

The 2010-2011 Year in Review







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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 139 Professional Company Members in North America, more than 250 Associate and Business Members (many of which produce and present opera), 1,200 Individual Members and 16,000 online subscribers from around the world.

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The Year in Review

Despite the struggles of many opera companies, key indicators demonstrate the fundamental vitality and validity of the art form. Artists want to create and perform opera. OPERA America's online *Career Guide for Opera* lists more than 1,000 degree-granting programs across the country; assuming a modest average of 10 graduates from each program each year, 10,000 new singers, composers, directors and designers annually declare themselves interested in making opera part of their lives. The intensity of their creative ambition is evidenced by the tremendous growth in the number of small opera ensembles in cities across the country, most of which are launched and led by young artists.

Audience demand for opera is great, too, at the right price and for the right program. Lines of people snake through the lobby at the Metropolitan Opera waiting for \$20 tickets to select performances, and more than two million tickets were sold in the last year to the Met's HD transmissions. Companies have sold hundreds of discounted tickets to performances for popular and unusual repertory using daily deal sites. Houston Grand Opera's performances of the mariachi opera, *To Cross the Face of the Moon*, were completely sold out to a large new audience.

There is an appetite for attending opera that is as great as the appetite for creating and producing it. Yet, in the most recent Professional Opera Survey, 48% of member companies reported deficits. It's a confusing time when the art form itself is thriving and there is ample evidence of audience enthusiasm, but the core delivery platform — the traditional opera company that has been the basis for the growth of the field over the last six decades — is fragile.

Opera companies are beginning to realize that a leaner version of "business as usual" may not be the recipe for success in today's rapidly changing climate. Across the country, OPERA America members are questioning assumptions regarding repertoire, venues and more. They are exploring new ways of providing opera to their communities, either alone or in partnership with other organizations. Through this time of change and experimentation, communication among opera stakeholders has never been more important. OPERA America has responded to the new environment by providing expanded opportunities for members to connect and to learn from one another and experts from across the nonprofit sector.

OPERA America's activities, as the organization enters its fifth decade, have sought to both encourage and accompany important shifts in the creative landscape. At *Opera Conference 2011*, members affirmed a bold new strategic plan that propels the organization along an exciting path supporting greater communication in the field, development of new works and more extensive collaboration. The new National Opera Center, now under construction, promises to bring together opera stakeholders like never before, whether they travel to New York or connect with peers through the Center's state-of-the-art technology.

This report offers a sampling of the organization's activities. Read on for a detailed look at the progress OPERA America made in all aspects of its services in 2010-2011, exemplifying strong commitment to advancing members' missions.

OPERA America this year welcomed four new Professional Company Members. The ranks currently include a total of 139 Professional Company Members, 60 Educational Producing Associate Members, 86 Associate Members and 66 Business Members. The organization's changing membership is reflective of the vitality of the field as a whole, as established opera companies in major cities are joined by second and third companies with distinct missions. Among Professional Company Members, 41% were founded after 1980, and a growing number focus exclusively on new works. In addition, 10% operate seasons on a budget of less than \$250,000, suggesting new models where creativity is more important than cash.



Strategic Plan



In 2011, with full support of the membership, OPERA America began to implement a new five-year strategic plan designed to develop its capacity and identity as the leading action-oriented think tank for opera. OPERA America will work with members as full partners to develop ideas and strategies that will advance their work and strengthen the field as a whole. Key in this plan will be a new National Opera Center that will strengthen the identity of the art form and industry, engender a greater sense of common purpose and support national and international collaboration. The organization is working to build *The Opera Fund*, a permanent endowment that supports productions of new and existing American works, artist training and audience development activities. At the same time, OPERA America will work to increase direct contact with current and new members, and address internal governance and staffing issues in order to ensure that expertise and resources are available to fulfill the objectives of this plan. Find the strategic plan online at www.operaamerica.org.

Over the past year, OPERA America has made progress on a number of elements of the plan. Forum meetings (see page 11) have considered how the organization can work with members to advance the field. Construction has begun on the National Opera Center. Fiscal initiatives have included travel assistance to members, the re-establishment of grants supporting North American works and an increase in *The Opera Fund*. Recruitment efforts have resulted in a number of smaller, artist-driven member companies. Finally, a new strategy committee has been created and will meet annually in order to insure that the plan evolves to respond to changing conditions in the field.

The National Opera Center

On Friday, February 4, 2011, OPERA America signed a lease for the space that will become the National Opera Center, which will greatly expand capacity for service to opera companies and artists. The Opera Center will occupy 25,000 square feet on two floors in the same building that houses OPERA America's current offices. Construction, already underway, will include the removal of concrete and steel between floors in part of the space to create an acoustically excellent, double-height Audition/Recital Hall. The location, within a few blocks of more than a dozen subway lines, three suburban railroads, Amtrak and the AirTrain to JFK and Newark Airports, will be convenient for New Yorkers and the many artists and producers who travel to New York each year.

As OPERA America's relationship with members becomes more engaged, and as learning and networking services are more easily distributed using electronic media, the Opera Center will become the physical heart of an industry that is disbursed, but inherently collaborative. The Opera Center will provide unique and essential services never before available in a single location to increase the level of creativity, excellence and effectiveness in opera. In addition to OPERA America's administrative offices, the facility, scheduled to open in September 2012, will include:

- Audition/Recital Hall
- Recording studio
- Large rehearsal hall
- Private coaching studios and ensemble rooms
- Reference library
- Score and recording library
- Business center
- Learning center
- Meeting space
- Costume, design and video galleries
- Artists' lounge

The National Opera Center will be open from 10 a.m. to 10 p.m., seven days a week. OPERA America members will have priority use of the spaces and will be eligible for discounted rental rates. Users can book space through an online reservation system, which launched in fall 2011. Find the Reservation Request Form online at www.operaamerica.org.



Professional Development

One of the responsibilities of OPERA America is to anticipate the needs of Professional Company Members with programs that help advance both the art form and professional learning; the organization devotes 30% of its annual budget to professional and leadership development activities. Almost all member companies participated in at least one OPERA America program in 2010-2011, and just over half participated in four or more.

OPERA America has considerably expanded its online offerings, allowing many professionals to gain and share knowledge without travel costs. A **Webinar series**, created with the support of the Andrew W. Mellon Foundation, offers members an opportunity to engage with expert faculty without leaving their offices. Through a growing online archive, webinars remain available for members interested in learning more about topics that include: health care reform proposals and the opera field, institutional alcohol policies, the Cultural Data Project, planned giving strategies, taxation and visa processing for foreign artists, social media tools and strategies for educators. Attendance rose steadily throughout the first year of the series, and over 43% of member companies have now participated in at least one webinar.

Opera Conference 2011: Opera Entrepreneurship: Building on Tradition was widely hailed as a great success. A total of 517 people representing 223 organizations gained hands-on professional development experience while making new contacts and learning more about the entrepreneurial activities emanating into the field from small and artist-driven companies in the Boston area. The Leadership Advance and New General Directors' Roundtable provided opportunities for emerging leaders to learn from one another and guest speakers. American Repertory Theater Artistic Director Diane Paulus hosted the *New Works Sampler* at the Oberon, A.R.T.'s theatrical club space, using the unconventional setting to talk about advantages of creating a social experience around opera and how unconventional settings can enrich the art form. A new conference community website provided attendees an opportunity to connect with one another both before and after conference. In addition, registrants created personalized conference schedules and downloaded materials to supplement the sessions they attended. For those unable to attend the conference, select sessions were recorded and are available at www.operaamerica.org.





In 2011, with the **Cultural Data Project** (CDP), a collaborative effort with the Pew Charitable Trusts, OPERA America launched an updated version of the Professional Opera Survey that offers more specificity in revenue, expenses and non-financial data. The Development, Marketing and Education Benchmarking Surveys have also been moved online and incorporated into this survey process. These powerful online management tools have streamlined the annual data collection process and provide all statistics for future Professional Opera Survey Reports. Seventy-one Professional Company Members have reported their financial, operational and attendance data to OPERA America consistently for five consecutive seasons; these companies are included in the *Annual Field Report* (see page 35). In addition, the data collected in the CDP serve as a basis for customized benchmarking analysis of individual opera company performance. These reports are produced frequently upon request from Professional Company Members.

In spring 2011, OPERA America completed a short form version of the Human Resources Survey, which gathered compensation and benefits information for the department heads of 23 Level 1 and Level 2 Professional Company Members. A full version of the Human Resources Survey, collecting salary data for all positions as well as more detail on benefits packages, is currently underway by Professional Company Members at all levels.





OPERA America's forums serve different constituents in the opera industry, from artists to administrators to trustees, bringing them together in person to share and advance ideas, and gain new expertise.

OPERA America's **National Trustee Forum** was formed in 2005 to create a deeper understanding of the most pressing governance issues challenging the field of opera and to explore ways OPERA America can respond. Thirty-five professional company members are currently represented on the forum. Shared best practices and year-round networking opportunities continue to make the National Trustee Forum a highly valued resource for opera company board members. In February 2011, the National Trustee Forum held the first of its two annual meetings in New York City. The three-day agenda included a dynamic workshop led by Fred Miller, president of the Chatham Group, on changing the culture of decision-making. The National Trustee Forum also met during the *Opera Conference* in Boston.

The **Technical/Production Forum**, an expansion and continuation of the well-established Technical/Production Committee, consists of production and technical administrators who also meet twice annually. The forum is growing to include a larger membership, with the goal of more clearly identifying and addressing commonly held concerns in all areas of opera production.

The five-year-old **Singer Training Forum**, comprised of stakeholders in the opera field who are dedicated to the identification and development of aspiring singers, also met twice over the year. The fall 2010 meeting took place in New York City with over 30 attendees discussing best practices for teaching strategic career planning to young singers. The spring 2011 meeting took place in conjunction with *Opera Conference 2011*, where members discussed educating young singers about the demanding realities of a career in opera.

For the **Electronic Media Forum**, OPERA America retains two consultants, Michael Bronson and Joseph Kluger, to advise Professional Company Members on electronic media-related issues. A meeting was held in March 2011 in New York City; travel stipends were made available to members more than 150 miles from New York City. Representatives from Chicago Opera Theater, Cincinnati Opera, Fort Worth Opera, Houston Grand Opera, Opera Company of Philadelphia, San Francisco Opera and The Santa Fe Opera attended. In addition to considering case studies presented by members, the forum learned from expert presentations on new and relevant technology, national policy issues and other industry news and updates.

Education Forum participants convened in New York in January 2011 and again in May at the opera conference in Boston. In January, 10 company representatives discussed topics that included how to make a significant impact with a limited budget, partnership strategies and effective evaluation metrics (qualitative and quantitative). Conference sessions included 16 participants and addressed the following topics: innovative programs to increase audience cultivation, stimulation and education; teaching and learning through the arts; and establishing relationships with education departments and universities.

Artistic Services

For many opera artists, OPERA America is a primary source of information for career advice. Workshops, panel discussions and other events allow emerging artists to meet with colleagues and mentors in locations across the country, while a host of online and print resources offer on-demand access to expert advice. OPERA America devotes nearly 30% of its annual budget to programs for emerging artists.

Salon Series: Exploring American Voices

The 2010-2011 season of OPERA America's popular showcase for contemporary American opera and songs featured four evenings of music by some of today's leading composers. Programs included:

A selection of art songs and excerpts from **Lori Laitman's** *The Scarlet Letter*, performed by soprano Sari Gruber, tenor Vale Rideout, baritone Randall Scarlata and composer/pianist Lori Laitman. *The Scarlet Letter* will premiere in 2013 as part of Opera Colorado's 30th anniversary season.

Arias from **Paul Moravec's** *The Letter* (The Santa Fe Opera, 2009) and a selection of songs, performed by soprano Amy Burton, mezzo-soprano Rosalie Sullivan, baritone Kelly Markgraf and Trio Solisti. The evening was presented in collaboration with Subito Music Corporation.

Excerpts from **John Musto** and Mark Campbell's *Later the Same Evening*, *Volpone*, *Bastianello* and *The Inspector*, performed by soprano Amy Burton, mezzo-soprano Eve Gigliotti, baritone Joshua Jeremiah and bass-baritone Tyler Simpson. The evening was presented in collaboration with Peermusic Classical. The team's operas have been performed by companies including Wolf Trap Opera, Maryland Opera Studio, Manhattan School of Music and The Glimmerglass Festival, among others.

Excerpts from **Lewis Spratlan's** *Life is a Dream*, *Earthrise* and *Architect*, performed by soprano Devon Guthrie, baritone Aaron Theno and pianist Saffron Y. Chung. Spratlan won a Pulitzer Prize for *Life is a Dream* in 2000; the work had its world premiere at The Santa Fe Opera in 2010.





Making Connections

OPERA America's popular *Making Connections* series continued in 2010-2011 with 13 professional development and networking events for artists. Notable panelists and featured artists included Francesca Zambello, Dolora Zajick, Tobias Picker, Steven Osgood and Anthony Roth Costanzo. Many of the events were streamed live on the OPERA America website. Session topics included:

- Make the Most of Audition Season
- Creating New Opera: Workshop to Scene Shop
- How to Identify the Right Training for You
- In Conversation with Francesca Zambello
- Internet Famous: Strategies for Branding and Promoting Yourself Online
- Stress Management for Opera Artists
- Fuel Your Art: Grant Writing 101
- Keys to a Successful Singer/Conductor Relationship
- Tax Tips Every Artist Should Know
- Cultivating the Dramatic Voice with Dolora Zajick
- Opera Entrepreneurship
- The Nuts, Bolts and Secrets of Covering
- In Conversation with Lauren Flanigan

Regional Workshops

OPERA America workshops for artists took place in Pittsburgh, Philadelphia, Saratoga and Cooperstown, NY, in collaboration with Pittsburgh Opera, Opera Theater Pittsburgh, Opera Company of Philadelphia, Academy of Vocal Arts, Curtis Institute, Opera Saratoga, Seagle Music Colony and The Glimmerglass Festival. Over 200 artists participated in day-long workshops that featured leading professionals such as Troy Cooke, Ned Canty, Darren K. Woods, Ana De Archuleta, Michael Eberhard, Danielle Orlando, David Lefkovich and more. Artists participating in the workshops had the opportunity to perform feedback auditions, network with colleagues and gain knowledge on important career topics such as Management 101, Strategic Planning, Tax Issues for Independent Artists and Developing a Dramatic Character.

Artist Weekend at Opera Conference 2011

OPERA America offered an Artist Weekend in conjunction with the conference in Boston. Programming for the weekend included feedback auditions, portfolio reviews, one-on-one mentoring sessions and presentations on important topics such as strategic planning and musical entrepreneurship. Forty-six artists attended the two-day workshop and gained valuable career advice from established professionals such as James Marvel, Ben Krywosz, Dona D. Vaughn, Neal Goren and Darren K. Woods. A diverse group of artists attended the workshop including singers, composers, directors, designers, a librettist and a conductor.

(See page 11 for details of the Singer Training Forum and Technical/Production Forum.)





The Opera Fund is a permanent endowment that allows OPERA America to make a direct impact on the ongoing creation and presentation of new opera and music-theater works. *The Opera Fund*, launched with support from the National Endowment for the Arts in 2001, continues OPERA America's long tradition of supporting and nurturing North American works. To date, the organization has awarded more than \$11 million in grants to assist companies with the expenses associated with the creation and development of new works. About 10% of OPERA America's annual budget directly supports new works activity in the field.

Twenty-two companies submitted applications, requesting a total of \$682,174. An independent panel awarded a total of \$172,474 to seven Professional Company Members in the Repertoire Development category for 2011:

- **Houston Grand Opera:** *Siddhartha* by Christopher Theofanidis and Patrick Summers (\$25,000)
- **Kentucky Opera:** *Enemies, a Love Story* by Ben Moore and Nahma Sandrow (\$15,000)
- **Minnesota Opera:** *The Garden of the Finzi-Continis* by Ricky Ian Gordon and Michael Korie (\$12,562); and *Silent Night* by Kevin Puts and Mark Campbell (\$29,912)
- **Opera Company of Philadelphia, Gotham Chamber Opera and Music-Theatre Group:** *Dark Sisters* by Nico Muhly and Stephen Karam (\$50,000)
- **Opera Theatre of Saint Louis:** *Untitled* by Terence Blanchard and Michael Cristofer (\$25,000)
- **Paul Dresher Ensemble:** *Chosen* by Erling Wold (\$15,000)

The Robert L.B. Tobin Director-Designer Showcase

The bi-annual Director-Designer Showcase is part of OPERA America's continuing effort to foster emerging opera artists and is made possible through support from the Tobin Theatre Arts Fund. It has been established to bring emerging talent to the attention of the field and connect promising directors and designers with those who are in a position to advance their careers.

The following projects were featured at *Opera Conference 2011* in Boston:

- *Arjuna's Dilemma* — Director and Set Designer: **Gian Marco Lo Forte**, Costume Designer: **Angela Wendt**, Lighting Designer: **Rocco D'Santi**, Choreographer: **Philip Montana**, Mask Design & Puppets: **Jane Catherine Shaw**, Art: **Mark Tambella**
- *Dead Man Walking* — Director: **Justin Johnson**, Set Designer: **Damon Pelletier**, Costume Designer: **Haley Lieberman**
- *A Flowering Tree* — Director: **Austin McCormick**, Set and Costume Designer: **Zane Pihlstrom**, Lighting Designer: **Gina Scherr**, Choreographer: **Hari Krishnan**
- *Hydrogen Jukebox* — Director: **Rafael Gallegos**, Set and Lighting Designer: **Brett J. Banakis**, Costume Designer: **Sydney Maresca**

Trustees

OPERA America believes that the health of every opera company is determined in large measure by the commitment and effectiveness of its trustees. This past year, OPERA America allocated around 10% of its budget to programs and resources to support these key decision-makers who are helping to define opera's present and shape its future.

The **National Opera Trustee Recognition Awards**, chaired by OPERA America Vice Chairman Frayda Lindemann and made possible by Bank of America, took place at a private club in New York City in February 2011. The guest list was a "who's who" of opera leaders, general directors and OPERA America board members along with honorees' family members and friends. The honorees included Lynn Wyatt, Houston Grand Opera; Eleanor Caulkins, Opera Colorado; Jackie Lockwood, Dayton Opera; and John I. Riddle, PORTopera (ME). All were recognized and celebrated for exemplary leadership, exceptional support and strong audience-building efforts. Attendees at a special dinner to recognize the four trustees were treated to a sneak preview of *Dark Sisters*, a new opera by Nico Muhly, co-commissioned by Gotham Chamber Opera, Opera Company of Philadelphia and Music-Theatre Group, as well as favorite arias performed by members of the Metropolitan Opera Lindemann Young Artist Development Program.

