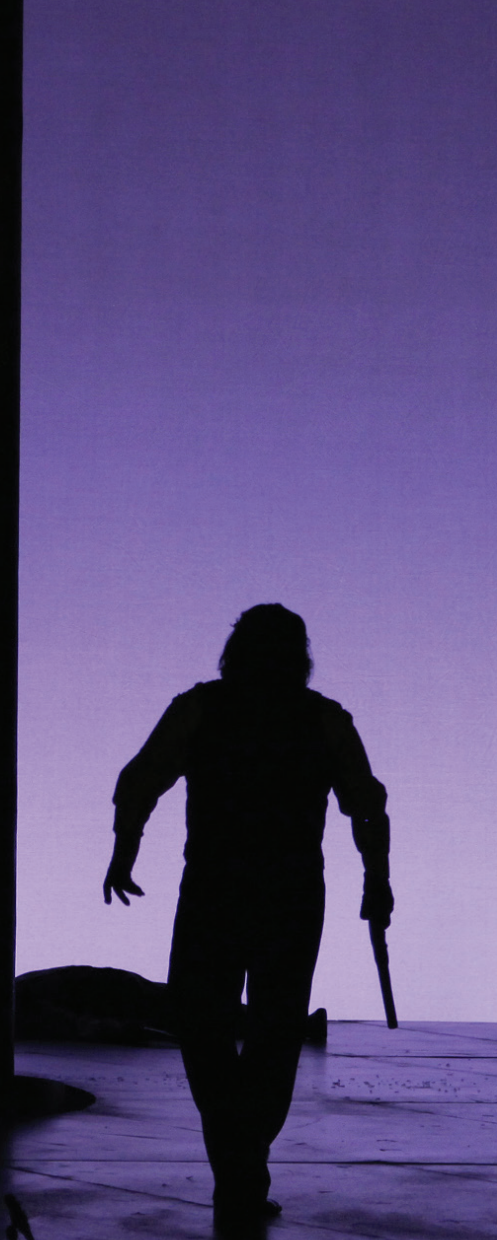




2011-2012 YEAR IN REVIEW



THE NATIONAL OPERA CENTER
AMERICA





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THE NATIONAL **OPERA** CENTER **AMERICA**

OPERA America — the nonprofit service organization for opera — leads and serves the entire opera community, supporting the creation, presentation and enjoyment of opera. Artistic services help opera companies and creative and performing artists to improve the quality of productions and increase the creation and presentation of North American works. Information, technical and administrative services to opera companies reflect the need for strengthened leadership among staff, trustees and volunteers. Education, audience development and community services are designed to enhance all forms of opera enjoyment.

OPERA America's membership includes 142 Professional Company Members in North America, more than 250 Associate and Business Members (many of which produce and present opera), 1,084 Individual Members and 16,000 online subscribers from around the world.

OPERA America, Inc.
330 Seventh Avenue
New York, NY 10001
Phone: 212-796-8620
Fax: 212-796-8631
E-mail: Info@operaamerica.org
Web Page: operaamerica.org

Additional copies of the report are available to members at \$20 per copy, plus postage and handling. The non-member price is \$25 per copy, plus postage and handling.

INTRODUCTION

WHAT A DIFFERENCE A YEAR MAKES!

It has been an exciting time for OPERA America and the thousands of artists, producers, trustees and audience members who are all part of the extended OPERA America family. Throughout the 2011-2012 season, OPERA America provided the highest caliber of support to its members through a myriad of programs and services, both physical and virtual. Research findings to key stakeholders, grants to opera companies and artists in support of creative projects and career development, and dynamic leadership of field-wide discussion of best practices in all areas of opera production and management are detailed in the pages that follow. In addition, OPERA America launched two ambitious projects — the opening of the National Opera Center and the launch of the New Works Forum — that respond directly to member needs and promise to have a significant long-term impact on the level of creativity, excellence, effectiveness and relevance of opera and opera companies in an ever-more complex cultural environment.

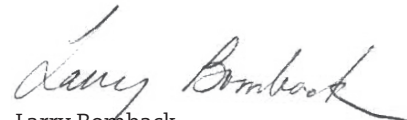
OPERA America's membership, which stretches across the Americas to Europe, Asia and Australia (in partnership with Opera.ca [Toronto] and Opera Europa [Brussels]), continued to grow throughout FY12 as several new artist-driven companies joined the organization's ranks as either Professional Company or Associate Members. These organizations, many of which are still in their startup years, are representative of the field's changing landscape. Some of these companies are bringing live performances of opera to cities where there is no established opera company. Others, in more populous cities, have carved out unique niches to complement, rather than compete with, their community's long-established opera provider. OPERA America's past two conferences in Boston and Philadelphia respectively, included many representatives from these nimble organizations, and staff at the largest companies found themselves learning from the entrepreneurial energy of these new leaders.

Financially, OPERA America is well-positioned to ensure that its programs and services are sustained into the future. Over the past 22 years, OPERA America has had only one operating deficit, and the organization finished the 2012 fiscal year with a modest operating surplus and a cash reserve of over \$230,000. The company's balance sheet is further bolstered by long-term pledges from individual donors and program-restricted gifts from institutional funders.

We hope you enjoy the 2012 *Year in Review*, as well as the *Annual Field Report*, a five-year study that contains financial and operational trend data on opera companies of all sizes and missions.



Marc A. Scorca
President/CEO



Larry Bomback
Director of Finance and Operations





THE 2011-2012 YEAR IN REVIEW

A LANDMARK YEAR FOR OPERA AMERICA WAS MIRRORED BY A LANDMARK YEAR FOR OPERA.

Years from now, opera stakeholders will look back on 2012 as the year OPERA America redefined what it meant to be a national arts service organization. With the creation of the National Opera Center in New York City, OPERA America ushered in an era of expanded opportunity for collaborations among opera companies, enhanced services for artists and exciting programs for audiences (of all backgrounds).

In just a few short months, the National Opera Center became widely recognized as the informal headquarters for the opera industry and now serves as a catalyst for the field's long-term health and creativity. The 25,000 square foot facility equipped with state-of-the-art technology serves the full range of activities essential to the field's work including auditioning, vocal and dramatic coaching, design presentation, co-production meetings, professional development seminars, education programs, research and patron services.

A landmark year for OPERA America was mirrored by a landmark year for opera. The 2011-2012 season saw the world premieres of Christopher Theofanidis' *Heart of a Soldier* at San Francisco Opera; Nico Muhly's *Dark Sisters* at Gotham Chamber Opera, Music-Theatre Group and Opera Company of Philadelphia; and Kevin Puts' *Silent Night* at Minnesota Opera, which was also streamed online to over 200,000 viewers, a number larger than can be achieved in an entire season at the company. The Met's *Live in HD* broadcasts reached millions of viewers worldwide, proof that demand for opera remains strong. Many opera companies experimented with smaller productions in alternative venues, while others expanded education and community engagement activities.

Opera companies and artists have responded to economic challenges with flexibility and agility. Now more than ever,

the sharing of best practices and the testing of new strategies is essential to the vitality and longevity of the art form. OPERA America is uniquely positioned to fill the roles of convener, documentarian and disseminator.

Over the past year, OPERA America welcomed three new Professional Company Members, all of which add to the range of innovation and creative energy within the membership. American Lyric Theater nurtures composers and librettists, and develops sustainable artistic collaborations with major opera companies, ultimately contributing important new works to the national canon. HERE Arts Center, which presents the annual Prototype Festival for opera-theater and music-theater, develops hybrid art and multi-disciplinary work. Chelsea Opera presents canonic works and world premieres in intimate venues featuring young singers and chamber orchestra.

OPERA America's membership now includes 142 Professional Company Members, 53 Educational Producing Associate Members, 73 Associate Members, 64 Business Members and 1,084 Individual Members. The professional company base genuinely reflects the current makeup of the field, with established opera companies in major cities now joined by smaller second and third companies with distinct missions. In 2012, more than 45% of the professional company membership operated with budgets of under \$1,000,000.

This report offers a sampling of the organization's activities and services to members over the past year. From professional development program for artists, administrators and trustees, national advocacy, and research and consultations, to over \$300,000 of direct support to opera companies and artists through several granting programs, OPERA America continued to dedicate the entirety of its financial and human resources to the success of its members.



STRATEGIC PLAN

In 2011, with the full support of its membership, OPERA America began to implement a five-year Strategic Plan designed to develop its capacity and identity as the leading action-oriented think tank for opera. Throughout the year in various network forums, OPERA America worked with members as full partners to formulate ideas and strategies that will advance their work and strengthen the field as a whole. Travel assistance was provided to members to ensure robust and diverse attendance.

The creation of the National Opera Center was at the core of the Strategic Plan, and the goals associated with its establishment are already being realized. There is far more direct contact between OPERA America staff and members, especially individual artists who make frequent use of the National Opera Center's new facilities at reduced rates. A primary objective in the Strategic Plan is the establishment a permanent operating endowment for the Center, so that member rates can continue to be subsidized well into the future. To date, OPERA America has raised over \$11,000,000 of its total campaign goal of \$14,000,000.

The organization is working to further develop *The Opera Fund*, a permanent endowment that supports productions of new and existing American works, artist training and audience development activities. In the most recent round of Repertoire Development funding, \$225,000 was awarded to companies of all sizes. (Over \$50,000 has been granted to some of OPERA America's newest and smallest Professional Company Members.)

OPERA America has addressed internal governance and staffing issues in order to ensure that expertise and resources are available to fulfill the many objectives set forth in the plan. With the unanimous election of Frayda B. Lindemann, Ph.D., the organization is now chaired by an opera company trustee for the first time in its history, and new hires in facilities, development, information technology and marketing complement the work of staff veterans.

The Strategy Committee, which reports to the board of directors and includes representatives from companies of all sizes and styles of production, artists and opera company trustees, continues to meet annually in order to ensure that the plan evolves to respond to changing conditions in the field.



THE NATIONAL OPERA CENTER

The construction of the National Opera Center marked the realization of OPERA America's multi-year plan to create a unique, custom-designed facility in New York where members who live in the metropolitan area and those who travel to New York from across the country can conduct the essential business of opera. The opening of the Opera Center on September 28 capped a multi-year planning process that began with OPERA America's relocation from Washington, D.C., in 2005. The National Opera Center is the first-ever such facility built specifically for opera rehearsals, auditions and meetings and is an innovative, dynamic and comprehensive response to the lack of appropriate spaces for these activities in New York. Encompassing 25,000 square feet on two floors of a former fur factory, the Center serves as the heart of an industry that is widely disbursed, yet inherently collaborative.

The National Opera Center is the physical heart of an industry that is widely disbursed, but inherently collaborative. The construction of the Opera Center was a response to the pressing need for appropriate audition and work space in New York City and was designed to reflect the dynamics of the opera field as a whole.

The National Opera Center occupies 25,000 square feet on two floors at 330 Seventh Avenue, between 28th and 29th Streets, in midtown Manhattan. Located just blocks from 10 subway lines, Amtrak, regional trains and airport shuttles, it is easily accessible to New Yorkers and the many producers and artists who travel to the city each year.

The Center opened to the public on September 28, 2012, providing users with a range and level of services never before possible.

FEATURES

- Acoustically excellent Audition Recital Hall
- Large, versatile Rehearsal Hall
- Learning Center for professional development and public education activities
- Ten sound-isolated Studios, with pianos tuned weekly
- Score, Recording, Research and Video Libraries
- Visitors' Business Center
- Production Exhibit Galleries
- Listening Stations
- Board Room
- Artists Lounge
- Artists Canteen
- Conference Room
- Catering Kitchen
- OPERA America's Administrative Headquarters

The National Opera Center is open from 10:00 a.m. to 10:00 p.m., seven days a week. Information for booking space at the facility can be found online at operaamerica.org/operacenter.



PROFESSIONAL DEVELOPMENT

OPERA AMERICA SUPPORTS ADMINISTRATORS AT ALL LEVELS OF THEIR CAREERS AND HELPS IDENTIFY THE FIELD'S FUTURE LEADERS.

OPERA CONFERENCE 2012: CREATIVE RESURGENCE

A total of 594 people, representing over 220 organizations, gathered in Philadelphia to network with colleagues and examine how opera companies and artists emerged from the recession with renewed energy. Seminars explored best practices in online fundraising, new initiatives in creative aging and electronic media's impact on the field. Sessions on chamber opera were interwoven throughout the conference. Plenary sessions featuring Douglas McClennan, Michael Kaiser, Richard Evans and Jennifer Higdon were broadcast live to thousands of online viewers across the world thanks to SoundQue, the conference's A/V provider and content distributor. The *New Works Sampler* at Curtis Institute of Music's Lenfest Hall was described unanimously as the best ever in terms of artistic quality and production value.

NEW GENERAL DIRECTORS ROUNDTABLE

OPERA America offers the New General Directors Roundtable as a peer learning group consisting of recent appointees to their general director positions at companies with budgets between \$1 million and \$5 million. The group addressed management challenges including strategy formulation and execution, board relations and work/life balance.

LEADERSHIP INTENSIVE

OPERA America's firm commitment to developing leaders who will advance the creation, presentation and enjoyment of opera for years to come is exemplified by the launch of the Leadership Intensive initiative, a modified reintroduction of the popular Fellowship Program. Generously funded by American Express, the Leadership Intensive identifies

the most promising emerging leaders in the field of opera administration and provides them with the skills and contacts needed to advance to an executive level position and understand the inner-workings of the industry. Participant travel and lodging expenses were subsidized up to 50%.

Ten participants were selected from among the nearly 50 applications received for the Leadership Intensive. They were joined by two participants from Opera.ca and two from Opera Europa for the Leadership Advance seminar at the annual conference and a week-long summer intensive in New York City.

The Leadership Advance seminar at the conference, co-facilitated by Kevin Smith and Jane Hill, included sessions on involving the entire organization (all departments and all levels) in marketing and communications, strategic financial planning and the fundraising process. Participants also took part in a negotiation seminar with Vicky Peterson from Collaborative Action.

The Summer Intensive featured sessions on nearly two dozen topics covered over the course of five days. Highlights included roundtable discussions about leading effective meetings, the fine art of the business lunch, information technology, human resources, electronic media, governance, volunteers, major gifts fundraising, work/life balance and establishing personal leadership styles. Guest lecturers were brought in to lead breakout sessions on public speaking, working with artists, listening effectively to auditions, staying within budget, identifying changes in audience behavior, an opera company's civic responsibility and career development.



RESEARCH

RESEARCH CONDUCTED THROUGH THE CDP ALLOWS OPERA AMERICA TO BETTER INFORM ADVOCATES AND POLICYMAKERS OF THE IMPACT, ASSETS AND NEEDS OF THE OPERA COMMUNITY.

In 2008, OPERA America's Professional Opera Survey (POS) migrated to the Cultural Data Project's (CDP) online platform, creating an integrated data collection system that incorporated extra questions into the standard CDP survey specifically geared toward opera companies.

OPERA America was the first and is the only national arts service organization to partner on a national level with the CDP, eliminating duplicative survey questions for dozens of professional opera companies operating in states where funders require a completed CDP data profile. Research conducted through the CDP allows OPERA America to better inform advocates and policymakers of the impact, assets and needs of the opera community. Survey respondents benefit as well. Completion of the survey is a requirement of membership in good standing, which makes a company eligible to receive funds from OPERA America's various granting programs. In addition to receiving the Professional Opera Survey Report, participating companies also now have instant access to dozens of free dashboard reports and trend and comparative analyses through the online platform.

Nearly 100 Professional Company Members completed the Professional Opera Survey for FY11 and were included in the Professional Opera Survey Report. Seventy-one companies reported their financial, operational and attendance data to OPERA America consistently for five

consecutive seasons and are included in the 2011 *Annual Field Report* (see pages 35-59).

In response to member requests from smaller companies, OPERA America introduced a "short form" version of the Human Resources Survey this past year, which gathered compensation and benefits information for department heads only. The full version of the survey, which collects data for all positions as well as more detail with regard to benefits packages, was administered to Level 1 and 2 companies. Over 70 companies contributed data to the 2011 Human Resources Survey.

OPERA America has remained active in its role as a consultant for Professional Company Members. Customized benchmarking analyses were provided to Connecticut Opera, Florida Grand Opera, Indianapolis Opera, Lyric Opera of Chicago, Mississippi Opera, New York City Opera, Opera Memphis, Opera Southwest, Seattle Opera and Virginia Opera. President/CEO Marc A. Scorca also visited many of these companies to lead discussions about recent trends in the opera field and facilitate strategic planning processes. In addition, OPERA America engaged former board chairman Kevin Smith as a field consultant to extend OPERA America's customized on-site service. In this role, he served as Interim general director of Austin Lyric Opera and provided extended governance consultations to Tulsa Opera.



THROUGHOUT THE YEAR, CONSTITUENTS GAINED NEW EXPERTISE BY GATHERING TO DISCUSS OBSTACLES TO SUCCESS AND FORMULATE STRATEGIES ON HOW TO OVERCOME THEM.

OPERA America has established a number of artistic and administrative forums to advance understanding in critical areas of operations, including governance, finance, technical/production, electronic media, education, marketing and artistic administration. Throughout the year, constituents gained new expertise by gathering to discuss obstacles to success and formulate strategies on how to overcome them.

In February 2012, opera company representatives, educators and academics convened for the **Education Forum**. The group discussed many topics, including family programming, assessment of student learning and upcoming education opportunities available at the National Opera Center. Representatives also analyzed the findings of the Education Benchmarking Survey to identify trends in opera education across North America.

Founded in 2007, the **Electronic Media Forum** is a service to members interested in increasing the use of new media to enrich the opera experience for current and prospective audiences. The Forum met in both New York and Philadelphia, and included case studies and presentations from national experts about ever-changing technologies and their applications to the world of opera. OPERA America retains the services of electronic media authorities Joseph Kluger and Michael Bronson, who are available to consult with members upon request.

The **Finance and Administration Forum** includes representatives from member opera companies with a dedicated CFO and/or COO position. This past year, Forum participants met in New York and in Philadelphia, and explored the CFO's role in human resources and information systems, learned ways to save on credit card processing, worker's compensation insurance and 403b plan administration, and discussed leadership transition with the heads of major executive search firms.

The **New Works Forum**, launched with the generous support of The Andrew W. Mellon Foundation, is the preeminent national convening dedicated to enhancing the quality and increasing the quantity of new American operas and music-theater. Supporting the creation and production of American opera has been a priority objective of OPERA America for nearly three decades. During this time, grants to member companies in support of new works total more than

\$11 million. Through facilitated discussions that address and respond to the specific barriers to success, case studies about organizational and artistic collaborations, and extended showcases of works-in-progress, this multi-day professional development event brings together stakeholders from across the country, including producers, publishers, composers and librettists. Sixty-six attendees from 44 organizations met in New York City during the inaugural Forum in November 2011, creating the pre-eminent convening for those invested in developing strategies to increase the quantity and quality of new opera and music-theater.

The **Singer Training Forum** facilitates dialogue among voice teachers, young artist program managers, opera company administrators and artist managers who are dedicated to the identification and development of aspiring singers. In its sixth year, the Forum convened in New York in fall 2011 and in Philadelphia the following spring to discuss successful methods of introducing high school students to the operatic training process.

The **Technical/Production Forum**, which includes representatives from all levels of OPERA America member companies in addition to experts from outside the field, met in the fall of 2011 and again at the annual conference in Philadelphia. This year's discussion topics included green initiatives and digital media's impact on set and costume design.

At the **National Trustee Forum's** winter meeting in New York, Lowell J. Noteboom, chair of the board of the League of American Orchestras and Kevin Smith, former general director of Minnesota Opera and field consultant for OPERA America, led a three-day event focused on leadership in times of transition. At the 2012 conference in Philadelphia, Richard Evans, president of EmcArts, gave a presentation on the evolving roles and responsibilities of opera company trustees.

Learning from the Forums informs the work of the Strategy Committee, Board Committees and OPERA America staff. To ensure that all members have the opportunity to participate in these meetings and share their expertise with others in the field, OPERA America is pleased to offer a limited number of travel subsidies to members wishing to attend the Forums. Please visit operaamerica.org/forums for more information.



