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**TOLEDO OPERA ASSOCIATION**  
Toledo, Ohio

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**  
May 31, 2011

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## Independent Auditor's Report

Board of Trustees  
Toledo Opera Association  
Toledo, Ohio

We have audited the accompanying statement of financial position of the Toledo Opera Association as of May 31, 2011. This financial statement is the responsibility of the Association's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial position is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial position. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Because we were not engaged to audit the statement of activities, we did not extend our auditing procedures to enable us to express an opinion on results of operations for the year ended May 31, 2011. Accordingly, we express no opinion on it.

The Association declined to present the statement of cash flows for the year May 31, 2011. Presentation of such statement summarizing the Association's operating, investing, and financing activities is required by generally accepted accounting principles.

In our opinion, except that the omission of the statement of cash flows results in incomplete presentation as explained in the preceding paragraph, the statement of financial position referred to above presents fairly, in all material respects, the financial position of the Toledo Opera Association as of May 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Association will continue as a going concern. As discussed in Note 2 to the financial statements, the Association has withdrawn excess distributions from permanently restricted endowments to meet current obligations and has an unrestricted net asset deficiency that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Board of Trustees  
Toledo Opera Association

Our audit was conducted for the purpose of forming an opinion on the statement of financial position. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Because we were not engaged to audit the statement of activities, we did not extend our auditing procedures to enable us to express an opinion on supplementary information for the year ended May 31, 2011. Accordingly, we express no opinion on it.

Toledo, Ohio  
January , 2012

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**TOLEDO OPERA ASSOCIATION  
STATEMENT OF FINANCIAL POSITION  
May 31, 2011**

**ASSETS**

**ASSETS**

Cash and cash equivalents	\$ 35,788
Investment securities	1,119,059
Contributions receivable, net	437,270
Prepaid expenses	12,476
Property and equipment, net	<u>8,458</u>

**TOTAL ASSETS** \$ 1,613,051

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Bank line-of-credit	\$ 400,000
Accounts payable	141,649
Accrued liabilities	1,143
Bank term loan	14,077
Advance ticket sales proceeds	<u>-</u>

Total liabilities 556,869

**NET ASSETS**

Unrestricted deficit	(205,145)
Temporarily restricted	261,327
Permanently restricted	<u>1,000,000</u>

Total net assets 1,056,182

**TOTAL LIABILITIES AND NET ASSETS** \$ 1,613,051

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The accompanying notes are an integral part of the financial statements.

**TOLEDO OPERA ASSOCIATION  
STATEMENT OF ACTIVITIES  
Year Ended May 31, 2011**

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	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
<b>REVENUE, GAINS AND OTHER SUPPORT</b>				
Individual contributions	\$ 401,704	-	-	\$ 401,704
Save the Opera campaign	-	236,000	-	236,000
Corporate contributions	47,950	-	-	47,950
Grants	92,040	10,000	-	102,040
Season subscriptions	86,169	-	-	86,169
Single tickets	35,583	-	-	35,583
Special event fundraising, net	67,653	-	-	67,653
Education Outreach contributions	-	107,679	-	107,679
Student Night Opera	5,627	-	-	5,627
Program advertising	14,601	-	-	14,601
Investment return	198,391	-	-	198,391
Net assets released from restrictions	<u>92,352</u>	<u>(92,352)</u>	-	-
Total revenue, gains and other support	<u>1,042,070</u>	<u>261,327</u>	-	<u>1,303,397</u>
<b>EXPENSES</b>				
Program	514,690	-	-	514,690
Development and fundraising	52,221	-	-	52,221
Administrative	<u>279,603</u>	-	-	<u>279,603</u>
Total expenses	<u>846,514</u>	-	-	<u>846,514</u>
<b>CHANGE IN NET ASSETS</b>				
	195,556	261,327	-	456,883
<b>NET ASSETS (DEFICIT)</b>				
Beginning of year	<u>(400,701)</u>	-	1,000,000	<u>599,299</u>
End of year	<u>\$ (205,145)</u>	<u>\$ 261,327</u>	<u>\$ 1,000,000</u>	<u>\$ 1,056,182</u>

The accompanying notes are an integral part of the financial statements.

