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OFFICE OF THE  
CITY MANAGER

CITY OF SACRAMENTO  
CALIFORNIA

CITY HALL  
ROOM 101  
915 I STREET  
SACRAMENTO, CA  
95814-2684

April 5, 1990

**APPROVED**  
BY THE CITY COUNCIL

916-449-5704  
FAX 916-449-8618

APR 10 1990

City Council  
Sacramento, California

OFFICE OF THE  
CITY CLERK

Honorable Members in Session:

**SUBJECT: SACRAMENTO SYMPHONY ASSOCIATION FINANCIAL STATUS**

SUMMARY

This report presents an overview of the current financial status of the Sacramento Symphony. It recommends that the City and County of Sacramento help the Symphony secure a line of credit, by signing as a guarantor, for a maximum of \$700,000 through July 31, 1990. During the next sixty days staff will conduct a complete review of the financial status of the Symphony association.

BACKGROUND INFORMATION

On March 22, 1990, in a letter to Mayor Anne Rudin, Robert Walker, Executive Director of the Sacramento Symphony, requested the City and County provide a \$5 million no-interest loan for a five year period to establish a public/private partnership to financially stabilize the Sacramento Symphony Association (see attached letter).

In the past four years, the Sacramento Symphony has accumulated a loss of approximately \$1.6 million as a result of a labor dispute in 1985-86 which resulted in a significant increase (35%) in the weekly salary paid to 39 core musicians (increasing to 45 core musicians by 1988-89). In addition, the Symphony increased the number of classical concerts from 26 in 1984-85 to 42 concerts in 1986-87. The audience did not significantly increase - it has averaged 58,000 yearly during the past seven years. The number of classical subscribers has also decreased from 7,231 in 1983-84 to 5,300 currently. The large increase in expenses following the labor dispute created a significant deficit beginning in 1986-87. While earned and contributed income has

Symphony substitute motion by Kim Mueller:

- 1.) City Manager recommendations 1-3 and 5 are approved; and
- 2.) that the Mayor requests that the County Board of Supervisors agree to co-sign a new line of credit guaranteed jointly by both the City and County; and
- 3.) that the City Treasurer be directed to negotiate a new \$700,000 bank line of credit guaranteed by the City ~~but limit its usage to 30 days pending:~~  
*while making provisions for the County to co-sign, that letter of*
  - a.) ~~retirement of the existing line of credit by the Symphony~~ *credit in*  
~~Foundation,~~
  - b.) ~~the Sacramento County response in 2 above; and~~ *30 days*
- 4.) that the Symphony Foundation report back to the City Council and Board of Supervisors as soon as possible, but no later than 30 days, on the retirement of the existing Wells Fargo Bank \$700,000 line of credit and other plans to address its deficit; and
- 5.) that the Symphony's specific request be considered and discussed in the context of the upcoming City and County budget hearings and "on-going" cultural/arts funding issues as a part of the normal budget process; and that the Sacramento Metropolitan Arts Commission (SMAC) be asked to advise the City and County on alternative strategies for funding the community's art needs.

increased every year since the 1981-82 season (with the exception of ticket sales in the labor dispute year), they have not matched expenses. The Symphony Association has utilized all of its reserves financing the operating deficit and now faces an immediate liquidity crisis. Unless the financial situation is dramatically reversed, the Symphony will be forced into bankruptcy, leaving the community without a major symphony orchestra.

The major financial issues and requests detailed in the letter from the Symphony are summarized below:

1. Line of Credit. The Symphony Association currently has an outstanding line of credit from Wells Fargo Bank for \$700,000. The line of credit is secured by the **Symphony Foundation** that has cash assets of \$1.7 million (\$1.0 million in endowment funds and \$0.7 million in other cash assets). The **Symphony Foundation** is a separately incorporated entity which acts as endowment fund for the symphony. It is cash resources of the **Symphony Foundation** which back the existing line of credit. Under the terms of the line of credit, annual pay off of the line is required. It is projected that the line of credit will be fully drawn down within the next few weeks. Mr. Walker has requested \$1 million from the City and County to reduce the debt and meet cash flow needs.
2. Cash Flow. The Symphony Association has now utilized all of its reserve financing and faces an immediate liquidity crisis. Absent assistance from the private sector or the City and County, within two weeks the Association will not be able to make payroll. The current cash flow problem rests at \$200,000 per month.
3. Long-Term Financial Plan. Given the current operation cost of the Symphony coupled with the projected income, the Symphony faces continued operational deficiencies. Mr. Walker has requested that \$4.0 million be placed into an endowment fund whereby the interest and capital appreciation would support Symphony operations.

