

# **San Francisco Symphony**

Financial Statements and Report of Independent Certified Public Accountants

August 31, 2022 and 2021

## TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1 - 3
Statements of Financial Position	4
Statements of Activities	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 39
Supplementary Information:	
Schedule of Changes in Endowment Net Assets	40-42

---

**GRANT THORNTON LLP**

101 California St., Suite 2700  
San Francisco, CA 94111-5830

**D** +1 415 986 3900

**F** +1 415 986 3916

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Audit Committee of the Board of Governors  
San Francisco Symphony

**Opinion**

We have audited the financial statements of the San Francisco Symphony (a California nonprofit corporation) (the "SFS"), which comprise the statement of financial position as of August 31, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SFS as of August 31, 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for opinion**

We conducted our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America ("US GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the SFS and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Other matter**

The financial statements of the San Francisco Symphony as of and for the year ended August 31, 2021 were audited by other auditors who expressed an unmodified opinion on those financial statements in their report dated February 28, 2022.

**Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the SFS's ability to continue as a going concern for one year after the date the financial statements are issued.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SFS's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the SFS's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Supplementary information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Changes in Endowment Net Assets for the year ended August 31, 2022 on pages 41 and 42, is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.



San Francisco, California  
June 30, 2023

**SAN FRANCISCO SYMPHONY**  
**Statements of Financial Position**  
**August 31, 2022 and 2021**  
(in thousands)

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash	\$ 8,159	\$ 22,510
Short-term investments	430	329
Promises to give, net	5,219	11,774
Receivables under charitable remainder trusts	2,138	2,519
Prepays and other assets	12,021	10,860
Investments	323,454	356,191
Assets held in split interest agreements	4,950	5,832
Property and equipment, net	18,026	19,104
Net pension benefit assets	2,339	-
Total assets	<u>\$ 376,736</u>	<u>\$ 429,119</u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and other accrued liabilities	\$ 7,202	\$ 9,360
Bank lines of credit	-	-
Advance ticket sales	8,913	8,098
Liabilities to beneficiaries of split interest agreements	2,631	3,132
Pension benefit liabilities	231	9,227
Total liabilities	<u>18,977</u>	<u>29,817</u>
Net assets		
Without donor restrictions	33,173	35,083
With donor restrictions	324,586	364,219
Total net assets	<u>357,759</u>	<u>399,302</u>
Total liabilities and net assets	<u>\$ 376,736</u>	<u>\$ 429,119</u>

The accompanying notes are an integral part of these financial statements.

**SAN FRANCISCO SYMPHONY**  
**Statements of Activities**  
**For the Years Ended August 31, 2022 and 2021**  
**(in thousands)**

	<b>2022</b>			<b>2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES</b>						
Contributions:						
Financial assets	\$ 15,353	\$ 19,041	\$ 34,394	\$ 18,835	\$ 12,518	\$ 31,353
Nonfinancial assets	597	13	610	1,102	-	1,102
Concert and related revenues	22,674	-	22,674	4,963	-	4,963
Donated tickets	1,014	-	1,014	2,131	-	2,131
Investment income and net (losses)/gains	(2,030)	(40,090)	(42,120)	2,417	73,596	76,013
Retail and media	239	-	239	113	-	113
Other	1,402	-	1,402	94	-	94
Total revenues	39,249	(21,036)	18,213	29,655	86,114	115,769
Net assets released from restriction	3,458	(3,458)	-	6,867	(6,867)	-
Endowment earnings appropriated	15,139	(15,139)	-	13,166	(13,166)	-
Total net assets released	18,597	(18,597)	-	20,033	(20,033)	-
Total revenues and releases	57,846	(39,633)	18,213	49,688	66,081	115,769
<b>EXPENSES</b>						
Personnel	49,073	-	49,073	42,186	-	42,186
Guest conductors and artists	4,571	-	4,571	442	-	442
Professional fees	7,899	-	7,899	5,019	-	5,019
Purchased services	3,098	-	3,098	1,583	-	1,583
Travel and accommodations	330	-	330	145	-	145
Facilities	1,405	-	1,405	789	-	789
Supplies	1,236	-	1,236	357	-	357
Insurance	413	-	413	400	-	400
Taxes	136	-	136	29	-	29
Other	4,291	-	4,291	2,651	-	2,651
Depreciation and amortization	2,299	-	2,299	1,779	-	1,779
Total expenses	74,751	-	74,751	55,380	-	55,380
Change in net assets from operations	(16,905)	(39,633)	(56,538)	(5,692)	66,081	60,389
Other income/(expense):						
Forgiveness of Paycheck Protection Program	-	-	-	2,000	-	2,000
Shuttered Venue Operators Grant	-	-	-	8,000	-	8,000
Employee Retention Tax Credits	1,852	-	1,852	4,194	-	4,194
Net decrease in pension benefit liabilities	13,143	-	13,143	19,973	-	19,973
Change in net assets	(1,910)	(39,633)	(41,543)	28,475	66,081	94,556
Net assets, beginning of year	35,083	364,219	399,302	6,608	298,138	304,746
Net assets, end of year	\$ 33,173	\$ 324,586	\$ 357,759	\$ 35,083	\$ 364,219	\$ 399,302

The accompanying notes are an integral part of these financial statements.

**SAN FRANCISCO SYMPHONY**  
**Statements of Cash Flows**  
**For the Years Ended August 31, 2022 and 2021**  
**(in thousands)**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ (41,543)	\$ 94,556
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation and amortization	2,305	1,779
Allowance for doubtful accounts	311	267
Obsolete inventory	176	-
Net unrealized and realized gains/losses on investments	41,217	(72,983)
Donated assets	(3)	-
Contributions to net assets with permanent restrictions	(12,007)	(4,929)
Change in pension benefit liabilities	(11,335)	(18,094)
Change in operating assets and liabilities		
Promises to give, net	5,500	51
Assets held in split interest agreements	883	(616)
Prepays and other assets	(1,856)	(4,921)
Accounts payable and other accrued liabilities	(2,158)	3,417
Advance ticket sales	815	1,100
Liabilities to beneficiaries of split interest agreements	(500)	(186)
Net cash used in operating activities	<u>(18,195)</u>	<u>(559)</u>
Cash flows from investing activities		
Proceeds from sales of investments	393,030	23,878
Purchases of investments	(401,510)	(5,591)
Proceeds from sales / purchases of short-term investments	(102)	12
Acquisitions of property and equipment	(705)	(2,545)
Net cash provided by (used in) investing activities	<u>(9,287)</u>	<u>15,754</u>
Cash flows from financing activities		
Receipt of contributions to net assets with donor restrictions	13,131	3,041
Repayment on borrowings on bank loan	-	(1,000)
Net cash provided by financing activities	<u>13,131</u>	<u>2,041</u>
Net change in cash	(14,351)	17,236
Cash, beginning of year	22,510	5,274
Cash, end of year	<u>\$ 8,159</u>	<u>\$ 22,510</u>
Cash consisted of the following:		
Cash and cash equivalents	7,337	22,078
Restricted cash	822	432
Total	<u>\$ 8,159</u>	<u>\$ 22,510</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid - interest	\$ -	\$ 5



The accompanying notes are an integral part of these financial statements.

**SAN FRANCISCO SYMPHONY**

Notes to Financial Statements

August 31, 2022 and 2021

(in thousands)

**1. ORGANIZATION**

Founded in 1911, the San Francisco Symphony ("SFS") normally presents more than 220 concerts and presentations annually for an audience of nearly 450,000 in its home at Davies Symphony Hall and through its national and international touring. A cornerstone of the organization's mission, the SFS's education programs are the most extensive offered by any American orchestra today, providing free music education to every first- through fifth-grade student in the San Francisco public schools, and serving more than 75,000 children, students, educators, and families annually. The SFS radio broadcasts, the first in the nation to feature symphonic music when they began in 1926, today carry the SFS's concerts across the country. In 2004, the SFS launched the multimedia Keeping Score on PBS-TV and online and in 2014, the SFS inaugurated SoundBox, an experimental performance venue and music series located backstage at Davies Symphony Hall.

The mission of the SFS is to inspire and serve audiences and communities throughout the Bay Area and the world through the power of musical performance. The SFS strives to be a leader and catalyst for reimagining how people everywhere engage with orchestral music in deep and meaningful ways.

**2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the SFS are prepared on the accrual basis. The financial information conforms to the statements of accounting principles of the Financial Accounting Standards Board ("FASB").

**Significant Accounting Policies**

**Cash** - Cash consists of demand deposits and includes restricted cash amounts of \$822 and \$432 as of August 31, 2022 and 2021, respectively. Restricted cash balances represent funds collected by the SFS for hall improvements at Davies Symphony Hall and are subject to approval by the City of San Francisco for use.

**Short-Term Investments** - Short-term investments are primarily money market funds with underlying securities maturing in less than 90 days.

**Promises to Give** - Promises to give are recorded when deemed unconditional. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using the risk-free rates adjusted for potential credit risk applicable in the years in which those promises are received. Amortization of the discounts is included in gifts, grants, and bequests revenue.

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

Conditional promises to give are not recorded as revenue until the conditions have been substantially met. Transfers of assets with a conditional promise to contribute are accounted for as a refundable advance and are included in accounts payable and other accrued liabilities until the conditions have been substantially met or have been explicitly waived by the donor. As of August 31, 2022 and 2021, there are no conditional promises outstanding.

The SFS continually monitors donors' credit worthiness and recognizes allowances for estimated bad debts on donor accounts that are no longer estimated to be collectible.