**TOLEDO OPERA ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**May 31, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Toledo Opera Association (the Association) is a not-for-profit organization formed in 1957 to promote the opera through public performances and educational programs.

Significant accounting policies followed by the Association are presented below.

**Use of Estimates in Preparing Financial Statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during each reporting period. The most significant area involving the use of management's estimates and assumptions are allowance for doubtful receivables. Actual results could differ from those estimates.

**Financial Statement Presentation**

The Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets includes all net assets which are neither temporarily or permanently restricted. Temporarily restricted net assets includes contributed net assets for which donor imposed time and purpose restrictions have not been met and the ultimate purpose of the contribution is not permanently restricted. Permanently restricted net assets includes contributed net assets which require, by donor restrictions, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

**Cash and Cash Equivalents**

The Association considers all highly liquid investments with a maturity at date of purchase of three months or less to be cash equivalents. Cash equivalents, consisting of money market funds, amounted to \$34,960 at May 31, 2011.

The Association maintains its checking account in a commercial bank located in Northwest Ohio. Balances on deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. However, balances in interest bearing accounts in excess of FDIC limits are uninsured, while balances on non-interest bearing accounts are insured without limit through December 31, 2012.

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**TOLEDO OPERA ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**May 31, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investment Securities**

Investment securities represent mutual funds and are recorded at fair value. Fair value is determined based upon quoted market values of the funds. Investment securities acquired by gift or bequest are recorded at fair value on the date of gift and such amount is considered the cost of the security. Any realized gain or loss on sale of a security is determined using the cost basis of the security sold. Income from investments, including realized and unrealized gains and losses, is allocated among unrestricted and temporarily restricted net assets based on donor restrictions or the absence thereof.

**Contributions Receivable**

Receivables consist of contributions resulting from fund raising activities. The carrying amount of receivables is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful receivables is primarily based on management's assessment of the collectibility of specific accounts, past collection experience and the aging of the receivable. All accounts or portions thereof deemed to be uncollectible are written-off to the allowance for doubtful accounts receivable.

**Property and Equipment**

Property and equipment are stated at cost. The Association capitalizes major additions to property and equipment at cost or fair value if acquired by gift. Depreciation of property and equipment is provided using the straight-line method based on the estimated useful lives of the individual assets which generally range from ten to fifteen years for musical instruments, seven years for vehicles, and three to ten years for office furniture and equipment.

**Impairment of Long-Lived Assets**

The Association reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets held and used is measured by comparing the carrying amount of an asset to undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

**Advance Ticket Sale Proceeds**

Proceeds from advance ticket sales for productions of the Toledo Opera are held by the Association for the benefit of the ticket purchaser until the production is performed as advertised. Upon performance of the production, ticket revenue is recognized and the liability is reduced accordingly.

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**TOLEDO OPERA ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
May 31, 2011**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

The Association records as revenue the following types of donations when they are received unconditionally, at their fair value: cash, promises to give, certain donated services and gifts of long-lived and other assets. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met. Contributions with donor-imposed restrictions met in the same reporting year are reported as unrestricted contributions without reclassification.

Contributed materials and services for which value is assignable are recorded as donations in-kind at their estimated fair market values at the time of receipt, and classified according to the description of the materials or services donated.

**Income Taxes**

The Association is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Consequently, no provision for income taxes is required.

The Association determined that it was not required to record a liability related to uncertain tax positions. The federal tax returns of the Association for 2008 through 2011 are subject to examination by the Internal Revenue Service and state taxing authorities, which is generally for three years after they were filed.

**Advertising Costs**

Advertising costs are expensed when incurred. Advertising expenses for 2011 was \$11,694.

**NOTE 2 – NET ASSET DEFICIENCY AND MANAGEMENT’S PLANS**

The impact of recurring losses has resulted in an unrestricted net asset deficit and during fiscal 2011 management distributed \$50,000 in excess of the Spending Policy from the permanently restricted endowment funds to meet current obligations. In addition, the bank line-of-credit is at the maximum available borrowings for the last several years.

