

San Francisco Symphony

Financial Statements
and Supplemental Schedule

For the Year Ended
August 31, 2012



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INDEPENDENT AUDITORS' REPORT

Audit Committee of Board of Governors
San Francisco Symphony
San Francisco, California

We have audited the accompanying statement of financial position of the San Francisco Symphony (the "Symphony") as of August 31, 2012, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Symphony's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Symphony's 2011 financial statements, and in our report dated January 23, 2012, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Symphony's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Symphony as of August 31, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information on pages 25 and 26 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such 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, including 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Armanino LLP
Armanino LLP

January 22, 2013

SAN FRANCISCO SYMPHONY
Statement of Financial Position
August 31, 2012
(With Summarized Financial Information as of August 31, 2011)

ASSETS

	<u>2012</u>	<u>2011</u>
Cash	\$ 716,066	\$ 1,241,001
Marketable securities	88,213	1,284,977
Receivables		
Promises to give, net	21,213,894	26,433,053
Receivables under charitable remainder trusts	3,997,283	4,574,973
Prepaid expenses and other	11,393,960	15,178,499
Investments	239,259,437	234,240,525
Assets held in split interest agreements	5,587,622	5,810,684
Improvements, furniture, and equipment, net	<u>18,064,226</u>	<u>17,995,868</u>
 Total assets	 <u>\$ 300,320,701</u>	 <u>\$ 306,759,580</u>

LIABILITIES AND NET ASSETS

Accounts payable and other accrued liabilities	\$ 10,581,062	\$ 10,032,218
Advance ticket sales	12,259,056	13,158,974
Liabilities to beneficiaries of split interest agreements	2,670,735	2,710,145
Pension benefit liabilities	<u>30,879,781</u>	<u>18,173,729</u>
Total liabilities	<u>56,390,634</u>	<u>44,075,066</u>
 Net assets		
Unrestricted		
Accumulated operating deficit	(7,028,851)	(6,184,612)
Accumulated pension liability	(47,543,433)	(35,113,543)
Board designated endowment and other	<u>97,785,706</u>	<u>103,406,755</u>
Total unrestricted	43,213,422	62,108,600
Temporarily restricted	65,507,368	67,823,805
Permanently restricted	<u>135,209,277</u>	<u>132,752,109</u>
Total net assets	<u>243,930,067</u>	<u>262,684,514</u>
 Total liabilities and net assets	 <u>\$ 300,320,701</u>	 <u>\$ 306,759,580</u>

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

SAN FRANCISCO SYMPHONY
Statement of Activities
For the Year Ended August 31, 2012
(With Summarized Financial Information for the Year Ended August 31, 2011)

	2012						2011
	Operating	Unrestricted Other	Total	Temporarily Restricted	Permanently Restricted	Total	
Revenues							
Concert and related revenues	\$ 26,627,137	\$ -	\$ 26,627,137	\$ -	\$ -	\$ 26,627,137	\$ 27,205,048
SFS Media	549,164	-	549,164	-	-	549,164	359,045
Retail	1,309,238	-	1,309,238	-	-	1,309,238	1,180,719
Gifts, grants and bequests	13,436,869	1,017,999	14,454,868	12,558,216	1,813,663	28,826,747	52,117,718
Volunteer Council	2,310,271	-	2,310,271	-	-	2,310,271	838,127
Investment income and net gains	12,396,254	(4,168,872)	8,227,382	10,887,402	643,505	19,758,289	24,958,306
Net assets released from restrictions	21,272,044	4,490,011	25,762,055	(25,762,055)	-	-	-
Other	432,248	-	432,248	-	-	432,248	364,931
Total revenues	<u>78,333,225</u>	<u>1,339,138</u>	<u>79,672,363</u>	<u>(2,316,437)</u>	<u>2,457,168</u>	<u>79,813,094</u>	<u>107,023,894</u>
Expenses							
Concert production	58,637,962	992,094	59,630,056	-	-	59,630,056	55,235,947
SFS Media	1,167,425	3,461,128	4,628,553	-	-	4,628,553	4,130,636
Retail	1,134,100	10,059	1,144,159	-	-	1,144,159	965,425
Education/youth projects	2,102,295	18,646	2,120,941	-	-	2,120,941	945,832
Volunteer Council	6,852,293	60,775	6,913,068	-	-	6,913,068	2,166,458
General and administrative	5,461,766	1,484,436	6,946,202	-	-	6,946,202	5,809,157
Development	3,821,623	933,049	4,754,672	-	-	4,754,672	5,635,008
Total expenses	<u>79,177,464</u>	<u>6,960,187</u>	<u>86,137,651</u>	<u>-</u>	<u>-</u>	<u>86,137,651</u>	<u>74,888,463</u>
Change in net assets before pension costs	(844,239)	(5,621,049)	(6,465,288)	(2,316,437)	2,457,168	(6,324,557)	32,135,431
Change in pension benefit liabilities	(12,429,890)	-	(12,429,890)	-	-	(12,429,890)	840,071
Change in net assets	(13,274,129)	(5,621,049)	(18,895,178)	(2,316,437)	2,457,168	(18,754,447)	32,975,502
Net assets - beginning of year	(41,298,155)	103,406,755	62,108,600	67,823,805	132,752,109	262,684,514	229,709,012
Net assets - end of year	<u>\$ (54,572,284)</u>	<u>\$ 97,785,706</u>	<u>\$ 43,213,422</u>	<u>\$ 65,507,368</u>	<u>\$ 135,209,277</u>	<u>\$ 243,930,067</u>	<u>\$ 262,684,514</u>

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

SAN FRANCISCO SYMPHONY
Statement of Cash Flows
For the Year Ended August 31, 2012
(With Summarized Financial Information for the Year Ended August 31, 2011)