The **Trustee Designee Program**, funded by Deloitte, is one of the benefits of Professional Company Membership with OPERA America. Through this program, OPERA America annually extends complimentary one-year memberships for current board members of all member companies. An Individual Membership with OPERA America provides trustees with the information and resources they need for:

- A broader and keener awareness of the critical issues facing the field
- Increased knowledge of best practices
- Enhanced leadership and stewardship skills

Last year, 172 trustee designees representing 31 professional company members participated in the program.

President/CEO Marc A. Scorca continues to provide **Customized Consultations** on topics that include roles and responsibilities of board members; building board members' fundraising capacity; and strategic planning. Companies requesting these consultations in 2010-2011 included: Tri-Cities Opera, Opera New Jersey, Virginia Opera, Opera Memphis, Tulsa Opera, Opera Cleveland and Lyric Opera Baltimore.

(See page 11 for discussion of the Trustee Forum.)





Education and Community Programs

Education has always been one of OPERA America's core tenets, demonstrated by the fact that the organization devotes nearly 10% of its budget to a fully dedicated education program. From curricular programs to professional development and beyond, initiatives continually seek to engage established audiences and attract new ones. Recently, OPERA America formally recognized the crucial role of community outreach by expanding the network name to Education & Community Programs.

Music! Words! Opera!

Music! Words! Opera! (M!W!O!) is OPERA America's landmark curriculum program for students. Designed in the late 1980s, it introduces students to the great operas while guiding them through the process of creating an original piece that they compose, produce and perform.

In FY11, a grant from The MetLife Foundation allowed four opera companies to introduce the program for the first time in their communities. In summer 2011, educators from these communities joined more than 70 individuals (primarily classroom teachers) to participate in professional development through *Music! Words! Opera!* teacher training workshops in Saint Louis, Memphis, Denver, Atlanta, Fargo, Fort Worth and Boston. Neil Ginsberg, a composer, teaching artist and New York City public school teacher, joined veteran trainers Roger Ames, Clifford Brooks and Kay Hoke in leading workshops. MetLife covered the full costs of 2011 workshops in Memphis, Atlanta, Fargo and Boston; in summer 2012, these sites will receive funding to cover 50% of the workshop costs.

M!W!O!'s middle school curriculum, previously only available as a single volume, has recently been revised as three stand-alone units (*Aida*, *Hansel and Gretel* and *Create & Produce*) in order to provide middle school general music teachers with a more approachable way to include a unit on opera in their instruction.

Online Learning

Online offerings for 2010-2011 included two new courses devoted to important 20th-century works: Jake Heggie's *Dead Man Walking*, taught by Kip Cranna and offered in collaboration with Houston Grand Opera and Fort Worth Opera; and Benjamin Britten's *A Midsummer Night's Dream*, taught by Kelley Rourke and offered in collaboration with the Britten-Pears Foundation and Boston Lyric Opera. Both courses offered a multimedia approach to the works in question, complete with historic materials related to premieres and interviews with current interpreters.

In addition, eight archived courses were licensed by 10 companies across the country and in Canada. Combined, over 800 members of the general public participated in these courses.

OPERA America invites companies and organizations to offer *Online Learning* courses to their audiences. Licensing rates start as low as \$250, and courses are currently available on the following operas: *The Barber of Seville*, *La bohème*, *Brief Encounter*, *La Cenerentola*, *Carmen*, *Dead Man Walking*, *Don Giovanni*, *Hansel and Gretel*, *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*.

Learning Center

OPERA America's Learning Center is a central online repository of opera information, including synopses, biographies, articles, suggested reading and listening, and scholarly papers for 50 operas. The wide range of materials is designed to be used by opera administrators, artists and academics alike. The information is available to the general public, but is particularly useful for OPERA America members as a resource to which they can link to enhance their own offerings to opera lovers and newcomers to the art form.

(See page 11 for discussion of the Education Forum.)



Opera in the Public and Media Eye

OPERA America not only supports its membership base, but also seeks to promote the art form to the public and the media.

2010 marked the third annual **NEA Opera Honors**, open to the public and held at Washington, D.C.'s Harman Center for the Arts. Honorees included soprano Martina Arroyo, producer David DiChiera, composer Philip Glass and conductor Eve Queler.

In conjunction with the Opera Honors, OPERA America coordinated the second **National Opera Week** in mid-November, during which opera companies engaged the public in a variety of free and fun activities such as backstage tours, YouTube contests and flash performances — events designed to encourage people to experience opera, some for the first time. Over 100 organizations participated in National Opera Week, including 64 Professional Company Members and 18 Associate Members, and participants joined in from 33 states.

OPERA America President/CEO Marc A. Scorca has been interviewed or cited by numerous news outlets over the past year, on topics ranging from the economy's impact on opera to National Opera Week to ticket prices. And of course OPERA America maintains a lively presence on Twitter and Facebook, where the organization enjoys the attention of nearly 5,000 fans.





Advocacy and Public Policy

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

This past year, OPERA America has advocated in support of:

- Protecting the charitable deduction
- 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
- Reinstating, and making permanent, the IRA Charitable Rollover giving incentive
- Strengthening cultural exchange and cultural diplomacy opportunities
- Preserving a free and open Internet; network neutrality
- Strengthening opportunities for the arts to partner with the national service programs
- Reinstating the fair market value artist deduction; tax fairness for artists and writers

In addition to advancing public policy in support of the arts, OPERA America continues to inform and engage members in advocacy efforts. Over the past year, OPERA America members have had the opportunity to participate in a national webinar on arts in education. As a member benefit, all OPERA America members have received e-mail action alerts in support of the National Endowment for the Arts, arts in education policy and preserving the charitable deduction. Advocacy and public policy reports have been featured in *Opera America Magazine*, archived articles online, the Education Forum, the Electronic Media Forum and the conference roundtable sessions.





HIGHLIGHTS OF DEVELOPMENTS IN KEY ISSUE AREAS:

National Endowment for the Arts

In coalition with the Performing Arts Alliance (of which OPERA America is a founding member), the ad hoc Cultural Advocacy Group, and Americans for the Arts' Arts Advocacy Day Legislative Planning Committee, OPERA America's advocacy efforts for the National Endowment for the Arts (NEA) is focused on appropriations. In FY11, OPERA America advocated for \$167.5 million in funding, level with FY10 support. The NEA received \$155 million after a long budget battle and many continuing resolutions that included proposals to further decrease funding and even eliminate the NEA.

OPERA America partnered with the NEA on the 2010 Opera Honors in Washington, D.C. The event is a public/private partnership that both highlights excellence and achievement in the opera community while also providing opera companies across the U.S. the opportunity to advocate for the important role of opera and the arts in communities on a national and local level.

Charitable Giving

As a member of Independent Sector, OPERA America has immediate access to detailed analysis of charitable giving issues, and a seat at the table with the larger nonprofit community to discuss and strategize how to positively affect charitable giving policies.

As of January 1, 2011, both the IRA Charitable Rollover and the state tax were reinstated, with the rollover slated to expire on December 31, 2011, and the estate tax expiring at the end of 2012. Senators Schumer (D-NY) and Snow (R-ME) have introduced the Public Good IRA Rollover Act (S.557) which would make the provision permanent; Representatives Herger (R-CA) and Blumenauer (D-OR) introduced a companion bill in the House (H.R. 2502).

OPERA America and the Performing Arts Alliance added the organization's name to letters from Independent Sector and the National Council of Nonprofits to urge legislators to protect the charitable deduction. Additionally, OPERA America participated in a small, yet targeted, "Hill Day" coordinated by the Alliance for Charitable Reform, visiting the offices of Senate Finance Committee members.

Arts Education

OPERA America advocates for arts education as a member of the Arts Education Legislative Working Group, an ad-hoc coalition comprising members of the Cultural Advocacy Group and the Arts Education Partnership. Arts Education issues have involved reauthorization of the Elementary and Secondary Education Act (ESEA) and Arts in Education (AIE) appropriations and research.

In 2011, the \$40 million AIE line item was reduced to \$25 million and there were, and continue to be, efforts in the House to eliminate funding to AIE altogether for

FY12. Advocates for AIE funding are also challenged by the President's proposal to include AIE in the catch-all Fund for a Well Rounded Education that also includes the teaching of history, civics and social studies. Advocacy work will continue to include ensuring that Arts in Education is included as a core academic subject in ESEA reauthorization and continued appropriations for AIE initiatives.

International Cultural Exchange

OPERA America's advocacy efforts for cultural exchange have focused on: Communication with the State Department and the NEA, State Department appropriations, and member education on cultural exchange opportunities. In addition, OPERA America takes a leadership role in coordinating the Cultural Exchange Working Group, a sub-group of the Cultural Advocacy Group to strategize and take action on this issue.

OPERA America continues to work with other national service organizations to enhance the arts training program of cultural affairs officers at the Foreign Service Institute. OPERA America has also observed the training courses and worked to provide updated resources. Additionally, the State Department's Bureau of Educational and Cultural Affairs has recently launched Cultural Crossroads, an online social networking group intended to convene U.S. artists and State employees overseas in an effort to facilitate new partnerships and collaboration. OPERA America is working to provide content to the site and to disseminate information to members.

White Space Issue

OPERA America continues to ensure that the performing arts community is represented in policy discussions around spectrum and white space issues. After the Federal Communications Commission (FCC) held spectrum auctions, wireless microphone users were forced to move out of the 700 megahertz frequency range, costing some performing arts groups thousands of dollars in new equipment. The FCC announced wireless microphone users will be required to provide a list of frequency needs 30 days in advance of requested need to a database that is not yet in existence. This was of significant concern as many performing arts groups find that certain frequencies do not work once they get into tech rehearsals. In January, the FCC designated nine technology companies to serve as TV band device database administrators; however, no databases have been created yet. Additionally, the FCC shared that if the requested channels are problematic, wireless microphone users will be allowed to request changes to reserved frequencies.

Wireless microphone users will be encouraged to work together in geographic areas and register an entire area for additional channels in order to prevent anyone from warehousing channels. OPERA America members will continue to receive updates on this issue particularly when databases go live and reservations begin.

Timeline

- February 2011** OPERA America participates in a meeting of the Cultural Advocacy Group with Mike Griffin, the White House and Congressional Liaison for the National Endowment for the Arts; OPERA America attends the quarterly stakeholders meeting hosted by United States Citizenship and Immigration Services.
- March 2011** The Performing Arts Alliance, of which OPERA America is a founding member, holds quarterly board meeting.
- April 2011** OPERA America participates as a National Co-Sponsor in Arts Advocacy Day in Washington, D.C. and attends the first ever Arts Advocacy Day meeting at the White House; OPERA America joins Independent Sector on multiple legislative visits to discuss preservation of the charitable deduction.
- May 2011** OPERA America joins other members of the ad-hoc Cultural Advocacy Group to meet with members of the Senate Interior Appropriations Committee to discuss FY12 NEA appropriations; policy updates are provided at the Electronic Media Forum, the Education Roundtable, and at various council sessions and board meetings at OPERA America's annual conference.
- June 2011** OPERA America attends the National Council on the Arts open meeting; OPERA America attends quarterly stakeholders meeting hosted by United States Citizenship and Immigration Services; OPERA America joins other national service organizations to observe arts training at the State Department's Foreign Service Institute; Arts in Education policy webinar is offered to OPERA America members; the Performing Arts Alliance, of which OPERA America is a founding member, holds quarterly board meeting.
- July 2011** OPERA America has 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 learns of the launch of the online Cultural Crossroads group; OPERA America attends arts training at the Foreign Service Institute.

Online and Print Resources

Thanks to an extensive redesign in FY10, OPERA America's website extends and complements its range of services to members. Select sessions from the annual conference and other professional development activities, such as *Making Connections*, are streamed live and remain accessible to members through a free archive.

A bi-weekly e-newsletter, *OperaLink*, offers membership news, upcoming artist opportunities, articles and updates on OPERA America's services all in a single resource. News about opera is housed on the homepage, conveniently aggregated so that members and non-members can easily stay up-to-date on developments in the field. The website also offers the option to subscribe to the news feed, making it easy to stay current.

Career Guide for Opera

In June 2011, OPERA America launched the *Career Guide for Opera*, providing a wealth of information for emerging professionals with 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 Forum (formerly Production Directory)

The Production Directory, a widely-used resource on the OPERA America website, has been redesigned to serve as a central hub of information for technical/production personnel. The Technical/Production Forum expands the efficiency and functionality of directory information. With this upgrade, Professional Company Members can:

- Find general company information, facility specifications, technical/production personnel and administrative personnel on a single page.

- Update their company's profile and rental listings using the "Manage My Listings" section.
- Search hundreds of productions for rent by company, opera title or designer. Once a production has been selected, the user may peruse sets, costumes, props, titles, scores and images.
- View and compare resident theater specs.
- Utilize helpful resources including the Co-Production Handbook and Standard Costume Measurement Form.
- Find information on upcoming Technical/Production Forum meetings and the Director-Designer Showcase.

Later this year, moderated message boards will be added to the online forum to enable varied, easily archived discussion on best practices, co-production opportunities and production materials for sale, among other topics.

The North American Works Directory

The North American Works Directory is the online hub for information about North American opera and music-theater works, and is the largest compendium of its kind. This Directory provides information on vocal parts, orchestration, musical style, length, source materials, synopsis and contact information, as well as premiere dates, locations and artistic personnel. Each opera's Directory record also includes information on past and future performances produced by OPERA America's organizational members. When this resource premiered on the OPERA America website, the Directory featured data for 700 North American operas. In the past year, additions submitted by member publishers, composers and companies, as well as OPERA America staff, have increased the directory's listings to over 1,100 listings and counting. Efforts continue to research and add North American works that are eligible for inclusion. A physical counterpart to the online directory, the Baisley Powell Elebash Score and Recording Library, includes scores, libretti and recordings of North American operas. OPERA America's holdings continued to become more robust this year, owing to individual and institutional donations.



Development

The programs and activities of OPERA America are possible only with strong support from individual donors, foundations and corporate and government grants. Contributed income comprised 60% of OPERA America's overall revenue in FY11.

Individual Support

More than 300 individual donors across the U.S. now support OPERA America. While their primary commitment is (and should be) to their local companies, these generous opera lovers also choose to support the only national organization serving the entire field. Donors recognize the value of services and often point to specific areas within their respective companies where OPERA America provided assistance. Last year, individual donors contributed \$276,295 to the Annual Fund. The Ambassador Circle, OPERA America's most generous group of individual donors, enjoyed the opportunity to participate in special trips to Santa Fe, Boston and New York City, where they enjoyed opera performances, museum visits and festive meals in noted restaurants.

Foundation, Corporate and Government Support

The declining foundation support that many member companies are experiencing is also a reality for OPERA America, exacerbated by the fact that fewer foundations are supporting national service organizations regardless of economic conditions. Still, due to the vision and generosity of several important foundations, OPERA America has been able to continue a high level of service to members.

The NEA continued its critically important support of the field through funding to OPERA America. NEA support provided travel assistance to the Technical/Production, Singer Training, Education and Electronic Media Forums and Committee meetings. Funding also facilitated the third annual NEA Opera Honors. Other government funding was provided by the New York State Council on the Arts for Artists Workshops in upstate New York.

OPERA America remains deeply grateful for all the generosity and commitment 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.





Financial Position

OPERA America ended FY11 with an operating surplus of approximately \$6,000. The total increase in net assets — after factoring in gifts and expenses related to the Opera Center and increases in company investment accounts — was approximately \$3.3 million. Throughout FY11, OPERA America maintained positive working capital and ended the year with more than six months' worth of operating expenses covered by cash on hand and certificates of deposit. In addition, OPERA America held operating reserves of over \$230,000 at the end of FY11, down slightly from a peak of nearly a quarter of a million dollars achieved at the end of FY08. The operating reserves balance at the end of FY11 was just under 8% of OPERA America's annual operating budget, below the 30% target (roughly the equivalent of one year of salary and benefits for key staff) established by the Board of Directors.

Statement of Financial Position, as of June 30, 2011

Total Assets - \$12,222,849
Total Liabilities - \$539,017
Total Net Assets - \$11,683,832
 Operating - \$230,297
 National Opera Center - \$4,194,547
 Temporarily Restricted - \$1,869,956
 Permanently Restricted - \$5,389,032

Statement of Activities, as of June 30, 2011

Membership Dues - \$715,220
Annual Fund Support - \$276,295
Foundation/Corporate Support - \$915,176
Government - \$300,808
Endowment Income - \$239,150
In-kind Support - \$7,625
Earned Revenue - \$395,763
Total Revenue - \$2,850,036

Membership - \$289,276
Public Affairs and Marketing - \$119,069
NEA Opera Honors - \$152,880
Information Services - \$288,459
Education - \$123,390
Annual Conference - \$383,658
Artistic Services - \$478,594
Development - \$334,055
General Operations - \$674,709
Total Expenses - \$2,844,090

Surplus \$5,946





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(current as of December 1, 2011)

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*denotes Canadian Opera Creation Fund: *The Power of 100*, ** denotes Multi-year commitment

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:

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The 2010 Annual Field Report



The 2010 Annual Field Report

By Larry Bomback and Katherine Baltrush

INTRODUCTION

OPERA America's *2010 Annual Field Report* (AFR) is based on the Cultural Data Project/Professional Opera Survey (CDP/POS), which OPERA America Professional Company Members in the U.S. and Canada complete each year. The CDP/POS collects detailed information on annual financial, performance and attendance activity, and this AFR highlights data from opera companies' 2010 fiscal years (which, when combined, span the range from March 2009 to December 2010). The CDP/POS for 2010 collected data from 97 companies across the U.S. and Canada, representing 80% of OPERA America's professional company membership. This survey universe represented an industry with total expenditures of \$883MM¹ in 2010, marking a decrease from the \$913MM in expenditures made by 97 companies the year before.

Companies that have reported consistently for five consecutive seasons comprise the AFR's Constant Sample Group (CSG). The 2010 CSG includes 59 U.S. and 12 Canadian companies for a total of 71 companies, six more than the 2009 AFR. This figure represents 59% of OPERA America's Professional Company Members. Interestingly, of the 71 companies in the AFR CSG, 20 (or 28%) have budgets under \$1MM, the largest such percentage (adjusted for inflation) since OPERA America started publishing the AFR.

