

General Anthroposophical Society: Financial Report

How do we finance the Goetheanum?

The annual accounts for 2016, the deficit of almost 300,000 Swiss Francs and the now negative equity show clearly that the Goetheanum, as a School of Spiritual Science, needs to stand in the world differently if it is to make sure that Rudolf Steiner's cultural heritage, including the art collection, the buildings, the campus and the stage, can be preserved.

Spiritual enterprises or cultural institutions often suffer from lack of money, because human inspiration and initiative overtake social, economic and material considerations. This is true for the Goetheanum, too. And yet, from another point of view it is also true that the finances reflect mercifully how firmly an institution – such as the Goetheanum as an independent School of Spiritual Science – is rooted in the world.

New impulses needed

Between 2013 and 2016 the Goetheanum was renovated for 13.2 million Swiss Francs, thanks to the efforts of its staff and the bigger or smaller donations from thousands of members of the Anthroposophical Society. Work was carried out above all on the stage machinery, the orchestra pit, the roof, which had become unsafe, the building's damaged concrete exterior, the foundations and the terrace, which has now been reopened (for final costs of the overall renovation see below). This was a tremendous achievement which no one would have dared to take on in earlier years.

Now, as we are approaching the centenary of the Christmas Conference of 1923/1924, a much more challenging three-year-step (from 2017 to 2019) lies ahead for us if we want to carry the Goetheanum impulse into the future. Will it be possible to instil new impulses in the anthroposophical movement and the culture it inspires, to strengthen the artistic impulses and let them radiate out into the world, as a contribution to the resolution of the problems humanity is facing today? Will it be possible to form alliances and enter into an open dialogue with the world?

As with the renovation of the building, one can otherwise predict with some certainty what will happen if there is no such renewal: the Anthroposophical Society with its 45,000 members is no longer able to keep up Rudolf Steiner's material-cultural heritage, including his artistic estate, the Rudolf Steiner Archives and other collec-

tions. Or, if all the funds were invested in this, there would be nothing left for the stage with all its activities, including eurythmy, the Mystery Dramas and other productions – the speech sector has already been affected by this lack of funds. Or the Sections of the School of Spiritual Science would have to become completely dependent on those who commission their work. This is a dilemma that becomes more apparent every year. Nobody wants this, but how can the danger be averted?

Aiming at financial stability

The Goetheanum World Conference which was organized for this reason at Michaelmas 2016 was an important turning point. The 800 people who attended shared with each other their views to find out where the global anthroposophical movement stands now and whether it was time for a joined initiative. Georg Soldner describes the impulses arising from this within the Goetheanum Leadership on pages 2 and 3. One of the goals is to place the Goetheanum with its tasks on a safe financial foundation over the next three years. The annual financial statement for 2016 shows that changes are urgently called for.

Up until the middle of February contributions from the various countries still kept coming in, but there were also still expenses outstanding for 2016. The 2016 annual result shows the considerable deficit of 296,389 CHF, even after legacies of 991,491 CHF and the appropriation of free reserves (incl. operational cost reserves of 600,000 CHF from the previous year for the ongoing payment of salaries and maintenance reserves of 300,000 CHF for real estate) have reduced the gap between expenses and income. This deficit means that the Goetheanum has negative equity of 138,356 CHF (see Balance, note 6). This is one reality that is expressed in the figures.

Another reality is not reflected in the figures, but is probably much more real in the long term: the enthusiasm, commitment

and diligence with which the Goetheanum staff have worked throughout the year. Big international conferences organized by the Pedagogical Section, the Curative Education and Social Therapy Council, the Section for Agriculture, the Medical Section, the Early Years Educators and not least the Michaelmas World Conference with its 800 attendees filled the Main Auditorium and brought life to the Goetheanum and its buildings. While the last renovations were still being carried out on the ground floor, more than 80,000 participant days were counted for conferences with more than 150 attendees alone, including the six performance cycles of Goethe's Faust 1 and 2 and one cycle of Rudolf Steiner's Mystery Dramas. More than once the Goetheanum staff reached the absolute limit of its capacity, while the Bookshop, after its renovation, achieved a positive result and the Speisehaus Restaurant worked at full capacity.

Positive results

This led to positive results, for instance, in that the income of the Goetheanum as a School of Spiritual Science was increased by a million Swiss Francs last year, with expenses being reduced by 0.7 million CHF: an improvement of 1.7 million CHF. Contributions from the national societies and individual members rose for the first time in many years, as did the subscriptions for the weekly journal *Das Goetheanum*.