	2012	2011
Cash flows from operating activities		
Change in net assets	\$ (18,754,447)	\$ 32,975,502
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation and amortization	4,594,507	3,514,177
Net unrealized and realized gains on investments	(15,781,013)	(21,990,490)
(Gain) loss on disposal of improvements, furniture and equipment	(4,827)	3,684
Contributions restricted for long-term purposes	(4,559,555)	(8,018,471)
Change in pension benefit liabilities	12,706,052	(840,071)
Change in operating assets and liabilities		
Receivables, net	5,796,849	(6,472,405)
Prepaid expenses and other	612,934	(2,785,949)
Accounts payable and other accrued liabilities	(196,156)	(288,888)
Advance ticket sales	(899,918)	516,876
Assets held in and liability to beneficiaries of split interest agreements	183,652	(742,691)
Net cash used in operating activities	(16,301,922)	(4,128,726)
Cash flows from investing activities		
Proceeds from sale of investments	39,315,827	13,025,803
Purchases of investments	(28,553,726)	(15,290,451)
Proceeds from marketable securities, net	1,196,764	1,526,145
Acquisitions of improvements, furniture and equipment	(1,200,500)	(2,053,061)
Proceeds from sale of improvements, furniture and equipment	8,962	-
Payments to fund pension plan in excess of minimum requirement	-	(654,262)
Disbursements for loans to employees	(2,206,993)	(1,167,222)
Collection of payments on loans to employees	1,912,098	591,119
Net cash provided by (used in) investing activities	10,472,432	(4,021,929)
Cash flows from financing activities		
Receipt of contributions to permanently restricted net assets	4,559,555	8,018,471
Borrowing on line of credit	2,450,000	-
Paydown on line of credit	(1,705,000)	-
Net cash provided by financing activities	5,304,555	8,018,471
Net change in cash	(524,935)	(132,184)
Cash, beginning of year	1,241,001	1,373,185
Cash, end of year	\$ 716,066	\$ 1,241,001
<u>Supplemental disclosures of cash flow information</u>		
Non-cash investing and financing activities		
Donated improvements, furniture and equipment	\$ 242,000	\$ 262,544

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

SAN FRANCISCO SYMPHONY
Notes to Financial Statements
August 31, 2012

1. Organization and Summary of Significant Accounting Policies

Organization

Founded in 1911, the San Francisco Symphony (the "Symphony") presents more than 220 concerts and presentations annually for an audience of nearly 600,000 in its home of Davies Symphony Hall, in other Bay Area venues, and through an active national and international touring program. In addition, the Symphony provides extensive music education programs that benefit students in San Francisco and throughout the Bay Area. The Symphony has its own recording label, SFS Media, and has produced an extensive body of acclaimed audio and video recordings which are distributed around the world. Its national multimedia project, *Keeping Score*, encompasses a public television and radio series, educational music websites, documentary and live performance DVDs, and an education program for K-12 schools to further teaching through the arts by integrating classical music into core subjects.

The year ended August 31, 2012 represented the San Francisco Symphony's Centennial Season. This Centennial Season required expanded levels of Symphony programming supported by increased non-recurring marketing and administrative expenditures. In order to fund the Centennial Season expenditures, the Symphony commenced a specific fundraising campaign (see Note 7 for Centennial initiatives), took an additional endowment draw deferred from prior years (see Note 6) and expanded its events.

The San Francisco Symphony sets the highest possible standard for excellence in musical performance at home and around the world; enriches, serves, and shapes cultural life throughout the spectrum of Bay Area communities; maintains financial stability, and gains public recognition as a means of ensuring its ability to fulfill its mission.

Basis of presentation

The financial statements are presented on the basis of unrestricted, temporarily restricted and permanently restricted net assets, in accordance with accounting principles generally accepted in the United States of America for nonprofit organizations.

- Board designated endowment net assets - Board designated endowment net assets represent unrestricted resources available to support the Symphony's operations that the Board has designated to be held in the Symphony's endowment.
- Unrestricted net assets - Unrestricted net assets represent unrestricted resources available to support the Symphony's operations and temporarily restricted resources which become available for use by the Symphony in accordance with the intentions of donors.

SAN FRANCISCO SYMPHONY
Notes to Financial Statements
August 31, 2012

1. Organization and Summary of Significant Accounting Policies (continued)

Basis of presentation (continued)

- Temporarily restricted net assets - Temporarily restricted net assets represent contributions that are limited in use by the Symphony in accordance with donor imposed stipulations. These restrictions may expire with time or may be satisfied by the actions of the Symphony according to the terms of the donor stipulation. Upon satisfaction of such stipulations, the associated net assets are released from temporarily restricted net assets and reported as unrestricted net assets. In accordance with the California Uniform Prudent Management of Institutional Funds Act of 2008 ("UPMIFA"), temporarily restricted net assets also include donor-restricted endowment funds that are not classified as permanently restricted net assets and that have not been appropriated for expenditure by the Board of Governors (the "Board").
- Permanently restricted net assets - Permanently restricted net assets represent contributions to be held in perpetuity as directed by the donor. The income from these contributions is available to support activities of the Symphony as directed by the donors. The realized and unrealized gains on certain permanently restricted contributions are required to be reinvested, as directed by the donors.

Cash

Cash consists of demand deposits.

Marketable securities

Marketable securities, which are stated at fair value, represent the Symphony's operating balances and consist of investments in money market funds and stock gifts received but not liquidated as of August 31, 2012.

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 contribution revenue. Conditional promises to give are not recorded as revenue until the conditions are substantially met.

SAN FRANCISCO SYMPHONY
Notes to Financial Statements
August 31, 2012

1. Organization and Summary of Significant Accounting Policies (continued)

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 Symphony over the term of the agreement.

Prepaid expenses and other

Prepaid expenses consist primarily of prepaid marketing expenses. Such amounts are deferred and amortized as expenses in the period benefited.

Other assets include loans to employees and master recordings used to produce CD's and DVD's. The master recordings are amortized over the estimated life of the recorded performance.

Investments

Investments represent a diversified portfolio of public and private equity and fixed income securities, limited partnerships and limited liability corporations, carried at estimated fair value. Equity and fixed income securities' fair values have been determined by closing market prices on national exchanges. Securities in limited partnerships, which are not listed on a national exchange, are valued at estimated fair value based upon various inputs as determined by the managing partner/member. Dividend and interest income are accrued when earned.

The limited partnerships represent alternative investments which include nonmarketable and restricted investment securities whose values have been estimated by the managing partner of the partnership in the absence of readily ascertainable market values. Generally, the managing partners may use one or more of the following inputs to estimate fair value of non-marketable or restricted investment securities: 1) original transaction price; 2) recent transactions in the same or similar securities; 3) pending third-party transactions in the security or comparable securities; 4) subsequent sale or investment transactions in the same securities; 5) recapitalizations or other capital structure transactions of the issuer of the securities; 6) subsequent offerings of the same security in the equity markets; 7) changes in the financial condition of the issuer of the security. These inputs may also be adjusted to reflect illiquidity or non-transferability, as estimated by the managing partner. Because of the inherent uncertainty of valuation of nonmarketable and restricted investments, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.