**Receivables Under Charitable Remainder Trusts** - Assets contributed by donors under charitable remainder trust agreements and controlled by third parties are recognized at the present value of the estimated future distributions to be received by the SFS over the term of the agreements. The SFS is a named beneficiary in nine charitable remainder trusts. One of the nine trusts is a perpetual trust where the SFS has an irrevocable right to receive specified yearly distributions over the life of the trust but is not a named beneficiary upon termination of the trust. The eight other trusts provide the SFS with beneficial interests to be received upon termination of the trusts. The SFS's beneficial interest in these trusts has been valued at estimated fair value based on the discounted present value of future cash flows at risk-adjusted rates ranging from 6.0% to 10.0%. Two trusts represented 89% and 87% of the total value of these receivables at August 31, 2022 and 2021, respectively.

**Prepays and Other Assets** - Prepaid assets consist primarily of prepaid marketing and special event expenses. Such amounts are deferred and recorded as expense in the period benefitted. Other assets include loans to employees, Employer Retention Tax Credit receivable, other general receivables, and inventory. As of August 31, 2022 and 2021, \$2,828 and \$3,216, respectively, of employee loans are outstanding.

**Investments and Fair Value Measurements** – Investments represent a diversified portfolio of public and private domestic and international equity securities, fixed income securities, and alternative investments in private equity, venture capital, real estate, and hedge funds. Investments are reported at fair value. The values of publicly traded fixed income and equity securities are based on quoted market prices. Fair values for shares in mutual funds are based on share prices reported by the funds as of the last business day of the fiscal year. Nonmarketable securities, which include investments in hedge funds, venture capital funds, and real estate funds or limited partnerships, are valued using net asset value ("NAV"), or its equivalent, provided by fund managers as a practical expedient to estimate fair value, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. These non-marketable investments often require the estimation of fair values by the fund managers in the absence of readily determinable market values. As of August 31, 2022, and 2021, the SFS had no specific plans or intentions to sell investments at amounts different than NAV. Because of the inherent uncertainty of valuing these investments, the SFS's estimate of fair value may differ significantly from the values that would have been used had a ready market for the investments existed.

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels of inputs:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The investments reported at NAV as a practical expedient are not required to be categorized in the fair value hierarchy.

Dividend and interest income are accrued when earned. Net realized and unrealized gains (losses) are included in investment income and net gains (losses) in the statements of activities. Investment income and net gains are reported net of custodial and investment advisory fees of \$1,206 and \$1,008 for the years ended August 31, 2022 and 2021, respectively.

**Assets Held in Split Interest Agreements** - Charitable remainder trusts and gift annuities are irrevocable trusts under the administration of the SFS, as trustee, where the SFS is an irrevocable remainderman. These assets represent the assets held in split interest agreements and are recognized at fair value upon execution. Liabilities associated are recorded at the present value of the expected payments to the beneficiaries using a rate that is reflective of investment returns consistent with the composition of the investment portfolio, life expectancies from certain mortality tables for the years ended August 31, 2022 and 2021, and a discount rate of 4.75%. Changes in the fair market value as a result of earnings, net of beneficiary distributions, are recognized as investment income with donor restrictions in the accompanying statements of activities. As of August 31, 2022 and 2021, \$3,010 and \$3,442, respectively, of the assets were gift annuities and \$1,940 and \$2,390, respectively, were charitable remainder trusts.

**Property and Equipment** - Such assets consist of musical instruments, leasehold improvements, furniture, equipment, and software. Assets in excess of \$5 are capitalized and recorded at cost, net of accumulated depreciation and amortization. Depreciation and amortization are computed on the straight-line method over the estimated useful lives of the assets which range from three to thirty years. Musical instruments are not depreciated as their estimated useful lives are extraordinarily long and these assets are expected to maintain their value. Contributed equipment is recorded at fair value at the date of donation. The carrying amount of all long-lived assets is evaluated periodically to determine if reductions to the carrying amount or adjustments to the useful lives of the undepreciated balances are warranted. No indicators of asset impairment were found as of August 31, 2022 and 2021.

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

**Net Assets** - Net assets are categorized as (1) without donor restrictions and (2) with donor restrictions.

*Net assets without donor restrictions* are derived from gifts and other resources that are not subject to explicit donor-imposed restrictions. This category also includes income and gains on these funds. Certain net assets classified as without donor restrictions for external reporting purposes are board-designated for support of the SFS's operations.

*Net assets with donor restrictions* are generally established by donors in support of specific purposes such as youth orchestra, education, real estate investments, orchestra and artist compensation, and other specific purposes. This category includes gifts (including those held in perpetuity in the endowment), pledges, trusts and remainder interests, and income and gains that can be expended but for which restrictions have not yet been met. Such restrictions include purpose restrictions and time restrictions imposed by donors or implied by the nature of the gift, or by the interpretations of law. Donor restrictions are normally released upon the passage of time and/or the incurrence of expenditures that fulfill the donor-specified purpose.

Endowment fund appreciation, gains, and income exceeding donor restrictions are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the SFS's Board of Governors (the "Board"). Upon appropriation, appreciation and earnings are reclassified as net assets without donor restrictions.

**Advance Ticket Sales** - Advance ticket sales represent concert revenues received in advance of the period the related concerts will be performed. Such amounts are deferred and recognized as revenue in the period the performance takes place.

**Revenue Recognition** – Concert and related revenues are recognized upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Accordingly, five basic criteria must be met before revenue can be recognized: 1) identification of the contract with the customer; 2) identification of the performance obligations in the contract; 3) determination of the transaction price; 4) allocation of the transaction price to the performance obligation in the contract; and 5) recognition of revenue when, or as, the SFS satisfied a performance obligation.

Gifts, grants, and bequests are recognized as revenue when received or unconditionally promised. The SFS reports gifts of cash and other assets as restricted support if such gifts are received with donor restrictions that limit for what purpose or when the donated assets can be used. When a donor restriction is met, such net assets are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

**Donated Tickets** – The SFS received in-kind contributions of tickets related to canceled concerts of \$1,014 and \$2,131 for the years ended August 31, 2022 and 2021, respectively, which were recorded at fair value at the date of contribution.

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

**Contributed Nonfinancial Assets** - Recognition of contributed services require that such services must a) create or enhance non-financial assets, b) require specialized skills, c) be performed by individuals possessing those skills, and d) typically need to be acquired if not provided by donation. Donated services are recorded at their estimated fair values at the dates of donation and are reported as unrestricted income unless the donor has restricted the services to a specific purpose. For the years ended August 31, 2022 and 2021, \$478 and \$1,044, respectively, of legal and consulting contributed services were recognized as income. Additionally, the SFS receives numerous additional hours of donated services from volunteers in various capacities which are not reflected in the accompanying financial statements as the criteria for recognition are not met.

The SFS also received in-kind contributions of food, beverages related to its fundraising events and musical instruments for the youth orchestra. For the years ended August 31, 2022 and 2021, the SFS received \$132 and \$58, respectively, of contributed goods that were recorded at fair value at the date of donation.

For the years ended August 31, contributed nonfinancial assets recognized within the statements of activities included:

	<u>2022</u>	<u>2021</u>
Legal services	\$ 474	\$ 1,034
Other professional services	4	10
Food and beverage	129	58
Musical instruments	3	-
Total	<u>\$ 610</u>	<u>\$ 1,102</u>

The SFS recognized contributed nonfinancial assets within revenue, including contributed legal services, consulting, food and beverage, and instruments for the youth orchestra. None of these assets had donor-imposed restrictions.

The fair market value of contributed goods is generally the price for which the asset would sell on the open market on the day of the donation. The SFS determines the fair value by using comparable services and products.

**Paycheck Protection Program ("PPP")** – The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") provides for funding of qualifying organizations for amounts up to 2.5 times the average monthly payroll expenses of the qualifying organization. The amount funded plus any accrued interest are forgivable after eight or twenty-four weeks if the organization uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities, and maintains its payroll levels. The amount of forgiveness will be reduced if the borrower terminates employees or reduces salaries during the forgiveness period. The SFS recorded its PPP funding pursuant to ASC 958-605 "Grants and Contributions" as a conditional contribution.

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

**Employee Retention Tax Credit** - The Employee Retention Tax Credit ("ERTC"), a credit against certain payroll taxes allowed to an eligible employer for qualifying wages, was established by the CARES Act and further amended by the Consolidated Appropriations Act and the American Rescue Plan. ERTC acts as fully refundable credits against the employer portion of Social Security taxes based on the amount of qualified wages that an eligible employer has incurred. The maximum credit is based on a qualified-wages ceiling for each employee. The SFS recorded its ERTC funding pursuant to ASC 958-605 "Grants and Contributions" as a conditional contribution. As of August 31, 2022 and 2021, the SFS has not yet collected these amounts due which amounted to \$6,046 and \$4,194, respectively, and are, therefore, reported as prepaids and other assets on the accompanying statement of financial position.

**Shuttered Venue Operators Grant** - The Shuttered Venue Operators Grant ("SVOG") program was established by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, as amended by the American Rescue Plan Act, and is administered by the Small Business Administration's Office of Disaster Assistance. The SVOG program includes grants to be provided to eligible entities with venues that were forced to close due to COVID-19. SVOG funds may be used to cover certain expenses, including payroll, rent, scheduled mortgage or debt payments, state and local taxes and fees, and other ordinary and necessary business expenses. For the year ended August 31, 2021, \$8,000 of SVOG funds were recognized as income as qualifying expenditures under the program were met.

**Reclassifications** – Certain prior year balances have been reclassified to conform to the current year presentation.

**Income Tax Status** - The SFS is a nonprofit organization pursuant to Internal Revenue Code Section 501(c)(3) and the state of California equivalent legislation and, accordingly, is exempt from federal and state income taxes on income related to its tax-exempt purpose.