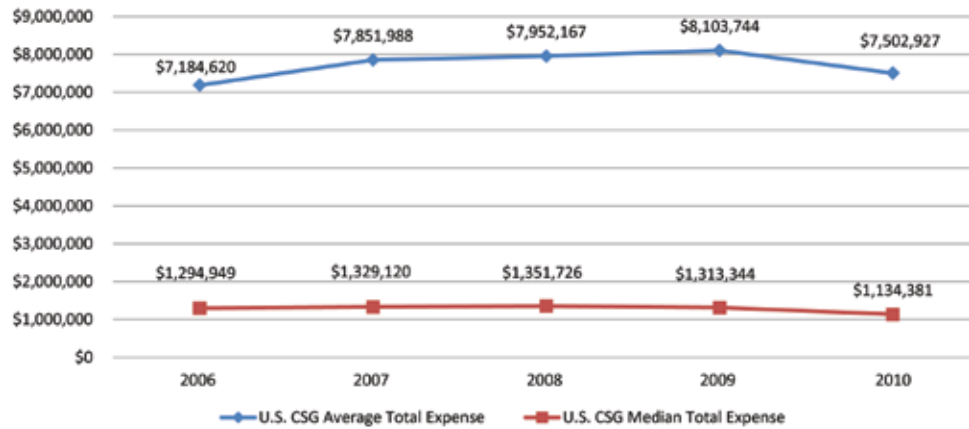
While last year's AFR demonstrated how CSG companies and their patrons responded to the worst months of the Great Recession, the 2010 report illustrates ticket buyer and donor reactions to

the early stages of the global economic recovery, as well as the tough choices opera companies have made as they adjust to what is now commonly referred to as the "new normal." Still, many companies showed signs of stabilizing by the end of 2010; 39 of the 71 companies included in the CSG reported an operating surplus in 2010, compared to 2009 when only 25 companies reported a surplus.

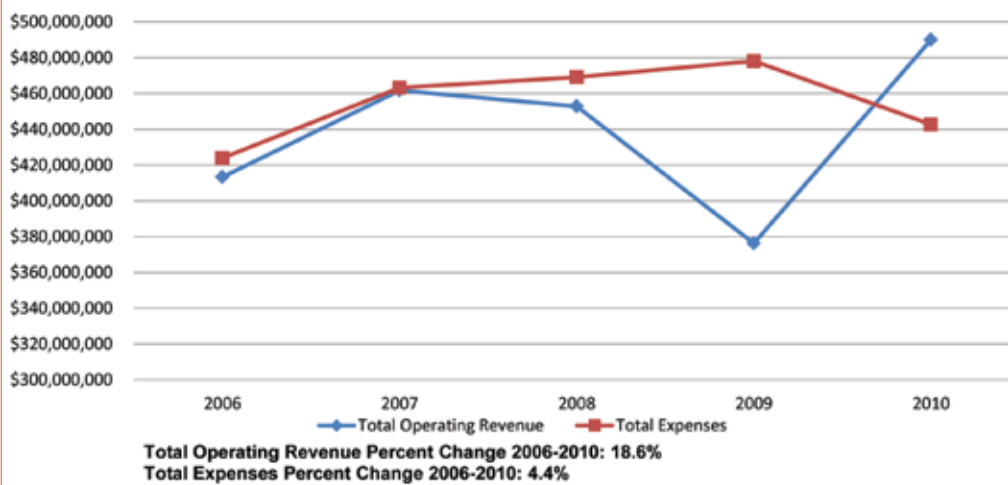
Total expenses of the U.S. CSG decreased over 7%, from \$478MM in 2009 to \$443MM in 2010. This decline, coupled with an increase in total operating revenue, resulted in an impressive turnaround in net operating income from an aggregate deficit of nearly \$102MM in 2009 to an aggregate surplus of over \$47MM in 2010. Thirty-one of 59 (or 52%) companies in the U.S. CSG achieved an operating surplus in 2010. The effect of the rapid stock market ascent throughout 2010 is evidenced by the increase in total net assets (including unrestricted, temporarily restricted and permanently restricted funds) of the entire U.S. CSG, which rose from \$700MM in 2009 to \$774MM one year later, an increase of over 10%. Total philanthropy received by U.S. CSG companies increased from \$268MM to \$291MM — more than 8% — year-over-year, as well. The increase was most noticeable in individual giving, which rose 13% from 2009. Total operating revenue for the U.S. CSG increased 30%, leaping from \$376MM in 2009 to \$490MM in 2010. Despite this increase, ticket sales revenue dropped considerably from \$153MM to \$139MM, or over 9%, from 2009 to 2010 as companies across all levels reduced the number of performances offered.

1. While the figures of the survey universe include the Metropolitan Opera, it has been excluded from the AFR since the exceptional size of the organization would skew the data.

Average and Median Total Expenses U.S. Constant Sample Group (59 Companies) 2006-2010

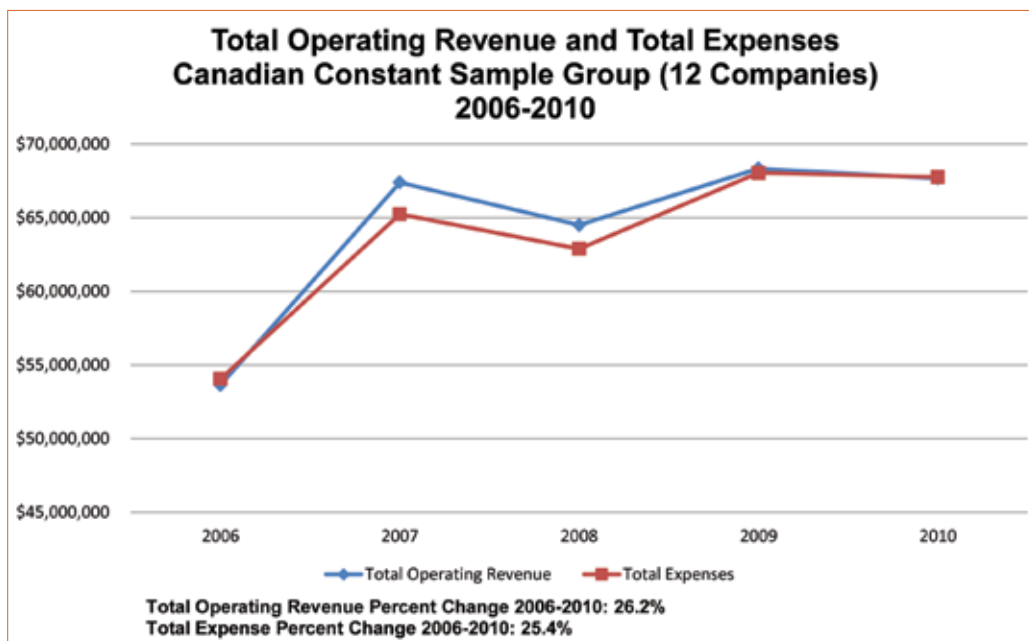
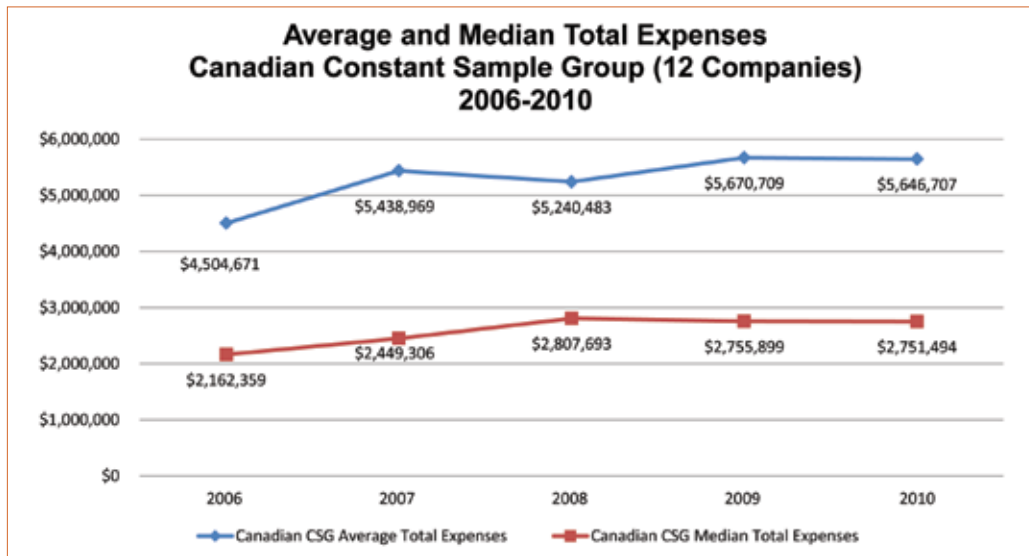


Total Operating Revenue and Total Expenses U.S. Constant Sample Group (59 Companies) 2006-2010



In the Canadian CSG, however, ticket revenue held steady at \$25MM in both 2009 and 2010. Additionally, total contributed revenue remained stable at \$35MM year-over-year, although individual giving was up 8% from over \$9MM in 2009 to over \$10MM in 2010. Total expenses showed a decrease of less than 1%, dropping from just over \$68MM in 2009 to over \$67MM in 2010. Despite the subtlety of these changes, the Canadian CSG's

aggregate surplus of \$286,000 in 2009 reversed to an aggregate deficit of \$93,000 in 2010. The net assets of the Canadian CSG dropped by 72% from \$719,555 in 2009 to \$200,916 in 2010, owing to write-downs in receivables and sizable increases in payables among a few companies. Invested capital fell from \$33MM in 2009 to \$26MM in 2010, a decrease of 25%.



THEMES

As the tables and charts on the following pages show, opera companies are, in general, becoming increasingly reliant on individual philanthropy. Institutional grant-making is declining, on average, and ticket revenue comprises a lesser percentage of total revenue than in any of the previous five seasons. In general, the dollar amount of a company's budget allocated to the creation of the art itself — including the costs of sets, costumes, singers, musicians and training programs — is shrinking. In some cases, artistic and production expenses have remained static as a percentage of total expenses, indicating that the shrinking dollar amount spent on the creation of opera is proportional to across-the-board reductions in costs. In other cases, though, expenses related to the production of opera comprise a smaller percentage of a company's total expenses.

Level 1 and Canadian companies in the CSG spent roughly two-thirds of their total expenses on the creation of art, on average. Level 2 CSG companies have increased artistic spending since 2006, despite some decreases in artistic personnel expenses since 2009; in 2010, 55% of total expenses, on average, were spent producing opera. Level 3 CSG companies spent less on the creation of opera than in any of the previous five seasons; artistic expenses for these companies represented only 53% of total expenses, on average.

It should be noted that the decrease in personnel costs from previous years reflected not only cuts in administrative staff, but also reductions in fees paid to artists and performers. The stabilization of personnel expenses in 2010 indicates that decreases in both administrative staff and artist fees — hopefully — lie in the past. Additionally, companies are identifying ways to reduce non-personnel costs significantly.

Negative working capital continues to challenge many opera companies, despite increases in net assets, as major gifts tend to be earmarked for specific programs or productions rather than for unrestricted purposes. While many companies report positive unrestricted net assets on their balance sheets, the lion's share of these assets are unavailable, being invested either in property and equipment

(and thus illiquid) or in board-designated reserves rather than undesignated funds.

Ticket prices have fluctuated in recent years as companies have responded to both their own changing needs and those of their patrons in a challenging economy. In 2010, lowest single ticket prices decreased across most of the U.S. CSG by between 5% and 15%, on average. Inversely, highest single ticket prices rose across the board to greater or lesser degrees. Orchestra seating also generally increased among the group, though Level 2 companies saw decreases in this category, on average. Subscription package prices rose as much as 36%, on average, in Level 2, 3 and 4 U.S. CSG companies, despite a general decrease in the number of productions mounted. Among the Canadian CSG, single ticket prices increased, on average, while both subscription packages and orchestra seating prices decreased by as much as 37%, on average. Interestingly, these decreases in subscription prices did not translate into increased subscription renewals among the Canadian CSG.

Finally, reductions in the number of performances in the U.S. CSG have had a noticeable impact on capacity utilization. With fewer seats available, aggregate capacity utilization reached nearly 81% in 2010. Though pre-recession levels still have yet to be attained, houses were fuller than they were a year before. Level 3 CSG companies, however, are an exception; despite decreasing the number of available seats, paid attendance for this group decreased by over 18%, on average, from 2009 to 2010. Unlike U.S. companies, the Canadian CSG produced more opera in 2010 than it had in any of the previous five seasons. That effort was rewarded with higher capacity utilizations than those achieved over the same period, increasing by over 28%, on average, since 2006.

Note: 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 2.39%. In Canada, the annualized rate for the same period was 1.78%. For explanations of financial position terminology and productivity measures used throughout this report, refer to page 60.

Level 1

ANNUAL BUDGETS OVER \$10,000,000

10² companies comprise the 2010 Level 1 U.S. CSG:

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

OVERVIEW

- Eight of 10 companies in the Level 1 CSG reported an operating surplus in 2010 for an average surplus of \$4.2MM. This marks a noteworthy turn-around from the \$8.8MM average deficit reported in 2009.
- Average operating revenue for the Level 1 CSG increased over 46% from over \$23MM in 2009 to over \$34MM in 2010, reaching its highest level in five years' time. Average expenses declined by over 6% during that period, from \$32MM in 2009 to \$30MM in 2010.
- In 2010, average investment portfolios among Level 1 companies amounted to nearly \$48MM, their highest level in five seasons. This was the result of new endowment gifts and unrealized capital gains owing to the stock market rise.
- Working capital among Level 1 companies improved, on average, from (\$5MM) in 2009 to (\$1MM) in 2010. Significant accumulated deficits, however, still weighed on the majority of companies in the Level 1 CSG.

Operating Net Income Average of U.S. Constant Sample Group of (10) Level 1 Companies									
	2006	2007	2008	2009	2010	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Total Operating Revenue	\$27,885,379	\$31,599,879	\$29,330,936	\$23,626,196	\$34,661,305	46.7%	24.3%	5.6%	3.2%
Total Expense	\$28,131,718	\$31,150,224	\$31,471,739	\$32,487,649	\$30,383,675	-6.5%	8.0%	1.9%	-0.4%
Operating Net Income (Loss)	(\$26,339)	\$449,655	(\$2,140,803)	(\$8,871,453)	\$4,277,630				
As Percentage of Expense	-0.9%	1.4%	-7.3%	-37.5%	12.3%				

Balance Sheet Average of U.S. Constant Sample Group of (10) Level 1 Companies									
	2006	2007	2008	2009	2010	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Net Assets									
Unrestricted	\$19,202,222	\$20,823,859	\$18,798,100	\$8,089,231	\$12,251,610	51.5%	-36.2%	-10.6%	-13.0%
Temporarily Restricted	\$8,553,393	\$12,168,329	\$14,497,912	\$14,572,090	16,098,640	10.5%	88.2%	17.1%	14.7%
Permanently Restricted	\$23,357,410	\$27,481,140	\$29,122,570	\$29,902,216	31,268,909	4.6%	33.9%	7.6%	5.2%
Total Net Assets	\$51,113,026	\$60,473,327	\$62,418,581	\$52,563,537	\$59,619,159	13.4%	16.6%	3.9%	1.5%
Total NA as % of Expense	181.7%	194.1%	198.3%	161.7%	196.2%				
Working Capital	\$7,920,896	\$9,153,309	\$5,827,142	(\$5,065,650)	(\$1,040,236)	-79.5%	-113.1%	--	--
as % of Expense	28.2%	29.4%	18.5%	-15.6%	-3.4%				
Investments *	\$37,835,526	\$45,758,261	\$45,953,517	\$40,066,861	\$47,939,866	19.6%	26.7%	6.1%	3.7%
as % of Expense	134.5%	146.9%	146.0%	123.3%	157.8%				
Net Fixed Assets	\$11,281,327	\$11,670,550	\$12,970,958	\$13,154,861	\$13,291,846	1.0%	17.8%	4.2%	1.8%
* Including Separately Incorporated Endowments									

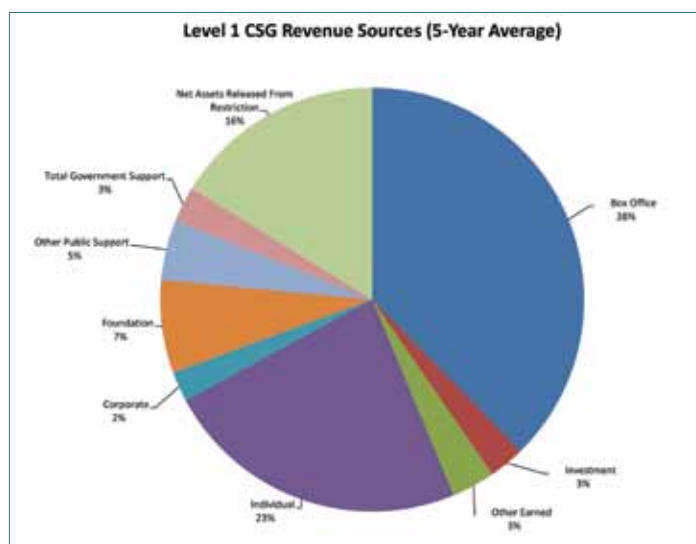
2. New York City Opera has been excluded from the U.S. CSG; the lack of a formal season of programming in 2009 renders their CDP/POS survey responses statistically irrelevant.

REVENUE

- Average ticket revenue in 2010 was the lowest of the past five seasons, dropping by over 9% from 2006. Ticket revenue accounted for less than 30% of total operating revenue for the first time in five seasons.
- In 2010, revenue from investments was \$3.7MM on average, the second highest level since 2006.
- Individual gifts, on average, increased by over 35% from 2009 to 2010 and have risen nearly 27% since 2006. Foundation support declined from 2009 to 2010 by 19%, on average, although such support has increased by over 26% since 2006. Corporate support has increased slightly from 2009 to 2010, but has declined by 15% since 2006. Local, state and federal support of Level 1 companies fell by 8% from 2009 to 2010, and has dropped over 16% since 2006 to its lowest level in five seasons.
- The average Level 1 company ratio of contributed to earned revenue was 56%:44% over the past five seasons. This represents the narrowest split among all U.S. levels, by far.

