slides, Mark Hanson explained the bridge funding scenario and the responsibility each person in the organization had to contribute toward the goal. The consequences were real: if annual targets were not met, bridge funding would be withheld, and the organization could enter a downward spiral. The strictures of the plan forced the CEO, CFO, and board finance committee to monitor organizational performance more closely than ever. Quarterly financial reports presented too much lag for a plan that needed more consistent attention. In previous years, Robert O'Donnell recalled, "We were not getting information in real time, against which you could compare budgets." A more agile process of monitoring and reacting to a dashboard of critical metrics was taking shape.

The attention to the financial plan targets and the weight of responsibility that staff had in ensuring the success of the plan infiltrated the organization. A wider set of staff were brought to board meetings to review performance, where their voices could be heard, and where they could hear concerns of the board directly. According to Rebecca Blum, the plan "gave everyone something to rally around; it felt reassuring that we could claw our way out." On one hand, everyone's voice was heard, but everyone also was held accountable in a way they had not been previously.

Hanson observed that all of the constituency groups of the SFS were tightly aligned toward the organizational goals. "We all want the San Francisco Symphony to be the highest performing, most impactful symphony orchestra in the world. This allows us to work through differences of opinion about how to get to that shared long-term goal. We don't have to waste any time about where we're trying to go." Parts of the organization

began growing closer together. Board members could be seen around the administrative offices instead of once per quarter at meetings. They also hosted small groups of musicians for dinner in their homes. Outings to baseball games have also brought together different parts of the symphony in a casual environment.

Carrot or Stick?

Revenue and expense objectives had been met for the first year of bridge funding (\$5 million), allowing the second installment of \$3.5 million to be released to the organization for the 2019-20 fiscal year. Only one more year of bridge funding remained, but at \$1.5 million this sum was nearly a rounding error in an organization that was projected to collect over \$77 million in revenue for 2020-21. Soon, the SFS would be standing with a newer and leaner model in place.

As the SFS's culture began a transformation in 2018, attention was centered on the very short term. In their assigned areas, senior leaders were trained to examine their revenue and expense targets regularly, even daily, so that goals could be met institutionally. Even two years after Hanson's arrival, a sense of institutional urgency and resolve are palpable around the SFS offices. But attention to the near term meant less long-term thinking internally. As it concerned the financial plan, the bridge funding rescue effort was about to run its course. The board was strict about holding to the revenue/expense levels and ratio after 2021-22.

The big question on Mark Hanson's mind concerned the future without bridge funding. "What we need to tackle soon as a leadership team are the conditions that need to stay in place for the rest of time, in the absence of bridge funding."

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**– Mark Hanson,
CEO, San Francisco
Symphony**

The bridge funding was established with clear strings attached: if the SFS missed its goals, the funding would not be released to the organization. There was no option but to ensure the revenue and expense targets were met. In year four of the financial plan and beyond, there is no immediate consequence for not meeting organizational revenue and expense goals. Hanson wonders how accountability at the SFS will be enforced in the years ahead.

Should a newly developed “consequence” be put in place for missing financial targets? What would it look like and who should determine the consequence? Board president Sakurako Fisher turned the question on its head and suggested that maybe an incentive could be put in place for meeting financial targets—a

carrot instead of a stick. How could rewards be structured and administered for the symphony meeting its goals?

Accountability was central for either option. Hanson maintained, “An environment that lacks accountability may feel comfortable initially, but could end up feeling aimless.” Accountability has its limits however. How much can each constituency affect financial performance of the organization as a whole? What if targets are missed but are out of management’s control? These and other questions linger on the horizon as transparency and ownership infuse the San Francisco Symphony just as the generous lifeline of bridge funding expires all too quickly.

APPENDIX I

San Francisco Symphony Proposed Five-Year Financial Model

San Francisco Symphony Five-Year Hypothetical Financial Model 2018-19 through 2022-23

October 30, 2017
(\$ in 000's)