SAN FRANCISCO SYMPHONY
Notes to Financial Statements
August 31, 2012

1. Organization and Summary of Significant Accounting Policies (continued)

Investments (continued)

The limited liability corporations, consisting of alternative investments in real estate, are carried at estimated fair value as determined by the managing partners of the corporations. The managing partners generally estimate fair value using one or more of the following methodologies: 1) forecasts of future net cash flows discounted at prevailing market rates; 2) prevailing market capitalization rates or earnings multiples; 3) recent sales of comparable investments; 4) independent third party appraisals; 5) sales negotiations and bona fide purchase offers received from independent third parties. Because of the inherent uncertainties of the real estate valuation, the value reflected in the financial statements may differ significantly from the value that would be determined by negotiations between parties in sales transactions, resulting in differences that could be material.

Investment income is reported net of custodial and investment advisory fees of \$139,577 for the year ended August 31, 2012.

Estimated fair value of financial instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Symphony determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value (Level 1, Level 2 and Level 3). Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Symphony has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The types of instruments which would generally be included in this category include limited partnerships, receivables under charitable remainder trusts and liabilities to beneficiaries of split interest agreements.

Unobservable inputs reflect the Symphony's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Symphony's own data.

SAN FRANCISCO SYMPHONY
Notes to Financial Statements
August 31, 2012

1. Organization and Summary of Significant Accounting Policies (continued)

Estimated fair value of financial instruments (continued)

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given instrument is based on the lowest level of input that is significant to the fair value measurement. The Symphony's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the instrument.

Assets held in split interest agreements

Included in assets held in split interest agreements are charitable remainder trusts, pooled income funds and gift annuities controlled by the Symphony. Assets held in split interest agreements are recognized at fair value when irrevocable trusts naming the Symphony as irrevocable remainderman are executed with a corresponding liability to beneficiaries of split interest agreements. Such liability is calculated as the present value of the estimated future cash flows to be distributed to the income beneficiaries over their expected lives. The Symphony has determined such liability using investment returns consistent with the composition of investment portfolios, single or joint life expectancies from certain mortality tables for the year ended August 31, 2012 and a discount rate of 4.00%. Upon initial recognition of the agreements, contributed income (the difference between assets held in split interest agreements and liabilities to beneficiaries of split interest agreements) is recognized as temporarily restricted net assets. In subsequent periods, income from changes in value of the split interest agreements is recognized as temporarily restricted contributed income in the statement of activities.

Improvements, furniture, and equipment

Improvements, furniture, and equipment of at least \$1,500 and all computers are capitalized and stated at cost. 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 and artwork are not depreciated as their estimated useful lives are extraordinarily long. Contributed equipment is recorded at fair value at the date of donation. The Symphony does not imply time restrictions on the use of contributed long-lived assets received without explicit donor stipulations concerning how long the contributed assets must be used.

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.

SAN FRANCISCO SYMPHONY
Notes to Financial Statements
August 31, 2012

1. Organization and Summary of Significant Accounting Policies (continued)

Advance ticket sales

Advance ticket sales consist of concert revenues received in advance of the period the related concerts are performed. Such amounts are deferred and recognized as revenue in the period the performance takes place.

Revenue recognition

Contributions are recognized as revenue when they are received or unconditionally promised. The Symphony reports gifts of cash and other assets as restricted support if such gifts are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions.

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. At August 31, 2012 such amounts totaled \$5,500,000.

Donor-restricted contributions whose restrictions are met in the same reporting period as the contribution is recorded are reported as temporarily restricted contributions and net assets released from restrictions in that period.

Contributed services

The Symphony recognizes contribution revenue for certain services received at the fair value of those services, if the services (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills, and would need to be purchased if not donated.

Joint activities

Costs of joint activities that are identifiable with a particular function are charged to that function and joint costs are allocated between development and the appropriate program or general and administrative function. Of the total joint costs incurred of \$3,020,458 for the year ended August 31, 2012, \$2,044,826 has been allocated to program; \$572,830 to development; and \$402,802 to general and administrative.

Fundraising expenses are reflected in the statement of activities as volunteer council and development expenses. For the year ended August 31, 2012 these expenses totaled \$11,667,740.

SAN FRANCISCO SYMPHONY
Notes to Financial Statements
August 31, 2012

1. Organization and Summary of Significant Accounting Policies (continued)

Income taxes

The Symphony has received rulings from the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code and from the State of California Franchise Tax Board granting exemption from income taxation.

The Symphony has evaluated its current tax positions on unrelated business income and has concluded that as of August 31, 2012, the Symphony does not have any significant uncertain tax positions for which a reserve would be necessary. For state tax purposes, the Symphony is generally no longer subject to tax examinations for years prior to 2008. For federal tax purposes, the Symphony is no longer subject to tax examinations for years prior to 2009.

Functional expense allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Costs applicable to more than one program or activity, such as depreciation and amortization, have been allocated among the program and supporting services. The allocation is based on management's judgment using the individual program expenses in relation to overall expenses.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 Symphony to credit risk consist primarily of cash, marketable securities, investments and promises to give. The Symphony maintains cash, marketable securities and investments with various major financial institutions. At times, such amounts might exceed Federal Deposit Insurance Corporation limits. The Symphony manages credit risk by establishing minimum credit standards for financial institutions and limiting the amount of credit exposure with any one institution. The Symphony's investments have been placed with major counterparties. The Symphony closely monitors these investments and has not experienced any credit losses.

SAN FRANCISCO SYMPHONY
Notes to Financial Statements
August 31, 2012

1. Organization and Summary of Significant Accounting Policies (continued)

Concentrations (continued)

As of August 31, 2012, approximately 76% of the Symphony'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 July 31, 2013. 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 expires on October 31, 2013. The Theatrical Employees Union, Local B-18, of the International Alliance of Theatrical Stage Employees, Moving Picture Machine Operators of the United States and Canada, covering ticket service employees and ushers, expired on May 31, 2012 and the collective bargaining agreement with the American Federation of Musicians covering the musicians of the San Francisco Symphony expired on November 24, 2012. Both of these contracts are under negotiation as of the printing of these statements.

Subsequent events

The Symphony has evaluated events through January 22, 2013, the date the financial statements were available to be issued.

Comparative totals

The financial statements include certain 2011 summarized information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Symphony's financial statements as of and for the year ended August 31, 2011, from which the summarized information was derived.

Reclassifications

Certain reclassifications have been made to the 2011 financial statements to conform to the 2012 presentation.