The SFS evaluated its current tax positions and concluded that as of August 31, 2022 and 2021, the SFS does not have any significant uncertain tax positions for which a reserve would be necessary. For state tax purposes, the SFS is generally no longer subject to tax examinations for years prior to 2018. For federal tax purposes, the SFS is no longer subject to tax examinations for years prior to 2019.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Concentrations** - Financial instruments which potentially subject the SFS to credit risk consist primarily of cash, marketable securities, and investments. The SFS maintains cash, marketable securities, and investments with various major financial institutions. At times, such amounts may

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

exceed Federal Deposit Insurance Corporation limits. The SFS manages credit risk by establishing minimum credit standards for financial institutions and limiting the amount of credit exposure with any one institution. The SFS closely monitors its investments and has not experienced any credit losses.

**Collective Bargaining Agreements** - As of August 31, 2022, approximately 79% of the SFS's employees were covered by collective bargaining agreements. The collective bargaining agreement with the American Guild of Musical Artists covering San Francisco chorus members expires August 31, 2023. The Theatrical Employees Union, Local B18, of the International Alliance of Theatrical Stage Employees, Moving Picture Machine Operators of the United States and Canada, covering ticket service employees and ushers, expires on May 31, 2023, and the collective bargaining agreement with the Local 6, American Federation of Musicians covering the SFS musicians expires on November 26, 2022. The collective bargaining agreement with the International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts of the United States and Canada, Local 16, covering stage employees, and Local 784, covering wardrobe employees, expires on October 31, 2023 and December 31, 2023, respectively. As a result of the COVID-19 global pandemic and the SFS's city-imposed restriction on live performances, the SFS renegotiated some of its collective bargaining agreements whereby compensation was reduced during the remaining period of existing respective agreements.

**New Accounting Pronouncements**

In February 2016, the Financial Accounting Standards Board issued ASU 2016-02, *Leases (Topic 842)*. The amendments in this update will supersede much of the existing authoritative guidance for leases. This guidance requires lessees, among other things, to recognize right-of-use assets and liabilities on their statement of financial position for all leases with lease terms longer than 12 months. The amendments in the update are effective for fiscal years beginning after December 15, 2021, with early application permitted. The SFS is currently evaluating the impact of this pronouncement on its financial statements.

Effective as of September 1, 2021, the SFS adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. This update intends to increase the transparency of contributed nonfinancial assets. The SFS's adoption resulted in a change to its statement of activities where contributions are separated into financial assets and nonfinancial assets. Additional disclosures have been added to provide further information in regard to the nonfinancial assets' use, and donor-imposed restrictions, and a description of the valuation methods.

**3. LIQUIDITY AND AVAILABLE RESOURCES**

The SFS's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the statements of financial position are as follows:

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash (net of restricted cash \$822 and \$432)	\$ 7,337	\$ 13,729
Short-term investments	430	329
Employee Retention Tax Credit (included as prepaids and other assets)	6,046	4,194
Promises to give - without donor restrictions (within one year)	1,599	3,354
Investments - without donor restrictions	<u>17,943</u>	<u>13,505</u>
Total financial assets available within one year	33,355	35,111
Liquidity resources:		
Bank line of credit (undrawn)	8,000	8,000
Total financial assets and resources available within one year	<u>\$ 41,355</u>	<u>\$ 43,111</u>

As part of its liquidity management, the SFS structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The SFS invests cash in excess of daily requirements in short-term investments. To help manage liquidity needs that arise primarily as a result of receipts timing, the SFS has an \$8 million line of credit available to draw upon on a daily basis.

For financial reporting purposes, donor-restricted endowment fund appreciation, gains, and income exceeding donor restrictions are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the SFS Board of Governors in a manner consistent with the standard of prudence prescribed by law. Upon appropriation, appreciation and earnings are reclassified as net assets without donor restrictions. The tabular amounts above exclude the portion of the SFS endowment with donor restrictions that relates to endowment fund appreciation, gains, and income that have not yet been appropriated for expenditure which totals \$45,833 and \$75,126 at August 31, 2022 and 2021, respectively.



**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

**4. PROMISES TO GIVE**

Promises to give consist of the following:

	<u>2022</u>	<u>2021</u>
Receivable in:		
Less than one year	\$ 2,840	\$ 8,258
One to five years	311	1,580
More than five years	3,643	3,641
Total	<u>6,794</u>	<u>13,479</u>
Discount	(1,220)	(1,333)
Less allowance for uncollectible pledges	(355)	(372)
Total	<u>\$ 5,219</u>	<u>\$ 11,774</u>

Included in promises to give as of August 31, 2022 and 2021 are \$4,504 and \$8,340, respectively, from two donors.

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

**5. FAIR VALUE MEASUREMENTS**

The following table sets forth, by level within the fair value hierarchy, the SFS's assets and liabilities at fair value as of August 31, 2022 and 2021:

<b>2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>NAV</b>	<b>Total</b>
Cash and short-term investments	<u>\$ 8,159</u>				<u>\$ 8,159</u>
Receivables under charitable remainder trusts			<u>\$ 2,138</u>		<u>\$ 2,138</u>
Investments:					
Cash and cash equivalents for reinvestment	\$ 13,146	\$ -	\$ -	\$ -	\$ 13,146
Fixed income					
Total return	23,767	-	-	12,464	36,231
Floating rate high income	7,265	-	-	-	7,265
Equity					
Domestic equity	35,621	-	-	14,641	50,262
International equity	11,512	-	-	11,878	23,390
Global equity	-	-	-	65,162	65,162
Emerging equity	-	-	-	9,721	9,721
Absolute Return					
Multistrategy	-	-	-	28,017	28,017
Hedged equities	-	-	-	38,176	38,176
Private equity					
Buyout	-	-	-	24,616	24,616
Venture	-	-	-	3,824	3,824
Special situations	-	-	-	1,413	1,413
Real estate					
Core	3,841	-	4,763	1,253	9,857
Opportunistic	-	-	-	8,399	8,399
Value added	-	-	-	3,974	3,974
Total investments	<u>\$ 95,152</u>	<u>\$ -</u>	<u>\$ 4,763</u>	<u>\$ 223,538</u>	<u>\$ 323,453</u>
Assets held in split interest agreements	<u>\$ 4,950</u>				<u>\$ 4,950</u>
Liabilities to beneficiaries of split interest agreements	<u>\$ 2,631</u>				<u>\$ 2,631</u>

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

<b>2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>NAV</b>	<b>Total</b>
Cash and short-term investments	<u>\$ 22,839</u>				<u>\$ 22,839</u>
Receivables under charitable remainder trusts			<u>\$ 2,519</u>		<u>\$ 2,519</u>
Investments:					
Cash and cash equivalents for reinvestment	\$ 16,707	\$ -	\$ -	\$ -	\$ 16,707
Fixed income					
Total return	16,392	-	-	-	16,392
Floating rate high income	5,079	-	-	-	5,079
Equity					
Domestic equity	97,500	-	-	-	97,500
International equity	76,053	-	-	-	76,053
Global equity	28,267	-	-	-	28,267
Master limited partnership	18,839	-	-	-	18,839
Emerging equity	12,006	-	-	-	12,006
Preferred stock	5,672	-	-	-	5,672
Absolute Return					
Multistrategy	-	-	-	10,965	10,965
Hedge fund of funds	-	-	-	11,176	11,176
Private equity					
Buyout	-	-	-	26,191	26,191
Direct	-	-	-	4,195	4,195
Venture	-	-	-	5,648	5,648
Special situations	-	-	-	1,235	1,235
Real estate					
Core	-	-	-	2,374	2,374
Opportunistic	-	4,752	-	8,809	13,561
Value added	-	-	-	4,331	4,331
Total investments	<u>\$ 276,515</u>	<u>\$ 4,752</u>	<u>\$ -</u>	<u>\$ 74,924</u>	<u>\$ 356,191</u>
Assets held in split interest agreements	<u>\$ 5,832</u>				<u>\$ 5,832</u>
Liabilities to beneficiaries of split interest agreements	<u>\$ 3,132</u>				<u>\$ 3,132</u>

\*Certain investments that are measured at fair value using the NAV (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to illustrate the reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

In accordance with ASU No. 2009-12, Fair Value Measurements and Disclosures, disclosures regarding the category, fair value, unfunded commitments, redemption, frequency, and redemption notice period for those assets whose fair value is estimated using NAV per share as of August 31, 2022 and 2021, are summarized as follows:

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

Category/Objective	Fair Value Determined Using NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
<b>2022</b>				
Absolute return/hedged equities	\$ 38,176	\$ -	Monthly/quarterly	45-60 days
Absolute return/multistrategy	28,017	-	Monthly/quarterly	30-90 days
Domestic equity	14,641	-	Quarterly/annually	60-90 days
Global equity	65,162	-	Monthly/quarterly/annually	30-65 days
Emerging equity	9,721	-	Monthly	45 days
International equity	11,878		Quarterly	30 days
Fixed income/total return	12,463		Quarterly	60 days
Private equity/buyout	24,616	3,286	N/A	N/A
Private equity/venture	2,824	318	N/A	N/A
Private equity/special situations	1,414		N/A	N/A
Real estate/core	1,253		N/A	N/A
Real estate/opportunistic	8,399	3,020	N/A	N/A
Real estate/value added	3,975	1,409	N/A	N/A
Total	<u>\$ 222,539</u>	<u>\$ 8,033</u>		

Category/Objective	Fair Value Determined Using NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
<b>2021</b>				
Absolute return/hedge funds	\$ 22,141	\$ -	Quarterly / Semi-annually	1 month prior
Private equity	37,268	4,629	N/A	N/A
Real estate	15,515	5,892	Quarterly / N/A	If applicable, 40 and 10 days prior
Total	<u>\$ 74,924</u>	<u>\$ 10,521</u>		

Absolute Return/Hedged Equities – These investments are focused on generating absolute return over a five-to-seven-year period. Most of these funds use a master-feeder structure, where the feeder funds employ the same objectives as the master fund. Investments are in securities, both debt and equity, long and short, with an emphasis on capital preservation and appreciation.

