

Tracking Our Progress: FY15

Measuring the Success of *Connecting our Community and Shaping the Future of Opera* Strategic Plan FY15 – FY20

Strategic Plan Priorities:

One: Artistic Leadership

Build on Opera Theatre's standing as one of the most successful of all the festival opera companies, recognized as an artistic innovator and a leading destination for both established and emerging talent.

Two: Engagement & Experience

Create broader civic impact and a deepened sense of community engagement, ensuring that Opera Theatre is valued as integral to St. Louis.

Three: Human Resources, Infrastructure, & Technology

Create a theater experience that fulfills expectations for a leading arts institution. Make sure we have the technical and human resources needed.

Four: Capital Structure & Financial Strength

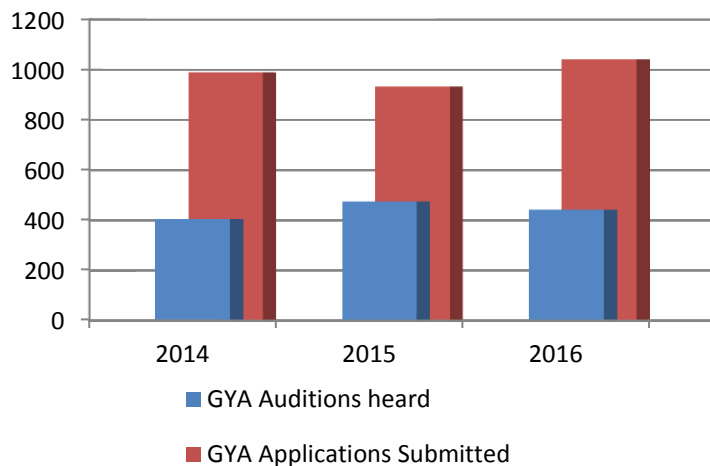
Realize an operating model that supports flexibility, liquidity, cash flow security, and endowment funds sufficient to ensure that we remain among the leading festival opera companies in the world.

Priority: Artistic Leadership

Artistic quality and reputation are famously challenging to measure. Opera Theatre tracks a variety of indicators that provide a sense for how well we are accomplishing our artistic mission.

Young Artists Program Applications

The number of young singers who apply to audition for our young artist programs is one indicator of our reputation in the artistic community. 1,040 young singers applied for the 2016 Gerdine Young Artist program – the highest number of applicants to date.



	2014	2015	2016
GYA Applications Submitted	990	933	1043
GYA Auditions heard	406	476	442
Gaddes Festival Artists (Promoted from GYA program)	9	1	6*

*Planned number for 2016 season

Audiences Travelling to Attend

In addition to attracting audiences from every zip code in the St. Louis metropolitan area, OTSL's season attracts audiences from around the US and beyond. The figures below represent the zip codes of ticket buyers in our database for each season. Our highest "state count" in one season is 47 states.

	2013	2014	2015
# States	43	43	43
# Countries	6	6	5

National Press Coverage

As part of a benchmarking study for the strategic planning process, OPERA America tracked which of the following national publications covered OTSL each season. **The results show that increased coverage corresponds with seasons in which OTSL presents a world premiere (as in both 2013 and 2014).**

	2011	2012	2013	2014	2015
New York Times	X		X	X	
Financial Times	X	X	X	X	
Wall Street Journal	X	X	X	X	X
Washington Post			X	X	
Chicago Tribune	X	X	X	X	X
LA Times				X	
Opera News	X	X	X	X	X
Opera Magazine	X	X	X	X	X

Priority: Artistic Leadership

Qualitative evidence is especially important when considering the question of artistic quality and impact.

Recent Quotations in the Press

“The go-to summer festival for audience members seeking interesting, varied repertory...”

*John Von Rhein, **The Chicago Tribune** – June, 2015*

“A prime summer destination for American opera lovers.”

*Scott Cantrell, **Dallas Morning News** – June, 2015*

“Frequently electrifying... a force in American opera...”

*Sarah Bryan Miller, **St. Louis Post-Dispatch** – May, 2015*

“Constantly pushing artistic boundaries and stepping out of its comfort zone.”

*Lilly Fowler, **Faith & Leadership** (a publication of Duke University Divinity School) – June, 2015*

“If you think opera is stuffy, snooty, and pretentious, you haven’t been to Opera Theatre of Saint Louis...”

*Paul Schankmann, **Fox 2 News** – May, 2015*

“Heaven, utopia... In short, this opera was a transformative thing for me.”