SAN FRANCISCO SYMPHONY
Notes to Financial Statements
August 31, 2012

2. Promises to Give

Promises to give at August 31, 2012 are as follows:

Receivable in:	
Less than one year	\$ 7,770,814
One to five years	12,624,193
More than five years	1,290,213
Discount	<u>(388,326)</u>
Total	21,296,894
Less allowance for uncollectible pledges	<u>(83,000)</u>
Total	<u>\$21,213,894</u>

Included in promises to give as of August 31, 2012 is \$5,500,000 from one donor and \$4,491,600 from four donors.

In March 2006, the Symphony received a \$10,000,000 unrestricted challenge pledge that is held in a Board designated endowment fund. The Symphony received the payment of the pledge in full prior to August 31, 2012 and has recognized \$4,500,000 as of August 31, 2012 as revenue by obtaining qualifying matching pledges. The unearned portion of this challenge pledge is included in accounts payable and other accrued liabilities as of August 31, 2012 (see Note 1).

SAN FRANCISCO SYMPHONY
Notes to Financial Statements
August 31, 2012

3. Fair Value Measurements

Financial assets and liabilities at August 31, 2012 are classified by levels within the fair value hierarchy as follows:

<u>Item</u>	Level 1: Quoted Prices in Active Markets For Identical <u>Assets</u>	Level 2: Significant Other Observable <u>Inputs</u>	Level 3: Significant Unobservable <u>Inputs</u>	<u>Total at August 31, 2012</u>
Cash and cash equivalents	\$ 1,878,264	\$ -	\$ -	\$ 1,878,264
Fixed income	47,440,113	-	-	47,440,113
Domestic equity	95,619,510	-	-	95,619,510
International equity	41,921,335	-	-	41,921,335
Venture capital	-	-	4,195,147	4,195,147
Real estate	-	-	13,421,840	13,421,840
Hedge funds	-	-	34,871,441	34,871,441
Receivables under charitable remainder trusts	-	-	3,997,283	3,997,283
Assets held in split interest agreements	<u>5,587,622</u>	<u>-</u>	<u>-</u>	<u>5,587,622</u>
Total	<u>\$192,446,844</u>	<u>\$ -</u>	<u>\$56,485,711</u>	<u>\$248,932,555</u>
Liabilities to beneficiaries of split interest agreements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,670,735)</u>	<u>\$ (2,670,735)</u>

Changes in the fair value of the Symphony's Level 3 assets and liabilities for the year ended August 31, 2012:

	<u>Venture Capital</u>	<u>Real Estate</u>	<u>Hedge Funds</u>	<u>Receivables Under Charitable Remainder Trusts</u>	<u>Liabilities to Beneficiaries of Split Interest Agreements</u>	<u>Total</u>
Balance, September 1, 2011	\$4,970,284	\$12,544,490	\$36,475,273	\$4,574,973	\$(2,710,145)	\$55,854,875
Purchase, issuances and settlements, net	935,000	-	476,694	-	-	1,411,694
Sales and proceeds	(3,266,822)	-	(3,393,465)	-	-	(6,660,287)
Realized and unrealized gains (losses), net	1,556,685	877,350	1,312,939	-	-	3,746,974
Change in value	<u>-</u>	<u>-</u>	<u>-</u>	<u>(577,690)</u>	<u>39,410</u>	<u>(538,280)</u>
Balance at August 31, 2012	<u>\$4,195,147</u>	<u>\$13,421,840</u>	<u>\$34,871,441</u>	<u>\$3,997,283</u>	<u>\$(2,670,735)</u>	<u>\$53,814,976</u>

SAN FRANCISCO SYMPHONY
Notes to Financial Statements
August 31, 2012

3. Fair Value Measurements (continued)

Net realized and unrealized gains (losses) are included in investment income and net gains (losses) on the Statement of Activities.

4. Improvements, Furniture, and Equipment

Improvements, furniture, and equipment at August 31, 2012 are comprised of the following:

Davies Symphony Hall renovations	\$11,031,479
Furniture and equipment	2,474,393
Computer equipment and software	5,502,613
Leasehold improvements	4,780,004
Musical instruments and artwork	10,360,738
Work in progress	<u>137,238</u>
Total	34,286,465
Accumulated depreciation and amortization	<u>(16,222,239)</u>
Improvements, furniture, and equipment - net	<u>\$18,064,226</u>

Depreciation expense for the year ended August 31, 2012 was \$1,128,007.

5. Line of Credit

The Symphony maintains a revolving unsecured line of credit in the amount of \$2,000,000. As of August 31, 2012, interest on the line was at the bank's prime rate plus 1.00% (4.25% at August 31, 2012). As of August 31, 2012, the Symphony's outstanding balance amounted to \$745,000 and is included in accrued liabilities on the statement of financial position. Interest expense incurred for the year ended August 31, 2012 was \$5,736.

Under the terms of the line of credit agreement, the Symphony is required to comply with certain financial covenants. At August 31, 2012, the Symphony has met all of these financial covenants.

6. Endowment

The Symphony's endowment consists of 102 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. As required by generally accepted accounting principles ("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.

SAN FRANCISCO SYMPHONY
Notes to Financial Statements
August 31, 2012

6. Endowment (continued)

The endowment consists of the following components: (a) permanently restricted investments, which represent the historic dollar value of the contributions restricted by donors for permanent investment, (b) earnings on permanently restricted investments that may be permanently restricted, temporarily restricted by donors for specific purposes, or have not yet been appropriated for expenditure by the Board, (c) temporarily restricted investments whose earnings have been restricted by donors for specific purposes or have not yet been appropriated for expenditure by the Board, and (d) unrestricted endowment investments, which represent funds directed for investment in the endowment by the Board and investment losses on donor-restricted investments in excess of the amount required to be maintained by the donors.

Interpretation of relevant law

On September 30, 2008, the State of California adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), effective January 1, 2009. The Board of Governors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Symphony classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Symphony in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Symphony considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Symphony and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Symphony
- (7) The investment policies of the Symphony

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Symphony to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$92,802 as of August 31, 2012. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of new permanently restricted contributions.

SAN FRANCISCO SYMPHONY
Notes to Financial Statements
August 31, 2012

6. Endowment (continued)

Return objectives and risk parameters

The Symphony has adopted investment and spending policies for endowment assets that attempt to preserve and enhance the inflation-adjusted value of the corpus in perpetuity and to limit the volatility of the distributions from the Endowment to provide a relatively stable annual draw to support the Symphony's operating needs. These financial objectives are intended to balance the needs of current and future beneficiaries of the Symphony's Endowment. It is recognized that the desire to maintain and grow the corpus and produce a stable distribution stream involves tradeoffs that must be balanced in setting the investment objectives and the spending policies. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Investment decisions about an individual asset or class of assets will not be made in isolation, but in the context of the entire portfolio of investments as a whole and as part of an overall investment strategy having risk and return objectives reasonably suited to the fund and the institution. The Symphony expects its endowment funds to return an average annual inflation adjusted return of 6% annually, net of all investment management fees, over the long-term (rolling ten-year period). Actual returns in any given year may vary from this amount.