Unrestricted Revenue Average of U.S. Constant Sample Group of (10) Level 1 Companies												
	2006		2007		2008		2009		2010		Percentage Change 1-yr	4-yr Annualized Growth Rate Actual Infl. Adj.
Unrestricted Earned Revenue												
Box Office	\$11,089,982	36.8%	\$11,550,696	36.6%	\$11,350,847	36.7%	\$11,348,928	48.0%	\$10,081,123	29.1%	-11.2%	-8.1%
Investment	\$1,804,669	6.6%	\$3,836,986	12.1%	(\$302,784)	-1.0%	(\$5,039,108)	-21.3%	\$3,702,952	10.7%	—	106.2%
Other Earned	\$1,559,406	5.6%	\$1,609,638	6.1%	\$1,720,512	5.9%	(\$1,181,215)	-5.0%	\$1,190,782	3.4%	—	-23.6%
Total Unrestricted Earned Revenue	\$14,454,057	51.8%	\$16,998,901	53.8%	\$12,768,575	43.5%	\$5,128,606	21.7%	\$14,974,857	43.2%	192.0%	3.6%
Unrestricted Contributed Revenue												
Private Support												
Individual	\$6,454,716	23.1%	\$6,549,372	20.7%	\$7,079,509	24.1%	\$6,086,680	25.8%	\$8,220,340	23.7%	35.1%	27.4%
Corporate	\$635,261	2.3%	\$673,469	2.1%	\$689,032	2.3%	\$749,281	3.2%	\$636,418	1.8%	-15.1%	0.2%
Foundation	\$1,606,095	5.8%	\$2,005,993	6.3%	\$2,248,479	7.7%	\$2,515,049	10.6%	\$2,030,507	5.9%	-19.3%	26.4%
Other Private Support	\$1,350,236	4.8%	\$1,193,231	3.8%	\$1,163,339	4.0%	\$1,505,432	6.4%	\$1,584,190	4.6%	5.2%	17.3%
Total Unrestricted Private Support	\$10,046,309	36.0%	\$10,422,035	33.0%	\$11,180,359	38.1%	\$10,856,442	46.0%	\$12,471,455	36.0%	14.9%	24.1%
Total Unrestricted Government Support	\$863,525	2.9%	\$865,234	2.7%	\$885,101	3.0%	\$729,397	3.1%	\$671,240	1.9%	-8.0%	-16.5%
Total Unrestricted Contributed Revenue	\$10,949,834	38.9%	\$11,287,270	35.7%	\$12,866,460	41.1%	\$11,585,839	48.9%	\$13,142,694	37.9%	13.4%	21.1%
Net Assets Released From Restriction	\$2,581,488	9.3%	\$3,313,708	10.5%	\$4,495,901	15.3%	\$6,911,751	29.3%	\$6,543,754	18.9%	-5.3%	153.5%
Total Operating Revenue	\$27,985,379		\$31,599,879		\$29,330,936		\$23,626,196		\$34,661,305		46.7%	24.3%

* As a % of Total Operating Revenue



EXPENSES

- Level 1 companies allocated approximately 66% of their total budgets to the creation of opera, on average. This represents the largest such allocation among all levels.
- Total personnel costs, including salaries and fees paid to administrative staff and artists, accounted for 67% of the total budget in 2010. Reductions in personnel expenses, however, were shared across departments. From 2009 to 2010, artistic personnel costs fell nearly 6%; production personnel expenses also fell by over 2%; marketing and box office personnel expenses decreased by almost 4%, as did education personnel at over 5%; singer training and development personnel were hardest hit, declining

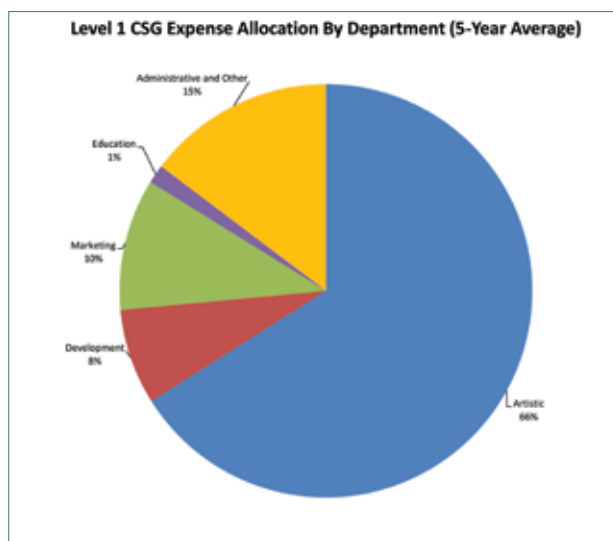
almost 39% and 24% respectively. The lone exception to these cuts was administrative personnel, the expenses for which increased over 5% year-over-year.

- Total non-personnel costs accounted for almost 33% of total expenses in 2010. As with personnel expenses, reductions to non-personnel expenses were shared across departments. From 2009 to 2010, production non-personnel costs fell over 10%; development non-personnel expenses dropped over 15%; administrative non-personnel expenses and non-personnel costs related to other earned income projects dropped by 8% and 7% respectively; broadcasting, recording and Internet non-personnel expenses were most reduced on a percentage basis, falling over 44%; marketing and box office non-personnel expenses also decreased, by over 2% year-over-year; education and singer training non-personnel expenses increased almost 24% and 77% respectively. It is worth noting, however, that both singer training and education non-personnel expenses each represented less than 1% of total expenses in 2010.
- Marketing productivity increased by 3% from 2009 to 2010, but has declined by 10% since 2006. The modest rise seen from 2009 to 2010 is attributable to the decrease in marketing expenses, rather than an increase in ticket sales.
- Level 1 companies reported a nearly 46% increase in development productivity from 2009 to 2010, raising more than \$10 for every \$1 spent on fundraising, on average.

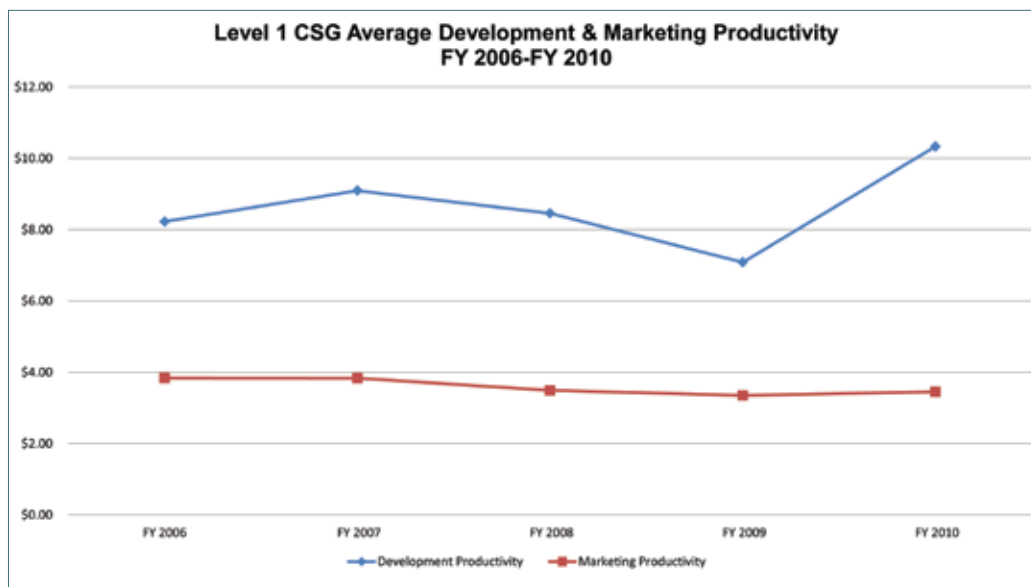
Expenses Average of U.S. Constant Sample Group of (10) Level 1 Companies													
	2006		2007		2008		2009		2010		Percentage Change 1-yr	4-yr Actual	4-yr Annualized Growth Rate Infl. Adj.
Personnel													
Artistic	\$9,678,795	34.4%	\$10,321,616	33.1%	\$10,659,505	33.9%	\$10,906,030	33.6%	\$10,208,590	33.8%	-5.6%	6.1%	1.5%
Production & Technical	\$5,116,860	18.2%	\$5,253,213	16.8%	\$5,688,102	18.1%	\$5,831,206	17.9%	\$5,663,365	18.7%	-2.9%	11.1%	2.7%
Singer Training	\$283,078	1.0%	\$316,307	1.0%	\$313,250	1.0%	\$317,257	1.0%	\$194,330	0.6%	-38.7%	-31.4%	-9.0%
Marketing/PR/Box Office	\$962,291	3.4%	\$1,074,746	3.5%	\$1,167,017	3.7%	\$1,154,473	3.6%	\$1,100,387	3.7%	-3.9%	15.3%	3.6%
Development	\$1,050,323	3.7%	\$1,124,684	3.6%	\$1,271,387	4.0%	\$1,312,318	4.0%	\$999,450	3.3%	-23.6%	-4.8%	-1.2%
Education	\$330,475	1.2%	\$330,771	1.1%	\$341,334	1.1%	\$341,440	1.1%	\$323,787	1.1%	-5.2%	-2.0%	-2.9%
Administrative	\$1,631,205	5.8%	\$1,698,535	6.4%	\$1,914,350	6.1%	\$1,752,564	5.4%	\$1,849,968	6.1%	5.0%	13.4%	0.8%
Total Personnel Expense	\$19,053,031	67.7%	\$20,419,873	65.8%	\$21,364,944	67.9%	\$21,615,086	66.5%	\$20,428,877	67.2%	-5.5%	7.2%	1.8%
Non-Personnel													
Production	\$3,123,098	11.1%	\$4,237,726	13.6%	\$3,664,255	11.6%	\$4,174,518	12.8%	\$3,746,228	12.3%	-10.3%	19.9%	4.6%
Broadcasting, Recording & Internet Expense	\$18,960	0.1%	\$98,851	0.3%	\$137,480	0.4%	\$390,048	1.2%	\$216,136	0.7%	-44.6%	-	-
Singer Training	\$108,975	0.4%	\$221,081	0.7%	\$122,841	0.4%	\$128,775	0.4%	\$228,078	0.8%	77.1%	109.3%	20.3%
Marketing/PR/Box Office	\$1,826,516	6.8%	\$1,639,323	6.2%	\$2,062,742	6.6%	\$2,233,296	6.9%	\$2,178,134	7.2%	-2.6%	13.1%	0.7%
Development	\$1,162,741	4.2%	\$1,182,431	3.8%	\$1,226,277	3.9%	\$1,151,321	3.5%	\$971,450	3.2%	-15.6%	-18.6%	-7.4%
Education	\$124,228	0.4%	\$105,921	0.3%	\$121,514	0.4%	\$96,363	0.3%	\$119,116	0.4%	23.6%	-4.1%	-1.0%
Administrative	\$2,042,875	7.3%	\$2,443,125	7.8%	\$2,270,119	7.2%	\$2,219,717	6.8%	\$2,042,522	6.7%	-8.0%	0.0%	-2.4%
Other Earned Income Expenses	\$540,394	1.9%	\$503,894	1.6%	\$465,567	1.5%	\$488,524	1.5%	\$453,136	1.5%	-7.2%	-16.1%	-4.3%
Total Non-Personnel Expense	\$9,078,686	32.3%	\$10,730,351	34.4%	\$10,106,795	32.1%	\$10,882,563	33.5%	\$9,954,799	32.8%	-8.5%	9.7%	-0.1%
Total Expense	\$28,131,718		\$31,150,224		\$31,471,739		\$32,497,649		\$30,383,675		-6.8%	8.0%	1.9%

* As a % of Total Expense

NOTE: Between FY 2008 and FY 2010, Los Angeles Opera, Lyric Opera of Chicago, Seattle Opera, Utah Symphony | Utah Opera and Florida Grand Opera all made significant reductions in Personnel Expenditures for Singer Training Programs or eliminated such expenditures altogether.



Productivity Measures Average of U.S. Constant Sample Group of (10) Level 1 Companies									
	2006	2007	2008	2009	2010	Percentage Change 1-yr	4-yr Actual	4-yr Annualized Growth Rate Actual	Infl. Adj.
Development Productivity	\$8.23	\$9.09	\$8.46	\$7.09	\$10.33	45.8%	25.6%	5.9%	3.5%
Marketing Productivity	\$3.84	\$3.83	\$3.49	\$3.35	\$3.45	3.0%	-10.1%	-2.6%	-5.0%
Program Coverage	61.9%	58.3%	56.7%	53.8%	51.2%				



PERFORMANCE ACTIVITY

- In 2010, companies in the Level 1 CSG reported offering fewer than six productions and 39 performances, on average. This represents the lowest average number of both productions and performances since 2006.
- Capacity utilization rose from 76% in 2009 to over 87% in 2010, likely resulting from the reduction in the number of performances and the subsequent decrease in the number of available seats.
- The lowest overall single ticket price decreased over 5% from 2009 to 2010, while the highest overall single ticket price rose nearly 25% over that period. The lowest orchestra seat price increased almost 24% from 2009 to 2010, while the highest orchestra seat price rose over 45% year-over-year.
- The price of subscription tickets declined by roughly 7%, on average. While the highest subscription price dropped to levels last seen in 2007, the lowest subscription price reached its lowest level in five seasons.
- Subscription renewals declined to 67% in 2010 from nearly 74% in 2009.

Performance Activity									
Average of U.S. Constant Sample Group of (10) Level 1 Companies									
	2006	2007	2008	2009	2010	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Performance Activity									
Main Season Productions	6.0	6.4	6.4	6.3	5.9				
Main Season Performances	43.4	47.5	45.6	43.8	39.1				
Attendance									
Main Season Paid Attendance	104,075	109,489	108,633	97,598	96,299	-1.3%	-7.5%		
Total Seats Available	124,808	136,789	130,454	128,385	109,780	-14.5%	-12.0%		
% of Capacity Sold	83.4%	80.0%	83.3%	76.0%	87.7%				
Subscription Renewal Rate	78.0%	77.5%	77.5%	73.8%	67.6%				
Pricing									
High Full Subscription Price	\$1,121	\$1,434	\$1,534	\$1,544	\$1,427	-7.6%	27.2%	6.2%	3.8%
Low Full Subscription Price	\$135	\$135	\$109	\$106	\$98	-7.3%	-27.3%	-7.7%	-10.1%
High Single Ticket Price	\$187	\$193	\$203	\$218	\$272	24.9%	45.4%	9.8%	7.4%
Low Single Ticket Price	\$25	\$24	\$23	\$14	\$13	-5.3%	-47.2%	-14.7%	-17.1%
Highest Orchestra Ticket	\$166	\$175	\$183	\$198	\$288	45.2%	73.3%	14.7%	12.3%
Lowest Orchestra Ticket	\$70	\$78	\$68	\$83	\$103	23.9%	45.9%	9.9%	7.5%

Level 2

ANNUAL BUDGETS BETWEEN \$3,000,000 AND \$10,000,000

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

The Atlanta Opera	Opera Carolina
Austin Lyric Opera	Opera Colorado
Boston Lyric Opera	Opera Company of Philadelphia
Central City Opera	Opera Theatre of Saint Louis
Florentine Opera Company	Palm Beach Opera
Fort Worth Opera	Pittsburgh Opera
The Glimmerglass Festival	Portland Opera
Lyric Opera of Kansas City	Sarasota Opera
Minnesota Opera	Virginia Opera

OVERVIEW

- Ten of 18 companies in the Level 2 CSG reported an operating surplus in 2010 for an average surplus of over \$200,000. This marks an improvement from the nearly \$676,000 average deficit reported in 2009.
- Average operating revenue for the Level 2 CSG increased nearly 6% from \$5.8MM in 2009 to \$6.1MM in 2010, reaching its second highest level in five years' time. Average expenses declined over 8%, from \$6.4MM in 2009 to \$5.9MM in 2010.
- In 2010, average investment portfolios among Level 2 companies amounted to approximately \$5MM, their lowest level in five seasons.
- Working capital among Level 2 companies improved only slightly, on average, from (\$1.1MM) in 2009 to approximately (\$925,000) in 2010. This indicates that long-standing deficits continued to weigh on balance sheets in 2010.

Operating Net Income Average of U.S. Constant Sample Group of (18) Level 2 Companies						Percentage Change		4-yr Annualized Growth Rate	
	2006	2007	2008	2009	2010	1-yr	4-yr	Actual	Infl. Adj.
Total Operating Revenue	\$5,606,791	\$6,099,221	\$6,734,022	\$5,796,287	\$6,137,596	5.9%	9.5%	2.3%	-0.1%
Total Expense	\$5,908,238	\$6,417,491	\$6,564,885	\$6,472,265	\$5,935,919	-8.3%	0.5%	0.1%	-2.3%
Operating Net Income (Loss)	(\$301,446)	(\$318,270)	\$169,137	(\$675,978)	\$201,677				
As Percentage of Expense	-5.4%	-5.2%	2.5%	-11.7%	3.3%				

Balance Sheet Average of U.S. Constant Sample Group of (18) Level 2 Companies						Percentage Change		4-yr Annualized Growth Rate	
	2006	2007	2008	2009	2010	1-yr	4-yr	Actual	Infl. Adj.
Net Assets									
Unrestricted	\$2,380,671	\$2,416,908	\$2,795,823	\$2,087,095	\$2,165,196	3.7%	-9.1%	-2.3%	-4.7%
Temporarily Restricted	\$1,905,991	\$2,528,553	\$2,173,377	\$2,508,797	\$2,256,324	-10.1%	18.4%	4.3%	1.9%
Permanently Restricted	\$4,389,665	\$4,668,195	\$4,483,808	\$3,957,245	\$4,194,020	6.0%	-4.5%	-1.1%	-3.5%
Total Net Assets	\$8,676,327	\$9,611,656	\$9,453,008	\$8,553,137	\$8,615,540	0.7%	-0.7%	-0.2%	-2.6%
Total NA as % of Expense	146.9%	149.8%	144.0%	132.2%	145.1%				
Working Capital	\$65,889	\$138,414	(\$276,585)	(\$1,183,125)	(\$924,416)	--	--	--	--
as % of Expense	1.1%	2.2%	-4.2%	-18.3%	-15.6%				
Investments *	\$6,429,007	\$7,327,993	\$6,983,195	\$5,327,135	\$5,134,462	-3.6%	-20.1%	-5.5%	-7.9%
as % of Expense	108.8%	114.2%	106.4%	82.3%	86.5%				
Net Fixed Assets	\$2,314,782	\$2,278,494	\$3,072,408	\$3,270,220	\$3,089,612	-5.5%	33.5%	7.5%	5.1%

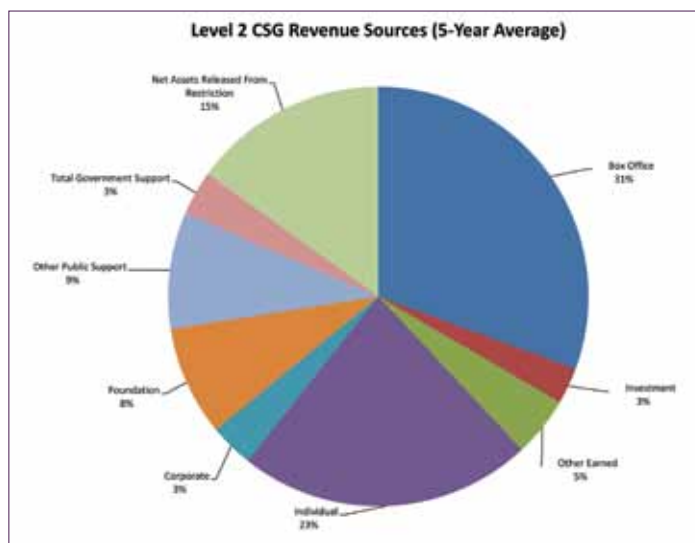
* Including Separately Incorporated Endowments

NOTE: In FY 2008, Opera Company of Philadelphia, Minnesota Opera, Pittsburgh Opera, Portland Opera and Sarasota Opera all reclassified a portion of their Permanently Restricted Net Assets.

