



## **SAN FRANCISCO OPERA ANNOUNCES AUDITED FINANCIAL RESULTS FOR FISCAL YEAR 2009-10**

SAN FRANCISCO (February 01, 2011) — San Francisco Opera Association President George Hume today announced the Company concluded Fiscal Year 2009-10 (FY 10) with a deficit of \$1,553,608 on an annual operating budget of \$65,251,246. During the 2009-10 season, San Francisco Opera presented nine operas at the War Memorial Opera House in addition to multiple concerts, recitals, cinema broadcasts, and various community engagement activities before an audience of more than 268,256 individuals. The 2009-10 repertory season was broadcast locally on KDFC FM, nationally on WFMT FM and internationally on select radio outlets in Hong Kong and Shanghai reaching a combined audience of 1.4 million listeners.

San Francisco Opera General Director David Gockley, the San Francisco Opera Board of Directors and the Company's executive administration provided strong and vigilant fiscal leadership in this time of economic challenges resulting in an overall decrease of 3.6% in operating expenses. Despite these very substantial savings, the deficit reflects a decline in the Company's operating revenue from \$34,043,999 in FY 09 to \$27,113,297 in FY 10, with income from ticket sales for the main season repertory falling from more than \$24,000,000 in FY 09 to \$18,656,120 in FY 10. Contributions to the annual fund were \$36,334,341 from 9,000 generous donors.

"While we are never happy to post a deficit, the board of directors was fully apprised of the situation when we approved the 2009-10 season budget," said George Hume. "At that time, David Gockley warned us that the worst effects of the 'Great Recession' would be felt by the Company in our 2010 and 2011 seasons, and projected the Opera would close 2010 with a \$3.2M budget deficit. The FY 10 audit could have been much worse if David had not immediately cut \$6 million in 2009-10

expenses, and worked with the administrative staff throughout the season to find further reductions whenever possible.”

"Although the recession exacerbated the Opera's difficulties in 2009-10, it did not cause them," commented George Hume. "The Company faces serious long-term challenges to its business model, including a huge obligation to fixed costs that must be addressed. David and his team have a plan in motion to address these challenges that has the board's full support. We are extremely grateful to our donors for their generous contributions to the Opera during the past season, and ask for their ongoing support as we seek answers to the toughest questions we will face over the next few years about the Opera's future."

David Gockley commented, "The audited deficit would actually have been \$4 to \$5 million more had we not prevailed upon donors to re-purpose pledges made to the Opera's endowment and to future season's productions. This is an opera company seriously out of balance, a situation which must be quickly addressed from all possible angles."

As the national economy continues to plunge the arts into turmoil, the Opera's executive staff and board are taking significant and meaningful steps to address the Company's operational structure and financial obligations. The core issues include the modernization of the War Memorial Opera House's antiquated backstage production capabilities; the consolidation of the Company's disparate administrative, rehearsal, costume and scenic functions onto the War Memorial campus; a re-examination of the amount of opera repertory to be presented each season; a reorganization of the Company's operating business model and its crippling fixed costs that is financially out of balance with the new economic realities; and the necessity to establish a more meaningful endowment that is four times the size of the Company's operating budget.

"We have a management team committed to finding lasting, meaningful, real solutions, in which the long-term health of San Francisco Opera and the provision of jobs are paramount," said Gockley.

Once again, San Francisco Opera's leading patrons were company season sponsors Ann and Gordon Getty, John A. and Cynthia Fry Gunn, Franklin and Catherine Johnson, Mrs. Edmund W. Littlefield

and Bernard and Barbro Osher. Wells Fargo was the season sponsor along with corporate sponsors United Airlines and Chevron. San Francisco Opera is funded, in part, by Grants for the Arts/San Francisco Hotel Tax Fund.