ARTISTIC SERVICES

MAKING CONNECTIONS

OPERA America's *Making Connections* series has become an important source of professional development and networking for performing and creative artists. Enhanced technological capabilities at the National Opera Center have enabled all sessions to be streamed live and are archived on the OPERA America website. Session topics in 2011-2012 included:

- Stages of Developing a New Work
- Effective Auditions
- How to be a Teaching Artist
- In Conversation with Stephanie Blythe
- Acting Resources for Singers
- In Conversation with Stephen Wadsworth
- Tax Tips for Independent Artists
- Training and Working in Europe
- The Opera Field: An Overview of Current Trends
- Keys to a Successful Singer/Director Relationship

MAKING CONNECTIONS ON LOCATION

OPERA America presented a *Making Connections* on Location seminar, hosted by Florentine Opera at the Wayne

and Kristine Lueders Florentine Opera Center. Expert speakers included representatives from Opera for the Young, Florentine Opera, University of Wisconsin-Milwaukee, Lawrence University and Mirshak Artists Management.

SALON SERIES

OPERA America's *Salon Series* features performances of excerpts of new American opera and songs by leading composers and librettists. After each performance in the National Opera Center, featured artists discuss their work and answer questions from the audience. Discussion continues at informal receptions that conclude each event. The 2011-2012 *Salon Series* season showcased the work of composers David T. Little, Conrad Cummings, Jake Heggie, Wang Jie and librettist Mark Campbell. All events are free and open to the public.

ARTIST INTENSIVE AT OPERA CONFERENCE 2012

OPERA America's Artist Intensive paired emerging artists with established professionals to gain vital career advice. The event included feedback auditions, one-on-one mentoring and presentations on financial management and effective networking.



THE OPERA AMERICA SONGBOOK

Believing that the creation of art should mark every special occasion, OPERA America commissioned the *OPERA America Songbook* in celebration of the opening of the National Opera Center in September 2012 after granting more than \$11 million to member companies over the last 25 years. The *Songbook* was the organization's first-ever commission. Composers with strong ties to the organization were invited to write a song for voice and piano on the theme of opening a new home, the joy of singing or the excitement of new beginnings. This collection of 47 songs represents the distinctive voices of some of today's most important established and emerging opera composers. Composers on the recording vary in style, as well as age. The youngest composer participating is in her 20s, while Robert Ward recently turned 95.

The *OPERA America Songbook* three-CD disc set was recorded and mixed at Gurari Studios. The recording features 32 singers and 16 pianists, including established artists such as sopranos Lauren Flanigan and Elizabeth Futral, and baritone Robert Orth. The *Songbook* recording has been listed with CDBaby.com and is available as a digital download from over 50 websites, including iTunes and Amazon, and for purchase at several retail outlets. The printed *Songbook*, distributed by Schott, is available for purchase at halleonard.com. Both the recording and vocal score are available for purchase at the National Opera Center, as well.



THE OPERA FUND

The Opera Fund, launched in 2001, is a permanent endowment dedicated to fostering new opera and music-theater works. Awards are granted in the areas of Repertoire Development and Audience Development. To date, OPERA America has awarded over \$11 million in grants to assist companies with the expenses associated with the creation and development of new works.

In 2011, 29 companies submitted applications for *Opera Fund* support, requesting a total of nearly \$650,000. The independent adjudication panel of five industry experts awarded \$174,000 in support of Audience Development project grants. Recipients included:

- **Boston Lyric Opera:** *The Inspector* by John Musto and Mark Campbell (\$5,000)
- **The Dallas Opera:** *The Aspern Papers* by Dominick Argento (\$15,000)
- **Eugene Opera:** *Nixon in China* by John Adams and Alice Goodman (\$20,000)
- **Fort Worth Opera:** *Three Decembers* by Jake Heggie and Gene Scheer (\$9,000)
- **Houston Grand Opera:** *The Bricklayer* by Gregory Spears and Farnoosh Moshiri (\$4,500)
- **Nashville Opera:** *The Difficulty of Crossing a Field* by David Lang and Marc Wellman (\$7,500)
- **North Carolina Opera:** *Les Enfants Terribles* by Philip Glass and Susan Kander (\$5,000)
- **Opera Colorado:** *Florencia en el Amazonas* by Daniel Catán and Marcela Fuentes-Berain (\$10,000)
- **Opera Company of Philadelphia:** *Dark Sisters* by Nico Muhly and Stephen Karam (\$9,000)
- **Opera Theater of Pittsburgh:** *Night Caps* by Daron Aric Hagen, Gilda Lyons, Roger Zahab, Eric Moe, Dwayne Fulton and Alberto Garcia Demestres (\$10,000)
- **Opera Theatre of Saint Louis:** *Champion* by Terence Blanchard and Michael Cristofer (\$25,000)
- **Piedmont Opera:** *The Crucible* by Dr. Robert Ward and Bernard Stambler (\$10,000)
- **Portland Opera:** *Galileo Galilei* by Philip Glass and Mary Zimmerman (\$15,000)
- **Tulsa Opera:** *Dead Man Walking* by Jake Heggie and Terrence McNally (\$14,000)
- **Virginia Opera:** *Orphée* by Philip Glass (\$15,000)

THE OPERA FUND COMPLEMENTS OTHER OPERA AMERICA ACTIVITIES THAT PROMOTE AWARENESS, APPRECIATION AND PRODUCTION OF NEW WORKS OF OPERA AND MUSIC-THEATER, INCLUDING THE NEW WORKS FORUM, THE NEW WORKS SAMPLER AT THE ANNUAL CONFERENCE AND NEW WORKS EXPLORATION GRANTS. TOGETHER, THESE PROGRAMS SUPPORT THE FURTHER DEVELOPMENT OF AMERICAN OPERA AS AN IMPORTANT PART OF OUR CONTEMPORARY CULTURE.

NEW WORKS EXPLORATION GRANTS

Through support from The Andrew W. Mellon Foundation, OPERA America's New Works Exploration Grants provide financial support for Professional Company Member representatives to attend performances or workshops of new North American operas and meet with the work's creative artists and administrators. These grants are designed to broaden awareness of new North American opera activity and deepen relationships between companies interested in creating and producing new works. Since the program's launch in 2010, 43 grants have been awarded. The 2011-2012 awardees include:

- **Opera Memphis:** to explore *A Blizzard on Marblehead Neck* and *Later the Same Evening* at The Glimmerglass Festival.
- **Florida Grand Opera:** to explore *A Blizzard on Marblehead Neck* and *Later the Same Evening* at The Glimmerglass Festival.
- **Hawaii Opera Theatre:** to explore *Heart of a Soldier* at San Francisco Opera.
- **The Glimmerglass Festival:** to explore *Heart of a Soldier* at San Francisco Opera.
- **Opera Theatre of Saint Louis:** to explore *Heart of a Soldier* at San Francisco Opera.
- **The Dallas Opera:** to explore *Silent Night* at Minnesota Opera.
- **Long Beach Opera:** to explore *Dark Sisters* at Gotham Chamber Opera and *Silent Night* at Minnesota Opera.
- **Lyric Opera of Kansas City:** to explore *Moby-Dick* at San Diego Opera and *Silent Night* at Minnesota Opera.
- **Opera Company of Philadelphia:** to explore *Silent Night* at Minnesota Opera.
- **Boston Lyric Opera:** to explore *Silent Night* at Minnesota Opera.
- **Opera Parallèle:** to explore *Dark Sisters* at Gotham Chamber Opera.
- **Madison Opera:** to explore *Dead Man Walking* at Tulsa Opera.
- **Fort Worth Opera:** to explore *Machine, a Fire Opera* at The Crucible.
- **Boston Lyric Opera:** to explore *Prima Donna* at New York City Opera.
- **Fargo-Moorhead Opera:** to explore *Moby-Dick* at San Diego Opera and *The Golden Ticket* at The Atlanta Opera.
- **American Opera Projects:** to explore *The Bricklayer* at Houston Grand Opera's HGOCO.
- **Opera Idaho:** to explore *Dead Man Walking* at Tulsa Opera.
- **Houston Grand Opera:** to explore the Composer/Librettist Studio at New Dramatists and *Slaying the Dragon* at Center City Opera Theater.
- **Shreveport Opera:** to explore *Dead Man Walking* at Tulsa Opera.
- **Florentine Opera:** to explore *Sister Carrie* at University of Minnesota.
- **Opera San Jose:** to explore *Florencia en el Amazonas* at Opera Colorado.
- **The Atlanta Opera:** to explore *The Giver* at Minnesota Opera.
- **West Edge Opera:** to explore *Lysistrata* at Fort Worth Opera.
- **Festival Opera:** to explore the *New Works Sampler* at *Opera Conference 2012* and *Dark Sisters* at Opera Philadelphia.
- **Florentine Opera:** to explore *Three Decembers* at Fort Worth Opera.
- **Amarillo Opera:** to explore *Slaying the Dragon* at Center City Opera Theater.
- **Opera Memphis:** to explore *Three Decembers* and *Lysistrata* at Fort Worth Opera.
- **Nautilus Music-Theatre:** to explore *Three Decembers* at Fort Worth Opera.



OPERA COMPANY TRUSTEES

OPERA AMERICA BELIEVES THAT THE HEALTH OF OPERA COMPANIES IS DETERMINED IN LARGE MEASURE BY THE COMMITMENT AND EFFECTIVENESS OF THEIR BOARD MEMBERS — THE KEY DECISION MAKERS WHO ENSURE THE PROGRESS OF THE ART FOR FUTURE GENERATIONS.

NATIONAL OPERA TRUSTEE RECOGNITION AWARDS

In its fifth year, the National Opera Trustee Recognition Awards, made possible by the support of Bank of America, honor outstanding trustees for exemplary leadership, generosity and audience-building efforts on behalf of their respective opera companies. The entire process — from the nomination stage to the awards ceremony itself — was led by OPERA America Chairman Frayda B. Lindemann, Ph.D.

The 2012 awards recognized:

- **Joseph and Judy Liff-Barker** of **Nashville Opera**
- **Elizabeth Eveillard** of **The Glimmerglass Festival**
- **Susan F. Morris** of **The Santa Fe Opera**
- **William C. Morris** of the **Metropolitan Opera**
- **Dr. George R. White** of **Opera Theater of Pittsburgh**
(Dr. White, who passed away in January 2012, was honored posthumously.)

The trustees and their remarkable achievements were celebrated at a dinner in New York City in February 2012. The evening included performances of excerpts from Minnesota Opera's *Silent Night* by Kevin Puts and Mark Campbell, and favorite arias sung by members of the Metropolitan Opera's Lindemann Young Artist Development Program.

TRUSTEE DESIGNEE PROGRAM

Professional Company Members may designate any or all of their trustees to receive the benefits of OPERA America's Trustee Designee Program, underwritten by Deloitte. Designees receive complimentary one-year individual memberships to OPERA America. Last year, 209 designees from 37 Professional Company Members participated in the program.

Please refer to page 13 for information on the National Trustee Forum and page 11 for information on Board Consultations.



EDUCATION AND COMMUNITY PROGRAMS

OPERA AMERICA'S MANY LEARNING INITIATIVES, BOTH ONLINE AND THROUGH SERVICES NOW AVAILABLE AT THE NATIONAL OPERA CENTER, ARE DESIGNED TO INCREASE ENJOYMENT FOR OPERA LOVERS WHILE ENGAGING NEW AUDIENCES OF ALL AGES.

MUSIC! WORDS! OPERA!

The curriculum series was developed by a team of authors, including classroom and music teachers, curriculum specialists, composers and opera professionals to reflect the highly interdisciplinary nature of opera and to promote the art form as an excellent tool to aid students and teachers in their explorations of history, language, literature and music. *Music! Words! Opera! (M!W!O!)* places students at the center of their learning as they find new creative means of self-expression through the study of opera. Since its development over 20 years ago, *M!W!O!* has introduced an estimated 32,500 students and nearly 1,300 educators to opera. The newly updated *M!W!O!* textbook series — which includes *Hansel and Gretel*, *Aida* and the soon-to-be-released *Create Your Own Music! Words! Opera!* — provides teachers and arts specialists an accessible, multimedia approach to incorporate interdisciplinary arts learning into a classroom setting. The revised series includes a detailed sequence of lesson plans and full-length DVDs for introducing opera to an upper elementary or middle school classroom. *Create Your Own Music! Words! Opera!* will provide an opportunity for students to compose, prepare and perform an original work of music-theater.

During the summer of 2012, The MetLife Foundation funded 50 percent of the workshop costs in select cities to give teachers the opportunity to reinforce their artistic aptitude and learn new pedagogical techniques by linking the arts to other content areas. Over the past year, *M!W!O!* workshops took place in Saint Louis, Salt Lake City, Memphis, Albuquerque, Atlanta, Fargo, Boston and Denver.

PROJECT FIND: MUSIC AND MEMORIES

OPERA America partnered with Project FIND (FIND Aid for the Aged, Inc.) to provide a creative aging program at Hamilton House, a senior center on the Upper West Side of Manhattan. The program included a 16-week residency, in which OPERA America teaching artists led a group of older adults through the process of creating an original work of opera or music-theater. Beginning with storytelling, proceeding through prose and poetry into music composition, and culminating in performance and reflection, this project aimed to adapt best practices in creative aging to the multidisciplinary arts and may serve as a template for OPERA America members interested in launching creative aging programs in their own local communications.

ONLINE LEARNING

Online Learning provides a way for opera lovers to access in-depth information on specific works and learn more about different facets of the art form. Online offerings for 2011-2012 included two new courses on important new works — Mark Adamo's *Little Women* and Nico Muhly's *Dark Sisters* — which included interviews with the composers themselves.

Members receive free access to current and archived *Online Learning* courses. OPERA America member companies may also license *Online Learning* courses on the following operas: *The Barber of Seville*, *La bohème*, *Brief Encounter*, *La Cenerentola*, *Carmen*, *Dark Sisters*, *Dead Man Walking*, *Don Giovanni*, *Hansel and Gretel*, *Little Women*, *Macbeth*, *Madama Butterfly*, *The Marriage of Figaro*, *A Midsummer Night's Dream*, *Nixon in China*, *Der Ring des Nibelungen*, *Samson et Dalila* and *La traviata*.

ONLINE LEARNING CENTER

This past year, staff began work on a centralized hub for OPERA America's resources for learning about and learning through opera. This new *Online Learning Center* will bring together lesson plans, current Learning Center resources, archive articles and recordings of live events taking place in the National Opera Center. At present, OPERA America's *Online Learning Center* includes 50 works; current plans call for a three-year expansion, which will result in comprehensive materials on nearly 200 operas. These materials will be freely available to the public, and may be licensed for republication by member companies.

LEARNING AT THE NATIONAL OPERA CENTER

The National Opera Center houses several spaces designed to promote learning of all kinds. The Charles MacKay Learning Center is a large ensemble room equipped with interactive, multimedia components including a SMARTBoard and a Yamaha Hybrid Digital Piano. It is an ideal setting for presentations, lectures and teacher workshops. The Baisley Powell Elebash Score and Recording Library contains over 11,000 digital recordings, and the Ardis Kranik Research and Reference Library contains periodicals, books, special collections and unique resources about opera history and culture. The Julius Rudel Archives house all of OPERA America's historical data on opera company finances, attendance and operations collected through the Cultural Data Project and Professional Opera Survey, the Metropolitan Opera's Central Opera Service and the National Opera Institute's records.



OPERA IN THE PUBLIC EYE

OPERA America is dedicated to strengthening the creation, presentation and enjoyment of opera. These efforts extend beyond the member base to promote the art form to the public and media alike.

NATIONAL ENDOWMENT FOR THE ARTS: OPERA HONORS

The fourth annual NEA Opera Honors ceremony took place on October 27, 2011, at the Sidney Harman Center for the Performing Arts in Washington, D.C. The 2011 honorees were: **John Conklin, Speight Jenkins, Risé Stevens and Robert Ward.** OPERA America was the planning and production partner for the awards ceremony, and contracted with Greg Emetaz to create video tributes for each honoree.

NATIONAL OPERA WEEK

In conjunction with the NEA Opera Honors, OPERA America coordinated the third National Opera Week, during which opera companies engaged audiences with a variety of free and fun activities, such as live performances, backstage tours and social media campaigns. Ninety-four opera companies from 32 states participated in National Opera Week in 2011.

COVERAGE

OPERA America President/CEO Marc A. Scorca was interviewed or cited by dozens of media outlets over the past year, in topics ranging from the opening of the National Opera Center to the changing definition of opera to the importance of new works. Online, the organization maintains over 5,800 followers on Facebook, Twitter and the company's branded YouTube channel.

MEDIA INTERVIEW AND DATA REQUESTS: FY2012

THE NATIONAL OPERA CENTER

- **Gramophone:** Clemency Burton-Hill (April 2012)
- **The Wall Street Journal:** Heidi Waleson (April 2012)
- **Opera News:** Jennifer Melick (April 2012)
- **Opera** (U.K.): David Shengold (April 2012)
- **Espace Musique/CBC Radio Canada:** Sylvia L'Ecuyer (April 2012)
- **Toronto Star:** William Littler (May 2012)
- **LISTEN: Life with Classical Music:** Brian Wise (May 2012)
- **BBC Music:** Katrine Ames (May 2012)
- **MusicalAmerica.com:** Susan Elliott (June 2012)

- **San Francisco Classical Voice:** Mark MacNamara (February 2012)
- **Metro** (Philadelphia): Laura Goldman (May 2012)
- **WWFM Pubic Radio** (New Jersey): Rachel Katz (June 2012)

STATE OF OPERA, NATIONALLY AND LOCALLY

- **Cincinnati Enquirer:** Janelle Gelfand (August 2011)
- **Austin American-Statesman:** Gary Dinges (December 2011)
- **The Record** (New Jersey): Hannan Adely (January 2012)
- **The Los Angeles Times:** David Ng (February 2012)

MEMBER COMPANY ANNIVERSARIES, ANNOUNCEMENTS AND NEWS

- **Palm Beach Daily News:** Jan Sjostrom (July 2011)
- **Sacramento Bee:** Edward Ortiz (August 2011)
- **Baltimore City Paper:** Samantha Buker (September 2011)
- **South Florida Classical Review/Miami Herald:** Wynne Delacoma (October 2011)
- **The Los Angeles Times:** Mike Boehm (December 2011)
- **Palm Beach Daily News:** Jan Sjostrom (January 2012)
- **Bradenton Herald:** Wade Tatangelo (January 2012)
- **The Kansas City Star:** Steve Paul (February 2012)
- **Winston-Salem Journal:** Ken Keuffel (March 2012)
- **The Washington Post:** Emily Langer (March 2012)
- **The Los Angeles Times:** David Ng (June 2012)

NEA OPERA HONORS AND NATIONAL OPERA WEEK

- **KUSC Radio:** (Los Angeles) Jan Breslauer (September 2011)
- **National Endowment for the Arts Podcast:** Josephine Reed (October 2011)
- **Palm Beach Daily News:** Jan Sjostrom (October 2011)
- **KMFA Radio:** (Austin) Judlyne Lilly (October 2011)
- **Spantan Daily:** (San José State University) Anastasia Crosson (November 2011)

MISCELLANEOUS TOPICS

- **WQXR Radio:** Brian Wise | Opera in ballparks and stadiums (September 2011)
- **The New York Times:** Dan Wakin | Subsidized ticket programs (September 2011)
- **The New York Times:** Dan Wakin | European opera houses (October 2011)
- **New York City News Service:** Joanna Fantozzi | Importance and benefits of opera for young people (March 2012)
- **Sarasota Herald Tribune:** Carrie Seidman | Met Live in HD (May 2012)

OPERA AMERICA PROGRAMS

- **WWFM Pubic Radio** (New Jersey): Rachel Katz (January 2012)



ADVOCACY AND PUBLIC POLICY

OPERA America is a founding member of the Performing Arts Alliance (PAA), which represents the interests of the opera field before Congress, the White House and federal government agencies. OPERA America's advocacy efforts are augmented by participation in the Cultural Advocacy Group and membership in Independent Sector, the national organization representing the entire nonprofit field.