*Raphael Maurice, **St. Louis Magazine** – May, 2015 on *The Barber of Seville**

Opera News “Rising Stars”

Opera News recently published a feature profiling 25 of opera’s “rising stars.” Of the list, **24%, nearly one-fourth, represent OTSL alumni.**

Julia Bullock

Elizabeth Deshong

Emily Fons

David Portillo

Reginald Smith, Jr.

Michael Spyres

Emerson Behind the Curtain & Browning Technical Fellowships

The *Emerson Behind the Curtain* and Browning Technical Fellowship programs continue to train and develop the next generation of technical artists. The following is a quote from Martin Moran, a 2013 program participant who is now the Theatre Manager & Technical Director at Central Visual and Performing Arts High School in St. Louis.

"The Emerson Program gave me the opportunity to meet with not only successful local professionals but also professionals that do work throughout the country. It helped to show me that having a career in the arts is an achievable goal. Each person we met with had a different narrative but in a way, they were all very similar, working in the arts was not just a job, it was their passion... I believe that that Emerson Program at OTSL is one of the best opportunities they have to offer, and I hope to see it continue to cultivate a passion for the arts in each participant like it did for me."

Impact on our Audience

Although it is extremely challenging (and maybe even impossible) to quantify the emotional impact on our audiences, we often hear stories that resonate especially. Opera Theatre received the following message from an out-of-town patron who came to see ***Emmeline*** with a family member.

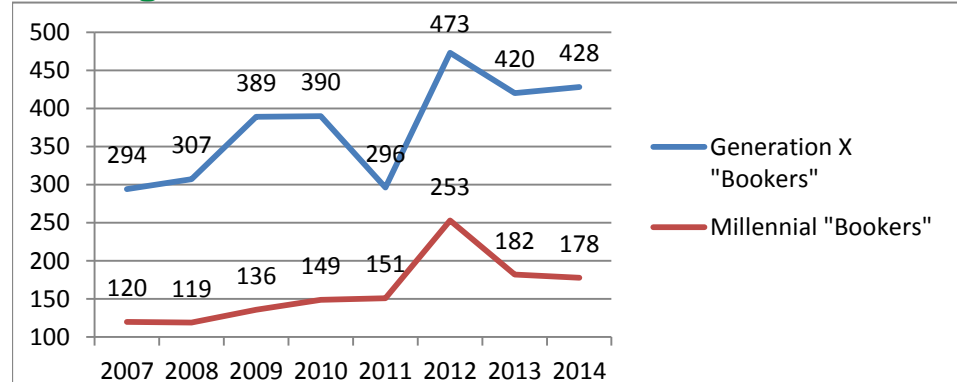
"Almost 20 years ago I watched an opera on TV that remained indelible in my mind, and continues to do so. Until recently, I was unable to identify the opera or its composer. My brother in St. Louis told me of the upcoming "Emmeline" and its plot. Bingo! He was able to obtain a ticket to the dress rehearsal and I headed to St. Louis. Fearing my memory exaggerated my exuberance of many years ago, I tried to prepare myself for a letdown. That didn't happen. What a wonderful opera! It made my trip, which included several activities including a couple other OTSL performances, a memorable success. I am a stoic, 81 year old guy who rarely displays emotion. When my family asked how I liked the opera I choked up and couldn't speak for several moments."

Priority: Engagement & Experience

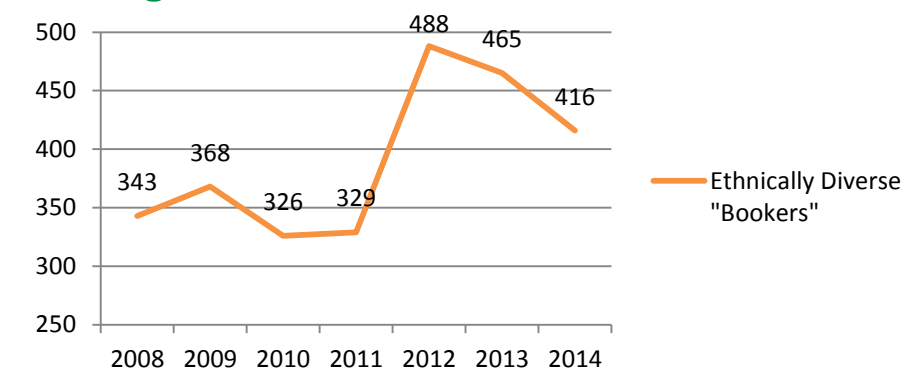
One major accomplishment stemming from the 2015 strategic plan is Opera Theatre's selection as one of 26 U.S. arts organizations to participate in the Wallace Foundation's new Building Audiences for Sustainability grant program. Drawing on strategies articulated in the plan, OTSL's application focused on plans to build new audiences in "Generation X" and the "Millennial" generation. Emphasis will be placed on diverse audiences within these groups.

