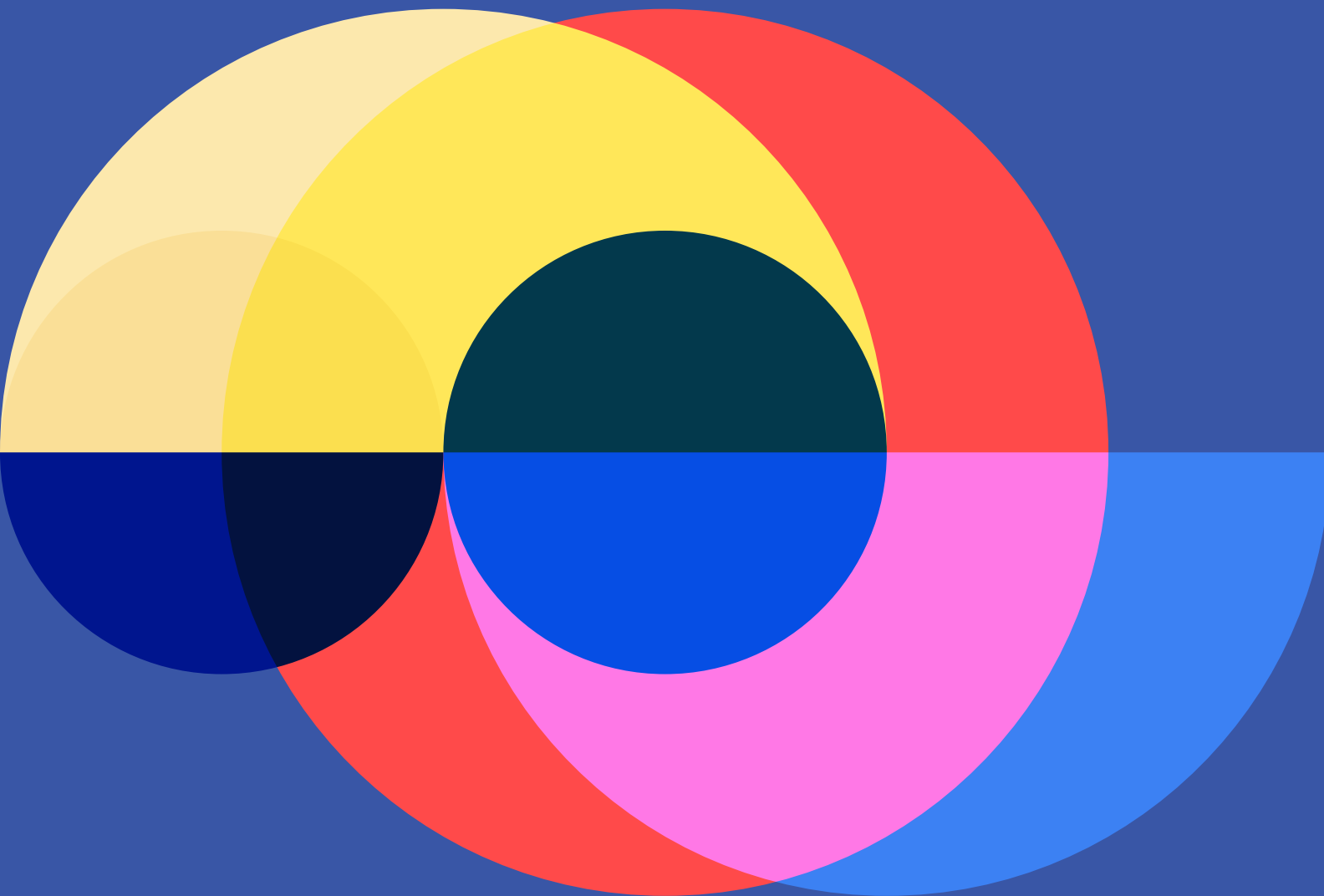




2017 Annual Report

EVERYONE IN HARMONY



Where has the Society been?

Late 1800s



Barbershop harmony began as an **African-American tradition**, and was popularized as men would assemble in barber shops all across America and harmonize the songs of the day.

1938



The **Society for the Preservation and Encouragement of Barber Shop Quartet Singing in America, Inc.** is born.

1939



The **Bartlesville Barflies** win the first International Quartet Contest.

1962



The Buffalo Bills (1950 Quartet Champion) brought barbershop to the **mainstream** in their roles in *The Music Man* on Broadway and film.