Absolute Return/Multistrategy – These investments are focused on generating absolute return by allocating assets among various internal and external portfolio managers that employ various strategies. The objective is to achieve consistent returns, independent of stock market movements, by investing in equities and other special situations.

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

Domestic Equity – These investments are focused on small-cap public companies in regional markets. The portfolio is diversified across core positions with a significant percentage of the exposure related to mergers and acquisitions.

Global Equity – These investments are focused on generating absolute and net equity returns over a multi-year cycle, accepting moderate near-term volatility as a mechanism to achieve long-term results. Several of these funds use a master-feeder structure, where the feeder funds employ the same objectives as the master fund. Investments are in long and short global equity securities and debt (and their derivatives).

Emerging Equity – These investments are focused on achieving returns across market cycles, with a strong emphasis on capital preservation. The funds seek to invest primarily in equity securities, exchange-traded funds, fixed income securities, futures, and currencies.

International Equity – This investment is focused on generating long-term growth through equity investments across a broad range of European industry sectors and countries.

Fixed Income/Total Return – These investments are focused on generating positive absolute returns by investing capital in a portfolio of mortgage-backed securities, equity securities, derivatives, and other investments. These funds are managed without duration constraints.

Private Equity/Buyout – These investments are focused on privately negotiated transactions, generally sourced on a co-investment basis with certain private equity partnerships in companies whose principal operations are in North America.

Private Equity/Venture – This investment is focused primarily on venture capital and growth equity. The fund is expected to continue through August, 2026, subject to extension for up to three successive one-year periods.

Private Equity/Special Situations – This investment is focused on selected distressed debt investments, with a goal of achieving rates of return superior to other traditional investments. The portfolio consists of partnership or other commingled investment funds and managed accounts under separate investment advisory agreements with portfolio managers that invest in high-yield securities, public and private debt, bank loans, trade claims, equity, and other distressed obligations.

Real Estate/Core – This investment is focused on investing in real estate assets through option agreements with homeowners in which the homeowners grant the investment partnership the right to participate in future appreciation of the property in exchange for an option payment made to the homeowner by the partnership. These investment activities are intended to assist educators and other non-profit employees in purchasing a home.

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

Real Estate/Opportunistic – These investments are focused on making debt and equity investments in real estate and real estate-related securities and businesses.

Real Estate/Value-Added – These investments are focused on current income and capital appreciation primarily through investments in value-added real estate assets and performing and non-performing mortgages. The primary investment in a limited partnership with an eight-year term, ending in February 2026.

**6. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at August 31, 2022 and 2021:

	<b>2022</b>	<b>2021</b>
Musical instruments	\$ 11,978	\$ 11,963
Leasehold improvements	20,817	20,520
Computer equipment and software	3,544	3,397
Furniture and office equipment	5,136	4,734
Work in progress	59	211
Total property and equipment	41,534	40,825
Less: accumulated depreciation	(23,508)	(21,721)
Total	<u>\$ 18,026</u>	<u>\$ 19,104</u>

Depreciation expense for the years ended August 31, 2022 and 2021, are \$1,780 and \$1,779, respectively.

**7. BANK LINES OF CREDIT**

On March 20, 2020, the SFS obtained an \$8 million line of credit to finance working capital needs. Any outstanding principal balance was due and payable in full on May 1, 2021. Interest expense is determined at the SFS's discretion using rates of a) 0.50% above Daily One Month LIBOR, or b) a fixed rate per annum of 0.50% above LIBOR in effect on the first day of the applicable LIBOR period.

On April 9, 2021, the SFS renewed the \$8 million line of credit to finance working capital needs. Any outstanding principal balance was due and payable in full on May 1, 2022. Interest expense is determined at the SFS's discretion using rates of a) 0.50% above Daily One Month LIBOR, or b) a fixed rate per annum of 0.50% above LIBOR in effect on the first day of the applicable LIBOR period, which was 0.073% at August 31, 2021. As of August 31, 2021, the outstanding balance on this line of credit was \$0. Interest expense incurred for the year ended August 31, 2021 totaled \$0.

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

On May 1, 2022, the SFS again renewed the \$8 million line of credit to finance working capital needs. Any outstanding balance shall be due and payable in full on May 1, 2023. Interest expense is determined at the SFS's discretion using rates of a) a fluctuating rate per annum determined by the bank to be six hundredths percent (0.60%) above the daily simple SOFR in effect from time to time, or b) a fixed rate per annum determined by the bank to be sixty hundredths percent (0.60%) above the SOFR average in effect on the first day of the applicable interest period. As of August 31, 2022, the outstanding balance on this line of credit was \$0. Interest expense incurred for the year ended August 31, 2022 totaled \$0.

**8. PAYCHECK PROTECTION PROGRAM**

On April 5, 2021, the SFS received \$2,000 from the second round of PPP. The PPP, established as part of the CARES Act, provides for funding of qualifying organizations for amounts up to 2.5 times the average monthly payroll expenses of the qualifying organization. The amount funded plus any accrued interest are forgivable as long as the organization uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. SFS recorded its PPP funding pursuant to ASC 958-605 "Grants and Contributions" as a conditional contribution. SFS has recorded its PPP as "Forgiveness of Paycheck Protection Program" in the statements of activities as the conditions for loan forgiveness have been substantially met during the years ended August 31, 2021 and 2020. SFS's first PPP loan was formally forgiven in August 2021 and the second PPP loan in May 2022.

**9. ENDOWMENT**

The SFS's endowment consists of 138 individual funds established for a variety of purposes including both donor restricted endowment funds and funds designated by the Board to function as endowments ("board-designated endowment"). As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The SFS's investment policy is designed to preserve and enhance the inflation-adjusted value of the endowment investments using the total return approach to meet its long-term performance objective of an average annual inflation-adjusted net return of 6%. Asset allocation parameters are established taking into consideration those investments with lock-up periods. This strategy allows for a significant allocation to equity-oriented investments, diversified across asset classes and managers, offering long-term capital appreciation. Portfolio performance is compared against relevant market benchmarks on a quarterly basis. The SFS's investment policy targets an asset allocation of 37% global equities, 20% private equity, 13% hedged equities, 9% private debt, 8% private equity real estate, 6% absolute return, 4% government bonds, 3% inflation-linked bonds, and 1% cash. The Board may, at its discretion, change asset allocations, as deemed necessary.

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

The long-term objective of the SFS is to stabilize annual spending levels to preserve the real value of the endowment over time. In order to do so, the expected return of the endowment considers the annual spending rate, the long-term inflation rate, and any growth factors which the Investment and Finance Committees deem appropriate.

The SFS implemented a new endowment spending policy effective September 1, 2020. Under this new policy, the amount drawn and appropriated to operations is calculated quarterly based upon a 20-quarter moving average of the unitized value of the endowment. That value is then multiplied by 25% of the annualized payout percentage of 5.75% to calculate the effective percentage draw. Under the new policy, the annualized payout percentage of 5.75% will decline gradually over a six-year period to 4.5%.

The computed effective available appropriation rate for the year ended August 31, 2022 was 4.43% of which 4.31% was actually appropriated. The computed effective available appropriation rate for the year ended August 31, 2021 was 4.10% of which 3.56% was actually appropriated.

FASB Accounting Standards Codification Topic 958, Not-for-Profit Entities, provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"), which was enacted in the State of California on January 1, 2009.

Under California UPMIFA, prudent appropriation of income or appreciation from a fund where the value is less than its historic dollar value is permitted. In particular, UPMIFA provides that unless a donor expresses a contrary intention in a gift instrument, a charitable institution may appropriate as much of an endowment fund as it "determines is prudent for the uses, benefits, purposes and duration for which the fund is established," without regard for historic dollar value. Additionally, UPMIFA requires that in making any decision to appropriate "the institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances." Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board. It further provides a requirement that the institution "shall consider, if relevant" the following factors in deciding whether to appropriate from a fund:

- (1) Duration and preservation of the endowment fund
- (2) Purposes of the Symphony and the endowed fund
- (3) General economic conditions
- (4) Possible effects of inflation or deflation
- (5) Expected total return from income and the appreciation of investments
- (6) Other resources of the SFS
- (7) Investment policy of the SFS



**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

From time to time, the fair value of assets associated with individual donor-endowment funds may fall below the value of the initial and subsequent donor gift amounts. These deficits resulted from unfavorable market fluctuations and continued appropriation for certain programs and expenditures that were deemed prudent. Subsequent gains that restore the fair value of the assets of the endowment funds to the required level will be classified as an increase in assets with donor restrictions. Deficiencies of this nature are reflected in the financial statements as follows as of August 31 of the respective years:

	<u>2022</u>	<u>2021</u>
Fair value of endowment funds in an underwater position	\$ 8,794	\$ 2,446
Historical gift value of endowment funds in an underwater position	9,401	2,666
	<u>\$ (607)</u>	<u>\$ (220)</u>

For financial reporting purposes, donor-restricted endowment fund appreciation, gains, and income exceeding donor restrictions are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Board. Upon appropriation, appreciation and earnings are reclassified as net assets without donor restrictions.