During the past fiscal year, OPERA America's government affairs staff and members visited over 70 Congressional offices and federal agencies. OPERA America's advocacy efforts for 2011-2012 included:

- Protecting the charitable deduction
- Reinstating, and making permanent, the IRA Charitable Rollover giving incentive
- Preserving and maintaining annual appropriations for the National Endowment for the Arts
- Preserving arts education funding and research at the Department of Education
- Strengthening arts education in the Elementary and Secondary Education Act
- Improving the visa process for foreign guest artists
- Protecting wireless microphones and other wireless audio technology
- Strengthening cultural exchange and cultural diplomacy opportunities
- Preserving a free and open Internet; network neutrality
- Reinstating the fair market value artist deduction; tax fairness for artists and writers
- Strengthening opportunities for the arts to partner with the national service programs

In addition to advancing public policy in support of the arts, OPERA America continues to inform and engage members in advocacy efforts. All members receive action alerts from PAA, and advocacy and public policy reports have been published in *Opera America Magazine*; presented at the Education Forum, the Electronic Media Forum, the Technical/Production Forum, annual conference roundtable sessions; and archived on the OPERA America website.

A legislative and regulatory environment conducive to opera's success depends on the active participation of the entire opera community in advocacy efforts. In order to receive regular updates and action alerts, please visit operaamerica.org/advocacy.

JULY 2011

OPERA America had an introductory meeting with the Library of Congress to learn about resources available to members; OPERA America and members of the Cultural Exchange Working Group meet the staff at the State Department's Bureau of Educational and Cultural Affairs and learned of the launch of the online Cultural Crossroads group; OPERA America attended arts training at the Foreign Service Institute.

SEPTEMBER 2011

OPERA America attended a public meeting about the State Department's Bureau of Educational and Cultural Affairs; OPERA America joined Independent Sector to visit legislative offices to encourage the protection of the charitable deduction; the Performing Arts Alliance (PAA), of which OPERA America is a founding member, held its quarterly board meeting.

OCTOBER 2011

OPERA America joined a "Hill Day" coordinated by the Alliance for Charitable Reform to urge legislators to protect the charitable deduction; OPERA America was represented in an online video on the Chronicle of Philanthropy website talking about the charitable deduction and its impact on nonprofit arts organizations; *OPERA America Magazine* included a policy update on the charitable deduction; attendees at the Technical/Production Forum received policy updates on white space issues and net neutrality; OPERA America attended the open session of the National Council on the Arts meeting.

NOVEMBER 2011

OPERA America signed on to a letter, coordinated by the National Council of Nonprofits, urging policymakers to preserve the charitable deduction.

DECEMBER 2011

The government affairs office participated in, and provided a legislative update for, OPERA America's Technical/Production Forum.

JANUARY 2012

OPERA America joined Independent Sector at Hill meetings to lobby for the preservation of charitable-giving incentives; OPERA America signed on to a letter urging House and Senate members to protect wireless microphone users.

FEBRUARY 2012

The government affairs office participated in and provided legislative updates at OPERA America's Education Forum; OPERA America joined meeting with Senate and House Commerce Department staff urging support for wireless microphone users in response to the Jobs Acts, which included additional spectrum auctions as revenue.

MARCH 2012

OPERA America participated in a two-day review of ArtsEdSearch.org, a new online tool from Arts Education Partnership that aggregates and synthesizes arts education research for advocacy purposes; OPERA America was represented at the NEA's convening of national service organizations followed by a meeting of coordinated by the NEA's international programs office; OPERA America attended a meeting at United States Citizenship and Immigration Services that highlighted the agency's 2012 priorities; OPERA America signed on to a letter to Senator Sheldon Whitehouse's (D-RI) office thanking them for carving out the charitable deduction for preservation in their Buffett Rule proposal; OPERA America participated in a lobby day on charitable giving incentives coordinated by the Alliance for Charitable Reform; OPERA America submitted testimony to the House on Senate urging support for the National Endowment for the Arts; OPERA America was represented at the National Council on the Arts quarterly meeting.

APRIL 2012

OPERA America joined other national service organizations for the U.S. Department of Education's release of the FRSS report on arts education; as part of the Legislative Planning Committee for Arts Advocacy Day, OPERA America offered an update on tax issues for the Congressional Arts Caucus Staff Briefing; OPERA America, as a national co-sponsor, participates in Arts Advocacy and attend the White House Arts Briefing.

MAY 2012

OPERA America joined a meeting, convened by the U.S. Commerce Department, on Cultural Heritage Tourism, which highlighted President Obama's mandate to increase cultural tourism to the U.S.; the NEA partnered with the Brookings Institute for the first time ever to present a day of panels on arts research from across the country; the PAA board convened in Washington, D.C., and, that same day, joined other national arts service organizations for a meeting at the NEA, where concerns over equity in the arts became was highlighted as a national concern.

JUNE 2012

The Government Affairs office coordinated two breakout sessions at the annual conference focusing on public value of the arts and a legislative overview featuring Stephanie Winzeler, legislative staffer for Congressional Arts Caucus Co-Chair Congresswoman Louise Slaughter (D-NY).



ONLINE AND PRINT RESOURCES

THROUGH A VARIETY OF ONLINE AND PRINT RESOURCES,
OPERA AMERICA PROVIDES MEMBERS WITH TOOLS TO HELP THEM
PERFORM THEIR JOBS MORE EFFECTIVELY.

Opera America Magazine continues to be OPERA America's flagship publication, featuring articles that highlight important trends in the field, as well as reports of member activities and OPERA America programs.

The magazine is complemented by a bi-weekly e-newsletter, *OperaLink*, which offers member news, articles and updates on OPERA America's services in a unified format. In addition, members and non-members can easily keep tabs on updates in the field through the organization's RSS feed or on the OPERA America homepage. For artists unable to attend professional development and networking sessions at the National Opera Center, *Making Connections* and other events are streamed live for free and are archived at operaamerica.org for later viewing.

CAREER GUIDE FOR OPERA

OPERA America launched the Career Guide for Opera in June 2011, providing a comprehensive resource for opera artists at every stage of career development. The resource provides over 1,000 detailed listings of opportunities with producing organizations, training and degree programs, competitions, grants, artist managers and publishers.

Through hundreds of podcasts, videos and essays by leading artists and administrators, the Career Guide for Opera also lets emerging artists explore essential topics such as audition and role preparation, creating new works, marketing, fundraising, networking and strategic planning.

TECHNICAL/PRODUCTION ONLINE FORUM

The Technical/Production Online Forum is a widely utilized resource on the OPERA America website, which serves as a central hub of information for technical/production personnel. Professional Company Members can find general company information, facility specifications, technical/production personnel and administrative personnel listings; update their company's profile and rental listings; and search hundreds of productions for rent by company, opera title or designer.

THE NORTH AMERICAN WORKS DIRECTORY

The North American Works Directory is the online hub for information about North American opera and music-theater works. This ever-growing directory features data for over 1,200 North American operas, with information on vocal and instrumental requirements, musical style, length, source materials, synopsis, contact information, and premiere dates and locations. Each opera's record also includes information on past and future performances produced by OPERA America's organizational members.

SCHEDULE OF PERFORMANCES

The Schedule of Performances is a searchable database of member companies' performances from 1991 to the current season, which contains performance dates, locations, production teams and performers. This tool contains data provided by Professional Company Members, Associate Members and Educational Producing Associates. This resource is not simply an archive, but is of value to potential ticket buyers, members of the media, funders and researchers.



DEVELOPMENT

AS WITH ALL NONPROFIT ORGANIZATIONS, THE PROGRAMS AND ACTIVITIES OF OPERA AMERICA ARE MADE POSSIBLE BY THE ESSENTIAL SUPPORT OF INDIVIDUAL DONORS, FOUNDATIONS AND GOVERNMENT GRANTS. MORE THAN HALF OF OPERA AMERICA'S CORE OPERATING INCOME COMES FROM CONTRIBUTED REVENUE.

INDIVIDUAL SUPPORT

More than 370 individual donors supported OPERA America in FY12. While their primary commitment rests with their local opera companies, as it should, these generous opera lovers also support the only national organization serving the entire field. Donors recognize the value of OPERA America's services and often highlight specific areas within their respective companies where OPERA America provided important assistance.

Last year, individual donors contributed \$308,855 to the Annual Fund. OPERA America's Ambassador Circle Members, donors within the Annual Fund who give \$1,000 or more, participated in exclusive travel opportunities through the year. In FY12, these donors enjoyed opera performances, museum visits and fine dining while experiencing the local culture of Chicago, Philadelphia and Cooperstown, NY, home to The Glimmerglass Festival.

FOUNDATION, CORPORATE AND GOVERNMENT SUPPORT

Like many nonprofit organizations, OPERA America has faced challenges due to the changing economy. Government support has declined due to the shortage of available funds, but with the vision and generosity of its funders, OPERA America has been able to continue providing a high level of

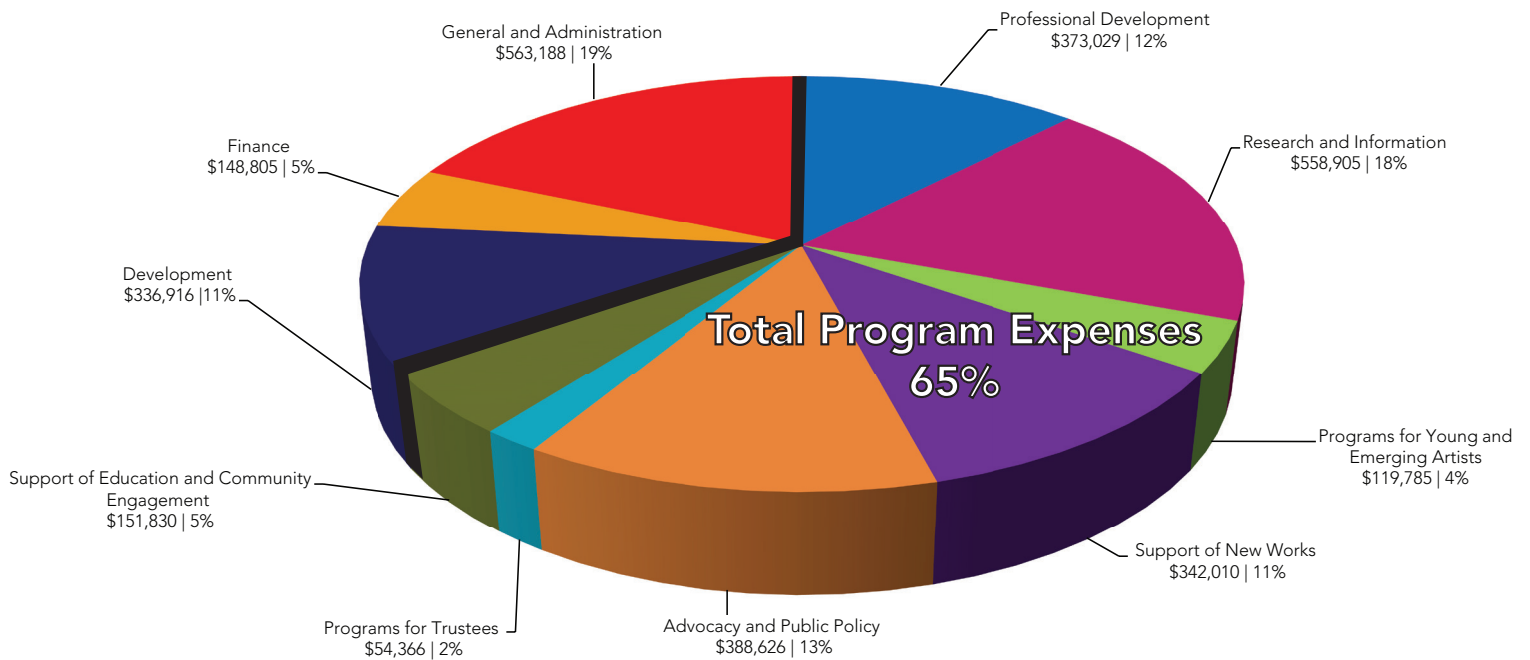
expertise to its members. Foundation, corporate and government support enabled OPERA America to offer a full portfolio of services to the field while building the capacities of both the organization and its member companies.

These services range from longstanding offerings such as the annual conference — supported by a combination of foundation and corporate funding — to innovative programming such as the New Works Forum, sponsored by The Andrew W. Mellon Foundation.

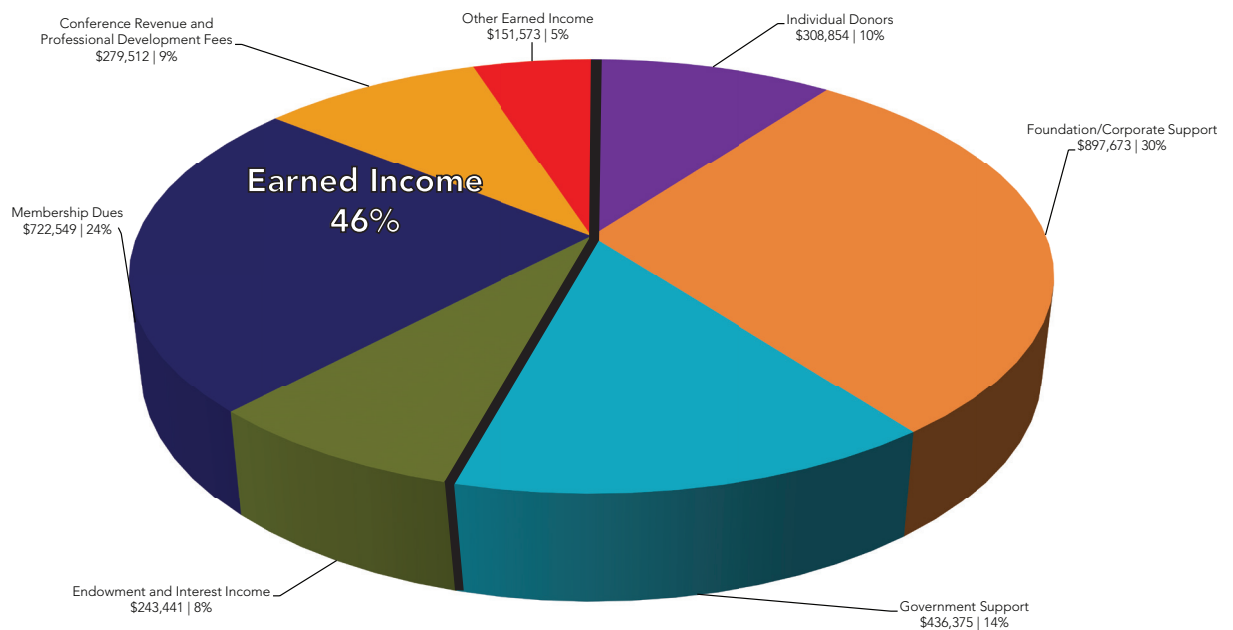
Due to increased competition and a limited budget, fewer opera companies enjoy the benefit of grants from the National Endowment for the Arts (NEA). OPERA America is grateful for the continued generosity of the NEA, whose grants to OPERA America helped support a variety of programs of benefit to all members including the Forums, Career Guide for Opera, and research and publications including *Opera America Magazine*, *OperaLink*, electronic databases and directories, the Professional Opera Survey and the Learning Center.

OPERA America remains deeply grateful for the ongoing generosity and support of its individual, foundation, corporate and government donors and partners throughout the past year. Please see pages 32-33 for the complete list of supporters.

OPERA AMERICA FISCAL YEAR 2012 CORE OPERATING EXPENSES



OPERA AMERICA FISCAL YEAR 2012 CORE OPERATING REVENUES





FINANCIAL POSITION

OPERA America ended FY12 with a core operating surplus of approximately \$2,500. The total increase in net assets was approximately \$1.5 million, due to gifts and pledges made to the Opera Center campaign. OPERA America held unrestricted operative reserves of nearly \$233,000 at the end of FY12. OPERA America received financing commitments totaling over \$3,000,000 over the past year, which helped the organization bridge pledge payments throughout the construction of the new facility and which will continue to bridge Opera Center gifts during the first few years of operations.

STATEMENT OF FINANCIAL POSITION, AS OF JUNE 30, 2012

Total Assets - \$15,346,715
 Total Liabilities - \$2,23,665
Total Net Assets - \$13,143,050
 Core Operating Reserve - \$232,814
 National Opera Center - \$4,570,729
 Program Restricted Funds - \$2,950,475
 Permanently Restricted Funds - \$5,389,032

STATEMENT OF ACTIVITIES (INCLUDING THE OPERA CENTER), AS OF JUNE 30, 2012

Total Earned Revenue - \$842,795
 Total Contributed Revenue - \$4,332,035
Total Revenue - \$5,174,830
 Program Expenses - \$2,192,206
 General and administration - \$996,309
 Fund-raising activity - \$527,097
Total Expenses - \$3,715,612

Change in Net Assets - \$1,459,218

SUPPORT FOR OPERA AMERICA

(current as of January 1, 2013)

OPERA America is grateful to its Ambassadors and contributors whose advocacy and generosity are helping opera and opera companies throughout the country to flourish.

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* denotes five or more years of giving

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New York State Council on the Arts

Opera Conference 2012 Sponsors



The Opera Fund

OPERA America is enormously grateful to the following individuals, foundations and public agencies who have demonstrated leadership in helping us establish The Opera Fund, which supports the creation, production and enjoyment of new North American operas and related audience development activities. Launched with the initial support of the National Endowment for the Arts, The Opera Fund is supported by:

The Andrew W. Mellon Foundation
Canada Council for the Arts
Lloyd and Mary Ann Gerlach
The George Metcalf Charitable Foundation

Lee Day Gillespie
The Helen F. Whitaker Fund
The William and Flora Hewlett Foundation
John S. and James L. Knight Foundation



THE 2011 ANNUAL FIELD REPORT BY LARRY BOMBACK

OPERA WAS A NEARLY \$900MM INDUSTRY IN 2011 THAT,
IN AGGREGATE, OPERATED IN THE BLACK.

INTRODUCTION

OPERA America's 2011 *Annual Field Report* (AFR) is based on information collected via The Cultural Data Project/ Professional Opera Survey (CDP/POS) completed by OPERA America's Professional Company Members in the U.S. and Canada each year. The CDP/POS collects detailed information annually on financial, performance and attendance activity, and this AFR highlights data from opera companies' 2011 fiscal years (which, when combined, span the time period from March 2010 to December 2011). The CDP/POS for 2011 collected data from 96 companies across the U.S. and Canada, representing roughly two-thirds of OPERA America's professional company membership. Based on this survey universe (see note 2), opera was a nearly \$900MM industry in 2011 that, in aggregate, operated in the black. Indeed, as this AFR will demonstrate, despite decreases in ticket sales among companies of all sizes, donors (notably, individuals in 2010 and institutions in 2011) increased their support of opera companies considerably.

Companies reporting consistently for five consecutive seasons comprise the AFR's Constant Sample Group (CSG). The 2011 CSG includes 46 U.S. and 11 Canadian companies for a total of 57 companies. This figure represents about 40% of OPERA America's Professional Company Members.

The 2010 AFR illustrated how opera companies and their patrons responded to the early stages of the economic recovery. As the country emerged from the Great Recession and the stock market continued its rise through 2011, the tough choices that opera companies made as they entered what is now commonly

referred to as the "new normal" appear to have had a positive impact. Indeed, certain metrics in the 2011 AFR point to the emergence of noteworthy multi-year trends that began in 2008 and 2009.

Generally in the U.S., the larger the company, the better it fared financially. In 2011, Level 1 companies in the U.S. reported a positive operating margin of nearly 6%. Level 2, 3 and 4 companies posted negative operating margins in 2011, with Level 4 companies reporting the largest such deficit margins on a percentage basis. From 2007 to 2011, however, U.S. companies as a group successfully increased revenues by 1% while cutting costs by 1%. Although box office revenues declined 13% over that same time period, contributed revenue, including temporarily- and permanently-restricted gifts, increased nearly 18%.