REVENUE

- Average ticket revenue in 2010 was the lowest of the past five seasons, dropping by nearly 8% since 2006. Ticket revenue accounted for 28% of total operating revenue, the lowest in five seasons.
- In 2010, revenue from investments was nearly \$333,000 on average, comprising 14% of total earned income. This marks the second highest level since 2006. Companies, however, drew more than usual from investment accounts in 2010, covering shortfalls in ticket sales and contributed income. This indicates that the decreased portfolio value of investments, referenced above, resulted not from market losses as it did in 2009 but, rather, from companies opting to draw further from their endowments, thus eroding their value.
- Revenue from sources other than the sale of tickets and returns on investments increased over 6% from 2009 to 2010. Such revenues have increased over 76% since 2006.
- Individual gifts, on average, decreased nearly 6% from 2009 to 2010, but have risen over 14% since 2006. Foundation support declined from 2009 to 2010 by over 3% on average, although such support has increased by 7% since 2006. Corporate support fell 17% from 2009 to 2010 and has dropped nearly 21% since 2006. Local, state and federal support of Level 2 companies declined over 22% from 2009 to 2010, reaching its lowest level in the past five seasons, but has fallen only 2% since 2006.
- The average Level 2 company ratio of contributed to earned revenue was 61%:39% over the past five seasons.

Unrestricted Revenue Average of U.S. Constant Sample Group of (18) Level 2 Companies													
	2006		2007		2008		2009		2010		Percentage Change		4-yr Annualized Growth Rate
											1-yr	4-yr	Actual
													Infl. Adj.
Unrestricted Earned Revenue													
Box Office	\$1,877,230	33.5%	\$1,859,292	30.5%	\$1,980,866	29.4%	\$1,858,988	32.1%	\$1,728,665	28.2%	-7.1%	-7.9%	-2.0%
Investment	\$257,457	4.6%	\$396,076	6.5%	\$108,980	1.6%	(\$248,599)	-4.3%	\$332,703	5.4%	--	--	--
Other Earned	\$188,459	3.4%	\$342,148	5.6%	\$228,962	3.4%	\$312,292	5.4%	\$332,415	5.4%	6.4%	76.4%	15.2%
Total Unrestricted Earned Revenue	\$2,323,146	41.4%	\$2,597,516	42.6%	\$2,318,807	34.4%	\$1,923,682	33.2%	\$2,393,783	39.0%	24.4%	3.0%	0.8%
Unrestricted Contributed Revenue													
Private Support													
Individual	\$1,209,617	21.6%	\$1,241,991	20.4%	\$1,566,720	23.3%	\$1,470,521	25.4%	\$1,384,990	22.6%	-5.8%	14.5%	3.4%
Corporate	\$209,431	3.7%	\$225,629	3.7%	\$225,352	3.3%	\$199,801	3.4%	\$165,646	2.7%	-17.1%	-20.9%	-5.7%
Foundation	\$418,027	7.5%	\$636,027	10.4%	\$603,318	9.0%	\$463,988	8.0%	\$447,171	7.3%	-3.6%	7.0%	1.7%
Other Private Support	\$571,785	10.2%	\$521,739	8.6%	\$643,964	9.6%	\$503,681	8.7%	\$493,926	8.0%	-1.9%	-13.6%	-3.6%
Total Unrestricted Private Support	\$2,408,860	43.0%	\$2,625,387	43.0%	\$3,039,354	45.1%	\$2,637,991	45.5%	\$2,486,885	40.5%	-5.7%	3.2%	0.8%
Total Unrestricted Government Support	\$179,268	3.2%	\$256,066	4.2%	\$208,044	3.1%	\$226,199	3.9%	\$176,040	2.9%	-22.2%	-1.8%	-0.5%
Total Unrestricted Contributed Revenue	\$2,588,128	46.2%	\$2,881,453	47.2%	\$3,247,398	48.2%	\$2,864,189	49.4%	\$2,662,925	43.4%	-7.0%	2.9%	0.7%
Net Assets Released From Restriction	\$695,518	12.4%	\$620,252	10.2%	\$1,167,817	17.3%	\$1,008,417	17.4%	\$1,080,888	17.6%	7.2%	55.4%	11.7%
Total Operating Revenue	\$5,606,791		\$6,099,221		\$6,734,022		\$5,796,287		\$6,137,596		5.9%	9.5%	2.3%
* As a % of Total Operating Revenue													

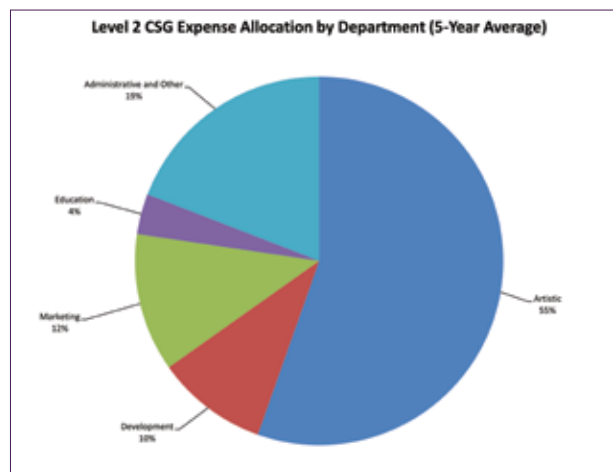


EXPENSES

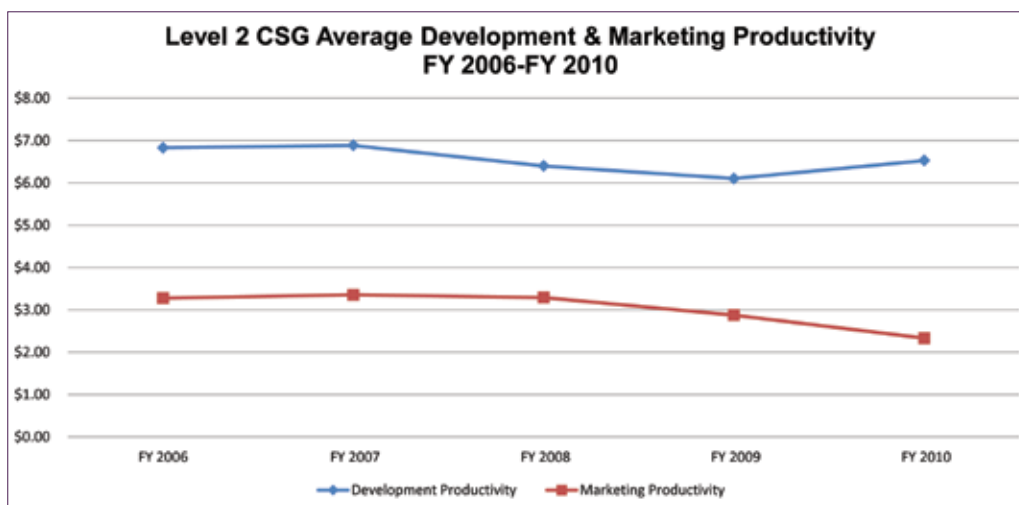
- Level 2 companies allocated approximately 55% of their total budgets to the creation of opera, on average. This represents the second lowest such allocation among all levels.
- Total personnel costs, including salaries and fees paid to administrative staff and artists, accounted for over 59% of the total budget in 2010. Reductions in personnel expenses were experienced across nearly all departments in 2010. From 2009 to 2010, artistic personnel costs fell over 10%; production personnel expenses, conversely, rose over 3%; marketing and box office personnel expenses decreased by almost 7%; education and development personnel expenses both decreased slightly, by less than 1% each; singer training personnel was hardest hit, declining almost 29%. Administrative personnel expenses, however, increased over 5% year-over-year.
- Total non-personnel costs accounted for over 40% of total expenses in 2010. From 2009 to 2010, production non-personnel costs rose nearly 2%; broadcasting, recording and Internet non-personnel expenses changed little year-over-year. All other departments experienced double-digit reductions in non-personnel expenses from 2009 to 2010; singer training non-personnel expenses dropped nearly 44%; marketing and box office non-personnel expenses fell over 10%; development non-personnel expenses dropped nearly 27%; education non-personnel expenses fell over 25%; administrative non-personnel expenses declined almost 25%; non-personnel expenses related to other earned income projects decreased 32%.
- Marketing productivity decreased nearly 19% from 2009 to 2010, and has dropped by nearly 29% since 2006.
- Level 2 companies reported a 7% increase in development productivity from 2009 to 2010, raising over \$6.50 for every \$1 spent on fundraising, on average. It is worth noting that, prior to 2010, marketing and development productivity for Level 2 companies have either increased or decreased together.

	2006		2007		2008		2009		2010		Percentage Change		4-yr Annualized Growth Rate	
		*		*		*		*		*	1-yr	4-yr	Actual	Infl. Adj.
Personnel														
Artistic	\$1,467,375	24.8%	\$1,490,608	23.2%	\$1,523,613	23.2%	\$1,688,789	26.1%	\$1,515,567	25.5%	-10.3%	3.3%	0.8%	-1.6%
Production & Technical	\$799,443	13.5%	\$791,210	12.3%	\$889,472	13.5%	\$752,086	11.6%	\$777,103	13.1%	3.3%	-2.8%	-0.7%	-3.1%
Singer Training	\$25,611	0.4%	\$29,057	0.5%	\$25,699	0.4%	\$39,693	0.6%	\$28,266	0.5%	-28.8%	10.4%	2.5%	0.1%
Marketing/PR/Box Office	\$275,449	4.7%	\$275,616	4.3%	\$290,499	4.4%	\$304,555	4.7%	\$284,080	4.8%	-6.7%	3.1%	0.8%	-1.6%
Development	\$281,409	4.8%	\$307,584	4.8%	\$321,407	4.9%	\$315,138	4.9%	\$313,518	5.3%	-0.5%	11.4%	2.7%	0.3%
Education	\$145,122	2.5%	\$138,845	2.2%	\$151,555	2.3%	\$112,975	1.7%	\$112,662	1.9%	-0.3%	-22.4%	-6.1%	-8.5%
Administrative	\$457,498	7.7%	\$487,775	7.6%	\$510,806	7.8%	\$472,467	7.3%	\$498,567	8.4%	5.5%	9.0%	2.2%	-0.2%
Total Personnel Expense	\$3,451,998	58.4%	\$3,520,694	54.9%	\$3,713,051	56.6%	\$3,685,683	56.9%	\$3,529,763	59.5%	-4.2%	2.3%	0.6%	-1.8%
Non-Personnel														
Production	\$939,880	15.9%	\$1,251,574	19.5%	\$1,080,468	16.5%	\$982,310	15.2%	\$999,645	16.8%	1.8%	6.4%	1.6%	-0.8%
Broadcasting, Recording & Internet Expense	\$1,599	0.0%	\$18,153	0.3%	\$7,945	0.1%	\$1,537	0.0%	\$3,825	0.1%	--	--	--	--
Singer Training	\$32,897	0.6%	\$35,147	0.5%	\$38,429	0.6%	\$68,589	1.1%	\$38,530	0.6%	-43.8%	17.1%	4.0%	1.6%
Marketing/PR/Box Office	\$454,930	7.7%	\$445,385	6.9%	\$500,554	7.6%	\$510,122	7.9%	\$457,261	7.7%	-10.4%	0.5%	0.1%	-2.3%
Development	\$286,580	4.5%	\$318,821	5.0%	\$351,331	5.4%	\$339,228	5.2%	\$248,214	4.2%	-28.8%	-6.9%	-1.8%	-4.2%
Education	\$99,780	1.7%	\$74,122	1.2%	\$100,764	1.5%	\$97,743	1.5%	\$72,942	1.2%	-25.4%	-26.9%	-7.5%	-9.9%
Administrative	\$607,325	10.3%	\$667,974	10.4%	\$681,534	10.4%	\$693,156	10.7%	\$521,932	8.8%	-24.7%	-14.1%	-3.7%	-6.1%
Other Earned Income Expenses	\$53,248	0.9%	\$85,620	1.3%	\$90,899	1.4%	\$93,898	1.5%	\$63,807	1.1%	-32.0%	19.8%	4.6%	2.2%
Total Non-Personnel Expense	\$2,456,240	41.6%	\$2,896,797	45.1%	\$2,851,834	43.4%	\$2,786,582	43.1%	\$2,406,156	40.5%	-13.7%	-2.0%	-0.5%	-2.9%
Total Expense	\$5,908,238		\$6,417,491		\$6,564,885		\$6,472,265		\$5,935,919		-8.3%	0.5%	0.1%	-2.3%

* As a % of Total Expense



Productivity Measures Average of U.S. Constant Sample Group of (18) Level 2 Companies									
	2006	2007	2008	2009	2010	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Development Productivity	\$6.83	\$6.88	\$6.40	\$6.10	\$6.53	7.0%	-4.4%	-1.1%	-3.5%
Marketing Productivity	\$3.28	\$3.35	\$3.29	\$2.88	\$2.33	-18.9%	-28.8%	-8.2%	-10.5%
Program Coverage	58.5%	52.6%	56.7%	52.7%	52.5%				



PERFORMANCE ACTIVITY

- In 2010, companies in the Level 2 CSG reported offering nearly four productions and 21 performances, on average. This represents a decrease from the highest average number of performances reported in 2009.
- Capacity utilization rose from 67% in 2009 to nearly 79% in 2010. This likely resulted from the reduction in the number of performances and marks a reversal of the previous four-year trend of declining capacity utilization.
- The lowest overall single ticket price decreased almost 16% from 2009 to 2010, reaching its lowest level in five seasons. The highest overall single ticket price rose nearly 2% from 2009 to 2010. The lowest orchestra seat price dropped 22% from 2009 to 2010, while the highest orchestra seat price declined 9% over the same period.
- The price of subscription tickets increased on average from 2009 to 2010. The lowest subscription price increased nearly 29%, while the highest subscription price rose almost 10% year-over-year. In 2010, subscription prices reached their highest levels in five seasons.
- Subscription renewals decreased to nearly 49% in 2010 from over 67% in 2009, likely resulting from the increase in subscription ticket prices over the same period.

Performance Activity Average of U.S. Constant Sample Group of (18) Level 2 Companies									
	2006	2007	2008	2009	2010	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Performance Activity									
Main Season Productions	3.8	3.7	3.8	3.9	3.9				
Main Season Performances	20.8	21.1	22.0	22.3	21.2				
Attendance									
Main Season Paid Attendance	29,191	27,610	26,731	24,743	26,814	8.4%	-8.1%		
Total Seats Available	38,596	36,991	36,333	36,719	34,049	-7.3%	-11.8%		
% of Capacity Sold	75.6%	74.6%	73.6%	67.4%	78.8%				
Subscription Renewal Rate	78.4%	80.2%	79.0%	67.6%	48.9%				
Pricing									
High Full Subscription Price	\$389	\$392	\$443	\$453	\$497	9.7%	27.7%	6.3%	3.9%
Low Full Subscription Price	\$80	\$87	\$76	\$78	\$100	28.8%	25.3%	5.8%	3.4%
High Single Ticket Price	\$119	\$122	\$156	\$147	\$150	1.7%	26.1%	6.0%	3.6%
Low Single Ticket Price	\$21	\$22	\$22	\$17	\$14	-15.7%	-34.4%	-10.0%	-12.4%
Highest Orchestra Ticket	\$106	\$108	\$154	\$154	\$140	-9.1%	32.9%	7.4%	5.0%
Lowest Orchestra Ticket	\$43	\$45	\$51	\$62	\$48	-22.3%	11.9%	2.8%	0.5%

Level 3

ANNUAL BUDGETS BETWEEN \$1,000,000 AND \$3,000,000

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

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

OVERVIEW

- Nine of 11 companies in the Level 3 CSG reported an operating surplus in 2010 for an average surplus of over \$161,000. That marks an encouraging increase from the over \$39,000 average deficit reported in 2009.
- Average operating revenue for the Level 3 CSG declined only slightly from 2009 to 2010, remaining at just over \$2MM. Average expenses declined over 10% from \$2.1MM in 2009 to \$1.9MM in 2010, reaching their lowest levels in five seasons.
- In 2010, average investment portfolios among Level 3 companies amounted to over \$628,000, a slight increase from 2009.
- Working capital among Level 3 companies improved slightly. The average decreased from (\$172,000) in 2009 to (\$165,000) in 2010.

Operating Net Income Average of U.S. Constant Sample Group of (11) Level 3 Companies						Percentage Change		4-yr Annualized Growth Rate	
	2006	2007	2008	2009	2010	1-yr	4-yr	Actual	Infl. Adj.
Total Operating Revenue	\$2,002,041	\$2,150,898	\$2,363,988	\$2,086,903	\$2,070,573	-0.6%	3.4%	0.8%	-1.5%
Total Expense	\$2,227,385	\$2,170,578	\$2,172,120	\$2,126,381	\$1,909,104	-10.2%	-14.3%	-3.8%	-6.2%
Operating Net Income (Loss)	(\$225,344)	(\$19,679)	\$191,867	(\$39,478)	\$161,469				
As Percentage of Expense	-11.3%	-0.9%	8.1%	-1.9%	7.8%				

Balance Sheet Average of U.S. Constant Sample Group of (11) Level 3 Companies						Percentage Change		4-yr Annualized Growth Rate	
	2006	2007	2008	2009	2010	1-yr	4-yr	Actual	Infl. Adj.
Net Assets									
Unrestricted	\$95,236	\$118,497	\$710,782	\$609,213	\$608,535	-0.1%	--	--	--
Temporarily Restricted	\$772,180	\$625,583	\$961,582	\$816,277	\$897,117	9.9%	16.2%	3.8%	1.4%
Permanently Restricted	\$536,216	\$474,267	\$338,159	\$308,207	\$317,961	3.2%	-40.7%	-12.2%	-14.6%
Total Net Assets	\$1,403,632	\$1,218,348	\$2,010,524	\$1,733,698	\$1,823,613	5.2%	29.9%	6.8%	4.4%
Total NA as % of Expense	63.0%	57.1%	92.6%	81.5%	95.5%				
Working Capital	(\$56,769)	(\$99,435)	(\$301,936)	(\$172,283)	(\$165,285)	-4.1%	191.2%	30.6%	28.2%
as % of Expense	-2.5%	-9.0%	-13.9%	-8.1%	-8.7%				
Investments *	\$757,391	\$465,388	\$1,141,644	\$619,265	\$628,511	1.5%	-17.0%	-4.6%	-6.9%
as % of Expense	34.0%	55.8%	52.6%	29.1%	32.9%				
Net Fixed Assets	\$152,005	\$217,933	\$1,012,719	\$781,497	773,819	-1.0%	--	--	--

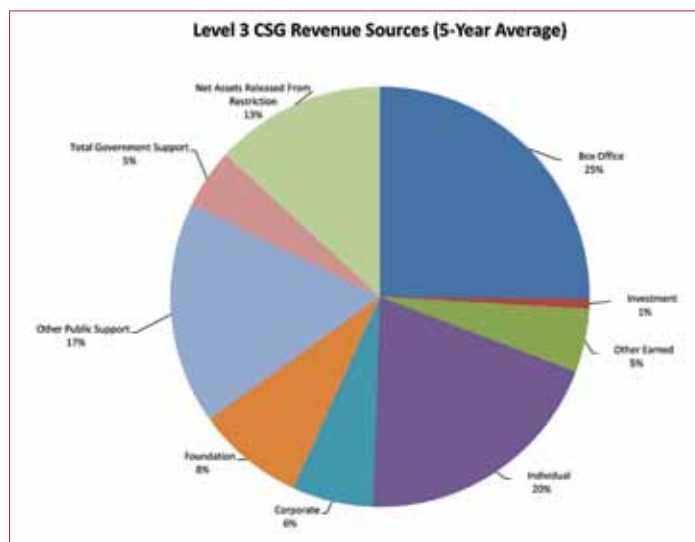
* Including Separately Incorporated Endowments

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

REVENUE

- Average ticket revenue in 2010 was the lowest in the past five seasons, dropping nearly 25% from 2006. Ticket revenue accounted for 23% of total operating revenue in 2010.
- As investment income and box office revenues have declined from 2006 to 2010, \$42,000 and \$159,000 respectively, other earned income has more than doubled as Level 3 companies pursue alternative revenue sources such as set/costume rentals, facility rentals, handling fees, advertising, concessions and parking.
- Individual gifts, on average, increased slightly from 2009 to 2010. These gifts have dropped over 7% since 2006. Foundation support has remained static from 2009 to 2010, but has risen over 6% since 2006. Corporate support rose nearly 6% from 2009 to 2010, but has been halved since 2006. Local, state and federal support of Level 3 companies increased almost 13% from 2009 to 2010, but has declined by more than 31% since 2006.
- The average Level 3 company ratio of contributed to earned revenue was 69%:31% over the past five seasons. This is indicative of the reliance of Level 3 companies on private support. Indeed, individual support, at 20% of total revenue over the past five years, is gaining ground on ticket sales as the single largest revenue generator for Level 3 companies.