1986



Barbershop harmony begins to spread across the globe. **Affiliate organizations** are formed and now include Great Britain, Australia, Sweden, Germany, Finland, Spain, Ireland, Holland, New Zealand, and South Africa.

1992



Waterstreet Junction wins the first College Quartet Contest.

2009



Barbershop goes to the silver screen. *American Harmony* documents four different quartets on the "road to gold."

2013



The Barbershop Harmony Society celebrates **75 years of harmony** at the Toronto International Convention. Fittingly, **Toronto Northern Lights** wins chorus gold medal.

2017



The Barbershop Harmony Society unveils the Vision of **Everyone in Harmony**, ushering in a new era of inclusion while embracing and celebrating our roots.



About this annual report

In 2017, we introduced our new vision for the future of the Society: Everyone in Harmony.

It's GREAT to be a Barbershopper! We are excited more than ever with the progress we've made to spread the joy of singing to millions of people all around the world.

Our increased awareness efforts continue to take off. We are bringing together a community of Barbershoppers and barbershop fans we've never seen the 'likes' of before:

- Our Facebook page approached 30,000 'likes' for the year.
- Our YouTube subscribers just exceeded 50,000 people, and 31.2 million minutes of content was streamed for the year.
- The reach of our most viral posts and videos extends well into the millions thanks to high-profile performers like Forefront quartet with Mike Rowe and Main Street quartet.

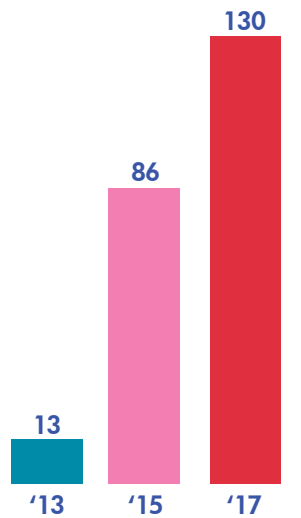
We are continually investing in educational and outreach activities to attract more singers. In this report, you'll see how Barbershoppers across the U.S. and around the world are using the power of song to create healthy communities and to work together to bring Everyone in Harmony.

The power of singing



\$100,725

Harmony Foundation contributed \$100,725 to the Harmony University scholarship program in 2017.



The number of music educators/front-line directors who attended Harmony U has increased by ten-fold since 2013



More opportunities to sing

The moment a member joins the Society, they are plugged into one of the largest communities of singers on earth. In 2017, our Barbershoppers were given more tools to be the best singers they can be, and were provided an ever-growing infrastructure through which to express themselves musically and creatively at conventions and events across the Society.

More singing opportunities such as the All-Chapter Chorus and our contests and conventions means a stronger community of communities, a richer culture, and a natural strengthening of member retention.



The power of partnership

It's hard to sing without music! In 2017, we published more than 300 titles from the Hal Leonard catalog, many of which were in multiple voicings (TTBB, SSAA, and SATB) with varying levels of difficulty, and we also produced a new Suntones songbook with nine new titles and accompanying learning tracks.

Our partnership with Hal Leonard continues to bring our music to an ever-growing, ever-changing choral world, with just under \$40,000 of music sold to 29 countries outside the United States.