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

Endowment net asset composition by type of fund as of August 31, 2022 and 2021 are:

	Without Donor Restrictions	With Donor Restrictions	Total
<b>2022</b>			
Board-designated endowment funds	\$ 17,967	\$ -	\$ 17,967
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	216,970	216,970
Accumulated investment earnings:			
Available for appropriation	-	45,833	45,833
Available for appropriation and restricted for purpose	-	45,309	45,309
Donor-restricted endowment funds	-	308,112	308,112
Total	<u>\$ 17,967</u>	<u>\$ 308,112</u>	<u>\$ 326,079</u>
<b>2021</b>			
Board-designated endowment funds	\$ 14,332	\$ -	\$ 14,332
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	204,961	204,961
Accumulated investment earnings:			
Available for appropriation	-	75,126	75,126
Available for appropriation and restricted for purpose	-	70,072	70,072
Donor-restricted endowment funds	-	350,159	350,159
Total	<u>\$ 14,332</u>	<u>\$ 350,159</u>	<u>\$ 364,491</u>

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

Changes in endowment net assets for the years ended August 31, 2022 and 2021 are:

	Without Donor Restrictions (Board-Designated Endowment)	With Donor Restrictions	Total
Balance, August 31, 2020	\$ 8,225	\$ 285,473	\$ 293,698
Net investment return	2,476	72,928	75,404
Contributions	3,631	4,924	8,555
Endowment draw	-	(13,166)	(13,166)
Total	<u>6,107</u>	<u>64,686</u>	<u>70,793</u>
Balance, August 31, 2021	<u>\$ 14,332</u>	<u>\$ 350,159</u>	<u>\$ 364,491</u>
Net investment return	(2,003)	(38,915)	(40,918)
Contributions	5,638	12,007	17,645
Endowment draw	-	(15,139)	(15,139)
Total	<u>3,635</u>	<u>(42,047)</u>	<u>(38,412)</u>
Balance, August 31, 2022	<u><u>\$ 17,967</u></u>	<u><u>\$ 308,112</u></u>	<u><u>\$ 326,079</u></u>

During the years ended August 31, 2022 and 2021, due to the impact of the pandemic on several SFS programs, the SFS received approval from certain donors to temporarily lift purpose restrictions resulting in additional endowment draws of \$1,056 and \$1,038, respectively.

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

**10. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of August 31, 2022 and 2021 are restricted for the following purposes or subject to the passage of time:

	<b>2022</b>	<b>2021</b>
Endowment:		
General operations	\$ 162,890	\$ 187,915
Artistic excellence	70,390	78,975
Education and community	71,376	83,170
Innovation and special campaigns	3,368	-
Capital	88	100
Total endowment	308,112	350,160
Other Donor Funds:		
Time restricted	\$ 9,678	\$ 8,046
Digital capabilities	1,094	1,100
Artistic excellence	1,472	1,175
Education and community	1,217	947
Innovation and special campaigns	3,013	2,533
Capital	-	258
Total other donor funds	16,474	14,059
Total restricted net assets	<u>\$ 324,586</u>	<u>\$ 364,219</u>

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

Net assets released from restrictions for the years ended August 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Endowment:		
General operations	\$ 8,436	\$ 8,554
Digital capabilities	-	-
Artistic excellence	3,072	2,279
Education and community	3,451	2,304
Innovation and special campaigns	-	-
Capital	180	29
Total endowment	<u>15,139</u>	<u>13,166</u>
Other Donor Funds:		
Time restricted	1,095	1,997
Digital capabilities	32	89
Artistic excellence	260	11
Education and community	1,582	1,024
Innovation and special campaigns	422	3,538
Capital	67	209
Total other donor funds	<u>3,458</u>	<u>6,867</u>
 Total released from restriction	 <u>\$ 18,597</u>	 <u>\$ 20,033</u>

**11. DEFINED BENEFIT RETIREMENT PLANS**

The SFS maintains two defined-benefit pension plans, one for members of the orchestra, the San Francisco Retirement Plan (the “Orchestra Plan”), and one for administrative employees, the San Francisco Symphony Retirement Plan (the “Administrative Plan”). On March 31, 2010, the Administration Plan was frozen, and the SFS added a discretionary base contribution to its defined contribution plan (Note 12). The SFS uses an August 31 measurement date for its defined benefit pension plan obligations.

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

The following table sets forth each plan's funded status, net pension expense and other pension-related amounts reported in the SFS's financial statements:

	<u>Orchestra Plan</u>		<u>Administrative Plan</u>	
	Year ended August 31,		Year ended August 31,	
	2022	2021	2022	2021
Plan assets at fair value	\$ 94,121	\$ 106,017	\$ 19,024	\$ 21,212
Accumulated benefit obligation	(91,782)	(112,358)	(19,255)	(24,098)
Unfunded status	<u>\$ 2,339</u>	<u>\$ (6,341)</u>	<u>\$ (231)</u>	<u>\$ (2,886)</u>
Service cost - benefits earned during the period	\$ 1,623	\$ 1,699	\$ 185	\$ 180
Interest cost - on projected benefit obligation	2,256	2,110	464	449
Expected annual return on plan assets	(6,144)	(5,677)	(1,273)	(1,212)
Amortization of prior service cost	1,103	1,103	-	-
Recognized net actuarial losses	<u>1,678</u>	<u>2,441</u>	<u>708</u>	<u>1,024</u>
Net periodic benefit cost (pension expense)	<u>\$ 516</u>	<u>\$ 1,676</u>	<u>\$ 84</u>	<u>\$ 441</u>
Employer contributions	\$ 258	\$ 1,676	\$ 373	\$ 244
Benefits and expenses paid	4,566	3,601	1,206	993
Unrecognized amounts in net assets without donor restrictions:				
Net periodic benefit cost	\$ 11,931	\$ 32,771	\$ 2,252	\$ 8,801
Net prior service cost	4,699	6,904	-	-

The following table sets forth the respective amounts to be reflected in the financial statements for the year ended August 31, 2022:

	<u>Orchestra Plan</u>	<u>Administrative Plan</u>
Prior service cost	\$ 1,103	\$ -
Actuarial losses	\$ 1,678	\$ 708

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

The following tables represent the Orchestra Plan's investments measured at fair value on a recurring basis as of August 31, 2022 and 2021:

<b><u>2022</u></b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>NAV</u></b>	<b><u>Total</u></b>
Cash and cash equivalents for reinvestment	\$ 132	\$ -	\$ -	\$ -	\$ 132
Fixed income					
Total return	10,961	-	-	7,068	18,029
Equity					
Domestic equity	10,026	-	-	4,297	14,323
International equity	2,643	-	-	2,393	5,036
Global equity	-	-	-	19,713	19,713
Emerging equity	-	-	-	2,646	2,646
Absolute Return					
Multistrategy	-	-	-	247	247
Hedged Equities	-	-	-	29,722	29,722
Real estate					
Core	4,273	-	-	-	4,273
Total investments	<u>\$ 28,035</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,086</u>	<u>\$ 94,121</u>
<b><u>2021</u></b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>NAV</u></b>	<b><u>Total</u></b>
Equities	\$ 64,958	\$ -	\$ -	\$ 7,680	\$ 72,638
Corporate bonds	4,422	-	-	-	4,422
Fixed income	15,492	-	-	6,919	22,411
Real estate	-	-	-	6,546	6,546
Total investments in the fair value hierarchy	<u>\$ 84,872</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,145</u>	<u>\$ 106,017</u>

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

In accordance with ASU No. 2009-12, Fair Value Measurements and Disclosures, disclosures regarding the category, fair value, unfunded commitments, redemption, frequency, and redemption notice period for those assets whose fair value is estimated using NAV per share as of August 31, 2022 and 2021, are summarized as follows:

Category/Objective	Fair Value Determined Using NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
<b>2022</b>				
Fixed income	\$ 7,068	\$ -	Monthly/quarterly	30-60 days
Equity	29,049	-	Monthly/quarterly/annually	30-92 days
Multistrategy	29,969	-	Monthly/quarterly	30-90 days
Total	<u>\$ 66,086</u>	<u>\$ -</u>		

Category/Objective	Fair Value Determined Using NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
<b>2021</b>				
Fixed income	\$ 6,919	\$ -	Quarterly	60 days
Equity	7,680	-	Monthly	30 days
Real estate	6,546	-	Quarterly	60 days
Total	<u>\$ 21,145</u>	<u>\$ -</u>		



**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

The following tables represent the Administrative Plan's investments measured at fair value on a recurring basis as of August 31, 2022 and 2021:

<b>2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>NAV</b>	<b>Total</b>
Cash and cash equivalents for reinvestment	\$ 421	\$ -	\$ -	\$ -	\$ 421
Equity					
Domestic equity	4,786	-	-	-	4,786
International equity	507	-	-	897	1,404
Global equity	-	-	-	4,238	4,238
Absolute Return					
Hedge fund of funds	1,999	6,176	-	-	8,175
Total investments	<u>\$ 7,713</u>	<u>\$ 6,176</u>	<u>\$ -</u>	<u>\$ 5,135</u>	<u>19,024</u>

  

<b>2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>NAV</b>	<b>Total</b>
Equities	\$ 17,522	\$ -	\$ -	\$ -	\$ 17,522
Corporate bonds	2,081	-	-	-	2,081
Real estate	-	-	-	1,609	1,609
Total investments in the fair value hierarchy	<u>\$ 19,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,609</u>	<u>\$ 21,212</u>

In accordance with ASU No. 2009-12, Fair Value Measurements and Disclosures, disclosures regarding the category, fair value, unfunded commitments, redemption, frequency, and redemption notice period for those assets whose fair value is estimated using NAV per share as of August 31, 2022 and 2021, are summarized as follows:

Category/Objective	Fair Value Determined Using NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
<b>2022</b>				
International equity	\$ 897	\$ -	Monthly/quarterly	30 days
Global equity	4,238	-	Monthly/quarterly	30-95 days
Total	<u>\$ 5,135</u>	<u>\$ -</u>		

  

Category/Objective	Fair Value Determined Using NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
<b>2021</b>				
Real estate	\$ 1,609	\$ -	Quarterly	60 days
Total	<u>\$ 1,609</u>	<u>\$ -</u>		

The SFS's policy is to make annual contributions to the Orchestra and Administrative Plans that are the greater of an amount equal to the annual net periodic benefit expense or the minimum

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

required contribution per Internal Revenue Service ("IRS") requirements of each plan. Contributions equal to net periodic benefit expense are funded from the SFS's operating budget.