Unrestricted Revenue Average of U.S. Constant Sample Group of (11) Level 3 Companies													
	2006		2007		2008		2009		2010		Percentage Change 1-yr	4-yr Actual	4-yr Annualized Growth Rate Infl. Adj.
Unrestricted Earned Revenue		*		*		*		*		*			
Box Office	\$637,145	31.8%	\$523,249	24.3%	\$522,015	22.1%	\$521,499	25.0%	\$478,471	23.1%	-8.3%	-24.9%	-9.3%
Investment	\$40,312	2.0%	\$69,005	3.2%	(\$20,660)	-0.9%	(\$2,634)	-0.1%	(\$2,105)	-0.1%	--	--	--
Other Earned	\$56,297	2.8%	\$58,399	2.6%	\$102,099	4.3%	\$159,136	7.6%	\$149,740	7.2%	-5.9%	--	--
Total Unrestricted Earned Revenue	\$733,754	36.7%	\$648,653	30.2%	\$603,453	25.5%	\$678,001	32.5%	\$626,106	30.2%	-7.7%	-14.7%	-6.3%
Unrestricted Contributed Revenue													
Private Support													
Individual	\$412,563	20.6%	\$462,794	21.5%	\$473,310	20.0%	\$372,010	17.8%	\$381,661	18.4%	2.6%	-7.5%	-1.9%
Corporate	\$159,171	8.0%	\$197,656	9.2%	\$167,274	7.1%	\$71,009	3.4%	\$75,135	3.6%	5.8%	-52.8%	-19.5%
Foundation	\$163,619	8.2%	\$216,747	10.1%	\$157,062	6.6%	\$174,060	8.3%	\$174,282	8.4%	0.1%	6.5%	-0.8%
Other Private Support	\$322,477	16.1%	\$401,729	18.7%	\$414,710	17.5%	\$323,602	15.5%	\$367,626	17.8%	13.6%	14.0%	0.9%
Total Unrestricted Private Support	\$1,057,830	52.8%	\$1,278,926	59.5%	\$1,212,356	51.3%	\$940,682	45.1%	\$998,703	48.2%	6.2%	-5.6%	-1.4%
Total Unrestricted Government Support	\$122,672	6.1%	\$104,434	4.9%	\$103,690	4.4%	\$74,197	3.6%	\$83,708	4.0%	12.8%	-31.8%	-11.5%
Total Unrestricted Contributed Revenue	\$1,180,502	59.0%	\$1,383,360	64.3%	\$1,316,046	55.7%	\$1,014,878	48.6%	\$1,082,411	52.3%	6.7%	-8.3%	-4.5%
Net Assets Released From Restriction	\$87,785	4.4%	\$118,885	5.5%	\$444,489	18.8%	\$394,023	18.9%	\$362,056	17.5%	-8.1%	312.4%	42.5%
Total Operating Revenue	\$2,002,041		\$2,150,898		\$2,363,988		\$2,086,903		\$2,070,573		-0.8%	3.4%	0.8%
* As a % of Total Operating Revenue													



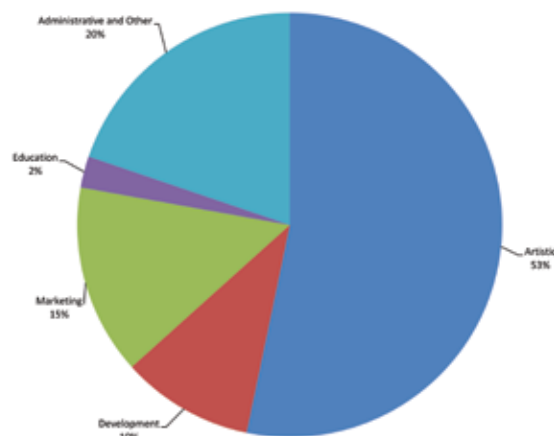
EXPENSES

- Level 3 companies allocated 53% of their budgets to the creation of opera, on average. This represents the lowest such allocation among all levels. These decreased production expenses help explain the increase in program coverage over the past four seasons.
- Total personnel costs, including salaries and fees paid to administrative staff and artists, accounted for 59% of the total budget in 2010. Reductions in personnel expenses were experienced across nearly all departments in 2010. From 2009 to 2010, artistic personnel costs fell over 5%; production personnel expenses also fell by over 3%; marketing and box office personnel expenses decreased by almost 11%; development personnel costs decreased by 17%; administrative personnel costs dropped nearly 14%; singer training personnel expenses were most reduced on a percentage basis, falling 37%. The exception to these reductions was education personnel expenses, which increased over 14% year-over-year. It is worth noting that, despite this increase, education personnel expenses have represented only between 1% and 2% of total expenses in each of the last five seasons.
- Total non-personnel costs accounted for over 40% of total expenses in 2010. From 2009 to 2010, production non-personnel costs decreased 14%; broadcasting, recording and Internet non-personnel expenses experienced little change; development non-personnel expenses fell by over 22%; administrative non-personnel spending also decreased, by 20%; education non-personnel expenses declined nearly 40%; non-personnel expenses related to other earned income projects decreased over 34%; and non-personnel expenses increased for marketing and box office by over 4%. Singer training non-personnel expenses increased over 58% from 2009 to 2010, though it should be noted that these expenses still accounted for less than 1% of total expenses in 2010, consistent with the trend of the past five seasons.

	2006	*	2007	*	2008	*	2009	*	2010	*	Percentage Change 1-yr	4-yr	4-yr Annualized Growth Rate Actual	Infl. Adj.
Personnel														
Artistic	\$570,398	25.6%	\$539,475	24.9%	\$539,681	24.8%	\$533,601	25.1%	\$505,379	26.5%	-5.3%	-11.4%	-3.0%	-5.4%
Production & Technical	\$236,857	10.6%	\$247,550	11.4%	\$243,235	11.2%	\$251,786	11.8%	\$242,870	12.7%	-3.5%	2.5%	0.6%	-1.6%
Singer Training	\$700	0.0%	\$0	0.0%	\$0	0.0%	\$6,035	0.3%	\$3,793	0.2%	-37.1%	--	--	--
Marketing/PR/Box Office	\$101,290	4.5%	\$101,697	4.7%	\$107,455	4.9%	\$84,605	4.0%	\$75,523	4.0%	-10.7%	-25.4%	-7.1%	-9.5%
Development	\$107,303	4.8%	\$99,137	4.6%	\$98,490	4.5%	\$106,703	5.0%	\$88,577	4.6%	-17.0%	-17.5%	-4.7%	-7.1%
Education	\$38,032	1.7%	\$37,083	1.7%	\$43,108	2.0%	\$25,254	1.2%	\$28,863	1.5%	14.3%	-24.1%	-6.7%	-9.1%
Administrative	\$138,765	6.2%	\$150,085	6.9%	\$162,720	7.5%	\$217,937	10.2%	\$187,795	9.8%	-13.8%	35.3%	7.9%	5.5%
Total Personnel Expense	\$1,193,345	53.6%	\$1,175,027	54.1%	\$1,194,689	55.0%	\$1,225,921	57.7%	\$1,132,761	59.3%	-7.6%	-5.1%	-1.3%	-3.7%
Non-Personnel														
Production	\$359,127	16.1%	\$378,744	17.4%	\$388,532	17.9%	\$304,940	14.3%	\$262,359	13.7%	-14.0%	-26.9%	-7.5%	-9.9%
Broadcasting, Recording & Internet Expense	\$0	0.0%	\$1,354	0.1%	\$524	0.0%	\$0	0.0%	\$548	0.0%	--	--	--	--
Singer Training	\$13,881	0.6%	\$3,502	0.2%	\$2,083	0.1%	\$4,762	0.2%	\$7,541	0.4%	58.4%	-45.7%	-14.1%	-16.5%
Marketing/PR/Box Office	\$236,839	10.6%	\$222,348	10.2%	\$203,751	9.4%	\$198,633	9.3%	\$207,441	10.9%	4.4%	-12.0%	-3.2%	-5.5%
Development	\$123,813	5.6%	\$132,019	6.1%	\$133,220	6.1%	\$100,758	4.7%	\$77,978	4.1%	-22.6%	-37.0%	-10.9%	-13.3%
Education	\$16,291	0.7%	\$10,264	0.5%	\$13,295	0.6%	\$25,302	1.2%	\$15,208	0.8%	-39.9%	-6.6%	-1.7%	-4.1%
Administrative	\$248,759	11.2%	\$207,525	9.6%	\$173,725	8.0%	\$213,816	10.1%	\$170,983	9.0%	-20.0%	-31.3%	-8.9%	-11.3%
Other Earned Income Expenses	\$36,330	1.6%	\$39,795	1.8%	\$62,293	2.9%	\$52,249	2.5%	\$34,285	1.8%	-34.4%	-5.6%	-1.4%	-3.8%
Total Non-Personnel Expense	\$1,034,040	46.4%	\$995,551	45.9%	\$977,431	45.0%	\$900,460	42.3%	\$776,343	40.7%	-13.8%	-24.9%	-6.9%	-9.3%
Total Expense	\$2,227,385		\$2,170,578		\$2,172,120		\$2,126,381		\$1,909,104		-10.2%	-14.3%	-3.8%	-6.2%

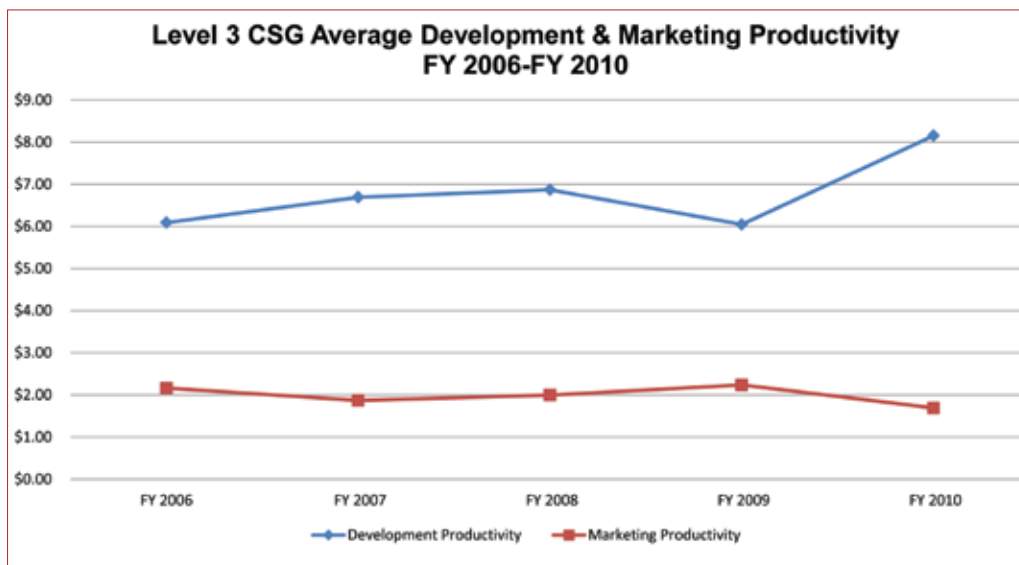
* As a % of Total Expense

Level 3 CSG Expense Allocation by Department (5-Year Average)



- Marketing productivity decreased by over 24% from 2009 to 2010, and by nearly 22% since 2006, reaching its lowest point in five seasons.
- Level 3 companies reported a nearly 35% increase in development productivity from 2009 to 2010, raising more than \$8 for every \$1 spent on fundraising, on average.
- Among Level 3 companies, an inverse relationship has tended to exist between marketing and development departments. Indeed, when marketing productivity has risen, development productivity has — coincidentally — tended to fall proportionately, and vice versa. This trend, apparently unique to the Level 3 companies, does not imply that one rises at the expense of the other. In aggregate, each dollar spent on development and marketing yielded nearly \$10 in combined returns, on average.

Productivity Measures									
Average of U.S. Constant Sample Group of (11) Level 3 Companies									
	2006	2007	2008	2009	2010	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Development Productivity	\$6.09	\$6.69	\$6.87	\$6.05	\$8.15	34.9%	33.9%	7.6%	5.2%
Marketing Productivity	\$2.16	\$1.87	\$2.00	\$2.23	\$1.69	-24.3%	-21.7%	-5.9%	-8.3%
Program Coverage	51.8%	44.0%	44.6%	47.8%	47.3%				



PERFORMANCE ACTIVITY

- In 2010, companies in the Level 3 CSG reported offering three productions and roughly seven performances, on average. This represents the lowest average number of both productions and performances since 2006.
- Capacity utilization fell from over 64% in 2009 to over 56% in 2010, and was the only level, including Canada, to see a decline in capacity utilization. Unlike other levels, which experienced an increase in capacity utilization by reducing the number performances and, thus, the number of available seats, Level 3 CSG companies experienced an even greater decrease in the number of paid seats than in the number of seats available year-over-year. It is worth noting that Level 3 companies, on average, reported the lowest artistic spending of all levels, suggesting that reductions in artistic investment may have an impact on audience engagement.
- The lowest overall single ticket price remained in line with the low levels reached in the previous year. The highest overall single ticket price rose slightly from 2009 to 2010. The lowest orchestra seat price rose over 17% from 2009 to 2010, reaching its second highest level in the past five seasons. The highest orchestra seat price rose 4% over the same period, climbing to its highest level since 2006.
- The price of subscription tickets rose, on average. While the highest subscription price only rose over 1%, the lowest subscription price increased nearly 30%, reaching its highest level in the past five seasons.
- Subscription renewals dropped to 71% in 2010 from over 79% in 2009.

Performance Activity									
Average of U.S. Constant Sample Group of (11) Level 3 Companies									
	2006	2007	2008	2009	2010	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Performance Activity									
Main Season Productions	3.5	3.2	3.3	3.5	3.0				
Main Season Performances	8.3	7.8	8.9	7.8	7.2				
Attendance									
Main Season Paid Attendance	11,881	11,595	9,883	9,532	7,758	-18.6%	-34.7%		
Total Seats Available	17,151	15,900	15,323	14,781	13,728	-7.1%	-20.0%		
% of Capacity Sold	69.3%	72.9%	64.5%	64.5%	56.5%				
Subscription Renewal Rate	79.3%	66.4%	84.7%	79.4%	71.2%				
Pricing									
High Full Subscription Price	\$300	\$270	\$294	\$295	\$300	1.5%	-0.1%	0.0%	-2.4%
Low Full Subscription Price	\$87	\$54	\$71	\$69	\$89	29.6%	2.5%	0.6%	-1.8%
High Single Ticket Price	\$98	\$96	\$103	\$106	\$107	1.4%	10.2%	2.5%	0.1%
Low Single Ticket Price	\$28	\$26	\$30	\$12	\$12	1.6%	-57.8%	-19.4%	-21.8%
Highest Orchestra Ticket	\$90	\$86	\$89	\$95	\$99	4.0%	9.8%	2.4%	0.0%
Lowest Orchestra Ticket	\$54	\$43	\$39	\$39	\$45	17.3%	-17.1%	-4.6%	-7.0%

Level 4

ANNUAL BUDGETS UNDER \$1,000,000

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

Amarillo Opera	Opera North (NH)
American Opera Projects	Opera Roanoke
Chautauqua Opera	Opera San Luis Obispo ³
Fargo-Moorhead Opera	Opera Saratoga ⁴
Greensboro Opera	Opera Southwest
Mississippi Opera	Pensacola Opera
Mobile Opera	Piedmont Opera
Musical Traditions	Tacoma Opera
Music-Theatre Group	Townsend Opera Players
Nautilus Music-Theater	Tri-Cities Opera Company

OVERVIEW

- Only four of 20 companies in the Level 4 CSG reported an operating surplus in 2010, resulting in an average deficit of almost \$40,000, the largest deficit since 2006.
- Average operating revenue for the Level 4 CSG decreased almost 20% from \$633,000 in 2009 to over \$509,000 in 2010, marking its lowest level in five years' time. Average expenses also declined by 17% over that same period, dropping from \$662,500 in 2009 to \$549,000 in 2010. This, too, marks the lowest level of expenditure in the last five years.
- In 2010, average investment portfolios among Level 4 companies amounted to over \$124,000, their lowest levels since 2006.
- Working capital among Level 4 companies worsened, on average, from over (\$33,000) in 2009 to over (\$56,000) in 2010. The Level 4 CSG is the only U.S. CSG to show a decline in working capital over that period.