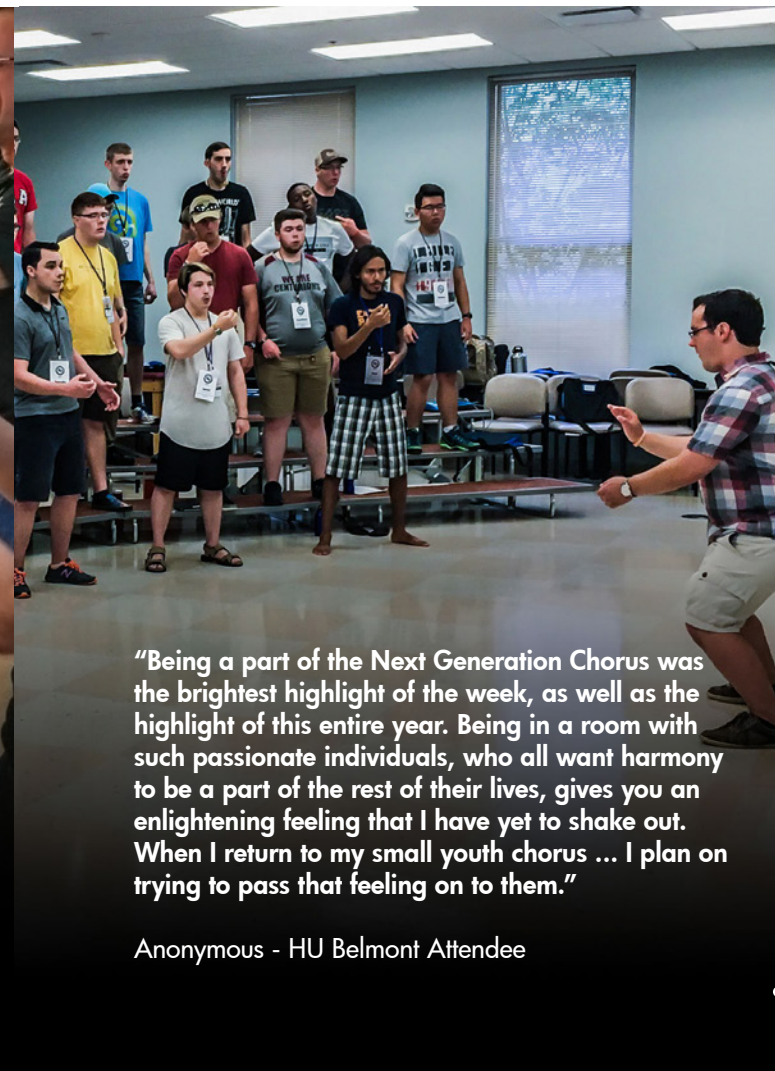


We're improving skills and reaching more singers through barbershop

By giving more music educators and frontline directors an opportunity to dive deeper into barbershop, we're bringing more barbershop to more students than ever before.

"The whole experience was an awakening of giant proportions for me as a music educator who has been in the trenches for the last 30 years. The journey that was HU has certainly given me a renewed perspective of this art called barbershop singing."

May L. - Music Educator



"Being a part of the Next Generation Chorus was the brightest highlight of the week, as well as the highlight of this entire year. Being in a room with such passionate individuals, who all want harmony to be a part of the rest of their lives, gives you an enlightening feeling that I have yet to shake out. When I return to my small youth chorus ... I plan on trying to pass that feeling on to them."

Anonymous - HU Belmont Attendee



The Maple Leaf Chord Company from the Ontario District directed by Ray Danley performed in the first-ever Seniors Chorus Festival in San Antonio.

We're creating lifelong singers

Opportunities at Midwinter, International, and District conventions continue to provide avenues for singers of all ages to pursue their musical and artistic goals, and experience the pure joy of singing with others.

Healthy communities of artists

We're providing more leadership training and educational resources for chapters.

We have increased certified leaders in the field, resources for quartets, and district-led events. We've created extensive new offerings for officers including videos on grants, copyright guidance, and monthly Harmony University online materials.

We have an online community that continues to grow.