In Canada, however, the news was not as encouraging. After four consecutive years of aggregate surpluses, the Canadian companies reported an aggregate deficit in 2011, and indeed, even over those surplus years, operating margins shrunk from 3.2% in 2007 to less than 0.1% in 2010 before turning sharply negative in 2011. Increases in contributed revenue year-over-year and over the past five years were not enough to cover the nearly 9% decline in ticket sales from 2010 to 2011 and nearly 20% drop from 2007 to 2011. Unlike their U.S. counterparts, Canadian opera companies' cost cutting efforts were not effective. On the contrary, expenses rose 7% from 2010 to 2011 and almost 11% from 2007 to 2011.

THEMES

- There is some concentration at the extreme ends of the budget spectrum. The biggest opera companies appear to be getting bigger, while the smallest companies are getting smaller.
- On the whole, balance sheets are improving, in spite of declines in working capital among the smallest companies. While still not at their peaks, investments have risen in value considerably both in the U.S. and in Canada, owing to the continued recovery in the markets.
- While the largest companies have, in general, reduced the numbers of mainstage productions mounted in recent years, smaller companies, by contrast, have increased the number of works produced, especially in alternative venues. Among Level 3 and 4 companies, while the total number of available seats has decreased over the past five years, the total number of performances has increased.
- Opera companies are, in general, becoming increasingly reliant on unrestricted contributed revenue as ticket sales continue to cover a smaller percentage of annual operating costs. In addition, the percentage of a company's total revenue that is covered by contributed assets received in a prior year and released in the current year is increasing dramatically. Among U.S. companies, more than twice as many assets were released from restriction in 2011 compared to 2007.
- While government support is declining both north and south of the border, foundation support is up. In Canada, average foundation support rose 20% year-over-year and is up nearly 75% since 2007. Among the U.S. companies, foundation support was up 23% year-over-year and 14% since 2007, on average.
- Development personnel expenses are rising substantially. This investment has paid dividends as evidenced by the rise in development productivity and the total number of dollars brought in. Non-personnel development costs have shrunk or remained steady, perhaps indicative of a shift from fewer direct mail campaigns focused on smaller gifts to major gift fundraising with more personal interaction.
- Virtually every company has experienced declines in subscription and single ticket sales, and marketing productivity has declined considerably. One bright spot among marketing departments is that subscription renewal rates have risen year-over-year across all levels.

Note 1: All data in the report is presented as an average in dollars for each level. Four-year trends are adjusted for inflation. The annualized inflation rate in the U.S. from 2006-2010 was 2.1%. In Canada, the annualized rate for the same period was 1.89%.

Note 2: While the figures of the survey universe include the Metropolitan Opera, it has been excluded from the AFR because of its size relative to the rest of the field.

Note 3: New York City Opera has been excluded from the U.S. CSG as the lack of a formal season of programming in 2009 renders their survey responses statistically irrelevant for the purposes of this five-year report.

LEVEL 1

Annual budget over \$10,000,000

Nine companies comprise the 2011 Level 1 U.S. CSG:

The Dallas Opera	San Francisco Opera
Houston Grand Opera	The Santa Fe Opera
Los Angeles Opera	Seattle Opera
Lyric Opera of Chicago	Utah Symphony Utah Opera
San Diego Opera Association	

OVERVIEW

Seven of nine companies in the Level 1 CSG reported an operating surplus in 2011, for a total average surplus of \$1.8MM. This marks the second consecutive year of aggregate surpluses among Level 1 companies. Nevertheless, the group still retains a five-year average accumulated deficit of over \$5MM, primarily the result of declines in unrestricted and board-designated investment accounts in 2008 and 2009. While average operating revenue for the Level 1 CSG increased over 2% from 2007 to 2011, average expenses in the most recent year actually declined by just over 1% over five years.

By 2011, with new endowment gifts and unrealized capital gains, Level 1 CSG investment portfolios appeared to have fully recovered, on average, amounting to nearly \$58MM, their highest level in five seasons. Unrestricted net assets, which among the Level 1 CSG include a sizeable amount of board-designated quasi-endowments, increased over 43% from 2010 to 2011, thanks in part to the stock market's strong returns over the past two years.

Working capital among the Level 1 companies, on average, improved markedly from 2010 to 2011, although as a percentage of expenses, is still over 80% below where it once was back in 2007 before the onset of the recession. Three companies still reported accumulated deficits at the close of FY11, but all three narrowed those deficits year-over-year.

Operating Net Income Average of U.S. Constant Sample Group of (9) Level 1 Companies						Percentage Change		4-yr Annualized Growth Rate	
	2007	2008	2009	2010	2011	1-yr	4-yr	Actual	Infl. Adj.
Total Operating Revenue	\$32,898,549	\$30,310,575	\$24,614,292	\$37,142,422	\$33,654,886	-9.4%	2.3%	0.6%	-1.5%
Total Expense	\$32,142,284	\$33,078,571	\$34,292,426	\$32,429,227	\$31,783,686	-2.0%	-1.1%	-0.3%	-2.4%
Operating Net Income (Loss)	\$756,265	(\$2,767,997)	(\$9,678,134)	\$4,713,195	\$1,871,200				
As Percentage of Expense	2.4%	-8.4%	-28.2%	14.5%	5.9%				

Balance Sheet Average of U.S. Constant Sample Group of (9) Level 1 Companies									
	2007	2008	2009	2010	2011	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Net Assets									
Unrestricted	\$23,229,921	\$20,626,171	\$8,993,877	\$13,575,529	\$15,503,552	14.2%	-33.3%	-9.6%	-11.7%
Temporarily Restricted	\$13,256,796	\$15,909,449	\$16,083,736	17,767,543	19,842,778	11.7%	49.7%	10.6%	8.5%
Permanently Restricted	\$29,798,158	\$31,621,088	\$32,548,543	34,070,649	35,450,034	4.0%	19.0%	4.4%	2.3%
Total Net Assets	\$66,284,876	\$68,156,708	\$57,626,156	\$65,413,721	\$70,796,364	8.2%	6.8%	1.7%	-0.4%
Total NA as % of Expense	206.2%	206.0%	168.0%	201.7%	222.7%				
Working Capital	\$10,925,365	\$7,683,237	(\$4,201,098)	\$173,312	\$2,159,754	1146.2%	-80.2%	-33.3%	-35.4%
as % of Expense	34.0%	23.2%	-12.3%	0.5%	6.8%				
Investments *	\$50,202,150	\$50,443,605	\$44,229,444	\$52,965,158	\$57,745,280	9.0%	15.0%	3.6%	1.5%
as % of Expense	156.2%	152.5%	129.0%	163.3%	181.7%				
Net Fixed Assets	\$12,304,557	\$12,942,934	\$13,194,975	\$13,402,217	\$13,343,797	-0.4%	8.4%	2.0%	-0.1%

* Including Separately Incorporated Endowments

REVENUE

The average Level 1 company ratio of contributed revenue to earned revenue was 59% to 41%, on average, over the past five years. Average ticket sales in 2011 were the lowest among the past five seasons surveyed, dropping by over 11% in dollars from 2007. Ticket revenue accounted for less than 30% of total operating revenue for the second consecutive year.

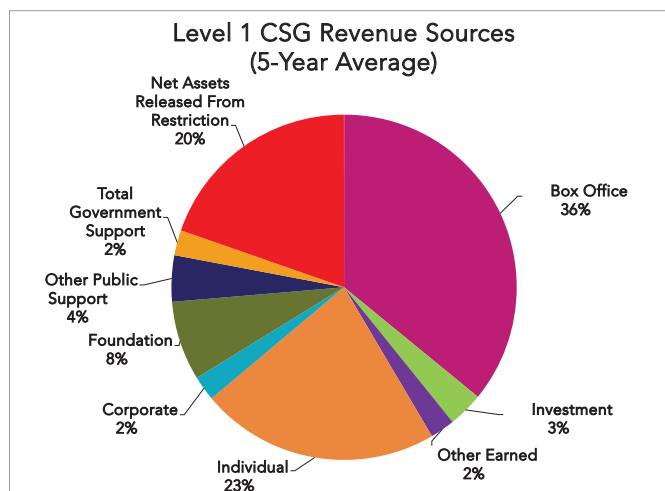
In 2011, revenue from investments (including capital gains and dividends and interest on unrestricted funds) was nearly \$2.8MM on average, about 8% of total revenue. For comparison, in both 2007 and 2010, when the stock market achieved double-digit gains, the effect on investment revenue was striking, with companies being able to draw in 12% of their operating expenses from investment-related income.

Individual gifts, on average, decreased by over 30% from 2010 to 2011, after a 38% increase from 2009 to 2010. However, corporate and foundation support showed gains year-over-year. Foundation support, in particular, rose over 25% on average from 2010 to 2011, attaining its second highest level over the five seasons surveyed.

Operating Revenue Average of U.S. Constant Sample Group of (9) Level 1 Companies										
	2007		2010		2011		Percentage Change		4-yr Annualized Growth Rate	
		*		*			1-yr	4-yr	Actual	Infl. Adj.
Unrestricted Earned Revenue										
Box Office	\$11,962,334	36.4%	\$10,710,467	28.8%	\$10,578,176	31.4%	-1.2%	-11.6%	-3.0%	-5.1%
Investment	\$4,262,251	13.0%	\$4,106,458	11.1%	\$2,797,856	8.3%	-31.9%	-34.4%	-10.0%	-12.1%
Other Earned	\$1,294,501	3.9%	\$1,280,604	3.4%	\$1,198,882	3.6%	-6.4%	-7.4%	-1.9%	-4.0%
Total Unrestricted Earned Revenue	\$17,519,086	53.3%	\$16,097,529	43.3%	\$14,574,914	43.3%	-9.5%	-16.8%	-4.5%	-6.6%
Unrestricted Contributed Revenue										
Private Support										
Individual	\$6,931,708	21.1%	\$8,780,006	23.6%	\$5,927,086	17.6%	-32.5%	-14.5%	-3.8%	-5.9%
Corporate	\$726,441	2.2%	\$689,894	1.9%	\$716,512	2.1%	3.9%	-1.4%	-0.3%	-2.4%
Foundation	\$2,005,963	6.1%	\$2,097,481	5.6%	\$2,637,621	7.8%	25.8%	31.5%	7.1%	5.0%
Other Private Support	\$1,268,063	3.9%	\$1,564,125	4.2%	\$1,210,691	3.6%	-22.6%	-4.5%	-1.2%	-3.3%
Total Unrestricted Private Support	\$10,932,175	33.2%	\$13,131,506	35.4%	\$10,491,910	31.2%	-20.1%	-4.0%	-1.0%	-3.1%
Total Unrestricted Government Support	\$850,892	2.6%	\$665,326	1.8%	\$636,322	1.9%	-4.4%	-25.2%	-7.0%	-9.1%
Total Unrestricted Contributed Revenue	\$11,783,066	35.8%	\$13,796,832	37.1%	\$11,128,233	33.1%	-19.3%	-5.6%	-1.4%	-3.5%
Net Assets Released From Restriction and Transfers/Reclassifications	\$3,596,396	10.9%	\$7,248,060	19.5%	\$7,951,739.44	23.6%	9.7%	121.1%	21.9%	19.8%
Total Operating Revenue	\$32,898,549		\$37,142,422		\$33,654,886		-9.4%	2.3%	0.6%	-1.5%
* As a % of Total Operating Revenue										
NOTE: Level 1 Constant Sample Group companies reported 4.1 MM in one time UPMIFA Transfers and Reclassifications in FY 11.										

* As a % of Total Operating Revenue

NOTE: Level 1 Constant Sample Group companies reported 4.1 MM in one time UPMIFA Transfers and Reclassifications in FY 11.



EXPENSES

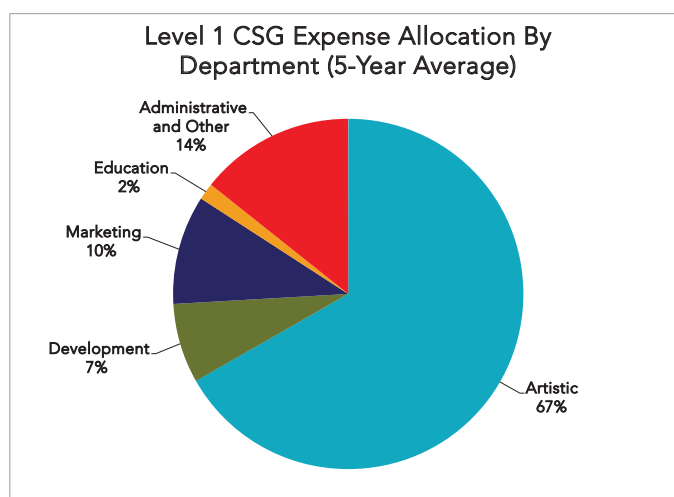
Artistic and production personnel costs each declined by about 4% from 2010 to 2011. This was the first time in five seasons that both departments reported declines in personnel expenses. Savings from those departments appear to have been reallocated to marketing, education and most notably, development, which had increases in personnel costs of nearly 35% from 2010 to 2011.

Production non-personnel expenses also declined markedly from 2010 to 2011, to about \$3.6MM on average, the lowest in five seasons. Since 2007, production non-personnel costs have declined by nearly 15%, and these cuts were most responsible for the overall declines in spending from 2007 to 2011 and year-over-year. Education non-personnel expenses rose for the second consecutive season and have risen nearly 40% since 2007, as more companies increased budget allocations to community engagement activities. Nevertheless, on average, education spending only amounted to 2% of overall budgets over the past five years.

Despite the declines in core artistic spending year-over-year, Level 1 companies allocated approximately 67% of their total budgets to the creation of opera, on average, over the past five seasons. This represents the largest such allocation among all levels.

Expenses Average of U.S. Constant Sample Group of (9) Level 1 Companies										
	2007	*	2010	*	2011	*	Percentage Change		4-yr Annualized Growth Rate	
							1-yr	4-yr	Actual	Infl. Adj.
Personnel										
Artistic	\$10,902,199	33.9%	\$11,164,702	34.4%	\$10,746,259	33.8%	-3.7%	-1.4%	-0.4%	-2.5%
Production & Technical	\$5,469,132	17.0%	\$6,177,519	19.0%	\$5,926,978	18.6%	-4.1%	8.4%	2.0%	-0.1%
Singer Training	\$345,575	1.1%	\$215,922	0.7%	\$262,361	0.8%	21.5%	-24.1%	-6.7%	-8.8%
Marketing/PR/Box Office	\$1,117,455	3.5%	\$1,192,627	3.7%	\$1,245,164	3.9%	4.4%	11.4%	2.7%	0.6%
Development	\$1,147,039	3.6%	\$1,039,146	3.2%	\$1,396,771	4.4%	34.4%	21.8%	5.0%	2.9%
Education	\$359,633	1.1%	\$359,763	1.1%	\$440,793	1.4%	22.5%	22.6%	5.2%	3.1%
Administrative	\$2,109,484	6.6%	\$1,984,154	6.1%	\$2,102,856	6.6%	6.0%	-0.3%	-0.1%	-2.2%
Total Personnel Expense	\$21,450,517	66.7%	\$22,133,834	68.3%	\$22,121,183	69.6%	-0.1%	3.1%	0.8%	-1.3%
Non-Personnel										
Production	\$4,219,295	13.1%	\$3,938,107	12.1%	\$3,590,617	11.3%	-8.8%	-14.9%	-4.0%	-6.1%
Broadcasting, Recording & Internet Expense	\$107,612	0.3%	\$240,151	0.7%	\$102,697	0.3%	-57.2%	-4.6%	--	--
Singer Training	\$230,200	0.7%	\$246,365	0.8%	\$238,023	0.7%	-3.4%	3.4%	0.8%	-1.3%
Marketing/PR/Box Office	\$1,864,704	5.8%	\$2,287,357	7.1%	\$1,919,030	6.0%	-16.1%	2.9%	0.7%	-1.4%
Development	\$1,130,217	3.5%	\$1,024,620	3.2%	\$1,039,922	3.3%	1.5%	-8.0%	-2.1%	-4.2%
Education	\$110,821	0.3%	\$131,750	0.4%	\$152,362	0.5%	15.6%	37.5%	8.3%	6.2%
Administrative	\$2,510,725	7.8%	\$2,001,343	6.2%	\$2,246,290	7.1%	12.2%	-10.5%	-2.7%	-4.8%
Other Earned Income Expenses	\$518,193	1.6%	\$425,700	1.3%	\$373,561	1.2%	-12.2%	-27.9%	-7.9%	-10.0%
Total Non-Personnel Expense	\$10,691,767	33.3%	\$10,295,392	31.7%	\$9,662,503	30.4%	-6.1%	-9.6%	-2.5%	-4.6%
Total Expense	\$32,142,284		\$32,429,227		\$31,783,686		-2.0%	-1.1%	-0.3%	-2.4%

* As a % of Total Expense

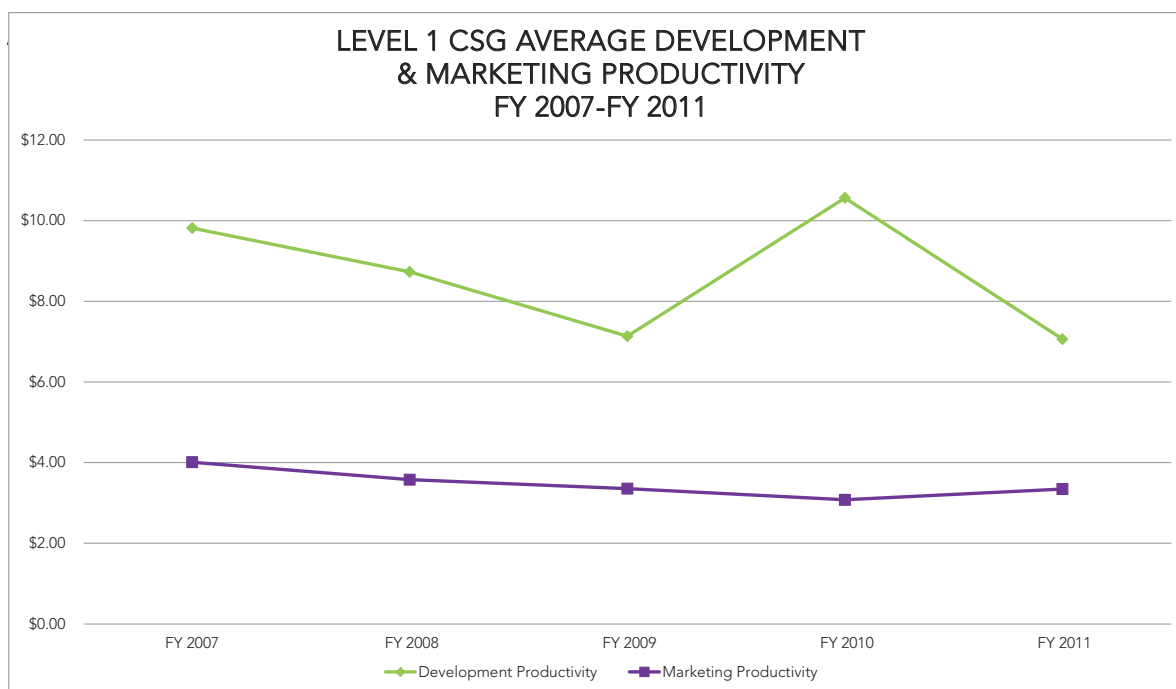


PRODUCTIVITY

Marketing productivity increased by over 8% from 2010 to 2011, reversing a 25% four-year decline; Level 1 was the only CSG to report an increase in marketing productivity from 2010 to 2011. The prior point notwithstanding, marketing productivity is still almost 17% below its five-year high. Marketing productivity rose nearly 9% from 2010 to 2011 but was still nearly 17% below its five-year high from 2007 when companies earned more than \$4 at the box office for every \$1 spent on promotion.