The SFS anticipates future benefit payments, which reflect future service, to be paid from the pension plan as follows:

	<u>Orchestra Plan</u>	<u>Administrative Plan</u>
Year ending August 31,		
2023	\$ 5,216	\$ 1,238
2024	5,422	1,310
2025	5,670	1,320
2026	5,796	1,329
2027	5,878	1,335
Thereafter	29,804	6,635
Total	<u>\$ 57,786</u>	<u>\$ 13,167</u>

*Assumptions* – Weighted-average assumptions used to determine benefit obligations and net periodic benefit cost for the years were as follows:

	<u>Orchestra Plan</u>		<u>Administrative Plan</u>	
	Year ended August 31,		Year ended August 31,	
	2022	2021	2022	2021
Weighted average assumptions:				
Discount rate for net periodic benefit cost	5.14%	3.05%	5.10%	3.01%
Discount rate for projected benefit obligation	5.14%	3.05%	5.10%	3.01%
Expected return on plan assets	6.50%	6.50%	6.75%	6.75%
Rate of compensation increase	N/A	N/A	N/A	N/A

The plans' investments are made for the purpose of providing retirement reserves for the present and future benefit of participants of the plans. The Investment Committee of the Board of Governors of the SFS and its external service providers (i.e., investment managers and advisors) shall adhere to the Employee Retirement Income Security Act of 1974 ("ERISA") "prudent investor" standard of care and other fiduciary obligations under ERISA in carrying out their duties with respect to the plans' assets. The primary investment objective is to maximize returns while maintaining an acceptable level of risk, subject to the funding policies determined by the Finance Committee of the Board of Governors of the SFS. The SFS acknowledges this goal is long-term in nature and that interim investment environments may provide anticipated or actual returns in excess or below the level indicated.

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

*Plan assets* – Weighted-average asset allocation of the SFS's pension plans were as follows:

Asset Category	Orchestra Plan - Plan Asset Allocations				Administrative Plan - Plan Asset Allocations			
	Year ended		Year ended		Year ended		Year ended	
	August 31, 2022		August 31, 2021		August 31, 2022		August 31, 2021	
	Target		Target		Target		Target	
	Allocation	Actual	Allocation	Actual	Allocation	Actual	Allocation	Actual
Public equity	33%	37%	62%	57%	55%	47%	62%	62%
Private equity	10%	49%	0%	0%	0%	0%	0%	0%
Hedge funds/absolute return	27%	0%	20%	20%	40%	51%	15%	15%
Government bonds	5%	0%	0%	0%	0%	0%	0%	0%
Inflation linked bonds	5%	0%	0%	0%	0%	0%	0%	0%
Private debt	10%	0%	0%	0%	0%	0%	0%	0%
Core property	5%	0%	8%	8%	0%	0%	9%	10%
Fixed income	0%	13%	10%	15%	0%	0%	10%	9%
Liquid credit	4%	0%	0%	0%	0%	0%	0%	0%
Cash	1%	1%	0%	0%	5%	2%	4%	4%

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

Retirement plans – multiemployer

The SFS is a participating employer in various trustee-managed multiemployer defined benefit pension plans for employees who participate in collective bargaining agreements. These plans are each managed by a board of trustees and certain employees who are members of the American Federation of Musicians and certain employees who are members of the International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts of the United States and Canada, Local 16 (“I.A.T.S.E. 16”) participate in these plans. These plans generally provide retirement benefits to employees based on years of service to participating employers. Contributions to these plans range from 10% to 12% of the employee's compensation for the years ended August 31, 2022 and 2021, respectively.

The risks of participating in these multiemployer defined benefit pension plans differ from single employer plans because: a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, b) the unfunded obligations of the plan may be required to be borne by the remaining participating employers if a participating employer stops contributions to the plan, and c) it may be required to pay a withdrawal liability to the plan if the SFS chooses to cease participation in one of its multiemployer plans. In connection with its recurring periodic re-negotiation of collective bargaining agreements, the SFS may negotiate for the complete or partial withdrawal from these plans. Withdrawal liabilities could be material to the SFS's change in net assets in the period of the withdrawal. The SFS currently has no plans to withdraw from its multiemployer pension plans.

*American Federation of Musicians & Employers' Pension Fund (AFM Pension Fund) –  
EIN and Plan Number: 51-6120204001*

The SFS makes contributions to the AFM Pension Fund on behalf of those employees who are members of the American Federation of Musicians who meet certain criteria. As of March 2021, the AFM Pension Fund (“the Fund”) had roughly \$2.0 billion in assets and about \$3.4 billion in liabilities, which is the value of all the benefits that have been earned by participants for services already performed and that will be paid in the future. That means that the Fund entered “critical and declining status” in April 2019. It remains that status as of August 31, 2022. This means that the Fund is currently projected to run out of money to pay benefits (or become insolvent” within 20 years. Under the American Rescue Plan Act of 2021, the Fund and other troubled multiemployer plans that are critical and declining or meet other criteria may obtain special financial assistance from the Pension Benefit Guarantee Corporation. This financial assistance is intended to provide these plans with the funding they need so that they are projected to be able to pay benefits due through the plan year ending in 2051, without reductions to participants’ benefits. Plans that receive special financial assistance are deemed to be in critical status through 2051.

The SFS contributed \$427 and \$100 for the years ended August 31, 2022 and 2021, respectively, and did not contribute more than 5% of total Fund contributions for each respective plan year end. The SFS paid a contribution surcharge in both fiscal years.

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

The following table sets forth the most recent information about the Fund:

	Plan Year Ended	
	March 31, 2022	March 31, 2021
Valuation date	April 1, 2021	April 1, 2020
Funded percentage	49.9%	53.6%
Actuarial value of assets	\$1,734,587,318	\$1,749,404
Actuarial value of liabilities	\$3,478,404,517	\$3,262,641
Pension Protection Zone Act Status	Deep Red	Deep Red
Zone status applicable year	March 31, 2022	March 31, 2021
FIP/RP Status	Implemented	Implemented
Expiration of Collective Bargaining Agreement	November 26, 2022	November 26, 2022

*I.A.T.S.E. Local 16 Pension Plan - EIN and Plan Number 94-6296420001*

The SFS makes contributions to the I.A.T.S.E. Local 16 Pension Plan on behalf of employees who are members of the I.A.T.S.E. 16. The I.A.T.S.E. Pension Fund was in "green" zone status (i.e., funded percentage is greater than 80%) for the years ending December 31, 2022 and December 31, 2021. The SFS contributed \$222 and \$158 for the Plan years ended August 31, 2022 and 2021, respectively, and did not contribute more than 5% of total Pension Fund contributions for each respective plan year end.

The following table sets forth the most recent information about the I.A.T.S.E Local 16 Pension Plan:

	Plan Year Ended	
	December 31, 2021	December 31, 2020
Valuation date	January 21, 2021	January 1, 2020
Funded percentage	95.3%	93.2%
Actuarial value of assets	\$472,564	\$439,044
Actuarial value of liabilities	\$495,921	\$470,868
Pension Protection Zone Act Status	Green	Green
Zone status applicable year	December 31, 2021	December 31, 2020
FIP/RP Status	Implemented	Implemented
Expiration of Collective Bargaining Agreement	October 31, 2023	October 31, 2023

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

**12. DEFINED CONTRIBUTION PLAN**

The SFS participates in a defined contribution plan (the “403b Plan”) covering substantially all SFS employees. The 403b Plan provides for discretionary contributions to be made by both orchestra and administrative participants. The 403b Plan also provides for discretionary contributions to be made by the SFS on behalf of administrative participants. The SFS's discretionary base contributions to participants' accounts begin after the participant has completed one year of service. Base contributions for the years ended August 31, 2022 and 2021 were \$299 and \$270, respectively. Participants are fully vested in the base contribution after five years.

The SFS's matching contributions to participants' accounts begin after the participant has completed two years of service. The SFS's matching contributions for the years ended August 31, 2022 and 2021 were \$171 and \$178, respectively.

**13. COMMITMENTS AND CONTINGENCIES**

The SFS leases facilities and equipment under noncancelable operating leases, subject to various escalation clauses, expiring through the year ending August 31, 2023. In addition, the SFS leases the Louise M. Davies Symphony Hall. Lease arrangements for the auditorium and office space in the hall are negotiated on a periodic basis. The SFS retains, in perpetuity, the right to lease space in Davies Symphony Hall at terms to be determined as long as the Orchestra continues to perform in San Francisco.

The SFS also has a contractual arrangement with its current Music Director, which expires August 31, 2025; and with its Music Director Laureate, which expires August 31, 2024.

The following table lists the amounts for minimum lease payments under lease terms and the amounts pertaining to the contractual arrangement with its Music Director, Music Director Laureate, and other contracts:

Years Ended August 31,	
2023	\$ 3,690
2024	3,799
2025	3,642
2026	1,116
2027	1,182
Thereafter	1,253
Total	<u>\$ 14,682</u>

Rent expense was \$1,992 and \$704 for the years ended August 31, 2022 and 2021, respectively. The SFS has commitments under partnership and limited liability company agreements to make future capital contributions of \$8,033 (Note 5).