Beginning in 2011, management implemented several cost reduction strategies to combat the accumulation of these deficiencies which include:

- Eliminated one production in fiscal 2011.
- In fiscal 2012, a reduced season continues (one less production than traditionally offered) with reduced overall opera production expenses (one fully staged production only).
- In fiscal 2013, a reduced season is also projected.
- Effectively reduced administrative costs and will continue to seek additional back office cost sharing opportunities with other arts organizations.

**TOLEDO OPERA ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
May 31, 2011**

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**NOTE 2 – NET ASSET DEFICIENCY AND MANAGEMENT’S PLANS (CONTINUED)**

In addition, management and the Board of Trustees implemented several revenue enhancement strategies. Management began Save the Opera campaign which generated \$236,000 of contribution revenue in 2011 and has generated an additional \$204,200 of contribution revenue through December in fiscal 2012. In addition, management began an aggressive fundraising initiative to pay down the line-of-credit and obtain long-term sustainability pledges.

**NOTE 3 - INVESTMENT SECURITIES**

Investment securities at May 31, 2011, consisted of the following mutual funds and the Endowment Trust:

Domestic equity funds	\$ 517,447
Fixed income funds	408,371
International equity funds	127,823
Real estate fund	<u>65,418</u>
<b>Total investment securities</b>	<b><u>\$ 1,119,059</u></b>

Investment return for the years ended May 31, 2011 is summarized as follows:

Net unrealized gains	\$ 39,501
Net realized gains	<u>133,573</u>
	173,074
Interest and dividend income	<u>25,317</u>
<b>Total investment return</b>	<b><u>\$ 198,391</u></b>

Withdrawals from the above investment securities are subject to the Spending Policy for Operations as described in Note 13. The Endowment Committee has made a resolution to forgo distributions from the Endowment Trust until a total of \$150,000 excess distributions are repaid. This includes the 2011 excess \$50,000 distribution discussed in Note 2. For the quarters ending March 31, 2011 and June 30, 2011, the Association did not take withdrawals totalling \$26,345 in an effort to repay this amount.

**NOTE 4 – CONTRIBUTIONS RECEIVABLE**

Contributions receivable at May 31, 2011 consist of the following:

Parsons bequest	\$ 241,000
Save the Opera Campaign	172,500
Building for Opera	21,300
Other contributions	<u>17,170</u>
	451,970
Less allowance	<u>14,700</u>
<b>Net contributions receivable</b>	<b><u>\$ 437,270</u></b>

In June 2011, the Board designated \$45,000 of the Parson’s bequest for marketing and audit costs.

**TOLEDO OPERA ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**May 31, 2011**

**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment at May 31, 2011 consisted of the following:

Musical instruments	\$ 11,672
Vehicle	4,000
Office furniture and equipment	<u>1,500</u>
	17,172
Less accumulated depreciation	<u>8,714</u>
<b>Net property and equipment</b>	<b><u>\$ 8,458</u></b>

**NOTE 6 – BANK LINE-OF-CREDIT AND TERM LOAN**

At May 31, 2011, the Association has a demand bank line-of-credit agreement which provides maximum borrowings of \$400,000, with interest at 4%, and requires monthly interest payments. Outstanding borrowings amounted to \$400,000 at May 31, 2011 and the agreement is secured by the assets held in the Endowment Trust as discussed in Note 3.

The \$150,000 bank term loan is payable in monthly installments of \$3,068, including interest at the prime rate (3.25% at May 31, 2011), and has an outstanding balance of \$14,077. The note was paid in full subsequent to May 31, 2011.

**NOTE 7 – OPERATING LEASES**

The Association leases office equipment under two operating leases expiring August 2014 and September 2016. Rent expense under these agreements amounted to \$8,438 in 2011. Future minimum lease commitments at May 31, 2011 total \$35,660 and are payable as follows: 2012, \$8,438; 2013, \$8,438; 2014, \$8,112; 2015, \$8,004; and 2016, \$2,668.

The Association also leases office space on a month-to-month basis and rent expense amounted to \$21,600 in 2011. The Association also incurs monthly rentals associated with each production including costume, music, facility, and sets. Production rent expense amounted to \$62,459 in 2011.

**NOTE 8 – SPECIAL EVENT FUNDRAISING**

Special event fundraising revenues for the years ended May 31, 2011 consisted of \$115,090 for the Sapphire Ball. Direct expenses amounted to \$47,437, resulting in a net profit of \$67,653.