The first phase of the Wallace-funded research demonstrates that OTSL's strategies have been demonstrably increasing audiences within these categories, especially since the creation of Opera Theatre's "Engagement and Inclusion Task Force" in 2012:

Building the Future Audience

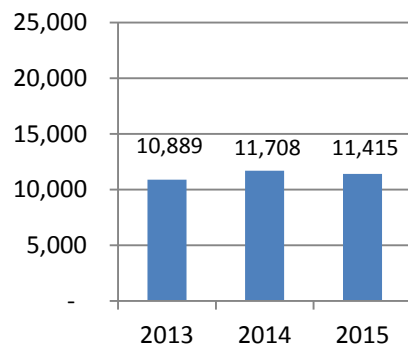


Building a Diverse Audience



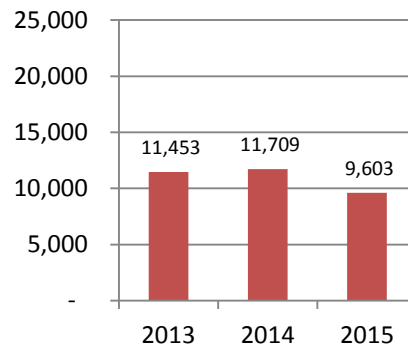
While the 2015 season represented an overall drop in the size of the audience, the 2015 subscription campaign met its goal and has already shown growth in the early stages of the 2016 campaign. Volatility in audience numbers is found in the Single Tickets category. Wallace-funded research has shown that the most volatile category is the "oncers" – audiences who once because of a particular offering, without returning in future seasons. Most of the decline in the 2015 season attendance is attributed to fewer such "oncers" attending.

Subscribers

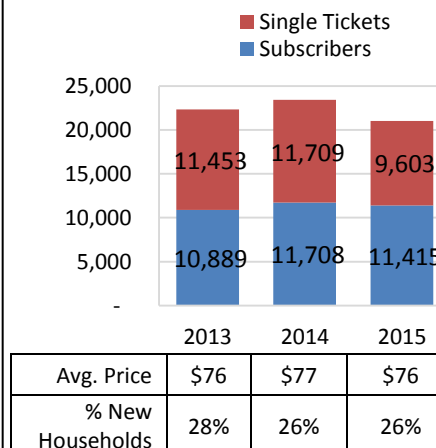


Renewal Rate	81.9%	89.2%	86.0%
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Single Tickets

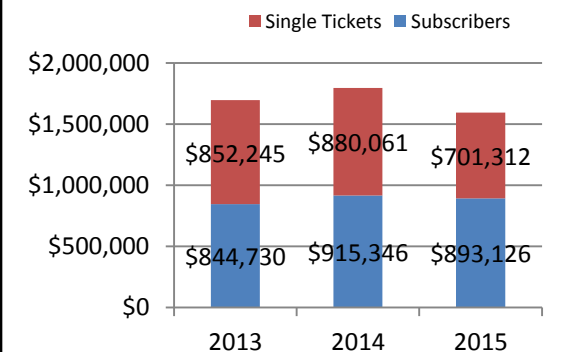


Total Tickets



Avg. Price	\$76	\$77	\$76
% New Households	28%	26%	26%

Total Ticket Revenue



Total Dollars	\$1,696,975	\$1,796,560	\$1,629,762
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Priority: Engagement & Experience

Artists-in-Training

The *Monsanto Artists-in-Training Program* celebrated its 25th Anniversary in 2015. For 25 years, the program has been demonstrably changing the lives of high school students in the St. Louis community. **The program has a 100% rate of students attending college in the last 5 years**, and has many more stories of how the program gives the students the skills to succeed.

- The latest case-in-point is the 2015 winner of the Monsanto Prize (the top scholarship prize at the Spring Recital), **Melvin Bozeman**, a senior from Ferguson. With assistance from the OTSL staff and resources of the *AIT* program, Melvin was able to travel to the University of Kentucky at Lexington, where his audition won him a full-ride scholarship, of which only one is awarded to a freshman each year. Mr. Bozeman enrolled this fall, becoming the first member of his family to attend college.