#### FINANCIAL DATA

The proposed line of credit will provide the Symphony with resources which would otherwise be unavailable to them due to financial constraints. It is the Symphony's responsibility to repay the line of credit. If the Symphony is unable to pay, it would be the obligation of the City and County to repay the letter of credit.

POLICY CONSIDERATIONS

The City and County have encouraged the development and support of arts and culture through building the Community Center and various programs such as City Life, the Downtown Cultural and Entertainment District, and the County Cultural Awards grant program. Long-term policy issues currently being discussed include: which cultural activities to support, at what level the arts should be supported by public funds, what level should private funding be, and what financial methods are available to support the arts.

Policy questions related to this issue are as follows:

1. Should the City and County jointly loan \$5 million to the Symphony Association, \$4 million to be used as a "bridge endowment" and the remaining \$1 million to pay outstanding operating expenses? Given the magnitude of the request and the impact on current program funding, this proposal is not viable.
2. How will other major arts groups in the County view this transaction? The City and County have already established precedents in support of major arts groups from assisting the Symphony in labor negotiations four years ago to assisting the Sacramento Ballet with its debt to purchasing property from the Sacramento Theatre Company, which eliminated their existing debt. Other arts organizations have similar financial stress and would undoubtedly follow the Symphony's request with a similar request of their own. What would be the rationale for granting one arts organization an endowment bridge loan or other financial assistance and denying a similar request from other arts organizations?
3. Should the City and County assure the continued financial viability of the Symphony by making annual contributions to the Symphony operating budget? At its March 14, 1990 meeting, the Sacramento Metropolitan Arts Commission noted that the Symphony's situation is not unique or isolated, and recognized the need for on-going city support of the arts. Based on need established by current funding requests to the Sacramento Metropolitan Arts Commission and on the major arts groups' ten-percent-of-budget recommendation, the Arts Commission recommends \$1 million for arts regranting. The Symphony's Executive Director has asked that the joint City/County annual operating budget contribution be at least ten percent of the Symphony's operating budget.

The current budget is \$3.6 million which would call for annual contributions of \$180,000 each from the City and County.

4. Should we predetermine the use of City/County funding before the budget process?

Staff has not had adequate time to complete its investigation of the Sacramento Symphony financial problems. Staff does recognize the immediate cash flow needs of the Association and proposes an interim fix through a City and County guarantee of a line of credit to assist the Symphony through July 31, 1990. During this period, City and County staff will complete their investigation and report back with more specific information and recommendations.

#### RECOMMENDATION

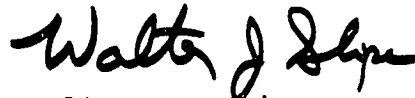
It is recommended that the following steps be taken relative to the Symphony's financial status:

1. That the City Council and Board of Supervisors direct the City Manager and County Executive to appoint a joint staff task force to investigate and make recommendations on the symphony's financial problems.
2. That the task force report back to the City Council and Board of Supervisors in 60 days on the symphony's financial condition.
3. That the Symphony Association retire its existing Wells Fargo letter of credit with **Symphony Foundation** assets of \$700,000.
4. That the Symphony Association should renew the Wells Fargo Bank line of credit in the amount of \$700,000 upon approval of both the City Council and the County Board of Supervisors to guarantee the new line of credit.
5. That the Sacramento Symphony Association and Foundation provide assistance and access to the City/County task force of all records, financial statements, and information necessary for staff to complete its work.

April 4, 1990

6. That arts funding policy issues be referred to the Sacramento Metropolitan Arts Commission for a report back in 60 days.