28,533 Page Likes
+14% growth over 2016
facebook.com/barbershopharmonysociety



49,939 Subscribers
+52% growth over 2016
youtube.com/barbershopharmony1938



4,249 Followers
20% growth over 2016
instagram.com/barbershopharmonysociety

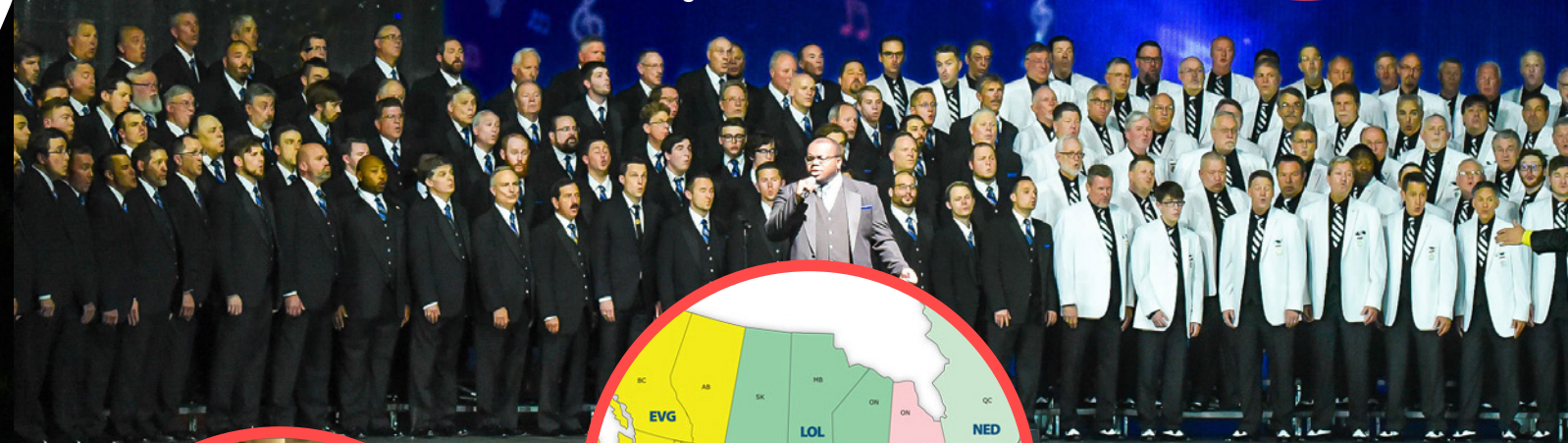


The quartet experience

The new Quartet Guidebook resource and an ongoing commitment to quartet coaching and instruction at Harmony University (Belmont and Online), Midwinter, and International are a reflection of the investment in enhancing the quartet experience so critical to the Society's core identity.

"I was hired as the front-line director of West Towns in February of 2013. At the time I was hired, I knew nothing about barbershop. WTC hired me anyway with the condition that I attend HU every summer. At my first district contest in 2013, we scored 808 (67.3%). Five HUs and five contests later, we won the ILL District trophy this past weekend with a score of 950 (79.2%). In the past two years alone, our scores have gone up by 98 (8.2%) points. While our guys have put in a LOT of work, I attribute much of this success to HU. I come home each summer with more ideas on how to improve our chorus."

Carrie Marcotte - Director, West Towns Chorus, Bolingbrook, IL



District involvement

All Districts provide localized education and training to create healthy communities of artists. Programs like Outstanding in Front, the Standing Ovation Program, and Harmony College help to inspire community leaders on administrative and musical skills and achievement. Some Districts - like Northeastern and Evergreen - offer additional programs that provide a more regional approach to the Healthy Chapter Initiative.

The Healthy Chapter Initiative (HCI) is a Society-led initiative that provides a plethora of volunteer leaders, tools, and other resources to create a strong membership pipeline, a higher level of artistry and musical credibility, and an overall successful, healthy community of artists at the local level.



The chapter experience

In 2017, the Barbershop Harmony Society certified five new Leadership Facilitators, a community of trained experts who are passionate about making a difference through thought leadership. These facilitators - now grown to 19 in the field - help improve the Barbershop experience for chapters and members.

Over 100 chapters have participated in services provided by the Society's Leadership Operations Project Team (LOPT).

(Pictured above are Facilitators Bob Cox, John Donehower, Karl Chapple, Wendell Glass, and Ric Keaser.)

These are the top new materials that were produced for chapters in 2017:

- Financial Reporting Guidelines
- Financial Reviews How-To
- Science of Riser Placement
- The Power of Positive Coaching
- Chapter Secretary Manuals
- Effective Chorus Rehearsals
- Chapter Program Guide
- Copyright 101
- Meaningful Gestures
- Share the Wealth
- Outreach Grants

Local impact, global reach

We're advocating for music educators and creating more awareness within communities.



Heather Nail of Valley Southwoods Freshman High School, West Des Moines, Iowa, was honored with the Barbershop Harmony Society/NAfME Music Educator Award.



BHS was represented at two American Choral Directors Association Divisions (Western and Southwest) by both **Central Standard** and **Westminster**. Their performances were so well-received that they garnered two invitations for ACDA national events in 2019.



Publications & Outreach teams collaborated this summer to revise the entire list of barbershop music to be approved and included in the new New York State School Music Association (NYSSMA) Manual, regarded by many educators as the premier source for Solo-Ensemble content.



Midwinter Convention attendees in San Antonio participated with visits to the Children's Hospital of San Antonio, Brooke Army Medical Center, Children's Rehabilitation Institute, Seton Home, St. PJS Home, and Ronald McDonald House - San Antonio.

During the 2017 convention in Las Vegas, several groups visited Opportunity Village, the Children's Hospital of Southern Nevada, and Three Square Food Bank to share the joy of singing.