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

**14. FUNCTIONAL AND NATURAL CLASSIFICATION OF EXPENSES**

Expense by functional and natural classification for the fiscal years ended August 31, 2022 and 2021 are as follows:

<u><b>2022</b></u>	Education/				Management		Total
	Concert	Youth	Retail	Total Program	Development	& General	
Personnel	\$ 39,192	\$ 1,561	\$ 358	\$ 41,111	\$ 3,787	\$ 4,175	\$ 49,073
Guest conductors and artists	4,406	57	-	4,463	102	6	4,571
Professional fees	4,847	109	36	4,992	289	2,618	7,899
Purchased services	1,780	29	41	1,850	819	429	3,098
Travel and accommodations	234	7	-	241	47	42	330
Facilities	834	92	25	951	49	405	1,405
Supplies	487	90	209	786	412	38	1,236
Insurance	82	-	-	82	-	331	413
Taxes	3	2	2	7	-	129	136
Other	587	31	25	643	999	2,649	4,291
Depreciation and amortization	1,447	-	530	1,977	24	298	2,299
Total	<u>\$ 53,899</u>	<u>\$ 1,978</u>	<u>\$ 1,226</u>	<u>\$ 57,103</u>	<u>\$ 6,528</u>	<u>\$ 11,120</u>	<u>\$ 74,751</u>
As a percentage of the total	72%	3%	2%	76%	9%	15%	100%

<u><b>2021</b></u>	Education/				Management		Total
	Concert	Youth	Retail	Total Program	Development	& General	
Personnel	\$ 32,066	\$ 831	\$ 115	\$ 33,012	\$ 3,886	\$ 5,288	\$ 42,186
Guest conductors and artists	414	-	5	419	23	-	442
Professional fees	3,077	44	47	3,168	583	1,268	5,019
Purchases services	926	2	6	933	413	237	1,583
Travel and accommodations	121	1	1	123	16	6	145
Facilities	419	-	4	423	58	308	789
Supplies	185	21	25	232	46	79	357
Insurance	52	-	-	52	-	348	400
Taxes	-	-	5	5	-	24	29
Other	472	17	30	519	1,470	662	2,651
Depreciation and amortization	909	-	171	1,080	-	699	1,779
Total	<u>\$ 38,641</u>	<u>\$ 916</u>	<u>\$ 409</u>	<u>\$ 39,966</u>	<u>\$ 6,495</u>	<u>\$ 8,919</u>	<u>\$ 55,380</u>
As a percentage of the total	70%	2%	1%	72%	12%	16%	100%

**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

**15. RELATED PARTIES**

As of August 1, 2022 and 2021, undiscounted pledge receivables include \$801 and \$5,754, respectively, from members of the SFS Board of Governors.

For the year ended August 31, 2022 and 2021, contributions of financial assets include \$10,368 and \$18,121, respectively, from members of the Board of Governors. For the year ended August 31, 2022, \$4,803 was from a single member of the Board of Governors, and for the year ended August 31, 2021, \$8,843 was from a different single member of the Board of Governors. Contributions of nonfinancial assets include \$421 and \$1,034 in legal services provided by a member of the Board of Governors.

A member of the Board of Governors also serves as a Commissioner of the War Memorial Board, which owns Davies Symphony Hall, where the SFS performs and houses its administrative offices.

A member of the Board of Governors is related to the co-founders and executives of G2 Insurance Services, which is the SFS's insurance broker.

A member of the Board of Governors has a financial interest in Bill, the cloud-application used by the SFS for payables processing.

A member of the Board of Governors is employed at Wells Fargo bank with which the SFS has operating accounts, credit facilities, and investments.

These transactions were subject to customary arms-length transactions.

**16. RISKS AND UNCERTAINTIES**

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruptions through mandated and voluntary closings of businesses and shelter-in-place orders, including California, where the SFS is headquartered. In response, the U.S. Government enacted the CARES Act, which includes significant provisions to provide relief and assistance to the affected organizations. As a qualifying 501(c)(3) organization, the SFS received two PPP grants through the CARES Act as well as a Shuttered Venue Operators Grant (Note 8).

As a result of COVID-19 orders declared by the City and County of San Francisco, the SFS canceled all in-person concert performances during the period March 2020 through April 2021 and offered ticket refunds to patrons. As a result of the concert cancelations, the SFS's revenue was impacted significantly during the years ended August 31, 2022 and 2021. While the SFS returned to a full performance schedule beginning September 1, 2021, it was still subject to capacity and vaccination restrictions which impacted concert attendance.



**SAN FRANCISCO SYMPHONY**  
Notes to Financial Statements  
August 31, 2022 and 2021  
(in thousands)

**17. SUBSEQUENT EVENTS**

In preparing these financial statements, the SFS has evaluated events and transactions for potential recognition for disclosure through June 30, 2023, the date the financial statements were available to be issued.

As of June 30, 2023, the SFS's musicians are working without a negotiated Collective Bargaining Agreement.

## **SUPPLEMENTARY INFORMATION**

**SAN FRANCISCO SYMPHONY**  
**Schedule of Changes in Endowment Net Assets**  
**For the Year Ended August 31, 2022**

Fund Name	Net Assets		Investment	Appropriation of		Net Assets
	September 1, 2021	Contributions		Return	Endowment Assets for Expenditures	August 31, 2022
The Edmund W. and Jeannik Mequet Littlefield Fund	\$ 30,265,168	\$ -	\$ (3,134,582)	\$ (1,425,018)	\$	25,705,567
Louise M. Davies Guest Conductor Fund	29,355,167	-	(3,015,476)	(1,246,290)		25,093,401
Phyllis C. Wattis Fund for New Works of Music	26,766,259	-	(3,871,988)	(1,119,895)		21,774,377
Phyllis C. Wattis Endowment Fund	24,285,450	-	(3,508,907)	(1,124,382)		19,652,161
Phyllis C. Wattis Fund for Guest Artists	20,713,828	-	(2,996,447)	(866,663)		16,850,718
Fischer Family Fund	17,038,250	-	(1,371,202)	(741,558)		14,925,490
San Francisco Symphony Endowment Fund	14,962,448	(100)	(1,552,090)	(635,378)		12,774,880
The Richard and Rhoda Goldman Section String Fund	13,791,266	-	(1,428,370)	(649,354)		11,713,542
San Francisco Symphony Endowment Fund	4,918,579	5,637,554	(1,026,342)	-		9,529,791
Adventures in Music Fund	11,211,142	-	(1,551,641)	(457,050)		9,202,451
Osgood Hooker Permanent Endowment Fund	10,139,043	-	(1,050,107)	(477,391)		8,611,545
The Hewlett Foundation Fund for Education	8,982,238	-	(930,847)	(380,960)		7,670,431
Ford Foundation Fund	7,202,423	-	(749,538)	-		6,452,885
Jacqueline Hoefler Fund for Artistic Excellence	6,928,979	-	(717,639)	(326,247)		5,885,093
Naoum Blinder Concertmaster's Chair Fund	6,268,731	-	(649,256)	(295,160)		5,324,315
The Barbro and Bernard Osher Fund for Staged Productions	6,212,439	-	(628,394)	(513,166)		5,070,879
Barbro and Bernard Osher SoundBox Fund	-	5,000,000	(191,069)	-		4,808,931
250 Post Street - Youth Orchestra	4,514,490	-	212,415	(294,652)		4,432,252
Phyllis C. Wattis Youth Symphony Fund	5,219,524	-	(755,053)	(218,384)		4,246,088
The Rainbow Piccolo Choir	4,334,932	47,084	(232,248)	-		4,149,768
Jean and Bill Lane Chair Fund	4,592,624	-	(477,943)	-		4,114,681
William Randolph Hearst Endowment	4,644,781	-	(481,063)	(218,697)		3,945,021
The Ann L. and Charles B. Johnson Fund	4,038,575	-	(418,277)	(190,154)		3,430,144
Comprehensive Campaign Fund	-	3,750,000	(382,465)	-		3,367,535
Organ Performance and Maintenance Fund	3,519,903	-	(361,060)	(149,464)		3,009,379
Helen and Charles Schwab Fund	3,428,864	-	(355,130)	(161,446)		2,912,289
Estate of Mrs. Betty Peters Fund	3,204,327	-	(331,619)	(182,432)		2,690,276
Wallace Endowment Fund	3,073,336	-	(318,496)	(130,348)		2,624,492
Paul L. & Phyllis Wattis Endowment for the Youth Orchestra Choir	2,979,064	-	(307,704)	(126,398)		2,544,962
San Francisco Symphony Education Fund	2,951,529	500	(305,923)	(125,193)		2,520,913
Osher Masterworks Endowment	2,915,439	-	(302,127)	(125,521)		2,487,792
250 Post Street	2,445,966	-	115,460	(81,054)		2,480,372
Karel & Lida Urbanek Principal Cello Chair	-	2,578,929	(238,087)	-		2,340,842
James David Zellerbach Foundation	2,716,012	-	(281,299)	(127,882)		2,306,831
Paul L. & Phyllis Wattis Endowment for New Music	2,541,878	-	(263,419)	(107,808)		2,170,651
Robert L. Samter Principal Trombone Chair Fund	2,437,001	-	(253,350)	(87,872)		2,095,779
Agnes Albert Youth Music Education Fund	2,403,093	-	(249,037)	(101,921)		2,052,134
Marcia and John Goldman Timpani Chair Fund	2,410,946	-	(249,703)	(113,518)		2,047,725
Phyllis C. Wattis Fund for Wattis Room Maintenance	2,347,379	-	(341,553)	-		2,005,826
Penelope Clark Second Century Chair Fund	1,819,283	164,200	(72,856)	(28,693)		1,881,934
Drs. Ben and Jess A. Shenson Young Artists Debut Fund	2,131,951	-	(220,938)	(90,422)		1,820,592
Wattis Special Performance Fund	2,109,098	-	(218,441)	(99,306)		1,791,352
K Hart Smith Fund	1,986,790	-	(205,895)	(84,265)		1,696,630
The Paula and John Gambs Fund	1,933,554	-	(200,259)	(91,040)		1,642,254
The Harriet Heyman and Michael Moritz Moritz Endowed Fund	1,866,570	-	(193,436)	(79,166)		1,593,968
Lawrence Metcalf Second Century Chair Fund	1,820,569	-	(188,558)	(85,720)		1,546,291
The Lyman and Carol Casey Endowed Fund	1,762,886	-	(182,583)	(83,004)		1,497,298
San Francisco Symphony Youth Orchestra Fund	1,734,282	-	(179,727)	(73,555)		1,480,999
Diane Miller AIM Fund	1,717,860	-	(178,025)	(72,859)		1,466,976
The Christine and Pierre Lamond Fund	1,719,775	-	(178,118)	(80,975)		1,460,683
Hume Flute Chair Fund	1,711,710	-	(177,283)	(80,595)		1,453,833
Nancy and Charles Geschke Fund	1,697,037	-	(175,763)	(79,904)		1,441,370
Bernard and Barbro Osher Youth Orchestra Touring Fund	1,587,940	-	(165,253)	-		1,422,687
Stan and Lenora Davis String Chair Endowment Fund	1,534,815	-	(158,959)	(73,252)		1,302,604
Nan Tucker McEvoy Instrument Training and Support Fund	1,492,367	-	(154,657)	(63,295)		1,274,416
Carolyn H. Hume Youth Orchestra Touring Fund	1,477,001	-	(153,065)	(62,643)		1,261,293
Emanuel S. Heller Endowment	1,324,265	-	(137,155)	(62,352)		1,124,758
Mrs. Walter Haas Children's Concert Fund	1,282,317	-	(132,889)	(54,386)		1,095,041
Athena T. Blackburn Endowed Fund for Russian Music	1,189,825	4,500	(85,760)	(34,401)		1,074,164
Gary and Kathleen Heidenreich Fund	1,257,020	-	(130,190)	(59,186)		1,067,644
The Leanne and George Roberts Endowment Fund for Community	1,220,057	-	(126,437)	(51,746)		1,041,875
Ralph I. Dorfmann Commissioning Fund	1,080,354	-	(111,959)	(45,821)		922,574
The Betty Haag Music Education Fund	1,088,410	-	(112,697)	(59,653)		916,060
Michael Tilson Thomas First Performances Fund	1,053,646	-	(109,127)	(49,610)		894,909
Maurice and Stella Elias Fund	1,042,267	-	(107,948)	(49,075)		885,244
William and Gretchen Kimball Education Fund	877,733	-	(90,961)	(37,227)		749,545
The Sandy and Paul Otellini Education Endowed Fund	843,724	-	(87,437)	(35,785)		720,503
John and Lisa Pritzker Fund for CFK	789,671	-	(81,836)	(33,492)		674,344
Gary E. Gray Education Fund	741,287	-	(76,819)	(31,915)		632,553
San Francisco Symphony Keyboard Music Fund	694,581	-	(71,980)	(29,459)		593,142