Operating Net Income Average of U.S. Constant Sample Group of (20) Level 4 Companies									
	2006	2007	2008	2009	2010	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Total Operating Revenue	\$578,471	\$616,340	\$617,987	\$633,134	\$509,631	-19.5%	-11.9%	-3.1%	-5.5%
Total Expense	\$586,295	\$618,693	\$619,960	\$662,673	\$549,462	-17.1%	-6.3%	-1.6%	-4.0%
Operating Net Income (Loss)	(\$7,824)	(\$2,353)	(\$1,972)	(\$29,539)	(\$39,831)				
As Percentage of Expense	-1.4%	-0.4%	-0.3%	-4.7%	-7.8%				

Balance Sheet Average of U.S. Constant Sample Group of (19**) Level 4 Companies									
	2006	2007	2008	2009	2010	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Net Assets									
Unrestricted	\$126,123	\$123,666	\$119,853	\$74,487	\$42,055	-43.5%	-66.7%	-24.0%	-26.4%
Temporarily Restricted	\$42,523	\$52,635	\$35,758	\$52,021	\$53,210	2.3%	25.1%	5.8%	3.4%
Permanently Restricted	\$84,422	\$93,010	\$119,002	\$98,842	\$94,478	-4.4%	11.9%	2.9%	0.5%
Total Net Assets	\$253,069	\$269,311	\$274,613	\$225,350	\$189,743	-15.8%	-25.0%	-6.9%	-9.3%
Total NA as % of Expense	43.2%	43.5%	44.3%	34.0%	34.5%				
Working Capital	(\$2,376)	\$1,401	(\$21,370)	(\$33,848)	(\$56,591)	--	--	--	--
as % of Expense	-0.4%	0.2%	-3.4%	-5.1%	-10.3%				
Investments *	\$203,438	\$241,606	\$284,838	\$140,390	\$124,437	-11.4%	-38.8%	-11.6%	-14.0%
as % of Expense	34.7%	39.1%	45.9%	21.2%	22.6%				
Net Fixed Assets	\$128,499	\$122,266	\$141,224	\$108,336	\$98,646	-8.9%	-23.2%	-6.4%	-8.8%
* Including Separately Incorporated Endowments									
** Chautauqua Opera does not report Balance Sheet information.									

3. Opera San Luis Obispo was formerly known as Pacific Repertory Opera.

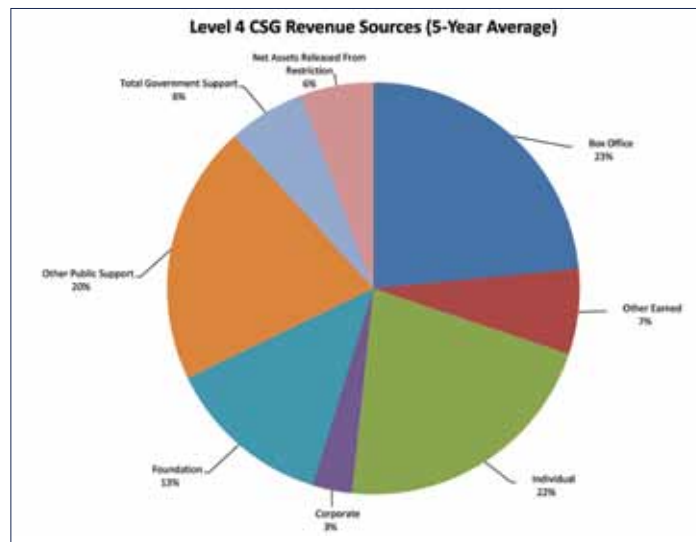
4. Opera Saratoga was formerly known as Lake George Opera at Saratoga.

REVENUE

- Average ticket revenue in 2010 was the lowest in the past five seasons, dropping over 15% since 2006. Ticket revenue accounted for over 23% of total operating revenue, a level consistent with that of the past five seasons.
- In 2010, revenue from investments was over \$5,000, on average. Though this is still well below the highest levels achieved in 2008, this marks an encouraging improvement from the \$900 average seen in 2009.
- Individual gifts, on average, fell nearly 25% from 2009 to 2010, and have fallen over 13% since 2006. Foundation support increased slightly since 2009, but has dropped nearly 41% since 2006. Corporate support decreased over 21% from 2009 to 2010, but has risen over 2% since 2006. Local, state and federal support declined over 6% since 2009, but has increased 15% since 2006.
- The average Level 4 company ratio of contributed to earned revenue was 70%:30% over the past five seasons, the widest gap among all levels.

Unrestricted Revenue and Expense Summary Average of U.S. Constant Sample Group of (20) Level 4 Companies													
	2006	*	2007	*	2008	*	2009	*	2010	*	Percentage Change 1-yr	4-yr	4-yr Annualized Growth Rate Actual Infl. Adj.
Unrestricted Earned Revenue													
Box Office	\$139,341	24.1%	\$142,059	23.1%	\$146,418	23.7%	\$141,940	22.4%	\$118,055	23.2%	-16.8%	-15.3%	-4.1%
Investment	(\$2,013)	-0.3%	\$8,524	1.1%	\$12,019	1.9%	\$947	0.1%	\$5,761	1.1%	--	--	--
Other Earned	\$49,412	8.5%	\$40,433	6.6%	\$35,011	5.7%	\$43,622	6.9%	\$27,438	5.4%	-37.1%	-44.5%	-13.7%
Total Unrestricted Earned Revenue	\$186,740	32.3%	\$189,916	30.8%	\$193,448	31.3%	\$187,609	29.6%	\$161,254	29.7%	-19.4%	-19.0%	-6.1%
Unrestricted Contributed Revenue													
Private Support													
Individual	\$120,811	20.9%	\$135,256	21.9%	\$129,831	21.0%	\$136,415	22.0%	\$105,005	20.6%	-24.7%	-13.1%	-3.4%
Corporate	\$20,649	3.6%	\$20,259	3.3%	\$20,169	3.3%	\$15,053	2.4%	\$14,186	2.8%	-5.8%	-31.3%	-9.0%
Foundation	\$91,788	15.9%	\$90,200	14.6%	\$92,844	15.0%	\$53,871	8.5%	\$54,311	10.7%	0.8%	-40.8%	-12.3%
Other Private Support	\$115,032	20.1%	\$109,919	17.7%	\$104,448	16.9%	\$150,889	23.8%	\$118,444	23.2%	-21.5%	2.1%	0.5%
Total Unrestricted Private Support	\$349,280	60.4%	\$354,633	57.5%	\$347,290	56.2%	\$359,228	56.7%	\$291,947	57.3%	-18.7%	-16.4%	-4.4%
Total Unrestricted Government Support	\$29,271	5.1%	\$36,400	5.7%	\$42,345	6.9%	\$30,016	5.7%	\$33,691	6.0%	-8.5%	15.1%	3.6%
Total Unrestricted Contributed Revenue	\$378,651	65.4%	\$390,033	63.3%	\$389,636	63.6%	\$395,244	62.4%	\$325,638	63.9%	-17.6%	-14.0%	-3.7%
Net Assets Released From Restriction	\$13,180	2.3%	\$36,691	6.0%	\$34,904	5.8%	\$60,210	7.9%	\$32,739	6.4%	-34.8%	148.4%	25.6%
Total Operating Revenue	\$578,471	--	\$616,340	--	\$617,987	--	\$633,134	--	\$509,631	--	-19.8%	-11.9%	-3.1%
Total Personnel Expense	\$322,211	55.0%	\$313,554	50.7%	\$377,223	60.8%	\$373,838	56.4%	\$291,341	53.0%	-22.1%	-9.6%	-2.5%
Total Non-Personnel Expense	\$254,054	45.0%	\$305,139	49.3%	\$242,737	39.2%	\$268,836	43.6%	\$258,129	47.0%	-10.8%	-2.3%	-3.0%
Total Expense	\$586,295	--	\$618,693	--	\$619,960	--	\$642,673	--	\$549,462	--	-17.1%	-6.3%	-1.6%
Unrestricted Net Income (Loss)	(\$7,824)	--	(\$2,353)	--	(\$1,972)	--	(\$9,539)	--	(\$38,831)	--	-7.8%	-7.8%	-7.8%
As Percentage of Expense	-1.4%	--	-0.4%	--	-0.3%	--	-4.7%	--	-7.8%	--	-7.8%	-7.8%	-7.8%

* As a % of Total Operating Revenue
** As a % of Total Expense



EXPENSES

- Total personnel costs, including salaries and fees paid to administrative staff and artists, accounted for 53% of the total budget in 2010, their lowest levels in five seasons.
- Total non-personnel expenses accounted for 47% of total expenses in 2010, the second highest level in five seasons on a percentage basis.

PERFORMANCE ACTIVITY

- In 2010, companies in the Level 4 CSG reported offering three productions and approximately seven performances, on average, on par with companies in the Level 3 CSG. This represents the lowest average number of both productions and performances since 2006.
- Capacity utilization increased from 52% in 2009 to 57% in 2010, likely resulting from the reduction in the number of performances and the subsequent reduction in the number of available seats.
- The lowest overall single ticket price dropped 10% from 2009 to 2010, reaching its lowest level in five years. The highest overall single ticket price, however, did not change significantly. Conversely, the lowest orchestra seat price rose over 10% from 2009 to 2010, while the highest orchestra seat price rose over 25% from 2009 to 2010. Orchestra seat prices were higher in 2010 than in any of the past five seasons, on average.
- The price of subscription tickets increased, on average. The highest subscription ticket price rose over 13% and the lowest subscription ticket price rose over 36%, both reaching their highest levels since 2006 by far.
- Subscription renewals dropped only slightly, from over 77% in 2009 to over 76% in 2010.

Performance Activity Average of U.S. Constant Sample Group of (20) Level 4 Companies						Percentage Change		4-yr Annualized Growth Rate	
Performance Activity	2006	2007	2008	2009	2010	1-yr	4-yr	Actual	Infl. Adj.
Performance Activity									
Main Season Productions	3.3	3.2	3.4	3.2	3.1				
Main Season Performances	9.3	8.7	9.5	9.9	7.6				
Attendance									
Main Season Paid Attendance	4,157	3,752	3,731	3,396	2,959	-12.9%	-28.8%		
Total Seats Available	6,617	6,370	6,332	6,509	5,171	-20.6%	-21.8%		
% of Capacity Sold	62.8%	58.9%	58.9%	52.2%	57.2%				
Subscription Renewal Rate	80.9%	64.9%	90.5%	77.5%	76.5%				
Pricing									
High Full Subscription Price	\$139	\$179	\$166	\$188	\$214	13.7%	54.2%	11.4%	9.1%
Low Full Subscription Price	\$40	\$56	\$43	\$41	\$56	36.2%	40.4%	8.9%	6.5%
High Single Ticket Price	\$53	\$58	\$60	\$64	\$64	0.5%	20.1%	4.7%	2.3%
Low Single Ticket Price	\$16	\$16	\$15	\$12	\$11	-10.0%	-35.2%	-10.3%	-12.7%
Highest Orchestra Ticket	\$45	\$43	\$47	\$50	\$62	25.5%	39.5%	8.7%	6.3%
Lowest Orchestra Ticket	\$23	\$23	\$21	\$24	\$26	10.5%	13.8%	3.3%	0.9%

12 companies comprise the 2010 Canadian CSG:

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

OVERVIEW

- Eight of the 12 companies in the Canadian CSG reported surpluses in 2010, though the group of companies as a whole reported an average deficit of over \$7,500. Despite the fact that the same number of companies reported surpluses in 2009, the size of the surpluses tended to be smaller in 2010.
- Average operating revenue for the Canadian CSG decreased only slightly from 2009 to 2010, hovering at \$5.6MM in both years. Average expenses also experienced little change, also remaining at approximately \$5.6MM in both 2009 and 2010.
- In 2010, average investment portfolios among Canadian companies amounted to \$2.1MM, a 20% drop from their levels in 2009.
- Working capital among Canadian companies decreased, on average, from (\$272,000) in 2009 to (\$358,500) in 2010. In 2010, eight of the 12 companies in the Canadian CSG reported negative working capital.

Operating Net Income Average of U.S. Constant Sample Group of (20) Level 4 Companies									
	2006	2007	2008	2009	2010	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Total Operating Revenue	\$578,471	\$616,340	\$617,987	\$633,134	\$509,631	-19.5%	-11.9%	-3.1%	-5.5%
Total Expense	\$586,295	\$618,693	\$619,960	\$662,673	\$549,462	-17.1%	-6.3%	-1.6%	-4.0%
Operating Net Income (Loss)	(\$7,824)	(\$2,353)	(\$1,972)	(\$29,539)	(\$39,831)				
As Percentage of Expense	-1.4%	-0.4%	-0.3%	-4.7%	-7.8%				

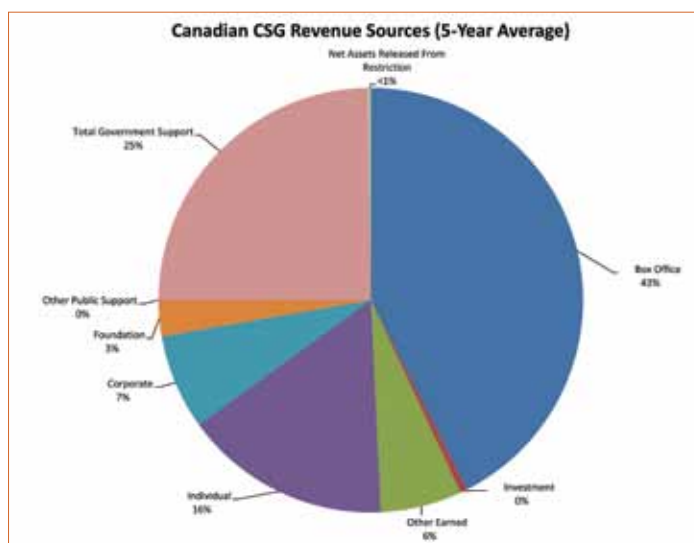
Balance Sheet Average of Canadian Constant Sample Group of (12) Companies									
	2006	2007	2008	2009	2010	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Average Net Assets									
Unrestricted	(\$275,612)	(\$73,855)	(\$18,034)	\$20,007	(\$67,084)	--	-75.7%	-29.8%	-31.5%
Temporarily Restricted	\$0	\$14,891	\$12,411	\$0	\$43,872	--	--	--	--
Permanently Restricted	\$57,833	\$38,913	\$39,908	\$39,956	\$39,956	0.0%	-30.9%	-8.8%	-10.6%
Average Total Net Assets	(\$217,779)	(\$20,051)	\$34,285	\$59,963	\$16,743	-72.1%	-107.7%	--	--
Average Total NA as % of Average Expense	-4.8%	-0.4%	0.7%	1.1%	0.3%				
Average Working Capital	(\$750,367)	(\$365,583)	(\$318,917)	(\$271,691)	(\$358,488)	--	--	--	--
as % of Average Expense	-16.7%	-6.7%	-6.1%	-4.8%	-6.3%				
Average Investments *	\$1,673,086	\$2,516,087	\$2,972,067	\$2,746,331	\$2,190,720	-20.2%	30.9%	7.0%	5.2%
as % of Average Expense	37.1%	46.3%	56.7%	48.4%	38.8%				
Average Net Fixed Assets	\$474,756	\$291,728	\$300,882	\$291,698	\$291,404	-0.1%	-38.6%	-11.5%	-13.3%

* Including Separately Incorporated Endowments

REVENUE

- Average ticket revenue in 2010 decreased slightly from that reported in 2009, but has risen 29% since 2006. Ticket revenue accounted for over 37% of total operating revenue in 2010.
- In 2010, revenue from investments was over \$16,500, on average. Though this is not the lowest level seen in the last five seasons, it marks a dramatic decrease of over 51% from 2009.
- Individual gifts, on average, increased 8% from 2009 to 2010 and have risen 35% since 2006. Foundation support, however, declined sharply from 2009 to 2010, by nearly 50% on average, though such support has increased almost 43% since 2006. Corporate support increased 11% from 2009 to 2010, but has decreased slightly since 2006. Local, provincial and national support of Canadian companies fell less than 1% from 2009 to 2010, but has increased 13% since 2006. Government subsidy still is, and will likely remain, the largest contributed revenue source for Canadian companies and the second largest revenue source after ticket sales.
- The average Canadian company ratio of contributed to earned revenue was 50%:50% over the past five seasons, owing in large part to government support.

Unrestricted Revenue Average of Canadian Constant Sample Group of (12) Companies												
	2006	%	2007	%	2008	%	2009	%	2010	%	Percentage Change 1-yr	4-yr
Unrestricted Earned Revenue												
Box Office	\$1,657,923	37.1%	\$2,435,579	43.4%	\$2,053,505	38.4%	\$2,153,319	37.8%	\$2,140,075	37.6%	-0.6%	29.1%
Investment	\$53,633	1.2%	(\$3,707)	-0.1%	\$24,309	0.5%	\$34,212	0.6%	\$18,594	0.3%	-51.5%	-69.2%
Other Earned	\$138,915	3.1%	\$191,871	3.4%	\$178,306	3.3%	\$517,660	9.1%	\$500,672	8.8%	-3.2%	-
Total Unrestricted Earned Revenue	\$1,850,472	41.4%	\$2,623,753	46.7%	\$2,256,200	42.2%	\$2,704,611	47.5%	\$2,667,331	46.7%	-1.7%	43.6%
Unrestricted Contributed Revenue												
Private Support												
Individual	\$633,132	14.2%	\$719,985	12.8%	\$870,220	16.2%	\$788,924	13.9%	\$854,432	15.0%	8.3%	35.0%
Corporate	\$311,233	7.0%	\$545,051	9.7%	\$345,996	6.4%	\$277,170	4.9%	\$307,799	5.4%	11.1%	-1.1%
Foundation	\$90,491	2.0%	\$94,452	1.7%	\$101,711	1.9%	\$256,235	4.5%	\$128,195	2.3%	-49.6%	-42.8%
Other Private Support	\$501,129	11.2%	\$448,452	8.0%	\$404,007	7.5%	\$418,694	7.3%	\$463,310	8.1%	10.8%	-7.5%
Total Unrestricted Private Support	\$1,535,985	34.4%	\$1,768,090	32.2%	\$1,721,934	32.0%	\$1,740,412	30.6%	\$1,754,737	30.8%	0.8%	14.2%
Total Unrestricted Government Support	\$1,053,302	24.2%	\$1,194,075	21.3%	\$1,350,192	25.1%	\$1,231,197	21.6%	\$1,226,860	21.5%	-0.4%	13.3%
Total Unrestricted Contributed Revenue	\$2,619,287	60.6%	\$2,992,166	63.6%	\$3,072,126	67.2%	\$2,971,609	62.2%	\$2,981,596	62.4%	0.3%	13.8%
Net Assets Released From Restriction	\$0	0.0%	\$0	0.0%	\$36,891	0.7%	\$18,317	0.3%	\$0	0.0%	-	-
Total Unrestricted Revenue	\$4,469,759		\$5,615,919		\$5,378,207		\$5,684,537		\$5,638,927		-1.0%	26.2%
* As a % of Total Unrestricted Revenue												

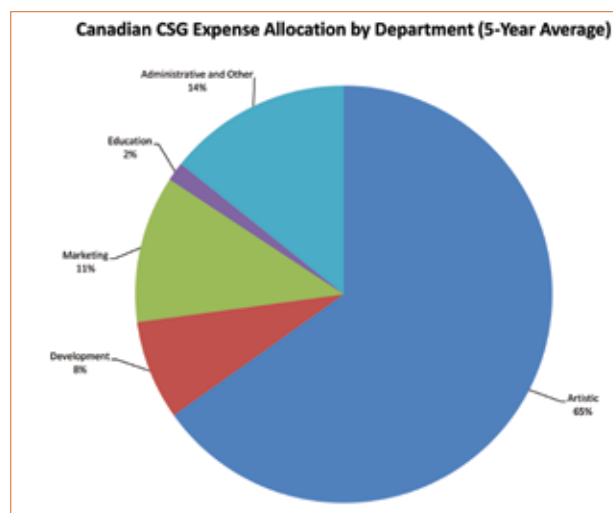


EXPENSES

- Canadian companies allocated 65% of their budgets to artistic and production expenses, on average, on par with U.S. Level 1 companies.
- Total personnel costs, including salaries and fees paid to administrative staff and artists, accounted for 63% of the total budget in 2010. From 2009 to 2010, artistic personnel costs increased 5%; production personnel expenses, though, fell by over 4%; marketing and box office personnel expenses decreased almost 6%; development and education personnel costs both decreased by nearly 4%; administrative personnel costs increased nearly 6%; singer training personnel costs were most reduced on a percentage basis, falling over 29%.
- Total non-personnel costs accounted for over 36% of total expenses in 2010. From 2009 to 2010, production non-personnel costs decreased 2%; broadcasting, recording and Internet non-personnel expenses experienced little change; singer training non-personnel expenses increased by almost 6%, as did administrative non-personnel costs, by nearly 1%; development non-personnel expenses rose nearly 11%; marketing and box office non-personnel expenses were reduced 8%; non-personnel expenses related to other earned income projects rose nearly 35%; education non-personnel expenses fell 49%. It should be noted that, despite the large year-over-year percentage decrease, education non-personnel expenses still accounted for less than 1% of total expenses in 2010, consistent with the past five seasons.
- Marketing productivity increased by nearly 8% from 2009 to 2010, recovering from a slight drop experienced the year before. Since 2006, marketing productivity has increased over 15%.
- Canadian companies reported an almost 4% decrease in development productivity from 2009 to 2010, raising over \$7 for every \$1 spent on fundraising, on average.