The Level 1 companies reported a 33% decrease in development productivity from 2010 to 2011, which is not surprising given the large number of extraordinary gifts that were made in 2010 and the surge in development personnel costs in 2011. After raising more than \$10 for every \$1 spent on fundraising, on average, in 2010, Level 1 companies raised only \$7 for every \$1 spent in 2011, the lowest ratio over the past five seasons.

Productivity Measures Average of U.S. Constant Sample Group of (9) Level 1 Companies										
	2007	2008	2009	2010	2011	Percentage Change		4-yr Annualized Growth Rate		
						1-yr	4-yr	Actual	Infl. Adj.	
Development Productivity	\$9.81	\$8.73	\$7.14	\$10.56	\$7.06	-33.2%	-28.0%	-7.9%	-10.0%	
Marketing Productivity	\$4.01	\$3.58	\$3.35	\$3.08	\$3.34	8.6%	-16.7%	-4.5%	-6.6%	
Program Coverage	58.1%	55.7%	52.7%	50.3%	51.9%					



PERFORMANCE ACTIVITY

In 2011, companies in the Level 1 CSG reported offering fewer than six productions, on average, and just over 39 performances. These represented the lowest totals of main stage productions and performances over the past five seasons. Capacity utilization declined by over 5% from 2010 to 2011. This came after an almost 10% rise in capacity utilization from 2009 to 2010, although this upswing had been more the result of the reduction in the number of performances and the subsequent decrease in the number of available seats in 2010. With slightly fewer performances from 2010 to 2011, seats available decreased by only about 2% from 2010 to 2011, while paid attendance decreased by over 8%.

On average, ticket prices rose year-over-year at both the high and low ends of the spectrum. Within the orchestra section, the most expensive seats, on average, broke the \$300 mark for the first time in five years, but the lowest priced orchestra seats declined by over 25% to under \$80. The most expensive seat in the house, on average, hit \$500 in 2011, an over 80% rise from 2010. Subscription prices declined for the second consecutive season, consistent with fewer production offerings. The subscription renewal rate increased, reversing a three-year decline.

Performance Activity Average of U.S. Constant Sample Group of (9) Level 1 Companies									
	2007	2008	2009	2010	2011	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Performance Activity									
Main Season Productions	6.4	6.6	6.4	6.1	5.9				
Main Season Performances	46.9	45.3	44.0	39.9	39.2				
Attendance									
Main Season Paid Attendance	117,769	119,048	104,903	98,900	90,839	-8.2%	-22.9%		
Total Seats Available	137,735	131,958	131,274	113,302	110,750	-2.3%	-19.6%		
% of Capacity Sold	85.5%	90.2%	79.9%	87.3%	82.0%				
Subscription Renewal Rate	79.1%	79.7%	73.6%	68.5%	75.5%				
Pricing									
High Full Subscription Price	\$1,482	\$1,565	\$1,604	\$1,474	\$1,449	-1.7%	-2.3%	-0.6%	-2.7%
Low Full Subscription Price	\$145	\$117	\$113	\$104	\$95	-9.1%	-34.5%	-10.0%	-12.1%
High Single Ticket Price	\$192	\$198	\$214	\$275	\$500	82.0%	159.9%	27.0%	24.9%
Low Single Ticket Price	\$25	\$24	\$14	\$14	\$17	23.4%	-33.6%	-9.7%	-11.8%
Highest Orchestra Ticket	\$175	\$178	\$195	\$295	\$317	7.8%	81.5%	16.1%	14.0%
Lowest Orchestra Ticket	\$80	\$68	\$84	\$106	\$79	-25.6%	-1.5%	-0.4%	-2.5%

LEVEL 2

Annual budget between \$3,000,000 and \$10,000,000

Twelve companies comprise the 2010 Level 2 U.S. CSG:

Austin Lyric Opera	Minnesota Opera
Boston Lyric Opera	Opera Carolina
Central City Opera	Opera Colorado
Cincinnati Opera	Opera Philadelphia
Fort Worth Opera	Pittsburgh Opera
Lyric Opera of Kansas City	Portland Opera

OVERVIEW

Six of 12 companies in the Level 2 CSG reported an operating surplus in 2011; however, the group as a whole reported an average deficit of over \$150,000, after a \$265,000 average surplus in the prior season. Average operating revenue for the Level 2 CSG decreased over 2.5% from 2010 to 2011 to its lowest level in five seasons. Since 2007, the group has reported an average accumulated deficit of nearly \$442,000. Level 2 companies as a group reported negative working capital in 2011, although the gap has closed considerably since 2009. Unlike Level 1 companies, investment portfolios among Level 2 companies have not fully recovered and are still well below the levels seen in 2007.

Operating Net Income Average of U.S. Constant Sample Group of (12) Level 2 Companies									
	2007	2008	2009	2010	2011	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Total Operating Revenue	\$6,193,041	\$6,250,681	\$5,895,095	\$6,210,949	\$6,043,175	-2.7%	-2.4%	-0.6%	-2.7%
Total Expense	\$6,040,115	\$6,518,079	\$6,325,990	\$5,946,210	\$6,204,391	4.3%	2.7%	0.7%	-1.4%
Operating Net Income (Loss)	\$152,926	(\$267,397)	(\$430,895)	\$264,740	(\$161,216)				
As Percentage of Expense	2.5%	-4.1%	-6.8%	4.5%	-2.6%				

Balance Sheet Average of U.S. Constant Sample Group of (12) Level 2 Companies									
	2007	2008	2009	2010	2011	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Net Assets									
Unrestricted	\$2,417,721	\$1,897,141	\$1,626,714	\$2,034,859	\$2,080,057	2.2%	-14.0%	-3.7%	-5.8%
Temporarily Restricted	\$1,372,226	\$1,664,094	\$2,253,489	\$2,043,012	\$2,392,253	17.1%	74.3%	14.9%	12.8%
Permanently Restricted	\$5,255,771	\$4,999,660	\$4,203,567	\$4,443,633	\$5,032,301	13.2%	-4.3%	-1.1%	-3.2%
Total Net Assets	\$9,045,718	\$8,560,895	\$8,083,769	\$8,521,503	\$9,504,611	11.5%	5.1%	1.2%	-0.9%
Total NA as % of Expense	149.8%	131.3%	127.8%	143.3%	153.2%				
Working Capital	\$724,960	\$14,081	(\$1,070,537)	(\$494,377)	(\$203,648)	--	--	--	--
as % of Expense	12.0%	0.2%	-16.9%	-8.3%	-3.3%				
Investments *	\$8,208,827	\$7,535,800	\$6,087,963	\$5,516,848	\$5,703,615	3.4%	-30.5%	-8.7%	-10.8%
as % of Expense	135.9%	115.6%	96.2%	92.8%	91.9%				
Net Fixed Assets	\$1,692,761	\$1,883,059	\$2,697,251	\$2,529,236	\$2,283,705	-9.7%	34.9%	7.8%	5.7%

* Including Separately Incorporated Endowments

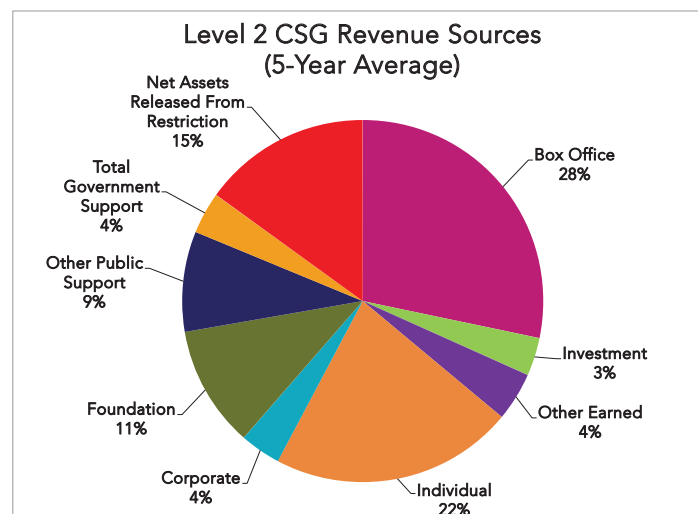
REVENUE

Despite the fact that ticket sales declined by over \$200,000 on average, or more than 12%, from 2010 to 2011, individual giving increased by almost the same dollar amount, on average. In five seasons, ticket revenue has declined over 22% but individual giving has increased over 27%. Ticket revenue accounted for less than 25% of total operating revenue, on average, in 2011, while individual giving represented nearly 24% of total operating revenue, its highest percentage in five seasons. Even though there has been a considerable decline in ticket revenue among Level 2 companies since 2007, as a group they have been able to maintain a total earned revenue percentage of 35% over the past five seasons. In 2011, for example, declines in ticket revenue had been offset by a modest increase in investment revenue and a considerable jump in other earned income sources, such as production rentals, advertising and unrelated business activities.

Like Level 1 companies, Level 2 companies saw large increases in foundation giving from 2010 to 2011 and with only modest declines in corporate gifts, government support and special events revenue, Level 2 companies saw overall philanthropy reach its highest level since 2008.

Operating Revenue Average of U.S. Constant Sample Group of (12) Level 2 Companies										
	2007		2010		2011		Percentage Change 1-yr	4-yr	4-yr Annualized Growth Rate Actual	Infl. Adj.
Unrestricted Earned Revenue		*		*		*				
Box Office	\$1,885,770	30.4%	\$1,663,147	26.8%	\$1,459,510	24.2%	-12.2%	-22.6%	-6.2%	-8.3%
Investment	\$518,975	8.4%	\$315,363	5.1%	\$326,056	5.4%	3.4%	-37.2%	--	--
Other Earned	\$130,333	2.1%	\$274,366	4.4%	\$340,039	5.6%	23.9%	160.9%	27.1%	25.0%
Total Unrestricted Earned Revenue	\$2,535,078	40.9%	\$2,252,876	36.3%	\$2,125,605	35.2%	-5.6%	-16.2%	-4.3%	-6.4%
Unrestricted Contributed Revenue										
Private Support										
Individual	\$1,122,119	18.1%	\$1,289,403	20.8%	\$1,429,487	23.7%	10.9%	27.4%	6.2%	4.1%
Corporate	\$273,575	4.4%	\$198,639	3.2%	\$195,990	3.2%	-1.3%	-28.4%	-8.0%	-10.1%
Foundation	\$786,669	12.7%	\$537,897	8.7%	\$634,066	10.5%	17.9%	-19.4%	-5.2%	-7.3%
Other Private Support	\$469,785	7.6%	\$558,924	9.0%	\$525,694	8.7%	-5.9%	11.9%	2.9%	0.8%
Total Unrestricted Private Support	\$2,652,147	42.8%	\$2,584,862	41.6%	\$2,785,237	46.1%	7.8%	5.0%	1.2%	-0.9%
Total Unrestricted Government Support	\$270,112	4.4%	\$219,104	3.5%	\$212,148	3.5%	-3.2%	-21.5%	-5.9%	-8.0%
Total Unrestricted Contributed Revenue	\$2,922,259	47.2%	\$2,803,966	45.1%	\$2,997,385	49.6%	6.9%	2.6%	0.6%	-1.5%
Net Assets Released From Restriction	\$735,705	11.9%	\$1,154,107	18.6%	\$920,186	15.2%	-20.3%	25.1%	5.8%	3.7%
Total Operating Revenue	\$6,193,041		\$6,210,949		\$6,043,175		-2.7%	-2.4%	-0.6%	-2.7%

* As a % of Total Operating Revenue



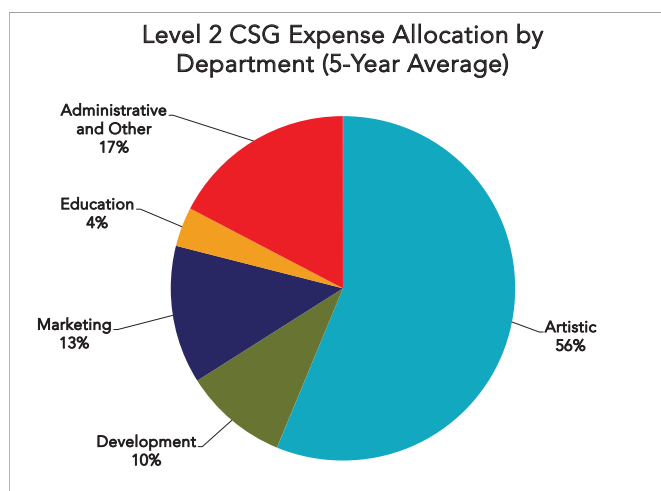
EXPENSES

Level 2 companies allocated approximately 56% of their total budgets to the creation of opera, on average, over the past five seasons. Total personnel costs, including salaries and fees paid to administrative staff and artists accounted for almost 59% of total budgets in 2011, in line with the five-year average. Artistic and production personnel costs remained mostly flat from 2010 to 2011, but development personnel costs among Level 2 companies, like the Level 1 companies, saw a marked rise from 2010 to 2011, on average.

After large non-personnel expenses cuts from 2009 and 2010, spending increased considerably from 2010 to 2011, notably in the areas of general administration and development, which rose 56% and 21% on average, respectively. Non-personnel expenses increased nearly 12% year-over-year, contributing to the over 4% rise in total spending from 2010 and 2011 and the resulting average deficit.

Expenses Average of U.S. Constant Sample Group of (12) Level 2 Companies										
	2007	*	2010	*	2011	*	Percentage Change		4-yr Annualized Growth Rate	
							1-yr	4-yr	Actual	Infl. Adj.
Personnel										
Artistic	\$1,552,076	25.7%	\$1,546,022	26.0%	\$1,559,908	25.1%	0.9%	0.5%	0.1%	-2.0%
Production & Technical	\$814,297	13.5%	\$877,005	14.7%	\$880,230	14.2%	0.4%	8.1%	2.0%	-0.1%
Singer Training	\$29,163	0.5%	\$34,563	0.6%	\$29,163	0.5%	-15.6%	0.0%	0.0%	-2.1%
Marketing/PR/Box Office	\$262,884	4.4%	\$307,926	5.2%	\$292,778	4.7%	-4.9%	11.4%	2.7%	0.6%
Development	\$317,189	5.3%	\$308,961	5.2%	\$331,458	5.3%	7.3%	4.5%	1.1%	-1.0%
Education	\$154,471	2.6%	\$140,840	2.4%	\$110,796	1.8%	-21.3%	-28.3%	-8.0%	-10.1%
Administrative	\$441,180	7.3%	\$423,148	7.1%	\$424,978	6.8%	0.4%	-3.7%	-0.9%	-3.0%
Total Personnel Expense	\$3,571,261	59.1%	\$3,638,467	61.2%	\$3,629,311	58.5%	-0.3%	1.6%	0.4%	-1.7%
Non-Personnel										
Production	\$971,194	16.1%	\$963,387	16.2%	\$940,969	15.2%	-2.3%	-3.1%	-0.8%	-2.9%
Broadcasting, Recording & Internet Expense	\$14,997	0.2%	\$920	0.0%	\$25,072	0.4%	2624.5%	67.2%	--	--
Singer Training	\$20,350	0.3%	\$20,025	0.3%	\$11,933	0.2%	-40.4%	-41.4%	-12.5%	-14.6%
Marketing/PR/Box Office	\$484,515	8.0%	\$491,022	8.3%	\$479,248	7.7%	-2.4%	-1.1%	-0.3%	-2.4%
Development	\$222,737	3.7%	\$246,157	4.1%	\$298,413	4.8%	21.2%	34.0%	7.6%	5.5%
Education	\$71,992	1.2%	\$87,237	1.5%	\$67,448	1.1%	-22.7%	-6.3%	-1.6%	-3.7%
Administrative	\$641,387	10.6%	\$447,015	7.5%	\$699,293	11.3%	56.4%	9.0%	2.2%	0.1%
Other Earned Income Expenses	\$41,682	0.7%	\$51,980	0.9%	\$52,705	0.8%	1.4%	26.4%	6.0%	3.9%
Total Non-Personnel Expense	\$2,468,854	40.9%	\$2,307,743	38.8%	\$2,575,080	41.5%	11.6%	4.3%	1.1%	-1.0%
Total Expense	\$6,040,115		\$5,946,210		\$6,204,391		4.3%	2.7%	0.7%	-1.4%

* As a % of Total Expense

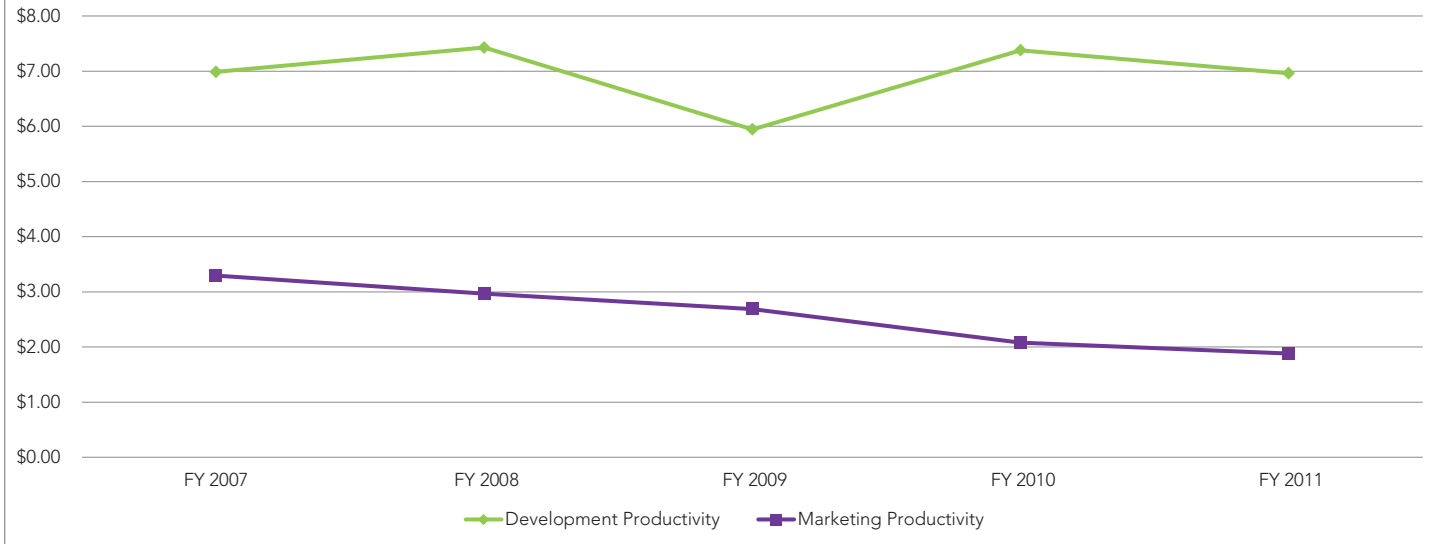


PRODUCTIVITY

Development productivity decreased from 2010 to 2011, returning to its 2007 level of just under \$7 earned for every \$1 spent on fundraising. In 2011, marketing productivity dropped below \$2 for the first time in five seasons and program coverage, or the amount of core artistic expenses covered by box office revenue, reached its lowest level in five seasons, at 43%.

Productivity Measures Average of U.S. Constant Sample Group of (17) Level 2 Companies										
	2007	2008	2009	2010	2011	Percentage Change		4-yr Annualized Growth Rate		
						1-yr	4-yr	Actual	Infl. Adj.	
Development Productivity	\$6.99	\$7.43	\$5.95	\$7.38	\$6.96	-5.6%	-0.3%	-0.1%	-2.2%	
Marketing Productivity	\$3.30	\$2.97	\$2.69	\$2.08	\$1.88	-9.5%	-42.8%	-13.0%	-15.1%	
Program Coverage	56.5%	53.0%	50.2%	49.1%	43.0%					

Level 2 CSG Average Development & Marketing Productivity FY 2007 - FY 2011



PERFORMANCE ACTIVITY

Unlike Level 1 companies, Level 2 companies exhibited an increase in the overall number of performances from 2010 to 2011, and reported their largest number of productions mounted in five seasons in 2011. In addition, main season productions were staged in a number of smaller venues. This resulted in fewer seats being available for purchase. Unfortunately, despite the reduced supply, the Level 2 CSG companies, on average, had less than 70% capacity utilization for the first time in five seasons. In fact, only two of the 12 companies had paid capacity utilization over 75% in 2011. For comparison's sake, in 2007, 10 of the 12 companies reported capacity utilization of 75% or greater.