Social & Digital Media

OTSL's "Tweet Seats" program has continued to grow since its inception three years ago. In FY14, Opera Theatre was the number 2 trending topic in St. Louis, and **in FY15 the program achieved its highest profile to date, with the "#otslbarber" hashtag becoming the top trending topic on Twitter in St. Louis the evenings of the events, and a potential reach of over 4 million Twitter users.**

New Community Engagement Programs

The strategic planning process resulted in several new initiatives, two of which are OTSL's *Spring Sing* and *Opera Tastings*. These programs are intended to connect opera to more members of our community, with an emphasis on first-time opera goers and diverse patrons. **They have been extremely well received and have led to growth in new audiences during the season:**

- All three *Opera Tastings* events sold out. Over 300 attended the series, with 81% of ticket buyers for the events new-to-file audiences. Of these audiences, at least 65% then became ticket buyers for main season performances during the 2015 season.
- *Spring Sing* brought long-standing and new audiences together for its second year, with approximately 250 singers participating in the event. 5% of these households became new ticket buyers during the 2015 season.

Priority: Human Resources, Infrastructure, and Technology

Capital Projects

Prior to the strategic planning process, uncertainty about cash flow had led to continued deferral of needed maintenance and capital purchases. Now that Opera Theatre's capital structure and cash position are improved, the company has been able to invest in facilities, as well as the ability to work more efficiently, using up-to-date technology.

Sally S. Levy Opera Center:

- Refurbished a Steinway grand piano
- Updated to the most recent version of Tessitura database software
- Resurfaced the parking lot
- Installed a new security system
- Upgraded the office phone system
- Made improvements to the fire alarm system

Theater

- Purchased new chain motors
- Purchased a new star drop
- Installed a new DLP projector
- Purchased and used a new turntable for mainstage productions
- Purchased period corsets

Promotion of Staff Members

In the last month, two of Opera Theatre's staff members were internally promoted to new positions and a former intern/fellow was hired as part of the full time annual staff. These new positions reflect their increased skills and responsibilities.

Brian Jones Digital Media, and Database Manager
Promoted from Marketing Database Manager position

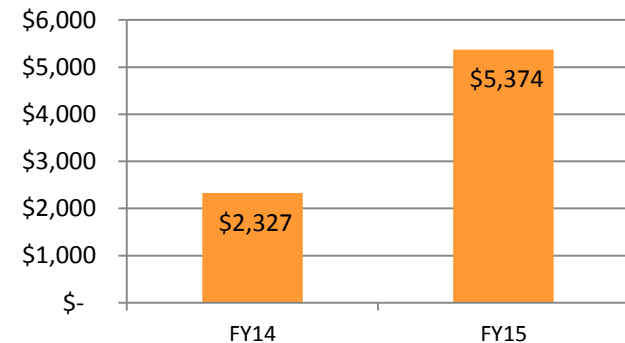
Kate Loar Associate Manager of the Patron Program
Promoted from Development Associate position

Anh Le Publications and Brand Manager
Promoted from Administrative Fellow position

Professional Development

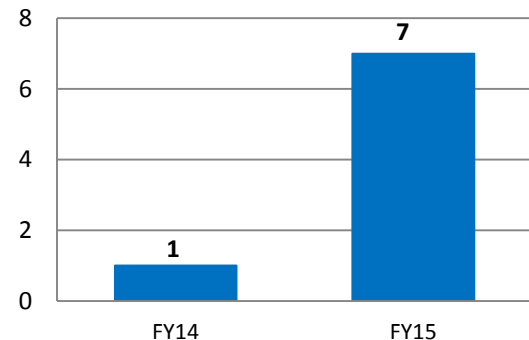
The use of professional development funds* more than doubled in FY15. Staff utilized these funds to develop skills by attending conferences and tradeshow, taking courses, and attending workshops.

Total Dollars Invested



As staff witnessed the benefits of this opportunity, more staff applied for the use of the professional development funds.

Number of Applicants



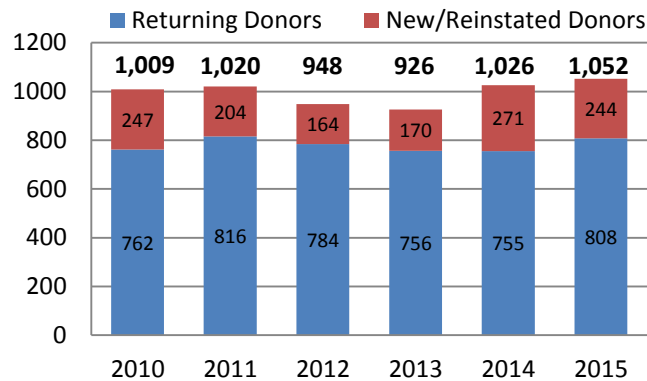
* Opera Theatre now budgets \$200 per annual staff member each year for routine training programs. In addition, OTSL now allocates \$7,500 each year towards staff professional development that is "above and beyond" required training. Employees are given the opportunity to apply for the use of these funds.