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**TOLEDO OPERA ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
May 31, 2011**

**NOTE 9 - RELATED PARTY TRANSACTIONS**

The Toledo Opera Guild (Guild) is a non-profit organization founded in 1962 whose mission is to promote opera in the Toledo community and region. Guild membership is comprised of a group of men and women who volunteer their time and talents in many ways. The Guild assists the Association in many activities including hosting fundraising events whose profits support the Association. During 2011, the Guild contributed \$17,170 to the Association.

**NOTE 10 - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS**

Temporarily restricted net assets at May 31, 2011 are available for the following purposes:

Save the Opera Campaign Phase I – time and purpose restrictions	\$ 172,500
Education Outreach Program	78,827
Opera production	<u>10,000</u>
<b>Total temporarily restricted net assets</b>	<b><u>\$ 261,327</u></b>

During the year ended May 31, 2011, \$28,852 of temporarily restricted net assets were released from restriction for the Education Outreach Program and \$63,500 of Save the Opera pledges were collected.

Permanently restricted net assets at May 31, 2011 consist of a gift that is to be held in perpetuity. The endowment fund resulted from a \$1,000,000 challenge grant gifted to the Association to create an endowment fund to assist in the Association's financial stability. Under the terms of the donation agreement, the Association had until September 1997 to raise \$1,000,000 either from pledges or gifts. Income from the endowment fund is unrestricted. In 1996, the Association entered into a Trust Agreement with KeyBank for the establishment of the endowment fund.

**NOTE 11 - CONTRIBUTED MATERIALS AND SERVICES**

The Association receives contributed materials and services (primarily consisting of special event auction items), the value of which is reflected in the accompanying financial statements. Management estimated that the value of contributed materials and services received was \$14,200 during 2011.

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NOTES TO FINANCIAL STATEMENTS  
May 31, 2011**

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**NOTE 12 - FAIR VALUE MEASUREMENTS**

FASB ASC 820-10, "Fair Value Measurements" (ASC 820-10), provides a comprehensive framework for measuring fair value and expands disclosures which are required about fair value measurements. Specifically, ASC 820-10 sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value inputs.

In determining fair value, the Association uses various valuation approaches within the ASC 820-10 fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

ASC 820-10 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. ASC 820-10 defines levels within the hierarchy based on the reliability of inputs as follows:

- Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in active markets or markets that are not active, such as dealer or broker markets.
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

There were no financial instruments measured at fair value that moved to a lower level in the fair value hierarchy due to the lack of observable quotes in inactive markets for those instruments at May 31, 2011.

Certain financial assets and liabilities are measured at fair value on a recurring basis while others are measured on a nonrecurring basis. The Association had no assets or liabilities measured on a nonrecurring basis at May 31, 2011.

The following table summarizes financial assets (there were no financial liabilities) measured at fair value as of May 31, 2011, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>	<u>Total Fair Value</u>
Recurring:				
Investment securities	<u>\$ 1,119,059</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,119,059</u>

**TOLEDO OPERA ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
May 31, 2011**

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**NOTE 12 - FAIR VALUE MEASUREMENTS (CONTINUED)**

The following is a description of the valuation methodologies used for significant instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

***Investment Securities***

Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities would typically include government bonds and exchange traded equities. If quoted market prices are not available, then fair values are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. Examples of such instruments, which would generally be classified within Level 2 of the valuation hierarchy, include corporate and municipal bonds, mortgage-backed securities, and asset-backed securities. In certain cases where there is limited activity or less transparency around inputs to the valuation, securities are classified within Level 3 of the valuation hierarchy. The Association did not have any securities classified as Level 2 or Level 3 at May 31, 2011.

**NOTE 13 - ENDOWMENTS**

The Association's endowments consist of funds established to support the operating expenses of the Association. Its endowments consist of both donor-restricted endowment fund and funds designated by the Board of Trustees (Board) to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Association does not have any Board designated endowment funds at May 31, 2011.