During Harmony University, groups provided free community performances at Nashville Farmer's Market, Yazoo Taproom, Morningside of Belmont Assisted Living, and the Frist Art Museum.



Pratt Street Power and **GQ** quartets appeared at the 2017 Collegiate Advocacy Summit in Washington, DC, as part of the annual Hill Day event sponsored by the National Association for Music Education (NAfME).

Total number of individual engagements with the stories shared here:
1,209,308

Local impact, global reach



Francisco Núñez, world-renowned music educator and founder of the Young People Chorus in New York City, was our guest conductor at the Midwinter Convention in San Antonio.

Scaling inclusion through grants

The grants program has continued to expand its educational outreach to applicants, giving them a better understanding of their participation numbers, how to use narrative voice, and how to talk about their

community connections. Grant applicants are empowered to make more quality connections with music educators in their communities and often see high return rates of participants. As we continue

to increase inclusion across the Society, the baseline of participants established in 2017 will allow us to measure and expand upon the diversity of applicants going forward.

Photos below are from the Acappellooza summer youth camp held at the University of Missouri - St. Louis



Throughout the Society, we support outreach efforts by providing sheet music, workshops, camps, and festivals to the uninitiated Barbershopper, especially music educators and youth. In addition to grants provided by the Barbershop Harmony Society through the generous donors of Harmony Foundation, Districts also support these efforts through individual scholarships to participants, including the Harmony Youth Explosion Camps that are hosted by more than half of the Districts in the Society.



We're helping to establish barbershop and singing as a valuable community resource.



With funding provided by Harmony Foundation International, a total of **\$100,000** was awarded in grants for barbershop groups to explore the power of singing as a community asset.



Everyone in Harmony

“We must unequivocally turn away from any cultural vestiges of exclusion. We must become radically inclusive and diverse, across cultural, ethnic, racial, sexual orientation, social, economic and generational lines.”

Excerpt from the Strategic Vision, released June 2017

“We are the same.
There is no difference anywhere in the world.
People are people.
They laugh, cry, feel, and love, and music seems to be
the common denominator that brings us all together.
Music cuts through all



The Grand Central Red Caps Quartet were recognized and honored at the International Convention in Las Vegas.

We recognize the Grand Central Red Caps and all those who were excluded in our past. By acknowledging this regrettable decision in BHS history, we can catalyze our efforts toward an inclusive future.

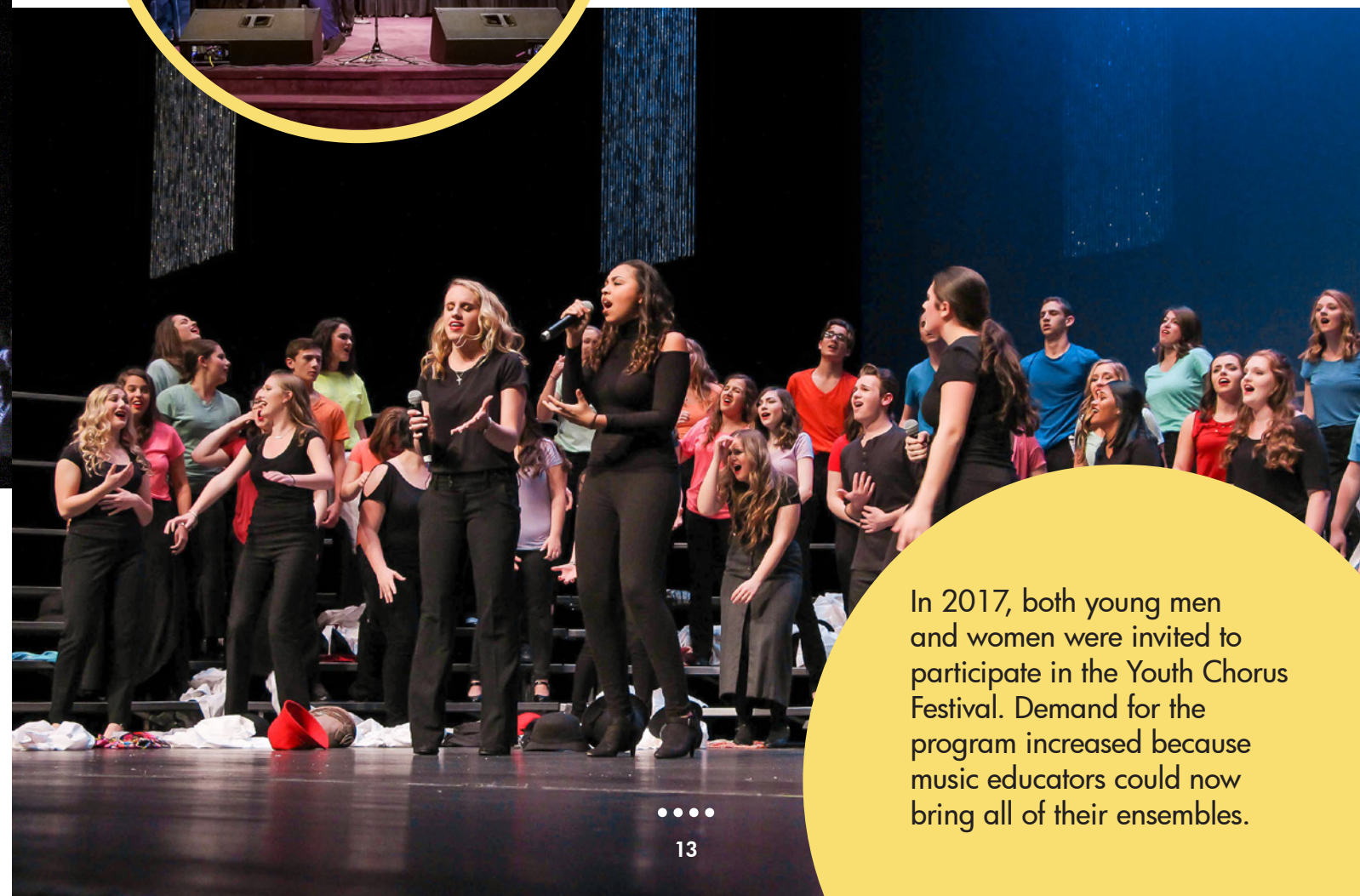
San Antonio’s Friends In Harmony Chorus demonstrates Everyone in Harmony.