Strategies employed for achieving investment objectives

To achieve its long-term rate of return objectives, the Board has adopted the total return approach to managing the endowment. The investments will be diversified both by asset class and within asset class and shall include public equity funds, fixed income funds and alternative investment funds. The public equity and alternative investment funds together should normally represent 80% of the endowment's market value and fixed income funds should normally represent 20% of the endowment's market value. The Board may, at its discretion, change the allocations of the funds in order to achieve its long-term objectives.

Relationship of spending policy to investment objectives

The Symphony's investment policy establishes the long-term objective of its endowment funds to return an average annual inflation adjusted return of 6% annually, net of all investment management fees, over the long-term (rolling ten-year period). For the year ended August 31, 2012, the annual distribution based on the spending policy was calculated using a hybrid approach that includes 70% of the prior fiscal year's calculated draw, adjusted for the prior year's inflation rate plus 1.5%, with the remaining 30% based on the trailing 12-quarter average market value for the period ending March 31 prior to the start of each fiscal year, multiplied by 5.5%. Collars have been set at a minimum of 3.5% and a maximum of 6.5% of the March 31 ending market value. There is a transition period where the 12-quarter trailing market value will be increased to a 20-quarter trailing market value over a three-year period using 12 quarters this first year, 16 quarters next year and 20 quarters the following year and for all future years. The inflation factor used in this formula will be based on the Core CPI Index for All Urban Consumers for the year ending March 31 preceding the draw formula.

SAN FRANCISCO SYMPHONY
Notes to Financial Statements
August 31, 2012

6. Endowment (continued)

Relationship of spending policy to investment objectives (continued)

The Board has adopted a policy to preserve the historical dollar value of permanently restricted gifts. After maintaining this value, the Board interprets the law as allowing it to use any of the investment returns as is prudent considering the Symphony's long and short term needs, expected total return on its investments, price level trends, general economic conditions and the donors' restrictions.

Endowment net assets

Endowment net asset composition by type of fund as of August 31, 2012 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (92,802)	\$55,856,680	\$135,209,277	\$190,973,155
Board-designated endowment funds	<u>77,066,895</u>	<u>-</u>	<u>-</u>	<u>77,066,895</u>
Total endowment funds	<u>\$76,974,093</u>	<u>\$55,856,680</u>	<u>\$135,209,277</u>	<u>\$268,040,050</u>

Changes in endowment net assets for the year ended August 31, 2012:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$81,731,486	\$47,641,440	\$132,752,109	\$262,125,035
Investment return				
Investment income, net of fees	1,592,397	2,356,238	-	3,948,635
Net appreciation (realized and unrealized)	<u>6,606,343</u>	<u>8,531,165</u>	<u>643,505</u>	<u>15,781,013</u>
Total investment return	8,198,740	10,887,403	643,505	19,729,648
Contributions	775,999	809,078	1,813,663	3,398,740
Distribution of investment income	(10,090,853)	(2,551,616)	-	(12,642,469)
Appropriation of endowment assets for expenditure	<u>(3,641,279)</u>	<u>(929,625)</u>	<u>-</u>	<u>(4,570,904)</u>
Endowment net assets, end of year	<u>\$76,974,093</u>	<u>\$55,856,680</u>	<u>\$135,209,277</u>	<u>\$268,040,050</u>

SAN FRANCISCO SYMPHONY
Notes to Financial Statements
August 31, 2012

7. Restricted Net Assets and Net Assets Released from Restrictions

Temporarily restricted and permanently restricted net assets as of August 31, 2012 are available for the following purposes or periods:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Orchestra and artist compensation	\$ 3,090,774	\$ 29,558,095
Youth orchestra and education	7,157,426	28,433,643
Production and general activities	9,590,509	73,052,725
Remainder trusts	1,465,250	-
Community engagement	833,201	3,900,000
Endowment funds not appropriated for expenditure	30,025,901	-
For subsequent periods	<u>13,344,307</u>	<u>264,814</u>
Total	<u>\$65,507,368</u>	<u>\$135,209,277</u>

Included in temporarily restricted net assets are \$25,830,779 of purpose and time restricted endowment gifts.

Net assets were released from restrictions for the year ended August 31, 2012 as follows:

Orchestra and artist compensation	\$ 952,718
Youth orchestra and education	10,153,860
Production costs and general activities	6,005,330
Time restrictions satisfied	1,746,545
Centennial initiatives	4,890,163
Fund-raising events	586,385
Property, plant and equipment	890,998
Community engagement	<u>536,056</u>
Total	<u>\$25,762,055</u>

SAN FRANCISCO SYMPHONY
Notes to Financial Statements
August 31, 2012

8. Contributed Goods and Services

The Symphony recognizes contributed revenue and a related expense for certain contributed services at the fair value of those services. During the fiscal year ended August 31, 2012 contributed services recognized in the accompanying financial statements and included in contributed revenue was \$465,496 and consisted primarily of legal and consulting services, which are included in general and administrative activities. The Symphony receives many 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 Symphony also recognizes as revenue in-kind contributions of food, equipment and other goods at the estimated fair value at the date of donation. The estimated value of such contributions received and recognized in the statement of activities was \$1,663,790 for the year ended August 31, 2012.

9. Related Party Transactions

During the year ended August 31, 2012, the Symphony invested \$900,000 in a venture capital limited partnership which invests in a fund that a Board member is a General Partner. The Symphony's future capital commitments related to this partnership as of August 31, 2012 was \$2,399,693.

10. Defined Benefit Retirement Plans

Substantially all Symphony employees are covered by noncontributory defined benefit retirement plans.

Orchestra Plan - Orchestra members are covered following the completion of at least 23 weeks or one-half season. The plan provides an annual pension at age 62 equal to \$2,467 per year of service, and is subject to a maximum pension of \$74,000 per year at retirement. Actuarially reduced pensions are available upon early retirement at age 55 or later. Benefits vest after the completion of five years of service. Subject to certain conditions, the plan provides supplemental spousal and disability benefits.

Administrative Plan - On March 31, 2010, the Administrative Defined Benefit Retirement Plan was frozen and the Symphony instituted a discretionary base contribution on behalf of the employees participating in the frozen plan in its defined contribution plan (Note 11).