Priority: Capital Structure and Financial Strength

Through the strategic planning process, OTSL expanded the goal of the Building on Excellence Campaign from \$11 million to \$18 million. By the end of FY15, total campaign dollars raised totaled \$12,449,995. While securing significant new support for board designated funds and endowment through the Campaign, OTSL also achieved its most successful result for the Annual Fund, at 106% of the budgeted goal. While market fluctuations, especially in August and September, contributed to an overall decrease in OTSL's investment endowment portfolio by 9/30/15, pledges to the endowment, payable over the next 3 fiscal years, now total an additional \$1,036,666.

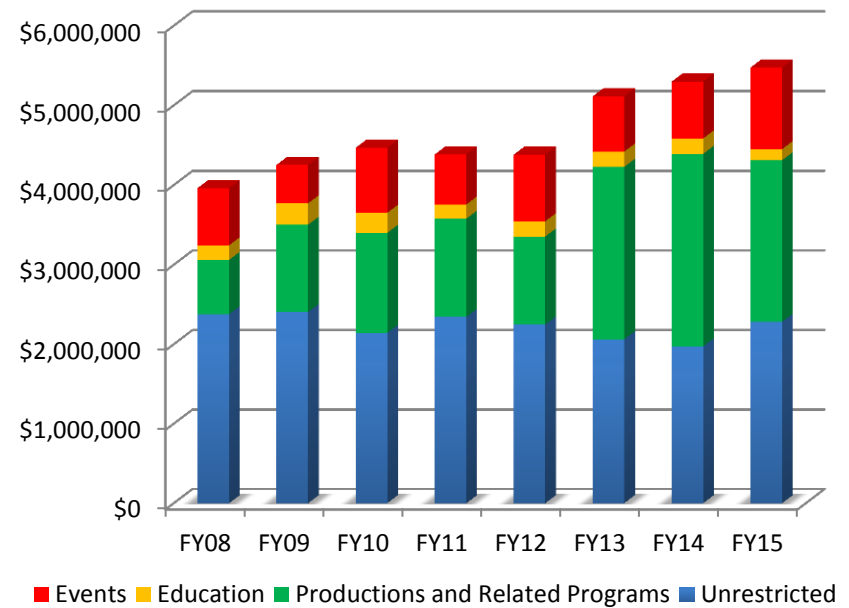
Total Annual Fund Donors (Individuals)

OTSL achieved **nearly 3% growth in the total number of donors from FY14 to FY15**, marking two consecutive years of growth in the donor pool.



Total Donors	1,009	1,020	948	926	1,026	1,052
% Total Returning	76%	80%	83%	82%	74%	77%
% Total New/Reinstated	24%	20%	17%	18%	26%	23%
% Renewal from prior year	74%	81%	77%	80%	82%	79%

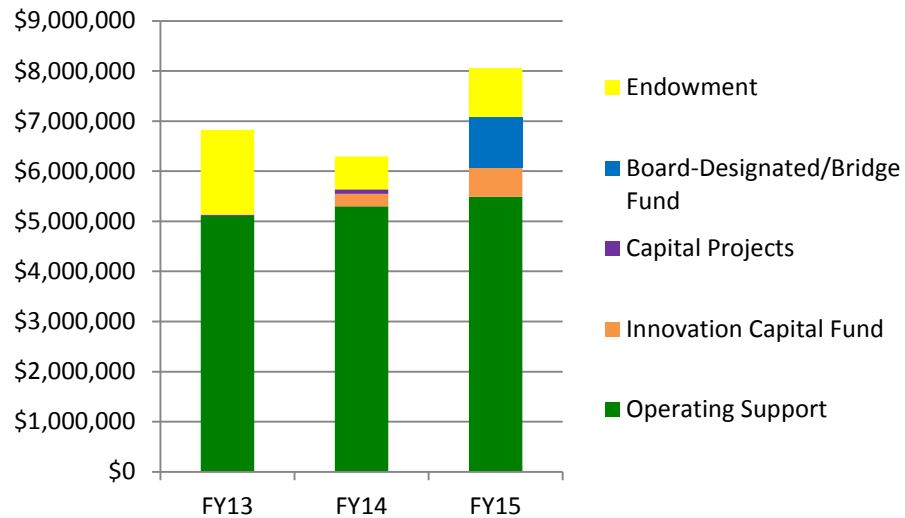
Annual Fund Contributed Revenue by Fund



Totals reflect operating support (endowment and capital gifts are not included)

Total Fundraising – Annual Fund + Campaign

Total contributions to Opera Theatre (including operating, endowment, and capital support) exceeded \$8 million in FY15, an increase of more than 28% over the prior year.