	2006	%	2007	%	2008	%	2009	%	2010	%	Percentage Change 1-yr	4-yr	4-yr Annualized Growth Rate Actual	Inf. Adj.
Personnel														
Artistic	\$1,427,900	31.7%	\$1,847,164	34.0%	\$1,603,921	30.6%	\$1,580,529	27.9%	\$1,661,563	29.3%	5.1%	16.4%	3.9%	2.1%
Production & Technical	\$679,428	15.1%	\$941,942	17.3%	\$858,700	16.4%	\$1,052,737	18.6%	\$1,004,507	17.7%	-4.6%	47.8%	10.3%	8.5%
Singer Training	\$2,844	0.1%	\$8,980	0.2%	\$60,217	1.1%	\$101,757	1.8%	\$71,707	1.3%	-29.8%	—	—	—
Marketing/PR/Box Office	\$171,038	3.8%	\$178,968	3.3%	\$191,007	3.6%	\$194,725	3.4%	\$183,526	3.2%	-5.8%	7.3%	1.8%	0.0%
Development	\$126,001	2.8%	\$155,714	2.9%	\$184,493	3.5%	\$178,985	3.2%	\$172,394	3.0%	-3.7%	36.8%	8.2%	6.4%
Education	\$35,955	0.8%	\$39,302	0.7%	\$50,367	1.0%	\$53,002	0.9%	\$51,034	0.9%	-3.7%	41.9%	9.2%	7.4%
Administrative	\$289,415	6.4%	\$285,360	5.3%	\$292,503	5.6%	\$413,974	7.3%	\$438,577	7.7%	5.9%	51.5%	11.0%	9.2%
Total Personnel Expense	\$2,732,580	60.7%	\$3,458,429	63.8%	\$3,241,378	61.9%	\$3,878,798	63.1%	\$3,883,398	63.2%	0.2%	31.1%	7.0%	6.2%
Non-Personnel														
Production	\$689,653	15.3%	\$889,353	16.4%	\$774,375	14.8%	\$925,345	16.3%	\$905,989	16.0%	-2.1%	31.4%	7.1%	5.3%
Broadcasting, Recording & Internet Expense	\$540	0.0%	\$1,072	0.0%	\$286	0.0%	\$731	0.0%	\$4,469	0.1%	—	—	—	—
Singer Training	\$36,107	0.8%	\$29,550	0.5%	\$30,855	0.6%	\$36,348	0.6%	\$38,423	0.7%	5.7%	6.4%	1.6%	-0.2%
Marketing/PR/Box Office	\$382,867	8.5%	\$407,043	7.5%	\$401,145	7.7%	\$475,142	8.4%	\$436,905	7.7%	-8.1%	14.0%	3.3%	1.8%
Development	\$247,912	5.5%	\$260,577	4.8%	\$282,783	5.0%	\$216,058	3.8%	\$239,258	4.2%	10.7%	-3.5%	-0.9%	-2.7%
Education	\$34,339	0.8%	\$23,633	0.4%	\$35,169	0.7%	\$41,593	0.7%	\$21,437	0.4%	-49.0%	-37.6%	-11.1%	-12.9%
Administrative	\$324,778	7.2%	\$293,361	5.4%	\$409,235	7.8%	\$356,161	6.3%	\$359,047	6.3%	0.8%	10.6%	2.5%	0.8%
Other Earned Income Expenses	\$55,893	1.2%	\$75,951	1.4%	\$85,259	1.6%	\$43,223	0.8%	\$58,273	1.0%	34.8%	4.3%	1.0%	-0.7%
Total Non-Personnel Expense	\$1,772,090	39.3%	\$1,980,540	36.4%	\$1,999,105	38.1%	\$2,695,001	36.9%	\$2,663,399	36.4%	-1.5%	16.4%	3.9%	2.1%
Total Expense	\$4,504,671		\$5,438,969		\$5,240,483		\$6,573,799		\$6,546,797		-0.4%	25.4%	5.8%	4.6%

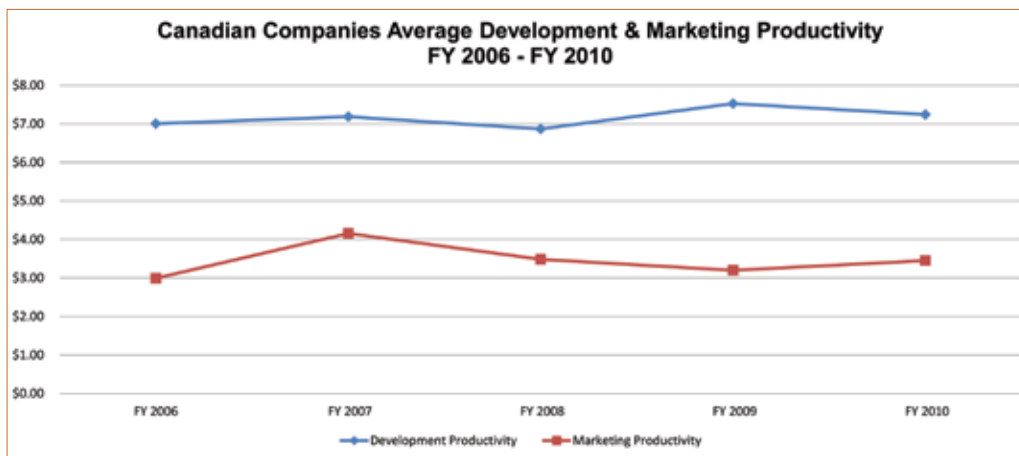
* As a % of Total Expense



Productivity Measures

Average of Canadian Constant Sample Group of (12) Companies

	2006	2007	2008	2009	2010	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Development Productivity	\$7.01	\$7.19	\$6.87	\$7.53	\$7.24	-3.8%	3.4%	0.8%	-0.9%
Marketing Productivity	\$2.99	\$4.16	\$3.48	\$3.20	\$3.45	7.9%	15.4%	3.6%	1.9%
Program Coverage	59.2%	66.2%	63.7%	60.2%	59.9%				



PERFORMANCE ACTIVITY

- In 2010, companies in the Canadian CSG reported offering over three productions and over 16 performances, on average. This represents the highest average number of both productions and performances since 2006.
- Capacity utilization rose from almost 78% in 2009 to nearly 85% in 2010.
- The lowest overall single ticket price rose 18% from 2009 to 2010, returning to the levels reached in 2008. The highest overall single ticket price rose over 7% from 2009 to 2010, reaching its highest level in five seasons. Conversely, the lowest and highest orchestra seat prices dropped from 2009 to 2010, falling 37% and 29% respectively. Orchestra seat prices were at their lowest level since 2006.
- The price of subscription tickets declined on average. While the highest subscription price dropped less than 2% from 2009, the lowest subscription price decreased over 18% during that time.
- Subscription renewals increased slightly from over 79% in 2009 to 80% in 2010.

Performance Activity

Average of Canadian Constant Sample Group of (12) Companies

	2006	2007	2008	2009	2010	Percentage Change		4-yr Annualized Growth Rate	
						1-yr	4-yr	Actual	Infl. Adj.
Performance Activity									
Main Season Productions	2.5	2.8	3.0	3.1	3.3				
Main Season Performances	12.3	14.6	15.8	16.1	16.6				
Attendance									
Main Season Paid Attendance	20,966	20,155	23,632	24,482	26,397	7.8%	25.9%		
Total Seats Available	31,738	27,760	30,344	31,444	31,105	-1.1%	-2.0%		
% of Capacity Sold	66.1%	72.6%	77.9%	77.9%	84.9%				
Subscription Renewal Rate	74.8%	74.3%	69.6%	79.4%	80.0%				
Pricing									
High Full Subscription Price	\$287	\$281	\$400	\$421	\$414	-1.7%	44.3%	9.6%	7.8%
Low Full Subscription Price	\$56	\$64	\$67	\$87	\$71	-18.2%	27.6%	6.3%	4.5%
High Single Ticket Price	\$96	\$97	\$106	\$114	\$123	7.5%	28.5%	6.5%	4.7%
Low Single Ticket Price	\$18	\$16	\$21	\$17	\$21	18.0%	15.9%	3.8%	2.0%
Highest Orchestra Ticket	\$84	\$78	\$94	\$94	\$67	-29.3%	-20.2%	-5.5%	-7.3%
Lowest Orchestra Ticket	\$36	\$42	\$39	\$42	\$27	-37.0%	-27.1%	-7.6%	-9.4%

Conclusion

The AFR does not include information on attendance at the many community events and education programs conducted by all companies over the course of the year because it is difficult to accurately measure attendance at these informal and frequently non-ticketed efforts. Simulcasts in sports stadiums, flash mobs in malls, free outdoor concerts in public parks and the wealth of other creative audience development projects offered by companies nationwide and across all levels (most recently during National Opera Week) indicate that the art form is thriving, albeit in a less traditional sense. Though the number of mainstage productions and performances may be decreasing, the door has opened for many new and varied opera-making activities. While the scope and nature of this phenomenon is difficult to quantify, its impact is significant in terms of public engagement and related perceptions.

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. Temporarily restricted net 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. 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 information or to commission a benchmarking study, contact Katie Baltrush, KBaltrush@operaamerica.org.

Acknowledgments

Many thanks to Marc A. Scorca and Katherine L. Ehle for their input and assistance on this year's *Annual Field Report*. We wish to acknowledge Pat Egan and Nancy Sasser of Cool Springs analytics whose terminology appears in the *Annual Field Report*. Thank you also to the staffs of the member companies who made this report possible by taking time from their work of producing opera to complete the CDP/POS.

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Front Cover:

Tamara Mumford (kneeling) in the title role and Elizabeth Reiter as Aphrodite in Opera Company of Philadelphia's 2011 American premiere of Henze's *Phaedra*. Photo by Kelly & Massa Photography. | David Pittsinger as Eugene O'Neill in The Glimmerglass Festival's world premiere production of Tesori's *A Blizzard On Marblehead Neck*. Photo by Julieta Cervantes. | Laura Knoop Very, soprano; Elizabeth Chang, dancer; and Ricky Williams, clarinet in Opera Theatre of Pittsburgh's 2011 production of Gordon's *Orpheus & Euridice*. Photo by Patti Brahim.

Page 2:

John Mac Master as Canio and Elizabeth Caballero as Nedda in Kentucky Opera's 2010 production of Leoncavallo's *I Pagliacci*. Photo by J. David Levy. | Roger Honeywell as Jimmy and Judith Forst as Irene in Vancouver Opera's 2010 world premiere production of Estacio's *Lillian Alling*. Photo by Tim Matheson. | Camille Zamora as Despina and Todd Robinson as Don Alfonso in Virginia Opera's production of Mozart's *Così fan tutte*. Photo by Anne M. Peterson. | Nathaniel Watson as Ali, Amanda Forsythe as Fatime, Daniel Auchincloss as Tacmas and Nathalie Paulin as Zaire in Boston Baroque's 2011 semi-staged production of Rameau's *Les Indes Galantes*. Photo by Julian Bullitt. | Andrew Gray, Lee Gregory, Kelly Kaduce, Kimwana Doner, Francesco Demuro and Marian Pop in Michigan Opera Theatre's 2010 production of Puccini's *La bohème*. Photo by John Grigaitis. | Sean Anderson as John Proctor, Matthew Edwardsen as Judge Danforth, Jeffrey Tucker as Reverend John Hale and Bradley Smoak as Francis Nurse in Sarasota Opera's production of Ward's *The Crucible*. Photo by Rod Millington. | Luis Ledesma as Gérard in Nashville Opera's 2010 production of Giordano's *Andrea Chénier*. Photo by Reed Hummell.

Page 3:

Harold Meers as Rodolpho and Jan Cornelius as Mimì in Des Moines Metro Opera's 2011 production of Puccini's *La bohème*. Photo by Duane Tinkey. | Patricia Risley as Dorabella, Matteo Peirone as Don Alfonso and Caitlin Lynch as Fiordiligi in Palm Beach Opera's 2011 production of Mozart's *Così fan tutte*. Photo courtesy of Palm Beach Opera. | Roxana Constantinescu in the title role of Minnesota Opera's 2010 production of Rossini's *La Cenerentola*. Photo by Michal Daniel.

Page 5:

Tracy Michelle Arnold in Madison Opera's 2011 production of Weill's *The Threepenny Opera*. Photo by Andy Manis.

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Blueprint of the 7th Floor of the National Opera Center.

Page 9:

Micaela Oeste as Creuse in Chicago Opera Theater's 2011 production of Charpentier's *Medea*. Photo by Liz Lauren.

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Zulimar Lopez Hernandez, Liam Moran, Colleen Daly, Stephanos Tsirakoglou, Madeleine Gray and Joseph Haughton in Annapolis Opera's 2011 production of Mozart's *The Marriage of Figaro*. Photo by Michael Teems.

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Florentine Opera Company's 2010 world premiere production of Davis's *Rio de Sangre*. Photo by Richard Brodzeller for Florentine Opera Company.

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Dayton Opera's 2010 production of Gershwin's *Porgy and Bess*. Photo by Scott J. Kimmins.

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Nina Stemme as Brünnhilde with the Valkyries: Renee Tatum as Grimgerde, Lauren McNeese as Rossweisse, Maya Lahyani as Siegrune, Tamara Wapinsky as Helmwig, Melissa Citro as Ortlinde, Sara Gartland as Gerhilde, Cybele Gouverneur as Schwertleite and Daveda Karanas as Waltraute in San Francisco Opera's 2011 production of Wagner's *Die Walküre*. Photo by Cory Weaver/San Francisco Opera.

Page 19:

Kyle Hall, Celena Shafer, Patrick Langford, Michael Cram, Derrick Parker and Brent Reilly Turner in Utah Symphony | Utah Opera's production of Puccini's *La bohème*. Photo by Kent Miles.

Page 21:

Michael Schade as Tamino (center) in Canadian Opera Company's 2011 production of Mozart's *The Magic Flute*. Photo by Michael Cooper.

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Florida Grand Opera's production of Puccini's *Turandot*. Photo by Gaston de Cardenas.

Page 27:

Mark Bringelson as Mr. Williamson (top); Robin Buck as Andrew (center); and Eric B. Anthony as Boy Sam (lower center), flanked by two of the male slave chorus in Long Beach Opera's 2011 production of Lang's *The Difficulty of Crossing a Field*. Photo by Doris C. Koplik.

Page 29:

Michael Maniaci as Sesto, Curtis Sullivan as Publio, Kresimir Spicer as Emperor Tito, Measha Brueggergosman as Vitellia, Mireille Lebel as Annio and Mireille Asselin as Servillia, along with artists of Atelier Ballet in Opera Atelier's production of Mozart's *Clemenza di Tito*. Photo by Bruce Zinger.

Page 31:

The Dallas Opera's 2011 production of Mussorgsky's *Boris Godunov*. Photo by Karen Almond, The Dallas Opera.

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Javier Abreu as Count Almaviva, Steven Condy as Don Bartolo and Andrew Wilkowske as Figaro in Opera on the James's 2011 production of Rossini's *Barber of Seville*. Photo by Keith Theinemann. | Calgary Opera's world premiere production of Tovey's *The Inventor*. Photo by Trudie Lee. | Michael Redding as Porgy in The Atlanta Opera's production of Gershwin's *Porgy and Bess*. Photo by Tim Wilkerson. | Twyla Robinson as the Marchallin and Anke Vondung as Octavian in San Diego Opera's 2011 production of Strauss's *Der Rosenkavalier*. Photo by Ken Howard. | Dan Kempson and Jonathan Blalock on ladder, Corrie Donovan and Rosa Betancourt below in Fort Worth Opera's 2011 production of Glass's *Hydrogen Jukebox*. Photo by Ron T. Ennis.

Page 63:

Sandra Piques Eddy in Lyric Opera of Kansas City's 2010 production of Bizet's *Carmen*. Photo by Karen Almond. | Plácido Domingo as Pablo Neruda and Charles Castronovo as Mario Ruoppolo in Los Angeles Opera's 2010 world premiere production of Catán's *Il Postino*. Photo by Robert Millard. | Opera Carolina's 2011 production of Verdi's *La traviata*. Photo by Greg Cable. | John Relyea as Don Quichotte riding Desparado as his horse Rocinante in Seattle Opera's 2011 production of Massenet's *Don Quichotte*. Photo by Rozarii Lynch. | Central City Opera's 2011 North American premiere production of Handel's *Adigi Di Gaula*. Photo by Mark Kiryluk. | The Lyric Opera chorus in Lyric Opera of Chicago's production of Verdi's *Macbeth*. Photo by Robert Kusel/Lyric Opera of Chicago.

Back Cover:

Rachele Gilmore in Knoxville Opera's 2011 production of Bellini's *I Puritani*. Photo by JC Studios. | Laurelyn Watson Chase and company in Opera Saratoga's 2011 production of Strauss's *Die Fledermaus*. Photo by Gary Gold.





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