The decrease in members, which was two per cent in the previous year, has dropped to 0.9 per cent in 2016: there are fewer members in Germany and Switzerland, but the number of members from other continents has gone up. The number of people responding to the Christmas Appeal has also risen, even though one six-figure donation led to a higher overall result in the year before. A warm thank you for this willingness to support the Goetheanum financially, too.

And yet, such positive results and the great discipline when it comes to expenses must not close our eyes to the fact that a great and essential goal was not achieved in 2016, at least not financially. Although the Faust production (Table 1) managed with a budget of 3.8 (instead of 4.7) million CHF, which is rather unusual seeing that the opposite is the rule, the Main Auditorium was on average only half full for the Faust cycles. The additional income that we

hoped for, and budgeted, which could have made a difference, never materialized. The great efforts invested were therefore not rewarded in the way expected.

The funds flowing into the Faust project from the ordinary budget therefore came to two million CHF by the end of 2016. It has also been decided, because of the lack of public interest, that the elaborate production will not be continued beyond the three cycles scheduled for summer 2017. This means that the hopes for a well-established Goetheanum Festival Stage with alternating performances of Goethe's Faust and Rudolf Steiner's Mystery Dramas in the Main Auditorium have to be given up and alternatives need to be found.

Possible sources of funding

What possibilities are there to give the Goetheanum a secure financial footing?

1. If all members worldwide were able – maybe through solidarity contributions – to actually pay the necessary 125 CHF per year to the Goetheanum, instead of the 75 CHF per year on average that are coming in, the total amount would add up to the two million Swiss Francs that are missing and that would cover the stage costs and the preservation of Rudolf Steiner's architectural, artistic and literary heritage.

2. The status of the Goetheanum within the anthroposophical movement and within the organizations that work out of anthroposophy needs to change, because there are more than 10.000 institutions, medical and therapy centres and farms that apply anthroposophy in practice – but that have so far not connected with the Goetheanum in a way that would also be reflected economically.

3. The Goetheanum could widen its scope, also geographically (in a 200-km radius), as a cultural platform and attractive venue, in the place where Rudolf Steiner was active and where the development of new forms of living, artistic creativity and the study of anthroposophy are possible.

On the basis of these three possibilities, the Goetheanum Leadership aims to develop a sustainable economic concept for the Goetheanum by 2019.

Details of profit/loss account and balance

For planning and evaluating the budget, the profit and loss accounts, which are split ac-

General Anthroposophical Society

	in 1,000 CHF		BUDGET 2016		NOTE	RESULT 2016	
	REVENUES	EXPENSES	NET	REVENUES	EXPENSES	NET	
membership contributions	3550		3550	3385,168		-1 3384,168	
annual conferences			0	178,495		-191 -12,505	
membership office		-136	-136	9,244		-149 -139,756	
Executive Council and offices (50%)	5	-514	-509	48		-541 -493	
staff housing / real estate	1.403	-653	750	1.570		-771 799	
Legacies			0	1.004		-13 991	
TOTAL	4958	-1303	3655	6194,811		-1665,5 4529,311	
support for School of Spiritual Science			3655		1		

School of Spiritual Science

support General Anthroposophical Society			3.655		1		4.529
donations	1.152		1.152	806			806
donations and contributions from institutions	1.700		1.700	1.644			1.644
General Anthroposophical Section	251	-345	-94	626		-707	-81
of that studies and professional development	123	-217	-94	438		-490	-52
Youth Section	54	-179	-125	156		-248	-92
Mathematical-Astronomical Section	28	-238	-210	30		-225	-195
Medical Section	1.850	-1.925	-75	2.560		-2.711	-151
Natural Science Section	385	-699	-314	516		-825	-309
Pedagogical Section	916	-1.060	-144	895		-906	-11
Visual Arts Section	9	-168	-159	76		-202	-126
Section for Agriculture	456	-602	-146	710		-828	-118
Performing Arts Section	137	-340	-203	220		-440	-220
Literary Arts and Humanities Section	96	-223	-127	111		-237	-126
Social Sciences Section	50	-200	-150	71		-189	-118
Executive Council and offices	5	-490	-485	48		-541	-493
Communication and Documentation	870	-1.537	-667	1.008		-1.705	-697
of that PR		-122	-122	3		-116	-113
of that Documentation	20	-418	-398	48		-461	-413
of that weekly journal Das Goetheanum	850	-997	-147	957		-1.128	-171
Goetheanum Stage	729	-2.567	-1.838	831		-2.648	-1.817
Faust 1 + 2	2.370	-2.066	304	1.722		-2.163	-441
Goetheanum Building Administration	1.101	-3.203	-2.102	1.576		-3.866	-2.290
Reception and Event Management	67	-879	-812	96		-865	-769
Human Resources	12	-266	-254	18		-240	-222
Finance Department	2	-363	-361	2		-337	-335
financial revenues and expenses				217		-174	43
EDP		-380	-380	47		-398	-351
support for retired staff members		-170	-170	20		-247	-227
extraordinary revenues and expenses			0	165		-208	-43
Goetheanum renovation	200		200	11.194	2	-10.476	718
reserves	1.805		1.805	2.083		-890	1.193
	14.245	-17.900	0	33.645		-33.941	-296