SAN FRANCISCO SYMPHONY
Notes to Financial Statements
August 31, 2012

10. Defined Benefit Retirement Plans (continued)

Prior to that date, substantially all administrative employees who worked 1,000 or more hours per year and had one or more years of service were included in this plan. For covered participants prior to March 31, 2010, the plan provides an annual pension at age 65 equal to 1.5% of the employee's highest 60-month average salary per year of service. Actuarially reduced pensions are available upon early retirement at age 55 or later. Benefits vest after the completion of five years of service. Subject to certain conditions, the plan provides supplemental spousal benefits.

The Symphony uses an August 31 measurement date for all of its defined benefit pension plan obligations.

The following sets forth the funded status of the plans as of August 31, 2012:

	<u>Orchestra Plan</u>	<u>Administrative Plan</u>
Plan assets at fair value	\$ 47,135,818	\$11,640,378
Projected benefit obligation	<u>(72,090,920)</u>	<u>(17,565,057)</u>
Funded status recognized in the statement of financial position	<u>\$(24,955,102)</u>	<u>\$(5,924,679)</u>

Included in unrestricted net assets at August 31, 2012, are the following amounts that have not yet been recognized in net periodic benefit cost for the Orchestra Plan and the Administrative Plan: net actuarial loss of \$33,648,557 and \$6,997,355, respectively, and net prior service cost of \$6,897,521 and \$0, respectively. The prior service cost and actuarial losses included in unrestricted net assets and expected to be recognized in net periodic pension cost during the fiscal year ended August 31, 2013 are \$908,876 and \$2,158,137, respectively, for the Orchestra Plan, and \$0 and \$601,303, respectively, for the Administrative Plan.

The following table for the year ended August 31, 2012 provides components of the net periodic pension benefit cost for the plans:

	<u>Orchestra Plan</u>	<u>Administrative Plan</u>
Service cost	\$ 971,887	\$ 55,000
Interest cost	3,054,505	739,433
Expected return on plan assets	(3,054,637)	(718,210)
Prior service amortization	971,314	-
Recognized net actuarial loss	<u>1,459,208</u>	<u>340,520</u>
Total net periodic benefit cost	<u>\$3,402,277</u>	<u>\$416,743</u>

SAN FRANCISCO SYMPHONY
Notes to Financial Statements
August 31, 2012

10. Defined Benefit Retirement Plans (continued)

Assumptions - Weighted-average assumptions used to determine benefit obligations and net periodic benefit cost for the year ended August 31, 2012 were as follows:

	<u>Orchestra Plan</u>	<u>Administrative Plan</u>
Discount rate - net periodic benefit cost	5.25%	5.25%
Expected long-term return on plan assets	7.00%	7.00%
Rate of compensation increase	-	-
Discount rate - benefit obligation	4.00%	4.00%

The overall expected long-term rate of return on plan assets is determined by the plans' historical long-term investment performance, current asset allocation and estimate of future long-term return rates.

Plan assets - Weighted-average asset allocation of the Symphony's pension plans at August 31, 2012 was as follows:

	<u>Policy Allocation Target</u>	<u>Allocation of Plan Assets At August 31, 2012</u>
Orchestra Plan		
Asset classes		
Equities	41.0%	40.7%
Absolute return	20.0%	18.3%
Fixed income	31.0%	34.0%
Real estate	8.0%	6.5%
Cash	-	.5%
Administrative Plan		
Asset classes		
Equities	60.0%	61.8%
Absolute return	15.0%	15.4%
Fixed income	15.0%	16.0%
Real estate	10.0%	6.2%
Cash	-	.6%

The San Francisco Symphony's Statements of Investment Policy, Objective, and Procedure for the Orchestra Plan and Administrative Plan, respectively, outline the governance structure for decision-making, set investment objectives and restrictions, and establish criteria for selecting and evaluating investment managers. The Retirement Board, consisting of Board members and musicians, and the Investment Committee, consisting of members of the Board, both supported by independent consultants, are responsible for monitoring compliance with the investment policies noted above.

SAN FRANCISCO SYMPHONY
Notes to Financial Statements
August 31, 2012

10. Defined Benefit Retirement Plans (continued)

Benefits paid

The following benefits were paid during the year ended August 31, 2012:

	<u>Orchestra Plan</u>	<u>Administrative Plan</u>
Benefits paid	\$1,884,256	\$346,430

Cash flows

Contributions - During the year ended August 31, 2012, the Symphony contributed \$2,584,746 and \$958,112 to the Orchestra Plan and the Administrative Plan, respectively.

Based on the Symphony's forecast at August 31, 2012, the Symphony expects to contribute \$4,032,000 and \$600,000 to the Orchestra Plan and the Administrative Plan, respectively, by August 31, 2013.

Estimated Future Benefit Payments - The Symphony anticipates future benefit payments, which reflect future service, to be paid from the pension plans as follows:

<u>Fiscal Years Ending</u>	<u>Orchestra Plan Pension Benefits (in millions)</u>	<u>Administrative Plan Pension Benefits (in millions)</u>
2013	\$ 2.5	\$0.5
2014	\$ 2.8	\$0.5
2015	\$ 3.0	\$0.6
2016	\$ 3.1	\$0.7
2017	\$ 3.4	\$0.7
2018-2022	\$20.9	\$4.5

Certain of the Symphony's employees participate in multi-employer retirement plans sponsored by their respective unions. Amounts charged to operations, representing the Symphony's required contribution to these plans, were \$752,271 in 2012.

11. Defined Contribution Plan

The Symphony participates in a defined contribution plan (the "Plan") covering substantially all Symphony employees. The Plan provides for discretionary contributions to be made by both orchestra and administrative participants. The Plan also provides for discretionary contributions to be made by the Symphony on behalf of administrative participants. Participants are fully vested upon entering the Plan.

SAN FRANCISCO SYMPHONY
Notes to Financial Statements
August 31, 2012

11. Defined Contribution Plan (continued)

The Symphony's matching contributions to participants' accounts begin after the participant has completed two years of service. The Symphony's matching contributions for the year ended August 31, 2012 were \$220,318.

The Symphony's base contributions to participants' accounts begin after the participant has completed one year of service. The Symphony's base contributions for the year ended August 31, 2012 were \$266,833. Participants are fully vested in the base contribution after five years.