In contrast to the very sobering financial reality of FY 10, the Company's 87<sup>th</sup> repertory season was distinguished by many notable artistic successes beginning with the inaugural season of Nicola Luisotti as San Francisco Opera's new music director. Maestro Luisotti launched the season with a gala performance of Verdi's *Il Trovatore* featuring the Company debut of Sondra Radvanovsky, and Company veterans Stephanie Blythe, Marco Berti and Dmitri Hvorostovsky; followed by acclaimed performances of Richard Strauss's *Salome* with the Company debut of Nadja Michael, Verdi's *Otello* with the Company debut of Johan Botha, and a new production of Puccini's *La Fanciulla del West* starring Deborah Voigt, Roberto Frontali and the Company debut of Salvatore Licitra

Deutsche Oper Berlin General Music Director and former San Francisco Opera Music Director Donald Runnicles led the Opera Orchestra and an illustrious cast of artists in Francesca Zambello's highly acclaimed production of Wagner's *Die Walküre*. The celebrated roster of singers included Nina Stemme, the Company debuts of both Eva-Maria Westbroek and Janina Baechle, and the return of Mark Delavan, Christopher Ventris and Raymond Aceto.

Houston Grand Opera Music Director and San Francisco Opera Principal Guest Conductor Patrick Summers returned to the War Memorial Opera House to conduct Puccini's *Il Trittico* (*Il Tabarro*, *Suor Angelica* and *Gianni Schicchi*) with an extraordinary cast of singers including Patrica Racette in her role debut of all three heroines, the Company debut of Ewa Podles, and the return of Brandon Jovanovich and Paolo Gavanelli.

The season highlights continued with the San Francisco Opera debut of Diana Damrau and the return of Juan Diego Florez in Laurent Pelly's "laugh-out-loud funny" (*London Independent*) production of Donizetti's *La Fille du Regiment*. A charming presentation of Mozart's comedy *The Abduction from the Seraglio* featured Mary Dunleavy, Anna Christy and Matthew Polenzani, and famed Italian maestro Maurizio Benini made his Company debut with *Faust* starring Patricia Racette, Stefano Secco and John Relyea.

In September 2009, San Francisco Opera presented its fourth simulcast at AT&T Park, the home of the World Series-winning San Francisco Giants, with a performance of Verdi's *Il Trovatore* projected live in HD on the scoreboard from the War Memorial Opera House. This now popular free community event attracted more than 25,000 individuals who filled the outfield, infield and stadium seating dining al fresco with grilled hot dogs, garlic fries and peanuts while cheering on the singers.

During the FY 10 year, San Francisco Opera presented free community concerts at the Stern Grove Festival, Golden Gate Park's Sharon Meadow, the annual San Francisco Opera Center Adler Fellow Gala Concert, and three Opera Center Schwabacher Debut Recitals at Temple Emanu-El's Martin Meyer Sanctuary.

The San Francisco Opera Cinema Series in 2009-10 presented HD screenings of the Company's recent productions of *Madama Butterfly*, *La Rondine*, *Samson et Dalila* and *Don Giovanni* in theaters across the West Coast. Currently the Opera's Cinema Series has been playing to notable success in more than 100 cities in Europe from Barcelona and Paris to opera lovers in Siberia. In January 2011, the Cinema Series expanded to include HD offerings of *La Boheme*, *Tosca*, *Lucia di Lammermoor* and *L'Elisir d'Amore*.

San Francisco Opera's commitment to providing professional opera education programs for young audiences, teachers and adults has proven to be a success story in the Bay Area reaching more than 48,000 individuals. These in-depth programs have been acknowledged as a vital cultural resource to the San Francisco Unified Public Schools.

The FY 10 audit was conducted by Burr Pilger Mayer, Inc., and unanimously approved by the San Francisco Opera Executive Committee on January 26, 2011. Audited financial results are posted in the "Finances and Governance" section of the Opera's website, [www.sfopera.com](http://www.sfopera.com).

###

For further press information, please contact: Jon Finck 415.565.6472 / [jfinck@sfopera.com](mailto:jfinck@sfopera.com)