**SAN FRANCISCO SYMPHONY**  
**Schedule of Changes in Endowment Net Assets, continued**  
**For the Year Ended August 31, 2022**

Fund Name	Net Assets		Investment Return	Appropriation of Endowment Assets for Expenditures	Net Assets August 31, 2022
	September 1, 2021	Contributions			
William Randolph Hearst Endowment (PR/TR)	639,767	-	(66,300)	(27,134)	546,333
Pauline C. Chickering Instrument Fund	589,521	-	(61,350)	-	528,171
Phyllis Blair Cello Chair Fund	479,134	100,001	(59,776)	(22,504)	496,856
Hanrahan Violin Chair	567,754	-	(58,803)	(26,732)	482,219
Katherine H. Johnson Fund	495,192	999	(49,005)	-	447,186
Frannie & Mort Fleishhacker Endowed Touring Fund	474,319	-	(49,361)	-	424,958
Margaret Koshland Sloss Tribute Fund	446,364	-	(46,452)	-	399,912
J. Peter Cahill Guest Pianist Fund	434,033	-	(44,979)	(18,408)	370,645
Paul and Kathy Bissinger Endowed Fund	392,208	-	(40,621)	(18,467)	333,120
Brayton Wilbur Jr. Endowed Fund for Touring - PR	366,116	-	(38,101)	-	328,015
The Hurlbut-Johnson Fund	380,623	-	(39,445)	(16,148)	325,030
Walter Edwin Dean II - Lenoir M. Dean Fund	362,012	-	(37,674)	-	324,339
The Barbara and Richard Rosenberg Endowed Fund	377,646	-	(39,113)	(17,781)	320,751
James C. Hormel & Michael P. Nguyen Concert for Kids	354,338	-	(36,721)	(15,028)	302,588
Doris W. Grau Endowment Fund	-	343,560	(37,321)	-	306,239
Stuart C. Gallion Youth Orchestra Endowment Fund	323,506	-	(33,508)	(15,094)	274,905
Shenson Foundation Flute Chair for Youth Orchestra	312,279	-	(32,343)	(14,703)	265,233
The Steinberg Family Education Endowed Fund	265,025	-	(27,465)	(11,240)	226,319
Joseph Padula Memorial Fund	225,718	1,107	(23,434)	(9,718)	193,673
James Schwabacher Vocal Artists Fund	220,903	-	(22,893)	(9,369)	188,641
KPMG Fund for Community Engagement	202,035	-	(20,937)	(8,569)	172,530
Halfmann-Yee Fund for Touring	190,300	-	(19,804)	-	170,495
Barbara Brookins Young Artists Fund	199,632	-	(20,688)	(8,467)	170,477
Agnes Albert Honorary Endowment Fund	194,159	-	(20,109)	(9,142)	164,908
Ann and Jim Paras Endowed Fund	191,610	-	(19,845)	(9,022)	162,743
Mr. & Mrs. George Otto Sibelius Fund	188,511	-	(19,535)	(7,995)	160,981
Terry Family Fund	185,534	-	(19,215)	(8,736)	157,583
Nion McEvoy Family Fund	185,007	-	(19,161)	(8,711)	157,135
Linda Tabor-Beck Friends and Family, et.al	184,067	-	(19,074)	(8,174)	156,818
John P. and Susan H. Carver Fund	175,841	-	(18,212)	(8,279)	149,350
Howard and Agnes Shapiro Fund for Music Education	174,648	-	(18,099)	(7,407)	149,141
Jerome and Thao Dodson Music Education Fund	170,382	-	(17,657)	(7,226)	145,499
Phyllis and Stuart Moldaw Fund for Instrument Training and Su	170,233	-	(17,642)	(7,220)	145,371
Mrs. George John Otto Memorial Vocalist Fund	170,190	-	(17,638)	(7,218)	145,335
The Jon and Linda Gruber Education Fund	169,260	-	(17,541)	(7,179)	144,540
The Blair Fund	167,026	-	(17,299)	(7,864)	141,863
Fay and Ada Tom Family Fund for Touring	157,023	-	(16,272)	(6,660)	134,091
Geeslin Family Fund for Community Engagement	155,860	-	(16,152)	(6,610)	133,098
Fay and Ada Tom Family Fund for Guest Pianists	154,671	-	(16,029)	(6,560)	132,082
The Richard and Joan Madden Endowed Fund	155,210	-	(16,075)	(7,308)	131,827
Howard Skinner Fund	153,986	-	(15,957)	(6,531)	131,498
Elizabeth Letts Janss Fund	146,596	-	(15,256)	-	131,341
Fay and Ada Tom Family Fund for Concerts for Kids	152,499	-	(15,803)	(6,468)	130,228
James J. Parker Mostly Mozart Fund	153,285	-	(15,876)	(7,217)	130,192
Margaret Liu Foundation - AIM	151,153	-	(15,664)	(6,411)	129,077
Emma and Frederick Goltz Education Fund	151,078	-	(15,656)	(6,408)	129,014
Jack and Fran Rominger Endowment Fund	148,928	-	(15,425)	(7,012)	126,491
Fay and Ada Tom Family Fund	147,840	-	(15,312)	(6,961)	125,567
Athena T. Blackburn Fund for Adventures in Music	144,397	-	(14,902)	(6,127)	123,368
Leonard Kingsley Endowed Fund	137,313	-	(14,290)	-	123,023
Lisa and Douglas Goldman Fund for Adventures in Music	143,168	-	(14,775)	(6,075)	122,318
Kenneth D. & Joanne Snow Music Education	140,781	-	(14,589)	(5,971)	120,221
Joan L. Danforth Guest Artist Fund	139,847	-	(14,493)	(5,931)	119,423
Mr. Philip M. Hudner Fund	65,284	50,000	(11,107)	(5,422)	98,755
The Joseph and Anna Meyer Endowed Fund	100,795	1,239	(6,769)	(2,805)	92,460
Gerald B. Rosenstein Fund	108,449	-	(11,232)	(5,176)	92,041
Archie Aye New Music Fund (#257612)	94,831	4,600	(7,034)	(2,201)	90,197
Agnes Albert Display Case Endowment	99,815	-	(10,387)	-	89,428
The Evelyn Greenspan Endowed Fund	99,248	525	(7,556)	(3,273)	88,944
Fannie M. Irwin Endowment	87,258	-	(9,038)	(4,109)	74,112
Wornick Endowment Fund	74,610	-	(7,727)	(3,513)	63,370
San Francisco Symphony Community Engagement	67,162	-	(6,961)	(2,848)	57,353
Brian P. McCune and Darlene Vian Fund for Vocal Performance	45,052	-	(4,669)	(1,911)	38,472
Brayton Wilbur Jr. Endowed Fund for Touring - UR	33,635	-	(3,500)	-	30,135
William Gregory Youth Orchestra String Fund	67,870	(40,000)	(2,888)	(1,200)	23,781
Mettler, Robert	13,899	-	-	-	13,899
Louisa Jean De Bretteville Living Trust	15,855	-	(1,642)	(747)	13,466
Robles, Ernest Fund	10,055	470	-	-	10,525
	\$ 364,492,063	\$ 17,645,169	\$ (40,918,739)	\$ (15,139,051)	\$ 326,079,441