Ticket prices remained largely flat from 2010 to 2011, although there was a tightening of the subscription price range, on average, with a 20% increase for the lowest priced subscription and a 7% decrease at the high end. Similarly to Level 1 companies, the subscription renewal rate among Level 2 companies, which had been declining for four consecutive seasons, reversed course and increased by nearly 10% from 2010 to 2011 to 76%.

Performance Activity Average of U.S. Constant Sample Group of (12) Level 2 Companies									
	2007	2008	2009	2010	2011	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Performance Activity									
Main Season Productions	3.7	3.8	3.9	3.9	4.0				
Main Season Performances	18.2	18.9	19.3	17.9	18.4				
Attendance									
Main Season Paid Attendance	26,552	27,201	24,576	23,164	20,842	-10.0%	-21.5%		
Total Seats Available	33,849	34,677	33,550	32,752	30,718	-6.2%	-9.3%		
% of Capacity Sold	78.4%	78.4%	73.3%	70.7%	67.9%				
Subscription Renewal Rate	80.0%	78.7%	69.7%	66.8%	76.0%				
Pricing									
High Full Subscription Price	\$409	\$436	\$514	\$583	\$544	-6.7%	33.1%	7.4%	5.3%
Low Full Subscription Price	\$78	\$72	\$74	\$79	\$95	20.4%	21.3%	4.9%	2.8%
High Single Ticket Price	\$132	\$137	\$157	\$168	\$167	-0.7%	25.9%	5.9%	3.8%
Low Single Ticket Price	\$27	\$18	\$16	\$14	\$13	-8.8%	-51.3%	-16.4%	-18.5%
Highest Orchestra Ticket	\$118	\$140	\$175	\$161	\$159	-1.2%	34.6%	7.7%	5.6%
Lowest Orchestra Ticket	\$45	\$43	\$63	\$43	\$43	0.3%	-5.0%	-1.3%	-3.4%

LEVEL 3

Annual budget between \$1,000,000 and \$3,000,000

Eleven companies comprise the 2010 Level 3 U.S. CSG:

Dayton Opera Association	Opera Columbus
Indianapolis Opera	Opera Omaha
Kentucky Opera	Pensacola Opera
Long Beach Opera	Syracuse Opera
Madison Opera	Tulsa Opera
Nashville Opera	

OVERVIEW

Level 3 company revenues decreased over 12% on average since 2007 and have declined for five consecutive seasons. Ticket sales and contributed revenue have decreased by 16% and 30% respectively from 2007 to 2011. Nevertheless, these companies have responded to this contraction with appropriate expense reductions and actually posted an average accumulated surplus of over \$240,000 over the past five seasons, the only such constant sample group in the U.S. to post a five-year accumulated surplus since 2007. Even though budgets for Level 3 companies are tightening, they have demonstrated artistic nimbleness akin to their Level 4 colleagues, mounting their second largest number of productions and performances in 2011 over the past five years.

Although seven of 11 companies reported operating surpluses in 2011, the group aggregated finances show a modest annual deficit of about \$10,000. Still, the group managed to record its highest value of unrestricted net assets in 2011 over the past five seasons, thanks in part to gifts to capital campaigns. In 2011, average investment portfolios among Level 3 companies increased but are still below where they were in 2007 and 2008. Working capital ratios among Level 3 companies continued to improve in 2011, although accumulated deficits and deferred maintenance among a handful of companies weighed down the average.

Operating Net Income Average of U.S. Constant Sample Group of (11) Level 3 Companies									
	2007	2008	2009	2010	2011	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Total Operating Revenue	\$2,035,177	\$2,090,216	\$1,917,001	\$1,916,229	\$1,780,037	-7.1%	-12.5%	-3.3%	-5.4%
Total Expense	\$2,039,107	\$1,970,290	\$1,945,517	\$1,752,148	\$1,790,761	2.2%	-12.2%	-3.2%	-5.3%
Operating Net Income (Loss)	(\$3,930)	\$119,926	(\$28,517)	\$164,082	(\$10,724)				
As Percentage of Expense	-0.2%	6.1%	-1.5%	9.4%	-0.6%				

Balance Sheet Average of U.S. Constant Sample Group of (11) Level 3 Companies									
	2007	2008	2009	2010	2011	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Net Assets									
Unrestricted	\$41,304	\$564,397	\$542,720	\$546,276	\$571,624	4.6%	1283.9%	92.9%	90.8%
Temporarily Restricted	\$629,919	\$961,582	\$816,356	\$902,083	\$788,453	-12.6%	25.2%	5.8%	3.7%
Permanently Restricted	\$494,621	\$377,469	\$333,542	\$340,324	\$352,990	3.7%	-28.6%	-8.1%	-10.2%
Total Net Assets	\$1,165,844	\$1,903,448	\$1,692,618	\$1,788,683	\$1,713,067	-4.2%	46.9%	10.1%	8.0%
Total NA as % of Expense	57.1%	96.6%	87.0%	102.1%	95.7%				
Working Capital	(\$178,136)	(\$138,249)	(\$268,588)	(\$255,737)	(\$107,565)	--	--	--	--
as % of Expense	-9.0%	-7.0%	-13.8%	-14.6%	-6.0%				
Investments *	\$1,094,973.21	\$1,117,977	\$824,842.55	\$871,205.09	\$1,015,303	16.5%	-7.3%	-1.9%	-4.0%
as % of Expense	55.8%	56.7%	42.4%	49.7%	56.7%				
Net Fixed Assets	\$219,441	\$702,646	\$811,308	\$802,013	\$679,189	-15.3%	209.5%	32.6%	30.5%

* Including Separately Incorporated Endowments

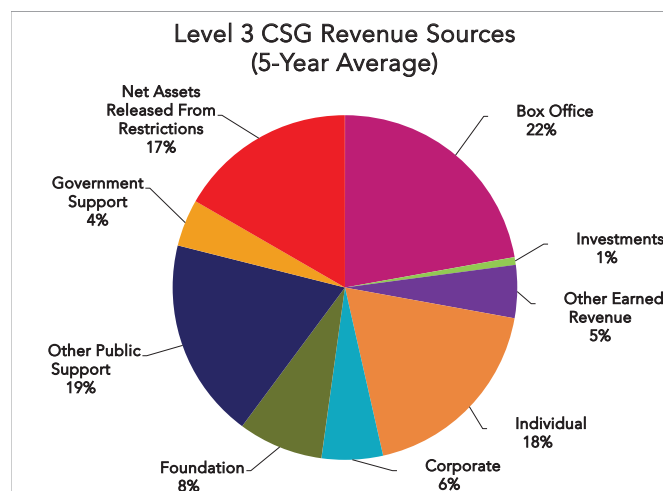
NOTE: Nashville Opera Association constructed the Noah Liff Opera Center from FY 2007 through FY 2010. This project led to the dramatic increase in average Unrestricted Net Assets observed in 2008.

REVENUE

Average ticket sales declined by 7.5% from 2010 to 2011; however, the percentage of total operating revenue represented by ticket sales remained unchanged because of overall revenue contraction. Other earned revenue was flat. Individual giving remained largely flat year-over-year as well, but foundation giving increased by 15% from 2010 to 2011. Government and corporate support, however, declined by 25% and 23% respectively, on average, among members of this group, the largest such year-over-year drops in these categories among all levels surveyed.

The average Level 3 company ratio of contributed revenue to earned revenue was 72% to 28% over the past five seasons. In 2011, Level 3 companies relied more on philanthropy than any other level on a percentage basis, despite year-over-year declines in most contributed revenue categories.

Operating Revenue Average of U.S. Constant Sample Group of (11) Level 3 Companies										
	2007	*	2010	*	2011	*	Percentage Change		4-yr Annualized Growth Rate	
							1-yr	4-yr	Actual	Infl. Adj.
Unrestricted Earned Revenue										
Box Office	\$468,071	23.0%	\$425,944	22.2%	\$394,209	22.1%	-7.5%	-15.8%	-4.2%	-6.3%
Investment	\$65,277	3.2%	(\$1,760)	-0.1%	\$35,008	2.0%	--	-46.4%	-14.4%	-16.5%
Other Earned	\$35,902	1.8%	\$120,870	6.3%	\$119,921	6.7%	-0.8%	234.0%	35.2%	33.1%
Total Unrestricted Earned Revenue	\$569,250	28.0%	\$545,054	28.4%	\$549,139	30.8%	0.7%	-3.5%	-0.9%	-3.0%
Unrestricted Contributed Revenue										
Private Support										
Individual	\$434,964	21.4%	\$351,318	18.3%	\$355,389	20.0%	1.2%	-18.3%	-4.9%	-7.0%
Corporate	\$189,741	9.3%	\$73,616	3.8%	\$56,576	3.2%	-23.1%	-70.2%	-26.1%	-28.2%
Foundation	\$177,063	8.7%	\$145,459	7.6%	\$167,255	9.4%	15.0%	-5.5%	-1.4%	-3.5%
Other Private Support	\$440,173	21.6%	\$353,870	18.5%	\$296,267	16.6%	-16.3%	-32.7%	-9.4%	-11.5%
Total Unrestricted Private Support	\$1,241,942	61.0%	\$924,263	48.2%	\$875,487	49.2%	-5.3%	-29.5%	-8.4%	-10.5%
Total Unrestricted Government Support	\$103,406	5.1%	\$84,857	4.4%	\$63,666	3.6%	-25.0%	-38.4%	-11.4%	-13.5%
Total Unrestricted Contributed Revenue	\$1,345,348	66.1%	\$1,009,119	52.7%	\$939,153	52.8%	-6.9%	-30.2%	-8.6%	-10.7%
Net Assets Released From Restriction	\$120,578	5.9%	\$362,056	18.9%	\$291,745	16.4%	-19.4%	142.0%	24.7%	22.6%
Total Operating Revenue	\$2,035,177		\$1,916,229		\$1,780,037		-7.1%	-12.5%	-3.3%	-5.4%
* As a % of Total Operating Revenue										

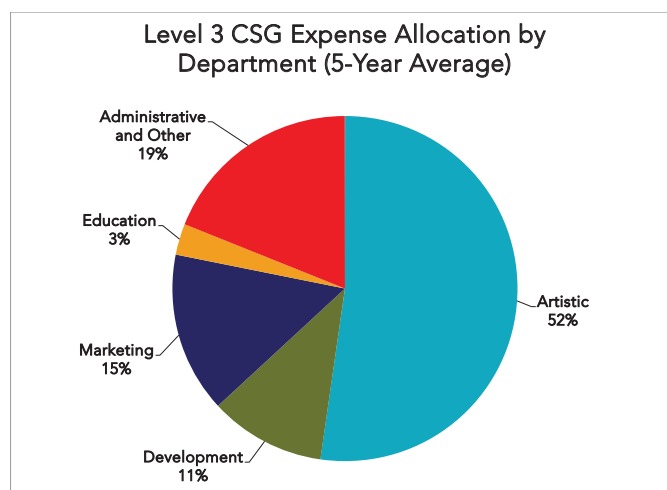


EXPENSES

Level 3 companies allocated 52% of their budgets to the creation of opera, on average, over the past five seasons. This represented the lowest such allocation among all levels. Total personnel costs, including salaries and fees paid to administrative staff and artists, accounted for 56% of all costs on average over the past five seasons, but 2011 represented a low point in terms of total dollars spent on personnel. As was observed with the Level 1 and Level 2 CSGs, development personnel showed a considerable rise from both 2010 to 2011 and 2007 to 2011, as companies focused their efforts on raising money more from individuals than at the box office.

Expenses Average of U.S. Constant Sample Group of (11) Level 3 Companies										
	2007	*	2010	*	2011	*	Percentage Change		4-yr Annualized Growth Rate	
							1-yr	4-yr	Actual	Infl. Adj.
Personnel										
Artistic	\$497,393	24.4%	\$450,780	25.7%	\$462,752	25.8%	2.7%	-7.0%	-1.8%	-3.9%
Production & Technical	\$220,820	10.8%	\$192,284	11.0%	\$162,572	9.1%	-15.5%	-26.4%	-7.4%	-9.5%
Singer Training	\$0	0.0%	\$3,793	0.2%	\$335	--	--	--	--	--
Marketing/PR/Box Office	\$97,171	4.8%	\$64,601	3.7%	\$66,672	3.7%	3.2%	-31.4%	-9.0%	-11.1%
Development	\$94,357	4.6%	\$88,356	5.0%	\$102,240	5.7%	15.7%	8.4%	2.0%	-0.1%
Education	\$38,754	1.9%	\$37,300	2.1%	\$34,186	1.9%	-8.3%	-11.8%	-3.1%	-5.2%
Administrative	\$162,264	8.0%	\$163,540	9.3%	\$160,218	8.9%	-2.0%	-1.3%	-0.3%	-2.4%
Total Personnel Expense	\$1,110,759	54.5%	\$1,000,654	57.1%	\$988,975	55.2%	-1.2%	-11.0%	-2.9%	-5.0%
Non-Personnel										
Production	\$357,305	17.5%	\$263,940	15.1%	\$288,240	16.1%	9.2%	-19.3%	-5.2%	-7.3%
Broadcasting, Recording & Internet Expense	\$1,454	0.1%	\$548	0.0%	\$0	--	--	--	--	--
Singer Training	\$3,502	0.2%	\$7,541	0.4%	\$4,134	0.2%	-45.2%	18.0%	4.2%	2.1%
Marketing/PR/Box Office	\$226,864	11.1%	\$196,797	11.2%	\$189,289	10.6%	-3.8%	-16.6%	-4.4%	-6.5%
Development	\$133,452	6.5%	\$83,609	4.8%	\$81,495	4.6%	-2.5%	-38.9%	-11.6%	-13.7%
Education	\$17,963	0.9%	\$19,566	1.1%	\$17,051	1.0%	-12.9%	-5.1%	-1.3%	-3.4%
Administrative	\$155,343	7.6%	\$164,662	9.4%	\$204,085	11.4%	23.9%	31.4%	7.1%	5.0%
Other Earned Income Expenses	\$32,464	1.6%	\$14,829	0.8%	\$17,491	1.0%	18.0%	-46.1%	-14.3%	-16.4%
Total Non-Personnel Expense	\$928,348	45.5%	\$751,493	42.9%	\$801,785	44.8%	6.7%	-13.6%	-3.6%	-5.7%
Total Expense	\$2,039,107		\$1,752,148		\$1,790,761		2.2%	-12.2%	-3.2%	-5.3%

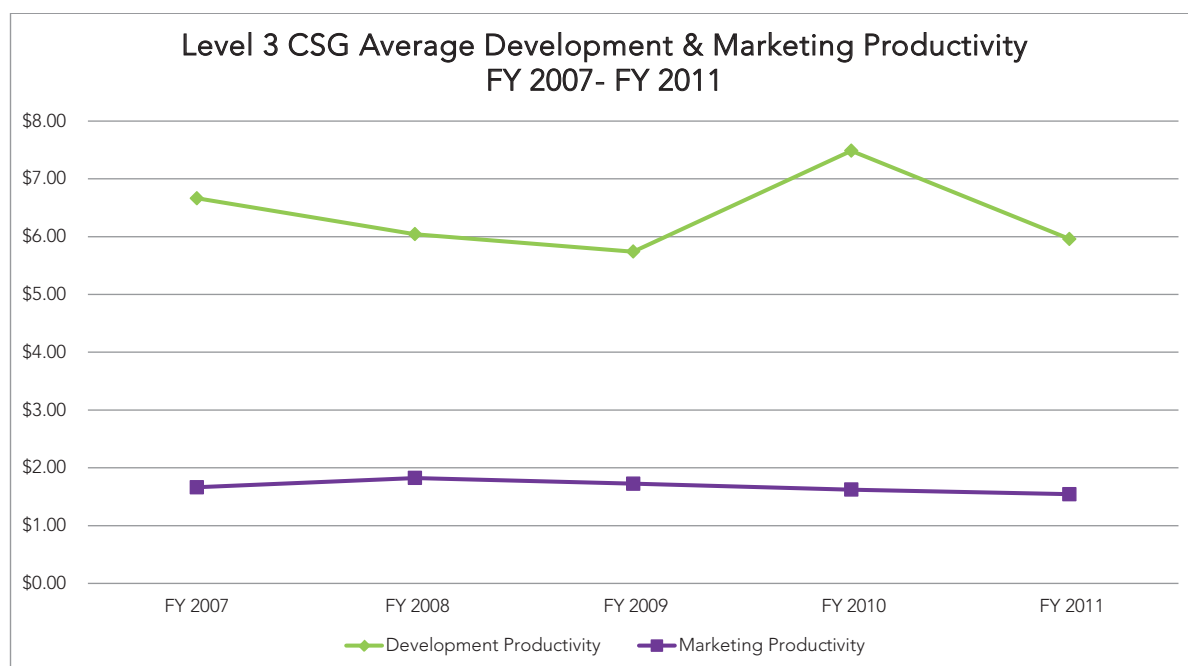
* As a % of Total Expense



PRODUCTIVITY

In 2011, development productivity declined to its second lowest level in five seasons, this after a 30% rise from 2009 to 2010. Given declining ticket sales figures, marketing productivity reached its lowest level in five seasons in 2011. For every \$1 spent on marketing, the average Level 3 company earned less than \$3. Program coverage, or the percentage of core artistic expenses covered by box office revenue, dropped below 60% for the first time in five seasons.

Productivity Measures Average of U.S. Constant Sample Group of (11) Level 3 Companies										
	2007	2008	2009	2010	2011	Percentage Change		4-yr Annualized Growth Rate		
						1-yr	4-yr	Actual	Infl. Adj.	
Development Productivity	\$6.66	\$6.04	\$5.74	\$7.49	\$5.96	-20.4%	-10.6%	-2.8%	-4.9%	
Marketing Productivity	\$1.66	\$1.82	\$1.73	\$1.62	\$1.54	-4.9%	-7.2%	-1.9%	-4.0%	
Program Coverage	42.6%	43.3%	42.4%	46.8%	43.2%					



PERFORMANCE ACTIVITY

Despite decreases in revenue and expenses, Level 3 companies managed to increase the number of productions and performances since 2007. Performances increased, however, a decrease of available seats over this time period indicates that more productions took place in smaller venues, as was observed among some Level 2 companies. Unfortunately, like Level 2 companies, the reduced supply did not translate into higher capacity utilization figures. In fact, average capacity utilization was under 60% among this group for the first time in five seasons. However, subscription renewal rates did increase from 2010 to 2011.

Among Level 3 companies, ticket prices either decreased or remained flat from 2010 to 2011, with the exception of the lowest priced single tickets, although tickets were still well below 2007 prices.

Performance Activity Average of U.S. Constant Sample Group of (11) Level 3									
	2007	2008	2009	2010	2011	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Performance Activity									
Main Season Productions	3.0	3.0	3.4	2.9	3.2				
Main Season Performances	7.5	8.5	7.7	6.7	8.2				
Attendance									
Main Season Paid Attendance	10,055	8,928	8,430	7,827	7,136	-8.8%	-29.0%		
Total Seats Available	14,991	13,510	13,780	12,945	12,121	-6.4%	-19.1%		
% of Capacity Sold	67.1%	66.1%	61.2%	60.5%	58.9%				
Subscription Renewal Rate	67.1%	78.5%	78.9%	68.6%	84.3%				
Pricing									
High Full Subscription Price	\$245	\$266	\$267	\$273	\$273	-0.2%	11.5%	2.8%	0.7%
Low Full Subscription Price	\$52	\$67	\$66	\$79	\$75	-4.6%	46.5%	10.0%	7.9%
High Single Ticket Price	\$96	\$99	\$106	\$106	\$108	1.9%	12.1%	2.9%	0.8%
Low Single Ticket Price	\$20	\$24	\$12	\$12	\$14	17.6%	-30.0%	-8.5%	-10.6%
Highest Orchestra Ticket	\$85	\$85	\$94	\$98	\$97	-1.0%	14.8%	3.5%	1.4%
Lowest Orchestra Ticket	\$40	\$33	\$34	\$42	\$37	-11.6%	-8.4%	-2.2%	-4.3%

LEVEL 4

Annual budget under \$1,000,000

Fourteen companies comprise the 2010 Level 4 U.S. CSG:

Amarillo Opera	Musical Traditions
American Opera Projects	Opera North (NH)
Chautauqua Opera	Opera San Luis Obispo (formerly Pacific Repertory Opera)
Fargo-Moorhead Opera	Opera Saratoga (formerly Lake George Opera)
Mississippi Opera	Piedmont Opera
Mobile Opera	Tacoma Opera
Music-Theatre Group	Tri-Cities Opera Company

Seven of the 14 companies in the Level 4 CSG reported a surplus in 2011; however, very large deficits among a few companies in the group resulted in the third straight season of operating deficits that exceeded 5% of expenses. As a group, the Level 4 companies had a total accumulated deficit of more than \$1 million over five years. Average operating revenue for the Level 4 CSG decreased over 17% from 2007 to 2011. Expenses have also decreased by 12.5% over five years, but this has not been enough to offset the declines in revenue.