Respectfully submitted,



Walter J. Slipe  
City Manager

April 10, 1990  
All Districts

*amended*  
**RESOLUTION NO. 90-270**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

**APPROVED**  
BY THE CITY COUNCIL

APR 10 1990

OFFICE OF THE  
CITY CLERK

ON DATE OF \_\_\_\_\_

**RESOLUTION DIRECTING THE CITY AND  
COUNTY TO GUARANTEE A LINE OF CREDIT  
FOR THE SACRAMENTO SYMPHONY  
ASSOCIATION.**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

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2. That the task force report back to the City Council and Board of Supervisors in 60 days on the symphony's financial condition.
3. That the Symphony Association retire its existing Wells Fargo letter of credit with **Symphony Foundation** assets of \$700,000.
4. That the Mayor requests that the County Board of Supervisors agree to co-sign a new line of credit guaranteed jointly by both the City and County.
5. That the City Treasurer be directed to negotiate a new \$700,000 bank line of credit guaranteed by the City while making provisions for the County to co-sign that line of credit in 30 days.
6. That the Symphony Foundation report back to the City Council and Board of Supervisors as soon as possible, but no later than 30 days, on the retirement of the existing Wells Fargo Bank \$700,000 line of credit and other plans to address its deficit.

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RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

7. That the Symphony's specific request be considered and discussed in the context of the upcoming City and County budget hearings and "on-going" cultural/arts funding issues as a part of the normal budget process; and that the Sacramento Metropolitan Arts Commission (SMAC) be asked to advise the City and County on alternative strategies for funding the community's art needs.
8. That the Sacramento Symphony Association and Foundation provide assistance and access to the City/County task force of all records, financial statements, and information necessary for staff to complete its work.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_



# RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

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COUNTY TO GUARANTEE A LINE OF CREDIT  
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5. That the Sacramento Symphony Association and Foundation provide assistance and access to the City/County task force of all records, financial statements, and information necessary for staff to complete its work.

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DATE ADOPTED: \_\_\_\_\_

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6. That arts funding policy issues be referred to the Sacramento Metropolitan Arts Commission for a report back in 60 days.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
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RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_



**Sacramento  
Symphony**

77 Cadillac Drive  
Suite 101  
Sacramento, CA 95825  
916/649-0300  
FAX 916/641-0830

Richard L. Bojé, *President*  
Carter Nice, *Music Director*  
Robert Walker, *Executive Director*

22 March 1990

The Honorable Anne Rudin, Mayor  
City of Sacramento  
915 I Street  
Sacramento, California 95814

Dear Mayor Rudin:

**SUBJECT: \$5 MILLION LOAN TO THE SACRAMENTO SYMPHONY**

**SUMMARY**

This letter respectfully requests the Sacramento City Council to grant a \$5 million no-interest loan for a 5-year period to establish a public/private partnership to financially stabilize the Sacramento Symphony Association so that it may continue operations as the leading performing arts institution in the Sacramento region.

This loan would be allocated as follows:

1. \$1 million would be used to a) pay the expenses to complete the current season ending April 29, 1990; b) retire the current bank loans from Wells Fargo Bank (\$580,000 to date); and pay the outstanding accounts payable owed by the Symphony (\$305,261 including \$84,427 in pension fund payments currently owed).

2. \$4 million would be placed in an inviolable and jointly administered "Bridge Endowment Fund" whereby the interest and capital appreciation would be used to support the musical performances and operations of the Symphony. With the assistance of the national firm BENTZ, WHALEY FLESSNER (an experienced development, public relations, and management consultant group specializing in arts and cultural organizations), the Symphony Association would immediately begin the preparation and execution of a multi-year endowment campaign drive to raise a minimum of \$5 million. (We recognize that an adequate endowment to maintain the long term stability of the Symphony would be a fund at least two times the yearly operating expense budget, or \$8 - 10 million in this case.)

The Symphony Association would repay the \$5 million loan no later than April 30, 1995.

As part of this public/private stabilization partnership, we would suggest the following:

1. A review by the City Treasurer and other appropriate City officials of the current investments and investment strategy of the Sacramento Symphony Foundation,

including methods to maximize the Foundation's investment income so that the current Foundation principal (\$1.7 million) will provide the greatest possible support to the Symphony.

2. The City Treasurer and other elected officials work with the Symphony Association in determining the investment strategy and oversight of the \$4 million "Bridge Endowment Fund."

3. During the 5 years of this loan, the Symphony Association will operate with a balanced budget and end each fiscal year in a net current position.