Friends in Harmony, led by Artie Dolt, embodies the essence of the Society’s male-only experience, modeling the type of chapter that openly welcomes all men (audition-free) who wish to come and sing barbershop and share the risers with like-minded gentlemen.



The Ambassadors of Harmony united with the community in Ferguson, Missouri.

In a city that had become synonymous with racial tension, singers of all backgrounds gathered together to show how the universal language of music could transcend barriers.



In 2017, both young men and women were invited to participate in the Youth Chorus Festival. Demand for the program increased because music educators could now bring all of their ensembles.

Financial sustainability

We're building diversified revenue streams and investing in our future.

Total Society revenues
\$6,328,000

While focusing on revenue and expense reduction is critical for Society operations, we would not be who we are without the in-kind services contributed directly to the Society's programs.

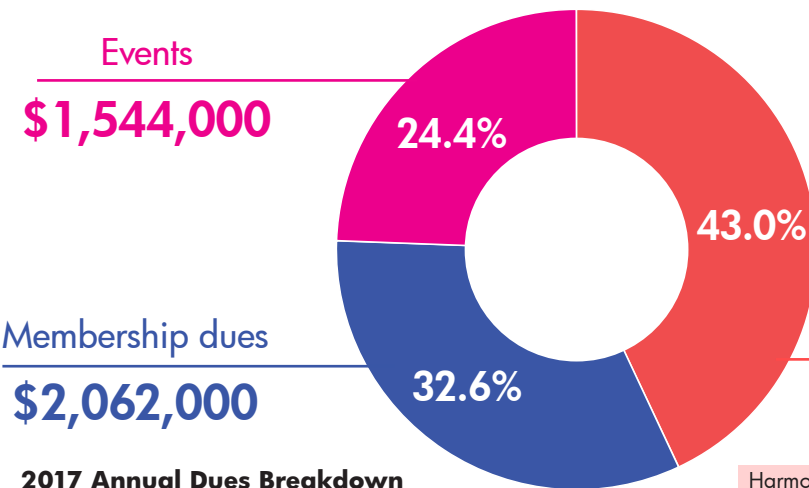
By ensuring the financial health of the Society, we are better equipped to achieve our mission and vision.

We are continuously striving to improve operations and deliver greater impact through our programs. In 2017, we launched new initiatives to "lean" our operations as well as invest in our future. For example, Harmony Marketplace refined its business model and executed a project to transition hundreds of unpublished arrangements to published charts following negotiations with Hal Leonard.

revenues, and the generous philanthropic support provided by the Harmony Foundation provide the other two-thirds of our revenues.