12. Commitments and Contingencies

The Symphony leases facilities and equipment under noncancelable operating leases, subject to various escalation clauses, expiring through fiscal year 2016. In addition, the Symphony 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 Symphony 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. Minimum future rental payments on leases and other operating contracts for the next five years as of August 31, 2012 are as follows:

<u>Years Ending August 31,</u>	
2013	\$ 3,662,522
2014	3,806,189
2015	3,711,264
2016	3,768,153
2017	<u>1,100,849</u>
Total	<u>\$16,048,977</u>

Rent expense was \$1,609,830 for the year ended August 31, 2012.

As of August 31, 2012, the Symphony had unused letters of credit of approximately \$300,000.

The Symphony has commitments under partnership agreements to make future capital contributions of \$3,537,869.

Occasionally, the Symphony is involved in legal actions arising from normal business activities. Management, upon advice of legal counsel handling such actions, believes that the ultimate resolution of any such actions will not have a material adverse effect on the Symphony's financial position or its changes in net assets.

SUPPLEMENTARY INFORMATION

SAN FRANCISCO SYMPHONY
Schedule of Changes in Endowment Net Assets
For the Year Ended August 31, 2012

Funds Held in Trust	Net Assets September 1, 2011	Contributions and Bequests	Gains (Losses) and Investment Income—Net of Fees	Expenses and Allocated Transfers	Distribution of Investment Income	Net Assets August 31, 2012
San Francisco Symphony Endowment Fund	\$ 68,582,348	\$ 188,678	\$ 6,144,227	\$ (530,174)	\$ (7,675,534)	\$ 66,709,545
The Edmund W. and Jeannik Mequet Littlefield Fund	17,496,682	159,473	878,123	(13,415)	(25,835)	18,495,028
Louise M. Davies Guest Conductor Fund	14,568,352	100,000	763,138	-	(144,991)	15,286,499
Phyllis C. Wattis Endowment Fund	13,479,507	711	1,092,240	(25,185)	(29,792)	14,517,481
Phyllis C. Wattis Fund for New Works of Music	12,901,099	711	1,060,207	-	(206,206)	13,755,811
Phyllis C. Wattis Fund for Guest Artists	12,325,821	711	1,031,388	-	(573,671)	12,784,250
San Francisco Symphony Planned Giving Fund	10,864,772	(120,026)	-	-	-	10,744,746
Adventures in Music Fund	6,305,614	1,675,000	574,618	-	(314,000)	8,241,232
Ford Foundation Fund	7,615,313	-	822,803	(66,561)	(1,021,556)	7,349,999
Osgood Hooker Permanent Endowment Fund	6,138,879	-	415,039	(38,200)	(17,710)	6,498,008
The Hewlett Foundation Fund for Education	5,227,157	-	464,257	-	-	5,691,414
San Francisco Symphony Heritage Fund	5,523,400	682,076	83,997	(870,573)	-	5,418,900
William and Sakurako Fisher Fund for Adventures in Music	5,094,686	-	333,731	-	(119,843)	5,308,574
The Barbro and Bernard Osher Staged Production Fund	4,835,990	-	440,220	(235,439)	(245,607)	4,795,164
Jacqueline S. Hoefer Fund for Artistic Excellence	4,037,400	-	353,794	(22,806)	(9,593)	4,358,795
Naoum Blinder Concertmaster's Chair Fund	3,816,797	-	250,436	(21,343)	(10,842)	4,035,048
William Randolph Hearst Endowment	3,045,048	-	254,621	(13,420)	(28,568)	3,257,681
The Richard and Rhoda Goldman Section String Fund	2,704,255	-	710,321	(26,935)	(413,384)	2,974,257
Phyllis C. Wattis Youth Symphony Fund	2,584,841	-	231,005	-	(63,395)	2,752,451
Jean and Bill Lane Chair	2,533,836	-	195,987	(5,757)	(6,296)	2,717,770
The Ann L. and Charles B. Johnson Fund	2,398,881	-	196,022	(20,469)	(7,112)	2,567,322
San Francisco Symphony Education Fund	2,067,472	5,060	121,638	-	-	2,194,170
Wallace Endowment Fund	2,000,001	-	178,657	-	(116,975)	2,061,683
Paul L. and Phyllis Wattis Endowment for the Youth Orchestra Conductor	1,943,721	-	93,297	-	(83,695)	1,953,323
Paul L. and Phyllis Wattis Endowment for New Music	1,895,192	-	101,025	-	(105,011)	1,891,206
Helen and Charles Schwab Fund	1,970,923	-	189,691	(17,043)	(261,574)	1,881,997
Marcia and John Goldman Timpani Chair	1,913,725	15,529	86,293	(15,899)	(244,011)	1,755,637
James David Zellerbach Foundation	1,642,884	-	111,638	(10,402)	(4,752)	1,739,368
Robert L. Samter Principal Trombone Chair Fund	1,481,745	-	97,955	(8,517)	(4,225)	1,566,958
Agnes Albert Youth Music Education Fund	1,408,120	-	82,923	-	-	1,491,043
K. Hart Smith Fund	1,299,520	320	106,330	-	(68,904)	1,337,266
Drs. Ben and A. Jess Shenson Young Artists Debut Fund	1,375,428	-	34,517	-	(76,708)	1,333,237
Phyllis C. Wattis Fund for Wattis Room Maintenance	1,084,415	-	107,050	-	(9,015)	1,182,450
The Paula and John Gambs Fund	1,088,863	-	91,500	(1,419)	(2,591)	1,176,353
Wattis Special Performance Fund	1,025,200	-	131,396	(1,235)	(1,896)	1,153,465
Diane Miller AIM Fund	1,061,874	-	73,412	(8,955)	(3,263)	1,123,068
The Lyman and Carol Casey Endowed Fund	1,045,281	-	72,058	(926)	(2,369)	1,114,044
Penelope Clark Second Century Chair Fund	625,464	470,959	6,584	-	-	1,103,007
The Harriet Heyman & Michael Moritz Endowed Fund	1,000,000	-	117,986	-	(27,793)	1,090,193
The Christine and Pierre Lamond Fund	1,017,061	-	84,157	(8,687)	(3,055)	1,089,476
Nancy and Charles Geschke Fund	1,005,101	-	83,488	(8,587)	(3,029)	1,076,973
Hume Flute Chair Fund	1,008,424	-	70,591	(623)	(1,883)	1,076,509
The Barbro and Bernard Osher Youth Orchestra Touring Fund	1,311,217	-	88,533	(263,357)	(79,896)	1,056,497
Caroline H. Hume Youth Orchestra Touring Fund	980,220	14,226	113,837	(8,900)	(46,424)	1,052,959
The Athena T. Blackburn Endowed Fund for Russian Music	-	986,460	5,398	-	-	991,858
Nan Tucker McEvoy Instrument Training and Support Fund	956,582	17,174	6,240	-	-	979,996
Gary and Kathleen Heidenreich Fund	921,950	-	81,639	(7,916)	(121,499)	874,174
The Leanne and George Roberts Endowment Fund for Community Programs	827,310	-	71,643	-	(54,797)	844,156
Emanuel S. Heller Endowment	789,646	-	57,737	(6,290)	(2,375)	838,718