4. During mutually agreed times, the Symphony would like to participate yearly with each Council member in presenting a free park concert for the citizens of Sacramento in each of the eight districts.

5. During mutually agreed times, the Symphony would like to work with the Sacramento schools in presenting in-school concerts for children and students, chamber ensemble performances and demonstration performances.

6. Although this loan will allow the continuation of the Symphony on an immediate basis, a study of the underlying problems which caused a \$1.6 million loss during the 1987-90 period needs to be carefully analyzed and action steps taken to see that it does not reoccur. Henry Fogel, Executive Director of the Chicago Symphony Orchestra (and an acknowledged and experienced expert in Arts Management), has volunteered his services to help us on a pro-bono basis. He will be available during the period May - July, 1990 to come to Sacramento to work with us on long-term solutions.

#### BACKGROUND

At the end of this fiscal year (July 31, 1990), the Symphony will have a four year accumulated loss of approximately \$1.6 million.

Unless this situation is dramatically reversed, the Symphony will be forced into bankruptcy, leaving the Sacramento community with a large cultural gap at a time the City and County are in a significant state of economic growth and national attention.

Prior to the 1985/86 season, the Symphony operated in a net current financial position with a small surplus each year (averaging 8% of total expenses) producing classical, pops, and youth concerts to sold-out houses. The 85/86 4 1/2 month labor dispute was a significant turning point for the organization; following the dispute the 39 core musicians

(increasing to 45 core musicians by 88/89) received a significant increase (35%) in their weekly salary to a "living" wage - from \$11,130 in 84/85 to \$15,050 in 86/87.

The Symphony Association then increased the number of classical concerts dramatically - (26 concerts in 84/85 to 42 concerts in 86/87). The audience, however, did not significantly increase - it has averaged 58,000 yearly during the past 7 years. Increasing the "supply" of concerts did not create "demand". The number of classical subscribers took a dramatic downturn - a 27% reduction from the high of 7,231 in 83/84 to an average of 5,300 now, not unexpected after a major labor dispute of such duration.

The large increase in expenses following the labor dispute (36% increase from 84/85 to 86/87) created a significant income gap beginning with the 86/87 season. While earned and contributed income have grown and increased in every year since the 81/82 season (with the single exception of ticket sales in the labor dispute year), they have not matched the post-dispute growth in expenses. The increasing income gap - now a cumulative \$1.6 million will lead to the bankruptcy of the Association if it is not reversed.

#### WHAT THE SYMPHONY PROVIDES TO THE SACRAMENTO COMMUNITY

\* Employment for approximately 200 individuals (musicians, staff, stagehands, ushers, theater employees, etc.)

\* High quality Symphonic and Pops performances, including presentation of major international artists

\* Children's Concerts and programs to an audience of 55,000 young people; highly regarded educational programs at a time when school systems are reducing their commitments to music and the arts; maintenance of the Sacramento Youth Symphony

\* A professional orchestra which is the foundation of the performing arts life in Sacramento, including the Sacramento Opera, Sacramento Ballet, Theater Ballet.

\* Maintenance of a group of professional musicians who are active in teaching (UC Davis, CSUS, etc.) and playing in other community musical activities, such as the Sacramento Chamber Music Society

\* Park Concerts & Community Outreach Concerts

\* Special events such as the Martin Luther King celebration

ATTACHMENTS

For your information, I have attached the following information to this request:

ATTACHMENT 1

Audited financial statement for FY 1989

ATTACHMENT 2

Trustees of the Sacramento Symphony Foundation  
Annual Financial Statement as of June 30, 1989  
Cash flow statement for the period 2/1/90 - 2/28/90  
Kingsley Jennison McNulty & Morse quarterly investment  
review

ATTACHMENT 3

Bentz Whaley Flessner proposal for Assessment and  
Preparation for an Endowment Campaign

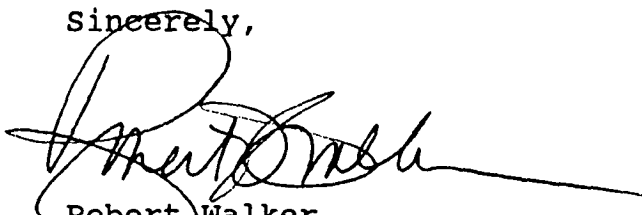
ATTACHMENT 4

List of Sacramento City Schools that participated in  
Young People's Concerts and KinderKonzerts during 1989/90  
year, attendance and sponsored (free admission) children.