Diversifying our revenue streams is important for the long-term sustainability of the Society. Less than a third of our overall revenues come from membership dues currently. Events, chapter services, other program-specific earned

Revenue for Society program and other activities was up \$123,000 from the budget due to strong investment gains in 2017 plus \$23,000 more than expected in royalties and other revenues. Revenue from our Midwinter Convention was \$83,000 above plan and the Society Board of Directors was able to be \$8,000 under plan by finding cost savings where possible.

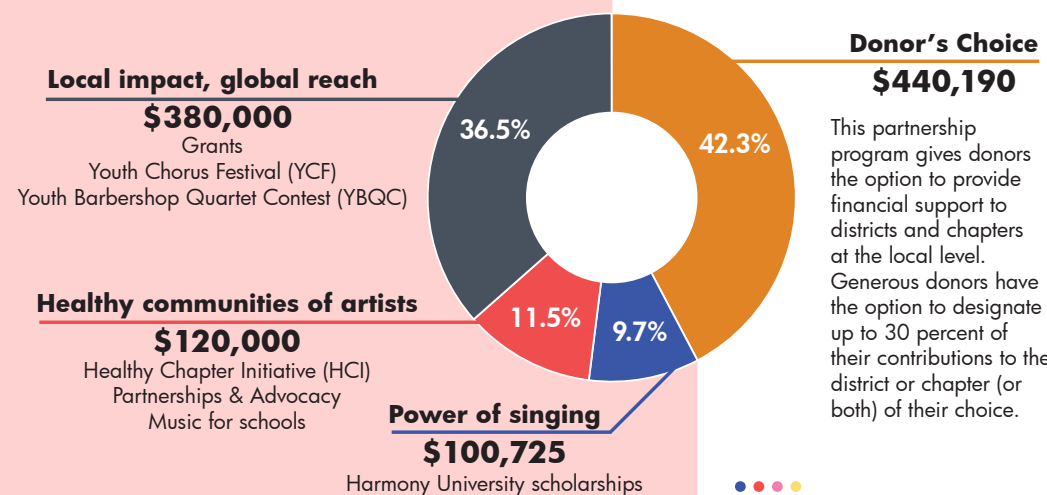


Society programs and other activities
\$2,722,000

Harmony Marketplace	\$818,000
Harmony Foundation Contributions	\$601,000
Harmony University	\$410,000
Contributed/In-Kind Services	\$385,000
Investments Income/Other	\$201,000
Chapter Services	\$178,000
Outreach	\$129,000



Harmony Foundation 2017 Contributions to Society
\$1,040,915



This partnership program gives donors the option to provide financial support to districts and chapters at the local level. Generous donors have the option to designate up to 30 percent of their contributions to the district or chapter (or both) of their choice.

In 2017, we launched the strategic vision of Everyone in Harmony and a new cloud-based membership subscription management system, which were significant financial investments for our future.

2017 Annual Dues Breakdown \$120

Member Services and Member Programs	\$38.84
BHS Outreach Programs (Grants, Youth, Advocacy)	\$24.37
Harmonizer Subscription	\$15.95
IT, Administration, and Operations	\$12.38
Music/Leadership Training (includes C&J Program)	\$9.60
Communication and Marketing	\$8.81
Music Library, Publications, and Clearance Services	\$7.25
HR, Audit, and Legal	\$2.80

Financial sustainability

2017 Post-Audited Financials – Fiscal Results

Fiscal year 2017 was a year of continuing change and investment in strategic planning, program development, completion of systems upgrades, and staff development and expansion. While results by program varied during the course of the year and had variances to budget, the overall post-audited results for the year reflected on-plan performance: net loss of (\$601k) compared to the (\$600k) budget deficit approved for the year.

The following is an overview of Program-specific financial results for 2017 compared to plan:

Membership Comments:

Contribution from Membership programs (before labor) continues to be strongest income source for the Society, though the program continued to struggle in 2017. Total pre-labor contribution of \$1.9 million on \$2.1 million of revenue, but \$207k below prior year. Revenues were down primarily due to continued membership declines offset by implementation of the check and dual membership fees together with a solid growth in the number of Associates. Expenses were up modestly due to increased printing costs and postage expenses associated with the “Everyone in Harmony” announcement and inclusion in the summer version of *The Harmonizer*.