Operating Net Income Average of U.S. Constant Sample Group of (14) Level 4 Companies									
	2007	2008	2009	2010	2011	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Total Operating Revenue	\$649,746	\$672,090	\$660,897	\$527,569	\$538,307	2.0%	-17.2%	-4.6%	-6.7%
Total Expense	\$650,640	\$656,806	\$694,282	\$562,479	\$569,080	1.2%	-12.5%	-3.3%	-5.4%
Operating Net Income (Loss)	(\$894)	\$15,285	(\$33,386)	(\$34,909)	(\$30,774)				
As Percentage of Expense	-0.1%	2.3%	-4.8%	-6.2%	-5.4%				

Balance Sheet Average of U.S. Constant Sample Group of (13*) Level 4 Companies									
	2007	2008	2009	2010	2011	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Net Assets									
Unrestricted	\$132,495	\$141,800	\$55,043	\$23,364	\$7,195	-69.2%	-94.6%	-51.7%	-53.8%
Temporarily Restricted	\$46,360	\$38,402	\$71,949	\$55,881	\$80,098	43.3%	72.8%	14.6%	12.5%
Permanently Restricted	\$82,864	\$80,631	\$74,621	\$74,749	\$73,661	-1.5%	-11.1%	-2.9%	-5.0%
Total Net Assets	\$261,719	\$260,833	\$201,613	\$153,994	\$160,954	4.5%	-38.5%	-11.4%	-13.5%
Total NA as % of Expense	40.2%	39.7%	29.0%	27.4%	28.3%				
Working Capital	\$7,868	\$9,240	(\$39,699)	(\$70,291)	(\$69,850)	--	--	--	--
as % of Expense	1.2%	1.4%	-5.7%	-12.5%	-12.3%				
Investments **	\$275,012	\$259,186	\$123,885	\$109,811	\$134,372	22.4%	-51.1%	-16.4%	-18.5%
as % of Expense	42.3%	39.5%	17.8%	19.5%	23.6%				
Net Fixed Assets	\$124,627	\$132,560	\$94,743	\$93,655	\$77,045	-17.7%	-38.2%	-11.3%	-13.4%
* Including Separately Incorporated Endowments									
** Chautauqua Opera does not report Balance Sheet information.									

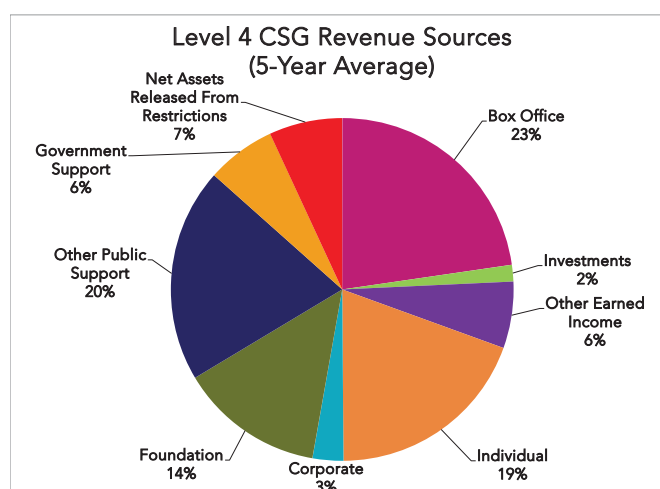
Six of the 14 companies had negative unrestricted net assets and two reported negative total assets, at the end of 2011. The accumulated deficits of the past five seasons have decreased the average unrestricted net asset balance of companies by 95%. Working capital has also turned sharply negative since 2007 and investments have been cut in half. Many of these companies had to invade the corpus of their modest endowments (if they had endowments) during the depths of the recession and, as a result, unfortunately have not had the opportunity to enjoy fully the stock market rebound. Net fixed assets have fallen almost 40% since 2007 as accumulated depreciation outpaced the effort to fund maintenance reserves.

Operating Revenue and Expense Summary
Average of U.S. Constant Sample Group of
(14) Level 4 Companies

	2007	*	2010	*	2011	*	Percentage Change		4-yr Annualized Growth Rate	
							1-yr	4-yr	Actual	Infl. Adj.
Unrestricted Earned Revenue										
Box Office	\$153,897	23.7%	\$122,855	23.3%	\$100,215	18.6%	-18.4%	-34.9%	-10.2%	-12.3%
Investment	\$9,131	1.4%	\$7,273	1.4%	\$6,639	1.2%	-8.7%	-27.3%	-7.7%	-9.8%
Other Earned	\$44,739	6.9%	\$29,505	5.6%	\$41,552	7.7%	40.8%	-7.1%	-1.8%	-3.9%
Total Unrestricted Earned Revenue	\$207,767	32.0%	\$159,632	30.3%	\$148,406	27.6%	-7.0%	-28.6%	-8.1%	-10.2%
Unrestricted Contributed Revenue										
Private Support										
Individual	\$135,809	20.9%	\$95,247	18.1%	\$104,035	19.3%	9.2%	-23.4%	-6.4%	-8.5%
Corporate	\$20,781	3.2%	\$13,805	2.6%	\$17,612	3.3%	27.6%	-15.2%	-4.1%	-6.2%
Foundation	\$111,918	17.2%	\$60,850	11.5%	\$64,309	11.9%	5.7%	-42.5%	-12.9%	-15.0%
Other Private Support	\$96,039	14.8%	\$119,822	22.7%	\$136,824	25.4%	14.2%	42.5%	9.3%	7.2%
Total Unrestricted Private Support	\$364,547	56.1%	\$289,724	54.9%	\$322,779	60.0%	11.4%	-11.5%	-3.0%	-5.1%
Total Unrestricted Government Support	\$38,506	5.9%	\$38,289	7.3%	\$30,782	5.7%	-19.6%	-20.1%	-5.4%	-7.5%
Total Unrestricted Contributed Revenue	\$403,054	62.0%	\$328,013	62.2%	\$353,561	65.7%	7.8%	-12.3%	-3.2%	-5.3%
Net Assets Released From Restriction	\$38,925	6.0%	\$39,924	7.6%	\$36,340	6.8%	-9.0%	-6.6%	-1.7%	-3.8%
Total Operating Revenue	\$649,746		\$527,569		\$538,307		2.0%	-17.2%	-4.6%	-6.7%
Total Personnel Expense	\$351,045	54.0%	\$322,246	57.3%	\$325,828	57.3%	1.1%	-7.2%	-1.8%	-3.9%
Total Non-Personnel Expense	\$299,595	46.0%	\$240,233	42.7%	\$243,252	42.7%	1.3%	-18.8%	-5.1%	-7.2%
Total Expense	\$650,640		\$562,479		\$569,080		1.2%	-12.5%	-3.3%	-5.4%
Unrestricted Net Income (Loss)	(\$894)		(\$34,909)		(\$30,774)					
As Percentage of Expense	-0.1%		-6.6%		-5.7%					

* As a % of Total Operating Revenue

** As a % of Total Expense



Ticket sales declined over 18% from 2010 to 2011 and 35% since 2007. By 2011, ticket sales represented less than 20% of total operating revenue among Level 4 companies for the first time in five seasons. Conversely, Level 4 companies showed a nearly 8% increase in overall contributed revenue from 2010 to 2011 and all contributed revenue categories posted year-over-year gains except for government sources. Nevertheless, total contributed revenue is still about \$70,000 below its five-year peak, on average, achieved in 2008.

Total personnel costs, including salaries and fees paid to administrative staff and artists, accounted for 58% of the total budget on average over the past five seasons. Personnel and non-personnel costs increased in line from 2010 to 2011, but non-personnel costs, notably production-related expenses, decreased twice as much on a percentage basis as personnel costs from 2007 to 2011.

Level 4 companies mounted the same number of total productions each season since 2008, but the number performances of each production has steadily declined over the past four years. Capacity utilization has declined each year since 2007 except for a very modest bump from 2010 to 2011. Subscription renewal rates rose modestly from 2010 to 2011, perhaps the result of dramatic drops in prices at both the high and low ends of the subscription spectrum. Of course, low ticket prices were also a contributing factor in the ticket revenue decline from 2010 to 2011, despite similar paid attendance figures from year to year.

Performance Activity Average of U.S. Constant Sample Group of (14) Level 4 Companies									
						Percentage Change		4-yr Annualized Growth Rate	
	2007	2008	2009	2010	2011	1-yr	4-yr	Actual	Infl. Adj.
Performance Activity									
Main Season Productions	2.9	3.1	3.1	3.1	3.1				
Main Season Performances	7.4	8.4	6.9	6.7	6.6				
Attendance									
Main Season Paid Attendance	4,359	4,413	3,899	2,909	3,060	5.2%	-29.8%		
Total Seats Available	6,103	6,612	6,055	5,378	5,316	-1.1%	-12.9%		
% of Capacity Sold	71.4%	66.8%	64.4%	54.1%	57.6%				
Subscription Renewal Rate	73.3%	88.0%	80.7%	74.8%	77.5%				
Pricing									
High Full Subscription Price	\$187	\$159	\$195	\$236	\$137	-42.0%	-27.1%	-7.6%	-9.7%
Low Full Subscription Price	\$66	\$38	\$38	\$54	\$46	-15.3%	-30.5%	-8.7%	-10.8%
High Single Ticket Price	\$58	\$64	\$61	\$63	\$67	5.9%	15.2%	3.6%	1.5%
Low Single Ticket Price	\$18	\$15	\$12	\$11	\$10	-9.3%	-44.9%	-13.8%	-15.9%
Highest Orchestra Ticket	\$40	\$46	\$56	\$64	\$72	12.5%	81.1%	16.0%	13.9%
Lowest Orchestra Ticket	\$22	\$22	\$26	\$25	\$29	14.3%	27.3%	6.2%	4.1%

CANADA

Eleven companies comprise the 2010 Canadian CSG:

The Banff Centre	Opera Atelier
Calgary Opera	Opéra de Montréal
Canadian Opera Company	Pacific Opera Victoria
Chants Libres	Queen of Puddings Music Theatre Company
Edmonton Opera	Vancouver Opera Association
Manitoba Opera	

OVERVIEW

Eight of the 11 companies in the Canadian CSG reported deficits in 2011, a striking reversal from 2010, when eight of the 11 companies reported surpluses. In fact, 2011 was the first time in five years that the Canadian CSG reported an aggregate deficit. While average operating revenues rose to their highest levels in five seasons, these were eclipsed by rapidly rising expenses, which also reached their highest average levels in five years. The average Canadian company's operating budget has expanded by over 10% since 2007, compared to a 1% decline in operating budgets of the U.S. companies, on average. 2011 average investment portfolios remained nearly 10% lower than they were back in 2007 and 17% lower than their peak in 2009. Working capital ratios among Canadian companies were reported to be the worst in five seasons' time. In 2011, nine of the 11 companies in the Canadian CSG reported negative working capital.

Operating Net Income Average of Canadian Constant Sample Group of (11) Companies									
	2007	2008	2009	2010	2011	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Total Operating Revenue	\$6,055,923	\$5,780,368	\$6,119,780	\$6,068,335	\$6,274,534	3.4%	3.6%	0.9%	-1.0%
Total Expense	\$5,868,901	\$5,622,201	\$6,084,296	\$6,065,464	\$6,483,867	6.9%	10.5%	2.5%	0.6%
Operating Net Income (Loss)	\$187,022	\$158,167	\$35,485	\$2,870	(\$209,333)				
As Percentage of Expense	3.2%	2.8%	0.6%	0.0%	-3.2%				

Balance Sheet Average of Canadian Constant Sample Group of (11) Companies									
	2007	2008	2009	2010	2011	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Average Net Assets									
Unrestricted	(\$80,737)	(\$11,650)	\$39,341	(\$44,311)	(\$206,056)	365.0%	155.2%	26.4%	24.5%
Temporarily Restricted	\$16,380	\$13,539	\$0	\$47,860	\$0	--	--	--	--
Permanently Restricted	\$42,805	\$43,535	\$43,588	\$43,588	\$43,592	0.0%	1.8%	0.5%	-1.4%
Average Total Net Assets	(\$21,553)	\$45,425	\$82,929	\$47,137	(\$162,464)	--	--	--	--
Average Total NA as % of Average Expense	-0.4%	0.8%	1.4%	0.8%	-2.5%				
Average Working Capital	(\$389,225)	(\$330,440)	(\$271,544)	(\$356,933)	(\$410,877)	15.1%	5.6%	1.4%	-0.5%
as % of Average Expense	-6.6%	-5.9%	-4.5%	-5.9%	(\$0)				
Average Investments *	\$2,744,139	\$3,224,199	\$2,993,572	\$2,387,433	\$2,494,412	4.5%	-9.1%	-2.4%	-4.2%
as % of Average Expense	46.8%	57.3%	49.2%	39.4%	38.5%				
Average Net Fixed Assets	\$308,488	\$318,790	\$310,884	\$312,622	\$204,821	-34.5%	-33.6%	-9.7%	-11.6%

* Including Separately Incorporated Endowments

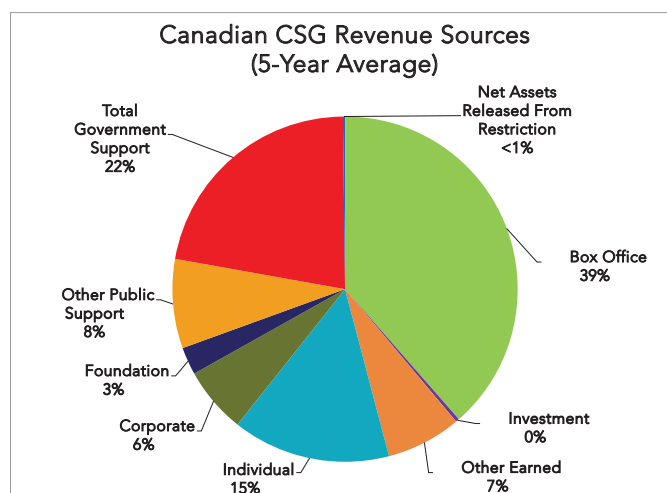
REVENUE

Average ticket sales decreased 8.5% from 2010 to 2011, accounting for less than 34% of total operating revenue. Ticket sales revenue is down nearly 20% on average since 2007, when ticket sales accounted for almost 44% of total operating revenue among Canadian companies.

Average individual giving to Canadian companies exceeded \$1MM for the first time in five seasons, increasing by over 11% since 2010 and over 30%, on average, since 2007. Corporate support has been halved over the same time period. In contrast, average foundation support has increased almost 75% in five years, although it only accounted for 2.6% of total operating revenue in 2011. Government support rose to its second highest average level in five seasons and is up nearly 10% since 2007; however, the average Canadian company's reliance on government support, as a percentage of total contributed revenue is declining. In 2011, Canadian government support accounted for over 22% of operating revenue, while in 2008, government support accounted for almost 25% of revenue.

Operating Revenue Average of Canadian Constant Sample Group of (11) Companies										
	2007	*	2010	*	2011	*	Percentage Change 1-yr	4-yr	4-yr Annualized Growth Rate Actual	Infl. Adj.
Unrestricted Earned Revenue										
Box Office	\$2,650,412	43.8%	\$2,322,411	38.3%	\$2,125,702	33.9%	-8.5%	-19.8%	-5.4%	-7.3%
Investment	(\$5,197)	-0.1%	\$17,633	0.3%	\$24,083	0.4%	36.6%	--	--	--
Other Earned	\$205,496	3.4%	\$550,832	9.1%	\$621,314	9.9%	12.8%	202.3%	31.9%	30.0%
Total Unrestricted Earned Revenue	\$2,850,711	47.1%	\$2,890,876	47.6%	\$2,771,100	44.2%	-4.1%	-2.8%	-0.7%	-2.6%
Unrestricted Contributed Revenue										
Private Support										
Individual	\$775,835	12.8%	\$909,144	15.0%	\$1,014,393	16.2%	11.6%	30.7%	6.9%	5.0%
Corporate	\$591,503	9.8%	\$331,845	5.5%	\$283,723	4.5%	-14.5%	-52.0%	-16.8%	-18.7%
Foundation	\$94,599	1.6%	\$137,532	2.3%	\$164,847	2.6%	19.9%	74.3%	14.9%	13.0%
Other Private Support	\$486,969	8.0%	\$503,570	8.3%	\$654,387	10.4%	29.9%	34.4%	7.7%	5.8%
Total Unrestricted Private Support	\$1,938,110	32.2%	\$1,882,091	31.0%	\$2,117,350	33.7%	12.5%	9.2%	2.2%	0.3%
Total Unrestricted Government Support	\$1,267,101	20.9%	\$1,295,368	21.3%	\$1,386,083	22.1%	7.0%	9.4%	2.3%	0.4%
Total Unrestricted Contributed Revenue	\$3,205,211	53.1%	\$3,177,459	52.4%	\$3,503,434	55.8%	10.3%	9.3%	2.2%	0.4%
Net Assets Released From Restriction	\$0	0.0%	\$0	0.0%	\$0	0.0%	--	--	--	--
Total Operating Revenue	\$6,055,923		\$6,068,335		\$6,274,534		3.4%	3.6%	0.9%	-1.0%

* As a % of Total Unrestricted Revenue

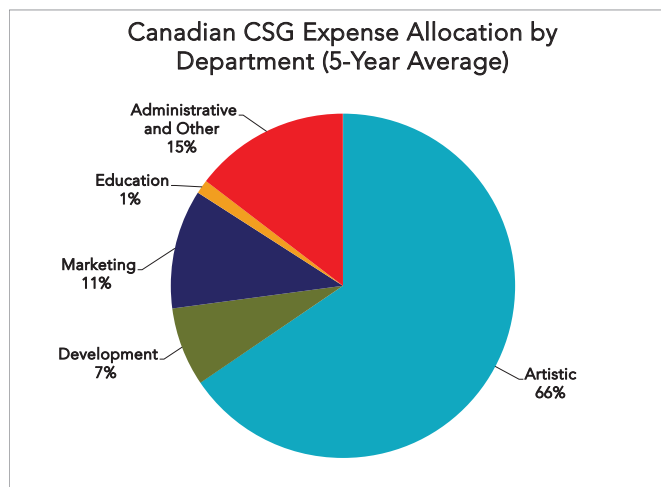


EXPENSES

Technical/production personnel costs soared over 17% from 2010 to 2011 to their highest levels in five seasons, and are up nearly 25% since 2007. Technical/production personnel accounted for over 31% of personnel costs in 2011, their highest percentage over five seasons. Marketing personnel costs rose significantly to their highest levels in five seasons, but education personnel saw significant cuts, reaching their lowest levels in five seasons. Non-personnel costs rose by 8.3% from 2010 to 2011 due to higher administrative costs. Production-related expenses, however, fell 3.2%, to their second-lowest levels in five seasons' time, despite an increase in artistic product.