If I can provide any further information, please let me  
know. I look forward to working with you, the Council and  
city staff on this important stabilization project.

With best wishes.

Sincerely,



Robert Walker  
Executive Director

SACRAMENTO SYMPHONY ASSOCIATIONA DISCUSSION PAPER, STATUS REPORT AND REQUEST  
TO WALTER SLIPE, CITY MANAGER  
CITY OF SACRAMENTOCONCISE STATEMENT OF THE SITUATION

At the end of this fiscal year (July 31, 1990), the Symphony will have a four year accumulated loss of approximately \$1.6 million. Unless this situation is dramatically reversed, the Symphony will be forced into bankruptcy, leaving the Sacramento community with a large cultural gap at a time the City and County are in a significant state of economic growth and national attention.

Prior to the 1985/86 season, the Symphony operated in a net current financial position with a small surplus each year (averaging 8% of total expenses) producing classical, pops, and youth concerts to sold-out houses. The 85/86 4 1/2 month labor dispute was a significant turning point for the organization; following the dispute the 39 core musicians (increasing to 45 core musicians by 88/89) received a significant increase (35%) in their weekly salary to a "living" wage - from \$11,130 in 84/85 to \$15,050 in 86/87.

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The large increase in expenses following the labor dispute (36% increase from 84/85 to 86/87) created a significant income gap beginning with the 86/87 season. While earned and contributed income have grown and increased in every year since the 81/82 season (with the single exception of ticket sales in the labor dispute year), they have not matched the post-dispute growth in expenses. The increasing income gap - now a cumulative \$1.6 million will lead to the bankruptcy of the Association if it is not reversed.



## WHAT THE SYMPHONY PROVIDES TO THE SACRAMENTO COMMUNITY

- \* Employment for approximately 200 individuals (musicians, staff, stagehands, ushers, theater employees, etc.)
- \* High quality Symphonic and Pops performances, including presentation of major international artists
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- \* A professional orchestra which is the foundation of the performing arts life in Sacramento, including the Sacramento Opera, Sacramento Ballet, Theater Ballet.
- \* Maintenance of a group of professional musicians who are active in teaching (UC Davis, CSUS, etc.) and playing in other community musical activities, such as the Sacramento Chamber Music Society
- \* Park Concerts & Community Outreach Concerts
- \* Special events such as the Martin Luther King celebration

## SYMPHONY CONTRIBUTED INCOME

The Symphony Association raises as much contributed income (\$1,059,065 actual in 1989) as the other four main arts organizations combined (\$1,071,397 actual in 1989 for the Sacramento Theater Company (STC), Opera, Ballet, and Crocker.)

The Symphony Association raises twice as much contributed income as the other three performing arts organizations combined (\$1,059,065 in Symphony contributions versus \$541,832 for STC, Opera, and Ballet).

Over the last 7 years, total contributed income to the Symphony has increased 93%.

## THE PROPOSED PLAN OF ACTION

Significant action must be taken now to reduce the FY91 expenditures to a level approximating the FY90 estimated total income (\$3.2 million). This will be done by an across the board reduction in all the expenses of the Symphony - musicians, management, artistic staff, guest artists, box office, stagehands, etc., while maintaining an artistically viable season for the Sacramento public. In addition, the City and County will be requested to each contribute a fair share of support (5% of

the Symphony annual budget). A 10% contribution from local government is the average contribution from cities and counties where regional orchestras such as the Sacramento Symphony are located.

While consideration had been given to accomplishing this without re-opening the labor agreement with the musicians, we cannot substantially reduce the expenses of the Symphony Association without such an action. The proposed plan of action maintains the artistic integrity of the Symphony, maintains the financial commitment to the "core" orchestra of 45 -- the heart and soul musically of the organization -- but enables the Association to reverse the continuing deficit situation.