SAN FRANCISCO SYMPHONY
Schedule of Changes in Endowment Net Assets (continued)
For the Year Ended August 31, 2012

Funds Held in Trust	Net Assets September 1, 2011	Contributions and Bequests	Gains (Losses) and Investment Income-Net of Fees	Expenses and Allocated Transfers	Distribution of Investment Income	Net Assets August 31, 2012
Mrs. Walter Haas Children's Concert Fund	\$ 714,580	\$ -	\$ 83,191	\$ -	\$ (30,265)	\$ 767,506
San Francisco Symphony Youth Orchestra Fund	483,415	138,179	118,223	(3,324)	(6,153)	730,340
May Treat Morrison Memorial Foundation	672,767	-	31,885	-	(26,787)	677,865
Maurice and Stella Eliazar Fund	618,742	-	43,300	(1,694)	(1,588)	658,760
Michael Tilson Thomas First Performances Fund	596,949	-	48,700	(764)	(1,411)	643,474
The William and Gretchen Kimball Education Fund	519,676	-	44,528	-	-	564,204
The Sandy and Paul Otellini Education Endowed Fund	504,953	-	44,585	-	-	549,538
John and Lisa Pritzker Concerts for Kids Fund	490,707	4,622	16,226	-	(5,599)	505,956
Pauline C. Chickering Instrument Fund	513,782	-	51,777	(4,461)	(68,469)	492,629
Ralph I. Dorfmann Commissioning Fund	429,931	-	45,702	-	(7,500)	468,133
Margaret Koshland Sloss Tribute Fund	462,060	-	36,139	(3,930)	(60,314)	433,955
San Francisco Symphony Keyboard Music Fund	387,056	-	28,922	(3,281)	(1,178)	411,519
Katharine H. Johnson Fund	386,695	13,531	7,333	-	-	407,559
Hanrahan Violin Chair Fund	340,545	-	22,203	(215)	(663)	361,870
Walter Edwin II - Lenoir M. Dean Fund	358,913	-	32,539	(3,088)	(47,391)	340,973
J. Peter Cahill Guest Pianist Fund	323,751	-	18,093	-	(18,263)	323,581
The Paul and Kathy Bissinger Endowed Fund	240,889	2,147	11,811	-	-	254,847
The Barbara and Richard Rosenberg Endowed Fund	235,528	-	15,932	(1,984)	(713)	248,763
The Hurlbut-Johnson Fund	220,001	-	18,536	-	-	238,537
James C. Hormel Concerts for Kids Endowment Fund	231,620	1,067	15,968	-	(10,231)	238,424
Shenson Foundation Flute Chair for the Youth Orchestra	223,682	-	7,440	(1,823)	(716)	228,583
Frannie and Mort Fleishhacker Endowed Touring Fund	209,059	-	18,038	-	(10,542)	216,555
Brayton Wilbur Jr. Endowed Fund for Touring	194,514	10,000	18,037	(256)	(13,791)	208,504
The Steinberg Family Education Endowed Fund	164,053	-	13,477	-	-	177,530
Elizabeth Letts Janss Fund	181,343	-	11,373	(1,520)	(23,331)	167,865
Leonard Kingsley Endowed Fund	150,428	-	14,617	(1,302)	(19,981)	143,762
KPMG Fund for Community Engagement	132,906	606	7,644	-	(8,843)	132,313
Barbara Brookins Guest Artist Fund	118,443	-	7,814	-	(7,258)	118,999
The Ann and Jim Paras Endowed Fund	108,519	-	8,971	(138)	(260)	117,092
Nion McEvoy Family Fund	105,019	484	8,805	(109)	(252)	113,947
Agnes Albert Honorary Endowment Fund	105,162	-	8,799	(110)	(239)	113,612
The Jon and Linda Gruber Education Endowed Fund	103,784	-	8,778	-	-	112,562
Terry Family Fund	102,812	-	8,993	(93)	(206)	111,506
John P. and Susan H. Carver Fund	105,455	-	5,563	(87)	(254)	110,677
Mrs. George John Otto Memorial Vocalist Fund	99,999	-	8,194	-	(3,005)	105,188
Geeslin Family Fund for Community Engagement	100,000	-	8,571	-	(4,834)	103,737
Phyllis and Stuart Moldaw Endowed Fund for Instrument Training and Support	94,952	-	7,636	-	-	102,588
Jerome and Thao Dodson Music Education Fund	97,237	1,411	2,277	-	-	100,925
Margaret Liu Foundation	97,745	1,120	1,821	-	-	100,686
Joan L. Danforth Guest Artist Fund	99,426	574	2,699	-	(2,699)	100,000
Emma and Frederick Goltz Education Fund	96,366	1,302	1,527	-	-	99,195
The Richard and Joan Madden Endowed Fund	90,269	-	7,914	(775)	(277)	97,131
James J. Parker Mostly Mozart Fund	89,949	-	6,679	(368)	(240)	96,020
Lisa and Douglas Goldman Fund for Adventures in Music	83,060	1,731	4,764	-	(4,134)	85,421
Howard Skinner Fund	79,999	-	7,273	-	(1,901)	85,371
Athena T. Blackburn Fund for Adventures in Music	80,253	-	7,477	-	(4,064)	83,666
Wornick Endowment Fund	67,676	-	5,862	(580)	(8,904)	64,054
Agnes Albert Display Case Endowment	48,319	-	3,774	(167)	(392)	51,534
Fannie M. Irwin Endowment	44,791	-	2,364	(164)	(123)	46,868
Brian P. McCune and Darlene P. Vian Fund for Vocal Performance	24,495	-	1,232	-	-	25,727
Louisa Jean De Bretteville Living Trust	9,694	-	622	(50)	(27)	10,239
Centennial Stabilization Fund	2,279,953	-	1,633	(2,281,586)	-	-
Gala Guest Artist Fund	975,096	(975,096)	-	-	-	-
	<u>\$ 262,125,035</u>	<u>\$ 3,398,740</u>	<u>\$ 19,729,648</u>	<u>\$ (4,570,904)</u>	<u>\$ (12,642,469)</u>	<u>\$ 268,040,050</u>