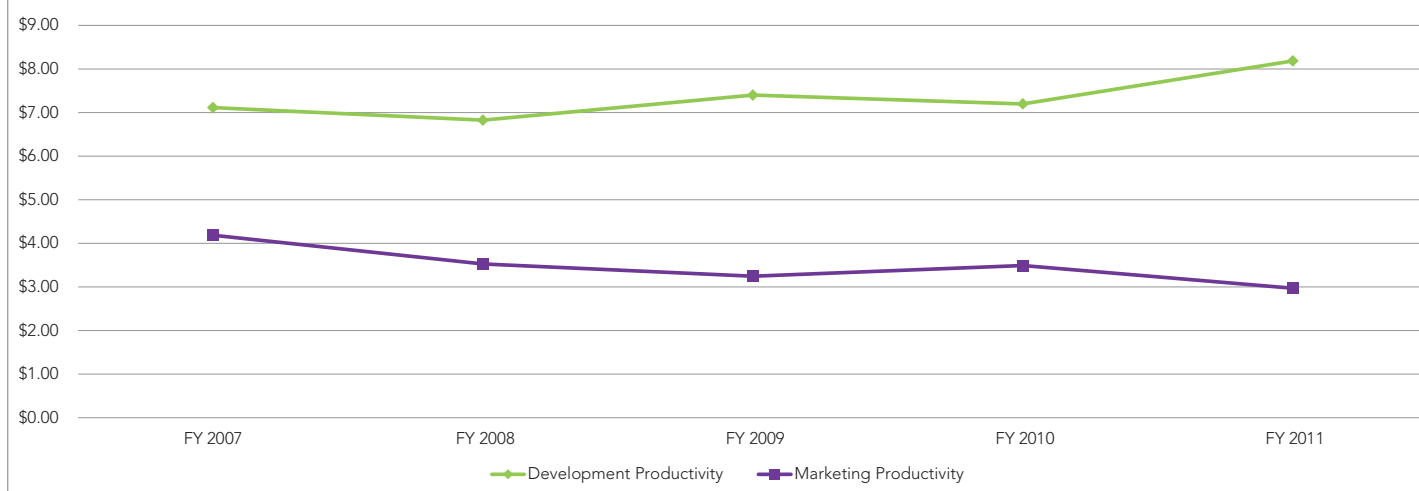
Development productivity increased nearly 14% from 2010 to 2011 and Canadian companies, on average, raised more than \$8 for every dollar spent fundraising. Marketing productivity, however, declined nearly 15% to its lowest level in five years. For the first time in five years, Canadian companies in 2011 earned less than \$3 at the box office for every dollar spent.

Expenses Average of Canadian Constant Sample Group of (11) Companies										
	2007	*	2010	*	2011	*	Percentage Change		4-yr Annualized Growth Rate	
							1-yr	4-yr	Actual	Infl. Adj.
Personnel										
Artistic	\$1,992,230	33.9%	\$1,782,655	29.4%	\$1,801,188	27.8%	1.0%	-9.6%	-2.5%	-4.4%
Production & Technical	\$1,024,513	17.5%	\$1,090,154	18.0%	\$1,277,946	19.7%	17.2%	24.7%	5.7%	3.8%
Singer Training	\$9,797	0.2%	\$78,226	1.3%	\$76,944	1.2%	-1.6%	685.4%	67.4%	65.5%
Marketing/PR/Box Office	\$192,640	3.3%	\$194,912	3.2%	\$235,518	3.6%	20.8%	22.3%	5.2%	3.3%
Development	\$167,663	2.9%	\$182,143	3.0%	\$184,345	2.8%	1.2%	9.9%	2.4%	0.5%
Education	\$41,888	0.7%	\$51,727	0.9%	\$37,712	0.6%	-27.1%	-10.0%	-2.6%	-4.5%
Administrative	\$304,327	5.2%	\$467,902	7.7%	\$468,075	7.2%	0.0%	53.8%	11.4%	9.5%
Total Personnel Expense	\$3,733,057	63.6%	\$3,847,718	63.4%	\$4,081,727	63.0%	6.1%	9.3%	2.3%	0.4%
Non-Personnel										
Production	\$963,506	16.4%	\$984,072	16.2%	\$952,805	14.7%	-3.2%	-1.1%	-0.3%	-2.2%
Broadcasting, Recording & Internet Expense	\$721	0.0%	\$4,580	0.1%	\$17,845	0.3%	289.6%	2374.4%	123.0%	121.1%
Singer Training	\$32,236	0.5%	\$39,944	0.7%	\$17,041	0.3%	-57.3%	-47.1%	-14.7%	-16.6%
Marketing/PR/Box Office	\$441,307	7.5%	\$470,840	7.8%	\$478,214	7.4%	1.6%	8.4%	2.0%	0.1%
Development	\$282,891	4.8%	\$259,280	4.3%	\$243,905	3.8%	-5.9%	-13.8%	-3.6%	-5.5%
Education	\$25,107	0.4%	\$22,632	0.4%	\$26,762	0.4%	18.2%	6.6%	1.6%	-0.3%
Administrative	\$312,571	5.3%	\$372,829	6.1%	\$624,602	9.6%	67.5%	99.8%	18.9%	17.0%
Other Earned Income Expenses	\$77,505	1.3%	\$63,570	1.0%	\$40,966	0.6%	-35.6%	-47.1%	-14.7%	-16.6%
Total Non-Personnel Expense	\$2,135,844	36.4%	\$2,217,747	36.6%	\$2,402,139	37.0%	8.3%	12.5%	3.0%	1.1%
Total Expense	\$5,868,901		\$6,065,464		\$6,483,867		6.9%	10.5%	2.5%	0.6%
* As a % of Total Expense										



Productivity Measures Average of Canadian Constant Sample Group of (11) Companies									
	2007	2008	2009	2010	2011	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Development Productivity	\$7.11	\$6.82	\$7.40	\$7.20	\$8.18	13.7%	15.0%	3.6%	1.7%
Marketing Productivity	\$4.18	\$3.53	\$3.24	\$3.49	\$2.97	-14.9%	-29.0%	-8.2%	-10.1%
Program Coverage	66.6%	64.7%	60.4%	60.2%	52.5%				

Canadian Companies Average Development & Marketing Productivity FY 2007 - FY 2011



PERFORMANCE ACTIVITY

Canadian companies mounted the largest number of distinct productions in five seasons' time and logged the second highest number of performances.

Capacity utilization, declined to 63% on average in 2011, the lowest levels in five seasons time. This is down from almost 90% average capacity utilization in 2007. The decline can be attributed partially to the increase in the number of performances and the subsequent increase in seats available, but all 11 companies also reported declines in the number of tickets sold, perhaps the result of rising tickets prices across all categories from 2010 to 2011 and from 2007 to 2011. The subscription renewal rate for 2011 increased, however, to its highest level in five seasons.

Performance Activity

Average of Canadian Constant Sample Group of (11) Companies

	2007	2008	2009	2010	2011	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Performance Activity									
Main Season Productions	2.7	3.0	3.1	3.2	3.3				
Main Season Performances	14.1	15.5	16.2	17.0	16.6				
Attendance									
Main Season Paid Attendance	26,246	24,149	22,991	23,829	23,036	-3.3%	-12.2%		
Total Seats Available	29,928	32,646	33,956	33,606	36,728	9.3%	22.7%		
% of Capacity Sold	87.7%	74.0%	67.7%	70.9%	63%				
Subscription Renewal Rate	74.3%	69.6%	76.4%	75.8%	81%				
Pricing									
High Full Subscription Price	\$307	\$440	\$453	\$443	\$664	50.1%	116.7%	21.3%	19.4%
Low Full Subscription Price	\$70	\$74	\$91	\$73	\$132	80.7%	87.7%	17.1%	15.2%
High Single Ticket Price	\$104	\$112	\$121	\$130	\$134	3.4%	28.6%	6.5%	4.6%
Low Single Ticket Price	\$17	\$22	\$18	\$22	\$25	14.8%	44.0%	9.5%	7.6%
Highest Orchestra Ticket	\$86	\$98	\$99	\$68	\$161	135.1%	86.5%	16.9%	15.0%
Lowest Orchestra Ticket	\$46	\$42	\$45	\$28	\$85	201.4%	85.3%	16.7%	14.8%

CONCLUSION

Understanding the “new normal” means embracing the opportunities that arise with the ever-changing fiscal environment and responding with actionable choices. This type of agility is not an innate skill, but one that is learned and evolves over time. As highlighted by the AFR, the companies in the CSGs are developing this skill as funding conditions change and are experimenting with new pursuits to ensure the vitality of their organizations, not only financially but artistically, as well. Even though fewer tickets to productions are being sold and opera companies are performing to smaller crowds in their main stage venues, companies have not sat idly by. On the contrary, resources have been strategically allocated to development departments and the results are evident. Individual philanthropy is on the rise and foundation support rebounded. In addition, companies in the AFR have managed to operate on reduced artistic budgets. They are exploring new repertoire in alternative venues and offering more accessible and affordable programming to those in their local communities, from performances in parks to simulcasts in football stadiums, as well as to new audiences around the world through live streaming over the internet. Attendance at these many events (which is in the hundreds of thousands and not reflected in the main season figures presented in this report), implies that demand for opera is very strong, although the traditional definition of “core audience” is changing rapidly.

FINANCIAL POSITION TERMINOLOGY

Balance sheet measures and ratios are used to track the overall health of an opera company. The following measures are included in the *Annual Field Report*.

TOTAL NET ASSETS

This is what an organization owns after paying off all of its liabilities or all that it owes. Total net assets should grow at least as fast as operating expenses each year. This tends to indicate that an opera company is building its total capital.

- Unrestricted net assets have no donor imposed restrictions, are available for use by a company and generally include fixed assets.
- Temporarily restricted net assets represent gifts for future periods or for specific projects. Such assets indicate that the organization is funding projects in advance of implementing them.
- Permanently restricted net assets are restricted by the donor in perpetuity. Permanently restricted net assets are most commonly endowment. Increases may be caused by increases in the market value of existing investments and/or by new gifts from donors.

WORKING CAPITAL

Working capital consists of the unrestricted resources available for operations. It is a fundamental financial building block of an organization. Adequate working capital provides financial strength and flexibility to an organization, the ability to meet obligations as they come due and the flexibility to experiment. Working capital is calculated as unrestricted net assets less fixed assets. (For Canadian companies, the calculation is total net assets minus fixed assets.) If an organization has unrestricted investments, they will be included both in working capital and in total investments. Working capital can be related to the size of an organization's operation. An increase in the ratio over time indicates growth in financial strength.

INVESTMENTS

Invested capital includes monies usually invested long-term. This includes both investments reported on an organization's balance sheet and separately incorporated endowment funds, if any. It approximates reserves and endowment, and it may be unrestricted, temporarily restricted or permanently restricted. Income from investments is available for operations or to support specific purposes. Invested capital that provides a significant revenue stream increases the strength and sustainability of an organization. An increase in the ratio over time indicates investment growth at least in proportion to growth in operating size.

FIXED ASSETS

Fixed assets includes all land, buildings, equipment, any capitalized production elements (sets, props, costumes) and other fixed assets owned by the organization. Fixed assets are generally unrestricted but may be temporarily restricted. Net fixed assets are less accumulated depreciation.

PRODUCTIVITY MEASURES

Productivity ratios measure how many dollars are generated by each dollar spent on revenue generating activities. Expenses include both personnel and non-personnel costs. Examples of two of these productivity ratios — marketing and development — are provided below.

The marketing productivity ratio measures how many dollars of program revenue are generated by each dollar spent on marketing and public relations. It is calculated as follows:

$$\text{Marketing Productivity} = \text{Total box office revenue} \div \text{Marketing/PR/Box Office expenses}$$

The development productivity ratio measures how many dollars of contributed revenue are generated by spending a dollar on development. This calculation includes restricted and unrestricted contributions because development expenses include expenses for any capital fundraising such as for a permanently restricted endowment. It is calculated as follows:

$$\text{Development Productivity} = \text{Total contributions (including unrestricted, temporarily and permanently restricted)} \div \text{Development expenses}$$

The program coverage measure tracks what portion of artistic and production costs are covered by box office revenue. It is calculated as follows:

$$\text{Program Coverage} = \text{Total box office revenue} \div \text{Artistic \& production expense}$$

BENCHMARKING PROSPECTUS

Good research is important for understanding the health of an opera company and for developing both short- and long-term strategies. The AFR presents an overview of the field's activity. While it offers a detailed look at levels within the opera field, the data and trends are averaged from groups of companies that may have little in common operationally beyond their budget sizes. Thus, the trends of a group may not reflect the trends of an individual company. OPERA America has data on professional companies dating back more than two decades, and frequently conducts 10-, 15- and 20-year trend analyses, on request, for trustees and general directors using carefully selected comparable organizations.

A complete OPERA America Benchmarking Analysis includes the following information:

Financial & Operational Analysis

- Budget Growth
- Endowment as % of Total Expense
- Artistic Expense as % of Total Expense
- Artistic Expense Growth Rate vs. Total Expense Growth Rate
- Program Coverage (% of Artistic Budget Covered by Ticket Sales)
- Artistic Expense per Available Seat
- Artistic Expense per Production
- Artistic Expense per Performance
- Personnel vs. Non-Personnel Expenses
- Ticket Income/Contributed Income/Other Operating Income as % of Unrestricted Income
- Development Productivity
- Sources of Contributed Income
- Individual Contributions per Attendance
- Marketing Productivity
- Box Office Income per Attendance
- Market Penetration
- Ticket Prices
- Capacity Utilization
- Subscription Renewal Rates
- Current Ratio
- Net Assets as a % of Budget
- Working Capital

City Profile

- City and Metropolitan Area Population
- Median City and Metropolitan Area Age, Education Level and Income
- Cost of Living Averages
- Cultural Statistics: Number of Higher Education Institutions, Number of Performing Arts Organization and Cultural Vitality Rankings

Repertoire Analysis

This unique and proprietary tool is used, in part, to determine repertoire trends at companies that share a similar budget size and demographic.

For more information or to commission a benchmarking study, contact Research Manager Kate Place at KPlace@operaamerica.org.

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PHOTO CREDITS

FRONT COVER:

Opera Saratoga's 2012 production of Schuman's *The Mighty Casey*. Photo by Gary Gold. | Vasily Ladyuk in the title role and Yeghishe Manucharyan as Lensky in Opera Carolina's 2012 production of Tchaikovsky's *Eugene Onegin*. Photo by Jon Silla. | Sarasota Opera's 2012 production of Verdi's *Otello*. Photo by Rod Millington. | Greer Grimsley as Mephistopheles in Arizona Opera's 2011-2012 production of Gounod's *Faust*. Photo by Tim Fuller.

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Piedmont Opera's 2011-2012 production of Bizet's *Carmen*. Photo by Steve Davis Photography. | Karin Wolverton as Anna Sørensen and William Burden as Nikolaus Sprink in the Minnesota Opera's 2011 world premiere production of Puts' *Silent Night*. Photo by Michal Daniel. | Talise Trevigne as Pip in San Diego Opera's 2012 production of Heggie's *Moby-Dick*. Photo by Ken Howard. | David Pershall as Zurga in Virginia Opera's 2011-2012 production of Bizet's *The Pearl Fishers*. Photo by David A. Beloff.

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Ryan MacPherson and Joanna Mongiardo in the title roles of Dayton Opera's 2011-2012 production of Gounod's *Romeo and Juliet*. Photo by Scott J. Kimmins. | Christopher Burchett as Officer 2/Blazes, David Cushing as Officer 3/Arthur/Voice of the Cards and John Bellemer as Officer 1/Sandy in Boston Lyric Opera's 2012 production of Davies' *The Lighthouse*. Photo by Erik Jacobs for the Boston Lyric Opera.

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Acrobat Antoine Marc, Russell Braun as Jaufré, acrobat Ted Sikström and acrobat Annie-Kim Déry (in the air) in the Canadian Opera Company's 2012 production of Saariaho's *Love from Afar*, which was co-produced with English National Opera and De Vlaamse Opera. Photo by Michael Cooper.

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The Audition Recital Hall in The National Opera Center. Photo by Patricia Kiernan Johnson.

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Karen Ziemba as Mrs. Lovett and Rod Gilfry as Sweeney Todd in Opera Theatre of Saint Louis' 2012 production of Sondheim's *Sweeney Todd*. Photo by Ken Howard.

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Jack Rennie as Love and Peggy Kriha Dye in the title role of Opera Atelier's 2012 production of Lully's *Armide*. Photo by Bruce Zinger.

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Joshua Hopkins and Sandra Piques Eddy in Vancouver Opera's 2012 production of Rossini's *The Barber of Seville*. Photo by Tim Matheson.

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Davinia Rodriguez as Eurydice and William Burden as Orphée in Seattle Opera's 2012 production of Gluck's *Orphée et Eurydice*. Photo by Elise Bakketun.

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Mark Walter in the title role in Florida Grand Opera's 2011-2012 production of Verdi's *Rigoletto*. Photo by Gaston de Cardenas.

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Ava Pine in the title role of Fort Worth Opera's 2012 production of Adamo's *Lysistrata*. Photo by Ron T. Ennis.

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Alisa Suzanne Jordheim as Flora and Vale Rideout as Peter Quint in Central City Opera's 2012 production of Britten's *The Turn of the Screw*. Photo by Mark Kiryluk.

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Michelle Johnson in the title role of Opera Philidelphia's 2012 production of Puccini's *Manon Lescaut*. Photo by Kelly & Massa Photography.

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Lyric Opera of Chicago's 2011-2012 production of Kern's *Show Boat*. Photo by Robert Kusel/Lyric Opera of Chicago.

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Opéra de Montréal's 2011-2012 production of Dvorak's *Rusalka*. Photo by Yves Renaud.

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Rodell Rosel as Little Bat and Betty Wayne Allison in Florentine Opera Company's 2011-2012 production of Floyd's *Susannah*. Photo by Kathy Wittman/Ball Square Films.

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Ashley Knight and Suzan Hanson as Marie Curie in Long Beach Opera's 2012 production of Bryars' *The Paper Nautilus*, performed at the Aquarium of the Pacific. Photo by Doris Koplik.

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Kirk Dougherty as Tamino in Tri-Cities Opera's 2012 production of Mozart's *The Magic Flute*. Photo by Randy Cummings. | Carl Tanner as Canio/Pagliacci and Danielle Pastin as Nedda/Colombina in Austin Lyric Opera's 2012 production of Leoncavallo's *Pagliacci*. Photo by Kirk Tuck. | Ava Pine as Susanna, Patricia Risley as Cherubino and Simone Alberghini as Figaro in Opera Colorado's 2012 production of Mozart's *The Marriage of Figaro*. Photo by Matthew Staver. | Leah Crocetto (center) as Anna and the women of the 2012 Apprentice Singer Program in The Santa Fe Opera's 2012 production of Rossini's *Maometto II*. Photo by Ken Howard.

BACK COVER:

Brett Polegato and Ben Heppner in Calgary Opera's 2011-2012 Canadian premiere of Heggie's *Moby-Dick*. Photo by Trudie Lee. | Measha Brueggengosman as Bess, Gordon Hawkins as Crown (far left), Jonathan Lemalu as Porgy (right, on cart) and Steven Cole as Sporting Life (far right) in Cincinnati Opera's 2011-2012 production of Gershwin's *Porgy and Bess*. Photo by Philip Groshong. | Opera North's 2011-2012 production of Rodgers' *The King and I*. Photo by Carl Brandon, Opera North. | Jan Cornelius and John Moore in Des Moines Metro Opera's 2011-2012 production of Tchaikovsky's *Eugene Onegin*. Photo by Duane Tinkey. | Stafford Hartman as Ida and David Kravitz as Falke in Opera Memphis's 2011-2012 production of Strauss' *Die Fledermaus*. Photo by Ed Maxwell. | Rachele Durkin in the title role of Chautauqua Opera's 2012 production of Donizetti's *Lucia di Lammermoor*. Photo by Roger Coda.

THE NATIONAL **OPERA** CENTER
AMERICA

330 Seventh Avenue
New York, NY 10001