	2016-17	2017-18 Budget	4-yr CAGR %	% of Total	2018-19	2019-20	2020-21	2021-22	2022-23	4-yr CAGR %	% of Total
Revenue											
Earned											
DSH *	\$ 12,769	\$ 13,790	0.5%		\$ 12,593	\$ 12,716	\$ 12,841	\$ 12,967	\$ 13,094	1.0%	
Other	14,298	13,424	0.8%		13,827	14,242	14,669	15,109	15,562	3.0%	
Total Earned	\$ 27,068	\$ 27,214	0.7%	38%	\$ 26,420	\$ 26,958	\$ 27,510	\$ 28,076	\$ 28,656	2.1%	33%
Contributed											
Annual Fund	\$ 14,639	\$ 15,945	0.1%		\$ 16,424	\$ 16,916	\$ 17,424	\$ 17,947	\$ 18,485	3.0%	
Other	13,102	13,905	7.9%		13,705	13,767	13,950	14,344	14,821	2.0%	
Total Contributed	\$ 27,741	\$ 29,850	3.4%	42%	\$ 30,128	\$ 30,683	\$ 31,374	\$ 32,290	\$ 33,306	2.5%	39%
Endowment											
YE Market Value	\$ 299,828	\$ 358,583			\$ 373,391	\$ 396,987	\$ 439,128	\$ 476,761	\$ 495,982		
Draw Funding ¹	\$ 13,762	\$ 14,703	2.4%		17,458	18,841	20,285	21,788	23,844		
Total Endowment	\$ 13,762	\$ 14,703	2.4%	20%	\$ 17,458	\$ 18,841	\$ 20,285	\$ 21,788	\$ 23,844	8.1%	28%
Total Revenue	\$ 68,571	\$ 71,767	2.1%	100%	\$ 74,006	\$ 76,482	\$ 79,168	\$ 82,155	\$ 85,806	3.8%	100%
Expenses											
Contractual	\$ 37,065	\$ 36,773	2.6%	47%	\$ 37,824	\$ 38,712	\$ 38,532	\$ 39,488	\$ 40,468	1.7%	47%
Non-Contractual	39,194	40,935	3.1%	53%	41,720	42,520	43,335	44,166	45,014	1.9%	53%
Total Expenses	\$ 76,259	\$ 77,708	2.8%	100%	\$ 79,544	\$ 81,232	\$ 81,867	\$ 83,655	\$ 85,482	1.8%	100%
Net Surplus/(Deficit)	\$ (7,770)	\$ (5,888)			\$ (5,537)	\$ (4,750)	\$ (2,699)	\$ (1,500)	\$ 324		

* Davies Symphony Hall

Note:

1. Draw funding includes interest expense for the line of credit

APPENDIX 2

San Francisco Symphony Proposed Four-Year Financial Model

San Francisco Symphony Four-Year Hypothetical Financial Model 2018-19 through 2021-22 April 5, 2018 (\$ in 000's)

	2017-18		4-yr		% of		2018-19	2019-20	2020-21	2021-22	3-yr	
	2016-17	Projection	CAGR %	Total							CAGR %	% of Total
Revenue												
Earned												
DSH *	\$ 12,769	\$ 11,410	-4.1%				\$ 11,183	\$ 11,323	\$ 11,493	\$ 11,694	1.1%	
Other	14,252	15,045	3.5%				13,195	13,893	14,251	14,618	2.6%	
Total Earned	\$ 27,021	\$ 26,455	-0.2%	37%			\$ 24,378	\$ 25,217	\$ 25,744	\$ 26,312	1.9%	33%
Contributed												
Annual Fund	\$ 14,639	\$ 16,153	0.4%				\$ 16,573	\$ 17,093	\$ 17,427	\$ 17,768	1.8%	
Other	13,102	13,497	7.0%				13,416	13,829	13,238	13,956	1.0%	
Total Contributed	\$ 27,741	\$ 29,650	3.2%	42%			\$ 29,990	\$ 30,922	\$ 30,664	\$ 31,724	1.4%	40%
Endowment												
Market Value	\$ 305,413	\$ 273,209					\$ 259,746	\$ 273,237	\$ 312,324	\$ 322,078		
% of Withdrawal to												
Market Value	4.5%	5.5%					6.4%	6.7%	6.7%	6.6%		
Endowment Withdrawal	\$ 13,731	\$ 15,005	2.9%	21%			\$ 16,622	\$ 18,336	\$ 20,792	\$ 21,357	6.5%	27%
Total Revenue	\$ 68,494	\$ 71,109	1.8%	100%			\$ 70,990	\$ 74,474	\$ 77,201	\$ 79,393	2.8%	100%
Expenses												
Contractual	\$ 37,098	\$ 37,083	2.7%	48%			\$ 37,516	\$ 37,919	\$ 37,645	\$ 38,475	0.6%	48%
Non-Contractual	39,215	39,955	2.4%	52%			38,471	40,063	41,041	40,843	1.5%	51%
Total Expenses	\$ 76,312	\$ 77,038	2.6%	100%			\$ 75,987	\$ 77,983	\$ 78,687	\$ 79,318	1.1%	100%
Tour	(82)	50					-	-	-	-		
Net Surplus/(Deficit)	\$ (7,901)	\$ (5,879)					\$ (4,998)	\$ (3,508)	\$ (1,486)	\$ 75		
Bridge Funding							\$ 4,998	\$ 3,508	\$ 1,486			

* Davies Symphony Hall



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