The Symphony is comprised of 3 groups of musicians - the Core ("A") orchestra of 45, the Long ("B") orchestra of 17, and the Short ("C") orchestra of 25. Their guarantees for 1990/91 are:

A (core)	39 weeks x \$515 weekly plus overscale	\$1,042,590 (without fringes)
B	17 musicians x 135 services @ 74.20	170,289
C	25 musicians x 90 services @ 74.20	166,950

The labor agreement has a provision which allows it to be reopened for financial reasons. This being the case, the Association will reopen to establish the discontinuance of the total guarantee to the B & C musicians. They would be paid for performances and rehearsals actually played.

The 1990/91 programming would accommodate several programs utilizing smaller orchestral forces, thus reducing the number of individual musician services for B & C Players. The 1990/91 season is one season in which this can be artistically done, since it is a major Mozart year - the 200th anniversary of his death in 1791.

Other planned reductions or actions include:

- \* Cancellation of the Summer season, and altering those 4 employment weeks to "Supplementary Unemployment Benefit (SUB) Weeks wherein the Association will supplement the Unemployment Benefit by an amount to equal the weekly salary.

- \* Reducing the number of classical concerts from 42 to a total of 37 including 32 classical performances, 1 gala opening performance, and 4 "classical pops" performances.

- \* Altering the Pops format of presenting headliner guest artists to Pops programs where the music is featured - The Fiedler Tradition, Big Band Sounds, Hooray for Hollywood, The Best of Broadway, Windham Hill, etc.

\* Closing of the Symphony Office Box Office on Cadillac Drive for single tickets, and concentrating single ticket sales at the CCT box office

\* Discontinuance of security force for rehearsals/concerts

\* Reduction of the Administrative staff by 10%

\* Reduction in Choral activity

SINCE THE SYMPHONY IS A IMPORTANT REGIONAL RESOURCE, THE SYMPHONY PROPOSES TO REQUEST THE FOLLOWING ASSISTANCE FROM THE CITY AND COUNTY GOVERNMENTS:

1. A \$1 million no-interest loan from the City/County to be repaid beginning March 1993

2. Yearly operating support from the City and County of 5% each of the annual operating expenses.

\$165,000 from the City and \$165,000 from the County for the 1990/91 season beginning August 1, 1990. (5% of estimated expenditures of \$3,280,000).

3. Waiver by the City of all Community Center Theater (CCT) rental, facility and use fees for the 1990/91 season.

SACRAMENTO SYMPHONY ASSOCIATION  
Summary of Operating Results  
(in \$ thousands)

(NOTE: NUMBERS ARE PRESENTED IN YEARLY AUDIT CATEGORIES)