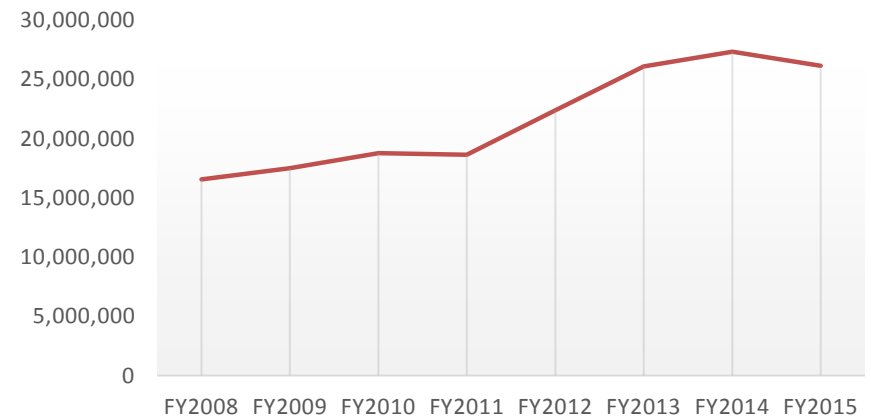
Endowment Pledges

Incoming Pledges to the Endowment, payable over the next 3 fiscal years, currently total

\$1,036,666

Endowment

The OTSL invested endowment portfolio has grown by nearly 60% since FY2008, from \$16.5 million to \$26.1 million at the close of FY15. It reached a record high of \$28.6 million in May 2015.



Financial Strength

	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15*</u>
Endowment Portfolio Market Value/Annual Operating Expenses	2.5	2.8	2.8	2.7
Endowment Distribution Rate	7.0%	5.5%	6.5%	6.0%
Endowment draw as % of operating budget	14.1%	12.2%	15.4%	15.5%
Increase in Net Assets	8.4%	14.1%	-0.7%	4.8%

**FY15 numbers are based on department projections. FY15 Endowment Portfolio Value is as of 8/31/15.*

Priority: Capital Structure and Financial Strength

Strengthening OTSL's Capital Structure: Creation of New Board Designated Funds

- During the “diagnostic phase” of OTSL’s 2015 strategic plan, financial consultants TDC analyzed Opera Theatre’s capital structure. Although the company’s endowment ratio was strong, the vast majority of its capital was permanently restricted for endowment. TDC diagnosed a “dangerously low level of liquid capital that can be deployed to address challenges, weather downturns, or invest as ‘change capital.’”
- **Since the strategic plan was adopted in February 2015, Opera Theatre’s financial position has been strengthened through the addition of two new unrestricted board designated funds:**

Innovation Capital Fund *(Initiated September 2014)*

\$837,210 in gifts and pledges as of 10/15/15

An unrestricted fund that supports new, creative projects which develop or reinforce Opera Theatre’s strategic direction, and provides for financial stability in pursuit of these objectives. Funds can be used but not depleted.

“Bridge Fund” *(Initiated November 2014)*

\$1,000,000 as of 10/15/15

Contribution of \$1,000,000 received in FY15 from Jack C. Taylor to provide operating support, specifically for the services of the St. Louis Symphony. The OTSL board set this gift aside in FY15 in order to direct it toward FY16, FY17, and FY18 Symphony expenses (annual cost in the range of \$900,000 per year). In this way, the gift will function as the “Bridge Fund” envisioned in OTSL’s strategic plan financial model.

General Board Designated Fund (pre-existing)

\$2,883,087 as of 8/31/15

Funds unrestricted by donors, but which have been temporarily designated by the Board of Directors to function as part of the endowment.

Current Uses:

- Collateral for the line of credit at Commerce Bank (no borrowings to date)
- Reserve funds to support annual operating expenses
- Endowment funds which are included in the annual endowment draw calculation and transfer