ording to areas, are most instructive. They show that the members of the Anthroposophical Society carry the Goetheanum as a School of Spiritual Science and that they were able to contribute 4.5 million Swiss Francs in 2016 (1). This amount includes legacies from more than 50 countries worldwide. The figures also show the extent to which individual sections and departments of the School of Spiritual Science are already generating and raising their own income, and how the 4.5 million Swiss Francs paid by the members of the Anthroposophical Society and the additional donations of 2.4 million Swiss Francs are being used within the School of Spiritual Science. It is true to say that the sections have, throughout the past year, raised and generated more funds than they expected and that the departments have also been economical.

One special effect (2), which is apparent from this presentation according to areas as well as from the profit and loss account, is that in 2016, once the renovations carried out between 2013 and 2016 were complete, the value of the renovations that had accumulated during the building period and that had already been paid for, was – as has always been the case with the Goetheanum Campus – written off as one amount and that the reserves accrued from donations and designated contributions since 2012 are being appropriated. The amounts still due for the renovations, which are guaranteed by interest-free loans and construction notes, are counterbalanced by the part of the building measures that has not yet been written off and will be gradually dissolved over the coming years based on the return of loans. In summary, the renovations result in the figures shown in Table 1, which reflect the situation as of 31 December 2016.

Faust production

The figures relating to the Faust production are, of course, of particular interest. This production began in 2014 (during the one-year closure for refurbishment of the stage and the Main Auditorium) with the conception of the stage set and continued from January 2015 with intensive rehearsals, leading up to the first performance of Faust 1 in the summer of 2015 and the premiere of Faust 1 and 2 at Easter 2016. All artists involved were initially hired until August 2016.

Not included in this presentation are the expenses for the Goetheanum's permanent

General Anthroposophical Society Profit and Loss Account 2016

<i>all amounts in CHF</i>	REVENUES	2016	NOTE	2015	BUDGET 2017
membership contributions		3 384 623		3 351 620	3 870 000
contributions from institutions, non-designated		1 644 256		1 988 845	2 100 000
non-designated donations		806 042		1 066 789	1 000 000
DESIGNATED DONATIONS		3 178 717		2 652 309	3 300 000
contributions and donations		9 013 638		9 059 563	10 270 000
events, studies, professional development		3 542 282		2 060 733	3 200 000
publications, weekly journal		927 821		928 202	940 000
services		946 615		1 025 472	1 000 000
financial revenues		218 101		531 081	50 000
OPERATIONAL REVENUES		5 634 819		4 545 488	5 190 000
TOTAL REVENUES		14 648 457		13 605 051	15 460 000
EXPENSES					
expenses events and studies		-3 268 892		-3 217 100	-3 000 000
expenses services		-2 550 275		-2 478 789	-2 400 000
maintenance buildings, grounds, inventory		-1 008 261		-1 260 568	-1 000 000
financial expenses		-177 299		-959 593	0
TOTAL EXPENSES		-7 004 727		-7 916 050	-6 400 000
GROSS RESULT		7 643 730		5 689 001	9 060 000
staff salaries incl. social security benefits		-10 955 890		-10 745 905	-10 400 000
ORDINARY RESULT		-3 312 160		-5 056 904	-1 340 000
EXTRAORDINARY RESULT					
staff housing, real estate					
revenues		1 376 141		1 321 773	1 420 000
expenditure		-576 958		-598 166	-670 000
result		799 183		723 607	750 000
pension schemes retired staff members		-227 693		-195 812	-210 000
EVENTS FROM OTHER ACCOUNTING PERIODS					
revenues		227 744		15 393	100 000
expenses		-316 348		-165 898	-160 000
result		-88 604		-150 505	-60 000
RESERVES					
releases		12 126 359	2	651 691	500 000
deposits		-684 794		-227 5228	-200 000
result		11 441 565		-1 623 537	300 000
GOETHEANUM RENOVATION					
donations Goetheanum renovation		555 590		703 730	200 000
revenues from sale of real estate		20 000		1	
depreciation on buildings		-10 475 691	2	-839 245	-140 000
result		-9 900 101		-1 355 14	60 000
legacies, non-designated		991 421		645 5305	500 000
EXTRAORDINARY RESULT		3 015 771		5 073 544	1 340 000
ORDINARY RESULT		-3 312 160		-5 056 904	-1 340 000
EXTRAORDINARY RESULT		3 015 771		5 073 544	1 340 000
RESULT		-296 389		16 640	-

Eurythmy Ensemble and technical staff, who were intensively and often fully involved with the Faust rehearsals and performances during these two years. These outgoings should really be included in the overall expenses listed, but only additional production costs are contained in Table 1.