**Interpretation of Relevant Law**

The Board of the Association has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Consequently, the Association classifies permanently restricted net assets as:

- The original value of gifts donated to the permanent endowment, and
- The original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted endowment fund not classified as permanently restricted is classified as temporarily restricted net assets until those amounts are appropriated for expenditure. In accordance with SPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purpose of the Association and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Association.
7. The investment policies of the Association.

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NOTES TO FINANCIAL STATEMENTS  
May 31, 2011**

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**NOTE 13 – ENDOWMENTS (CONTINUED)**

**Return Objectives and Risk Parameters**

The Association has adopted an investment policy for endowment assets that attempts to achieve a long-term rate of return on assets that is at least 10% or better. The target rate of return has been based on the assumption that future real returns will approximate that long-term rates of return experienced for each asset class in the investment policy. Capital preservation is emphasized in periods of inflation, economic uncertainty or declining investment values.

**Spending Policy**

In September 1999, the Association approved a Spending Policy to determine an annual amount to be withdrawn from the cumulative return of investment funds to support the activities of the operating fund. The Spending Policy, which was restated September 15, 2009, and effective June 1, 2009, is also designed to provide support for the operations of future years and to offset potential market declines.

It is in the policy of the Association to make a withdrawal up to 5% of the average market value of the investment fund determined quarterly and averaged over the three years immediately preceding the fiscal year for current program services/operations.

**Strategies Employed for Achieving Objectives**

Based on the Association's time horizon, risk tolerance, performance expectations, and asset class preferences, an efficient or optimal portfolio was identified. The Association targets a diversified asset allocation that has a balance of both fixed income and equity securities to achieve its long-term objective within prudent risk constraints.

The following summarizes endowment net asset composition by type of fund as of May 31, 2011:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor restricted endowment funds	\$ 154,019	\$ -	\$ 1,000,000	\$ 1,154,019

There are no changes in endowment net assets for the fiscal year ended May 31, 2011.

**NOTE 14 - SUBSEQUENT EVENTS**

Management evaluated subsequent events through January 31, 2012, the date the financial statements were available to be issued. Events or transactions occurring after May 31, 2011, but prior to January 31, 2012 that provided additional evidence about conditions that existed at May 31, 2011, have been recognized in the financial statements for the year ended May 31, 2011. Events or transactions that provided evidence about conditions that did not exist at May 31, 2011 but arose before the financial statements were available to be issued, have not been recognized in the financial statements for the year ended May 31, 2011.

This information is an integral part of the accompanying financial statements.

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## **SUPPLEMENTARY INFORMATION**



**TOLEDO OPERA ASSOCIATION  
SCHEDULE OF PROGRAM EXPENSES  
Year Ended May 31, 2011**

Production expense	\$ 370,509
Equipment rent	62,459
Travel	26,108
Education Outreach	23,852
Supplies	10,280
Printing	1,552
Postage	2,865
Payroll taxes and fringe benefits	4,359
Taxes and licenses	5,311
Miscellaneous	<u>7,395</u>
<b>TOTAL PROGRAM EXPENSES</b>	<b><u>\$ 514,690</u></b>

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**TOLEDO OPERA ASSOCIATION  
SCHEDULE OF DEVELOPMENT AND FUNDRAISING EXPENSES  
Year Ended May 31, 2011**

Professional fees and contract services	\$ 21,815
Advertising	9,551
Printing	8,102
Membership marketing	4,473
Postage, shipping and delivery	5,621
Meeting and conferences	<u>2,659</u>
<b>TOTAL DEVELOPMENT AND FUNDRAISING EXPENSES</b>	<b><u>\$ 52,221</u></b>

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**TOLEDO OPERA ASSOCIATION  
SCHEDULE OF ADMINISTRATIVE EXPENSES  
Year Ended May 31, 2011**

Salaries	\$ 151,631
Payroll taxes and fringe benefits	15,265
Office and equipment rent and maintenance	36,682
Professional fees and contract services	9,546
Depreciation expense	8,714
Bank and credit card fees	8,996
Telephone and internet	5,694
Taxes and licenses	4,175
Insurance	5,461
Supplies	3,280
Membership dues and subscriptions	1,127
Advertising	2,143
Bad debt	15,730
Interest expense	17,823
Miscellaneous, net	<u>(6,664)</u>
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b><u>\$ 279,603</u></b>

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