fiscal year ended June 30

	1982	1983	1984	1985	1986	1987	1988	1989*	1990 projection
<b>EARNED INCOME</b>									
Ticket Sales	593	870	906	1,137	716	1,365	1,562	2,114	1,675
Other	102	201	140	167	165	159	246	138	103
<b>Total Earned Income</b>	<b>695</b>	<b>1,071</b>	<b>1,046</b>	<b>1,304</b>	<b>881</b>	<b>1,524</b>	<b>1,808</b>	<b>2,252</b>	<b>1,778</b>
<b>CONTRIBUTION INCOME</b>									
Contribution & Sponsorship	445	504	632	716	741	814	828	1,084	1,000
Symphony Foundation	76	83	93	104	105	103	134	122	118
City/County		15	18	28	11	102	104	131	110
Symphony League	42	61	60	72	100	78	58	100	75
California Arts Council	24	36	36	60	63	63	58	50	57
NEA	35	50	42	50	45	49	50	25	25
Other	2			24	4	8			
<b>Total Contribution Income</b>	<b>624</b>	<b>749</b>	<b>881</b>	<b>1,054</b>	<b>1,069</b>	<b>1,217</b>	<b>1,232</b>	<b>1,512</b>	<b>1,385</b>
<b>TOTAL INCOME</b>	<b>1,319</b>	<b>1,820</b>	<b>1,927</b>	<b>2,358</b>	<b>1,950</b>	<b>2,741</b>	<b>3,040</b>	<b>3,764</b>	<b>3,163</b>
<b>ARTISTIC EXPENDITURES</b>									
Artistic Personnel	679	933	906	1,106	675	1,445	1,515	1,815	1,616
Concert Production	110	221	416	524	461	759	763	1,070	772
<b>Total</b>	<b>789</b>	<b>1,154</b>	<b>1,322</b>	<b>1,630</b>	<b>1,136</b>	<b>2,204</b>	<b>2,278</b>	<b>2,885</b>	<b>2,388</b>
<b>OPERATING EXPENDITURES</b>									
Marketing/PR		54	83	83	81	108	174	264	220
Development		17	22	22	21	34	114	46	112
Management	182	241	272	327	368	410	479	638	635
General & Administrative	238	109	104	140	205	243	276	370	263
Education	11	3	3	2	3	5	25	10	4
Depreciation/Equipment	12	36	21	19	27	27	40	43	35
<b>Total</b>	<b>443</b>	<b>460</b>	<b>505</b>	<b>593</b>	<b>705</b>	<b>827</b>	<b>1,108</b>	<b>1,371</b>	<b>1,269</b>
<b>TOTAL ARTISTIC &amp; OPERATING</b>	<b>1,232</b>	<b>1,614</b>	<b>1,827</b>	<b>2,223</b>	<b>1,841</b>	<b>3,031</b>	<b>3,386</b>	<b>4,256</b>	<b>3,657</b>
<b>Income (loss) from Operations</b>	<b>87</b>	<b>206</b>	<b>100</b>	<b>135</b>	<b>109</b>	<b>(290)</b>	<b>(346)</b>	<b>(492)</b>	<b>(494)</b>
<b>Surplus (deficit) beginning of year</b>	<b>30</b>	<b>117</b>	<b>323</b>	<b>423</b>	<b>558</b>	<b>667</b>	<b>377</b>	<b>11</b>	<b>(481)</b>
<b>end of year</b>	<b>117</b>	<b>323</b>	<b>423</b>	<b>558</b>	<b>667</b>	<b>377</b>	<b>31</b>	<b>(481)</b>	<b>(975)</b>

\* fiscal year change to 7/31, 1989 figures represent 13 months expenditures

**AUDIT CATEGORY FOOTNOTES**

**EARNED INCOME**

Other Program Advertising, Interest, Postage & Handling Charges

**ARTISTIC EXPENDITURES**

Artistic Personnel Conductors, Orchestra Musicians, Payroll Taxes, Pension, Health Insurance

Concert Production

Stage Staff, Stage Hands, Payroll Taxes, Music Rental, ASCAP/BMI fees, Theater Rental Printed Programs, Box Office and Ushers, Ticket Printing, Instrument Rental, Equipment Staging/Lights/Sound, Per Diem, Guest Artist fees, Lodging, Bus Rental

**OPERATING EXPENDITURES**

Marketing Brochures, Postage, Printing, Design, Photography, Advertising, Telemarketing

Development

Printing, Postage, Receptions, Donor Recognition, Telefundng

Management

All staff salaries, Payroll Taxes, Health Insurance

General & Administrative

Office Rent, Legal & Accounting, Data Processing, Travel & Expense, Postage, Telephone Office supplies, Equipment rental & maintenance, Insurance, Dues and subscriptions, Interest

Education

Printing, Travel & Expense, General Chorus Expense

SACRAMENTO SYMPHONY ASSOCIATION  
CONTRIBUTED INCOME

	fiscal year ended June 30							
	1983	1984	1985	1986	1987	1988	1989 (note 5)	1990 projection
INDIVIDUAL	209,564	319,203	356,063	382,885	296,281	402,274	460,640	500,000
BUSINESS/CORPORATE	269,752	293,241	344,490	351,131	353,374	362,317	460,491	458,000
FOUNDATION	17,600	11,600	9,800	0 (note 1)	105,000 (note 2)	63,600	37,600	42,000
BENEFITS (LEAGUE/ENCORPS)	60,961	60,588	96,130	103,868	86,166	58,304 (note 3)	100,334	75,000
TOTAL	557,877	684,632	806,483	837,884	840,821	886,495	1,059,065 (note 4)	1,075,000

NOTES

1. Some Foundation gifts were counted in Business/Corporate or Individual Gifts
2. Includes Irvine grant of \$75,000 counted in one year instead of spread out over 3 years
3. 75th Anniversary Season special benefits were counted in Special Projects income. Additionally, this Special Event line item in the audit (\$141,054) included the following corporate gifts (not counted in the Annual Fund)
 