Summer crisis

The lack of income from last year's Faust cycles as well as the final bills for the building work led to a considerable cash crisis in the summer, which was overcome with short-term loans from the Anthroposophical Society in Germany and a foundation. The liquidity drain from the current assets is clearly visible at the end of the year (3).

2016 was also a very busy year indeed for the Goetheanum's Building Administration, because – following a long wait for planning permission – a two-family home was created 'In den Zielbäumen' (a street close to the Goetheanum), where the office of the weekly Das Goetheanum used to be; in addition the loft of a staff house was fully renovated and three new flats were created (4). These building projects were externally financed through mortgages, and new loans of 3.6 million CHF in total were obtained to bridge the liquidity shortage and cover the deficit (5). The approx. 40 properties in Dornach, which altogether amount to around a hundred rental agreements, provide valuable reserves which, however, serve almost exclusively to benefit Goetheanum staff members because they are rented out at a relatively low rate.

Entrepreneurship and use of all visible potential

The year 2016 shows clearly that we are forced to act as entrepreneurs when it comes to the Goetheanum's finances. If the Goetheanum's potential can be fully used and if different ways can be found to connect it, with regard to its mission and position in the world, with the anthroposophical movement and with its surroundings, the advisory group of treasurers and I myself see a realistic chance to achieve a more balanced budget within the next three years.

I hope that you, dear members, will accompany this transformative process with your active interest and commitment and that you will continue to be true supporters of the Goetheanum. | *Justus Wittich, treasurer*

General Anthroposophical Society Balance as of 31 December 2016 compared to 2015

<i>all amounts in CHF</i>	ASSETS	31.12.2016		31.12.2015
	CURRENT ASSETS		NOTE	
	cash, banks	1 147 513	3	4 289 790
	short-term liabilities	1 425 914		1 339 201
	FINANCIAL ASSETS			
	loans, securities and investments	3 803 951		4 249 312
	FIXED ASSETS			
Goetheanum buildings, grounds, inventory		1		1
	Main Auditorium	1 612 200		1 674 695
	Goetheanum renovation	3 661 149	2	11 695 782
	staff housing, real estate	7 218 071	4	5 702 950
	TOTAL ASSETS	18 868 799		28 951 731
	LIABILITIES			
	SHORT-TERM LIABILITIES			
	creditors and other liabilities	1 735 913		2 989 970
	LONG-TERM LIABILITIES			
	gifts with rights of withdrawal	2 675 639		3 277 248
	Goetheanum loans	1 809 492		1 819 227
	constructions loans and Main Auditorium loans	1 897 229		1 970 035
	construction notes + loan Goetheanum renovation	2 875 320		3 000 000
	loan staff housing	6 673 000	5	3 054 000
	EQUITY			
	diverse reserves Sections and Departments	1 340 562		1 907 616
	reserves Goetheanum renovation		2	10 775 602
	free equity 1.1.16/1.1.15	158 033		141 393
	result 2016 / 2015	-296 389		16 640
	Free equity 31.12.2016/31.12.2015	-138 356	6	158 033
	TOTAL LIABILITIES	18 868 799		28 951 731

Table 1		EXPENSES	BUDGET
Faust	Actors	1 492 585	1 615 623
	Additional eurythmists	573 936	765 448
	Musicians	203 070	235 500
	Costumes	596 473	759 862
	Technical-artistic staff	81 111	359 116
	Technical materials	592 345	665 000
	Administration/Advertising	592 345	665 000
	TOTAL PRODUCTION COSTS	3 767 435	4 661 549
	REVENUES		
	Ticket sales	1 230 357	2 054 400
	Donations	174 635	
	TOTAL REVENUES	1 404 992	
	appropriated out of the Goetheanum budget	2 362 443	2 607 149

Table 2		EXPENSES
Renovation	Goetheanum renovation 2013 – 2016 (13.5 million budgeted)	13 252 866.32
	Donations and contributions accrued 2012 – 2016	9 975 601.77
	Construction notes and interest-free loans from members	3 160 349.00
	expected funds, monument preservation	116 915.55
	Costs of Goetheanum ground floor conversion, 2015 and 2016	1 723 218.54
	Designated donations and legacies	- 1 339 318.54
	NOT FINANCED YET	383 900.00