Outreach Comments:

The Outreach revenue budget for the year slightly exceeded plan primarily due to small increases in outreach grant funding, Youth Chorus Festival registration fees implemented for the first time in 2017, and stronger than budgeted Association of International Champions (AIC) Show revenue. Any significant deviation from budgeted revenues is unlikely given the revenue budget is largely based upon grant awards from HFI. Overall cost of Outreach before labor resulted in Program cost of (\$608k) compared to a planned loss of (\$634k). The improved results over plan largely were a matter of expense management and/or program “pauses” to maximize the outcomes of the program.

Harmony University Comments:

Despite lower than budgeted revenues (primarily due to lower than planned attendance at the weeklong Harmony University (HU) event), the Harmony University (Education) program contribution exceeded plan based upon expense management initiatives across all program areas. Harmony University (week-long event) increased contribution over prior year, but fell slightly short of 2017 plan due to lower than planned attendance. The Society continues to focus on ways to promote different ways to engage participants to expand demand for HU. Chorus registrations and attendance can have large impact on revenues that can be difficult to manage if a registered chorus backs out of HU.

Events Comments:

The 2017 International Convention was originally scheduled to be held in Minneapolis, MN until the planned contest venue was closed for renovations. While we were fortunate to be able to relocate the International Convention to Las Vegas and the AXIS Theater, Events-based contribution was lower than

plan by approximately \$200k due to significantly below plan registrations to the 2017 International Convention. This was due to a combination of the change in destination, recency to the last International Convention in Las Vegas in 2014, and general Las Vegas attendance fatigue caused by other barbershop events in Las Vegas (e.g., Sweet Adelines International hosting their International Convention in Las Vegas for the past three years). Near record attendance at Midwinter (San Antonio) resulted in a substantial improvement over plan to help offset below plan results from International.

Marketplace Comments:

Marketplace continues to refine its business model and improve business-line pricing strategies, cost alignment and improvements to product offerings. A key operational expense and project in 2017 was the Unpub to Pub project transitioning hundreds of unpublished arrangements to published charts following negotiations with Hal Leonard. In addition, certain product launches in 2017 underperformed expectations, resulting in lower sales volumes for sheet music sales. Year-Over-Year and actuals to plan were off as the Suntones Book and related launches did not replace the stronger results achieved for the Polecat II songbook in 2016. These results were offset by increased Music Clearance Services and Merchandise revenues. Overall Marketplace contribution exceeded plan by \$13k for 2017, an improvement over prior year by \$135k.

Shared Services Comments:

The Shared Services budget experienced the largest positive variance of \$87k compared to plan and \$51k above prior year due to above plan total investment income and strong investments gains offset by increased costs associated with technology-enabled solutions that increase productivity.

Governance Comments:

The Governance budget reflects a positive \$8k variance to budget primarily due to positive variance associated with the Fall 2017 Board meeting and various unused budget line items, offset by the increase associated with an unplanned Spring 2017 Board meeting and higher than expected travel expenses during the year.

Wages and Benefits Comments:

Total wages and benefits were approximately \$100K below plan levels primarily due to certain open positions (IT, Member Services, and receptionist positions) coupled with some improved costs relative to budgeted benefits costs. We continue to examine wages budgets to ensure that staffing positions are sustainable and can be supported by long-term staffing strategies.

BHS Investments Comments:

In connection with the 2017 budget, the Board approved certain operational investment projects to continue strategic planning work started in 2016. In addition, the Board approved system upgrade investments for the Member Center and BHS financial systems. For the year, investment project expenses were below budget by \$10k and systems upgrade costs were below plan by \$35k.

Additional program descriptions and program-related financial information can be found in the Society’s Form 990, which can be found at www.guidestar.org.

Thank you

Together, we made 2017 a great year. Thank you to our wonderful staff and the countless volunteers at every level who give for the joy of giving. Thank you to all the charitable donors, the committee members, the top craftsmen of the artform, and the Joe Barbershoppers who give so much.

Thank you to the impromptu coach who helps a new quartet feel ready for its first public performance. To the singers who linger with grateful patients in the hospital long after the performance is over. To those who hang up fliers on behalf of a local school choir, to the members who sold tickets to give those young singers a bigger audience ... and their school a bigger donation. To the members who made the local connections, to those who carried the risers, selected the music, booked the venue, and balanced the checkbook: thank you for reading this annual report.

Skip Kropp
Society President



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