Pacific Bell	25,000
Sacramento Bee	25,000
Weinstock's	7,500
Camino West	2,500
TOTAL	60,000
4. Individual, Business/Corp, and Foundation figures based on Annual Fund Drive only (\$958,731) Audit shows a figure of \$1,084,371 as follows:
 

Individuals	460,640
Business	535,002
Foundations	88,729
TOTAL	1,084,371
5. 13 Month Year due to fiscal year changing to July 31

SACRAMENTO SYMPHONY ASSOCIATION

DATA SUMMARY

fiscal year ending June 30

	1983	1984	1985	1986**	1987	1988	1989	1990
<b>Number of Classical Concerts</b>	26	23	26	21	42	42	42	42
<b>Attendance</b>	55,900	53,800	58,000	33,600	62,976	59,479	58,275	
<b>Number of Subscribers</b>	6,872	7,231	6,573	4,407	5,365	5,319	5,374	6,036
<b>Attendance per concert</b>	2,150	2,339	2,230	1,600	1,500	1,416	1,388	
<b>Number of Pops Concerts</b>	5	5	10	6	10	10	12	
<b>Attendance</b>	11,940	11,698	11,505	11,154	15,239	18,064	21,230	
<b>Number of Subscribers</b>	1787	2079	3562	2343	2299	2979	3043	2244
<b>Attendance per concert</b>	2,380	2,339	1,150	1,859	1,523	1,806	1,769	
<b>Number of Youth Concerts</b>	24	24	24	10	20	20	20	
<b>Attendance</b>	45,054	44,200	39,700	21,068	43,601	38,794	35,498	
<b>Summer Concerts</b>						7	8	
<b>Attendance</b>						21,892	12,521	
<b>Free Concerts</b>	5	8	8		5	9	4	
<b>Attendance</b>	7,500	30,000	16,000		7,500	5,800	4,800	
<b>Ballet/Opera Performances</b>				4	36	31	31	
<b>Attendance</b>				8,400	65,997	56,556	57,480	
<b>Special Concerts</b>	10	5	9	6	8	3	12	
<b>Attendance</b>	20,114	8,004	13,156	9,145	10,207	52,700	26,962	
<b>Touring Concerts</b>	53	27	64	21	31	33	21	
<b>Attendance</b>	31,247	38,400	48,200	20,201	31,762	22,000	23,550	
<b>TOTAL NUMBER OF CONCERTS</b>	123	92	141	68	152	155	150	
<b>TOTAL ATTENDANCE</b>	171,755	186,102	186,561	103,568	237,282	275,285	240,316	

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SACRAMENTO SYMPHONY ASSOCIATION

DATA SUMMARY

fiscal year ending June 30

	1983	1984	1985	1986**	1987	1988	1989	1990
Number of employment weeks for Musicians	35	35	35	17	35	39	39	
Minimum Salary per week	\$260	\$285	\$318	\$400	\$430	\$430/450	\$450/480	
Average Salary Per Week		310	340	464	490	544	554	
Number of Services Per Season Specified In Contract	240	250	260	132	260	287	287	
Total Number of Players Regularly Under Contract	78	80	88	87	87	87	87	
Percentage of Musicians on Minimum Weekly Salary ("Core" Orchestra)	50%	48%	44%	50%	50%	52%	52%	
Average Total Paid Per Part-Time Player Per Season	\$3,600	\$5,150	\$5,062	\$2,538	\$6,282	\$6,596	\$7,357	
Number of Weeks Paid Vacation	2	2	2	0	2	2	2	

\*\* NOTE: DURING THE 1985/86 SEASON THE SYMPHONY ASSOCIATION AND THE AMERICAN FEDERATION OF MUSICIANS, LOCAL 12 WERE INVOLVED IN A 4-1/2 MONTH LABOR DISPUTE, WHICH ENDED IN JANUARY WITH A "PLAY AND NEGOTIATE" AGREEMENT FOR A 17 WEEK PERIOD. A THREE YEAR AGREEMENT FOR THE 1986/87 THROUGH 1988/89 SEASONS WAS RATIFIED ON JULY 7, 1986. DATA INFORMATION IS THUS SKEWED FOR COMPARATIVE PURPOSES

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