



Canada Council
for the Arts

Conseil des arts
du Canada

Understanding Canadian Arts Through CADAC Data:

A Portrait of 18 Opera Organizations

Research, Evaluation and Performance Measurement Section

05-01-2017

Bringing the arts to life
De l'art plein la vie

CADAC (Canadian Arts Data / Données sur les arts au Canada) is a web-based integrated financial and statistical system for Canadian arts organizations applying for recurring funding which allows the Canada Council for the Arts and other public funders to collect and share common financial and statistical data. CADAC currently collects data from more than 794 Canada Council funded organizations across all arts disciplines.

CADAC partners include provincial, territorial and municipal arts funders. These include: the British Columbia Arts Council, the City of Vancouver, the Alberta Foundation for the Arts, the Edmonton Arts Council, the Saskatchewan Arts Board, the City of Saskatoon, the Manitoba Arts Council, the Ontario Arts Council, the Toronto Arts Council, the City of Toronto Culture Division, the City of Greater Sudbury, The City of Kingston Arts Fund, the New Brunswick Arts Development Branch / Department of Tourism, Heritage and Culture, the Newfoundland and Labrador Arts Council and the Canada Council for the Arts.

Statistical data from CADAC not only includes receptive audience involvement such as number of performances and attendance, but also contains participatory data including volunteering and community arts projects. Appendices contain a breakdown and more detailed tables on CADAC data.

This report is part of an ongoing series of reports using CADAC data produced by the Research, Evaluation and Performance Measurement Section of the Canada Council for the Arts. Other reports in the series are Arts facts using CADAC data, 49 Media Arts Presenters; Arts Facts using CADAC Data: 45 Media Arts Production Centres; Arts facts using CADAC data, A Portrait of 77 Art Museums/Public Arts Galleries; Arts facts using CADAC data, A Portrait of Artist-Run Centres; and The Visual Arts Landscape in Canada As Seen Through CADAC, 2011-12.

CADAC Methodology

- This report describes 18 opera organizations that receive recurring funding from the Music Section of the Canada Council for the Arts; it does not include data from all opera organizations in Canada (see appendix for complete list of organizations included).
- The data collected for this report was extracted in February 2017. For the most part, data is being reported for 2009-10 to 2015-16 (historical data): the years with the most accurate CADAC data. In some instances, projections of financial data for 2016-17 and 2017-18 have been included.
- Financial figures from CADAC are reconciled with the financial statements presented by the arts organizations, while statistical data are not validated and represent what is reported by organizations. Data was removed, in rare instances, when the exceptional circumstance of one organization skews the overall picture of the whole group or statistical data presents unexplained trends over a period of time.
- For more information regarding the indicators presented in this report, please refer to the Notes section (page 22). For interpretation of the CADAC lines, please consult the definitions sections of the CADAC Financial and Statistical Forms available at <http://www.thecadac.ca/cms/en/guides.html>
- The next phase of this type of CADAC data report consists of an investigation and validation process that will analyse and respond to significant deviation from the normal trends, e.g. attendance with variations higher than 20% over a period of time.

- For this report, organizations were classified into three categories according to revenue size¹:
 - I. Organizations with less than \$1M of total revenues (9 organizations);
 - II. Organizations with total revenues from \$1M to \$5M (5 organizations); and,
 - III. Organizations with total revenues from \$5M to \$20M (3 organizations).

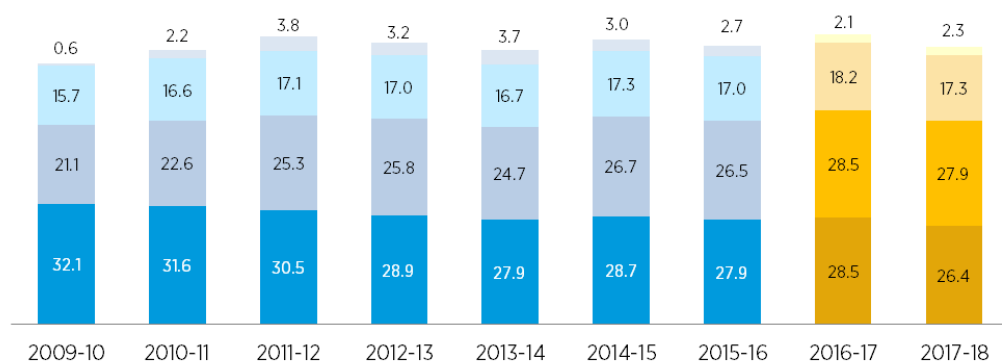
1. Economy

Financing²

Sustained revenue growth: over the past six years, the total revenue of the 18 opera organizations sampled in this report increased 6.6%, or \$4.6M, from \$69.5M in 2009-10 to \$74.1M in 2015-16. This represents a Compound Annual Growth Rate (CAGR³) of 1.1% throughout this 6-year period. Nevertheless, total revenues in 2015-16 experienced a 2.1% decrease in comparison with the previous year.

In 2015-16, public funders contributed \$17M to this sample of 18 opera organizations across Canada. During the same year, these organizations generated over **\$27.9M in earned revenues (23% of total revenues)** and **\$26.5M in private support (36% of total revenues)** (see Fig. 1).⁴ The share of public support to operating budgets remained relatively stable throughout the period 2009-2016; it increased by 0.4 percentage points from 22.6% of the total revenues in 2009-10 to 23% in 2015-16.

Fig. 1 Financial Support (in CA\$ million, actuals and projections)



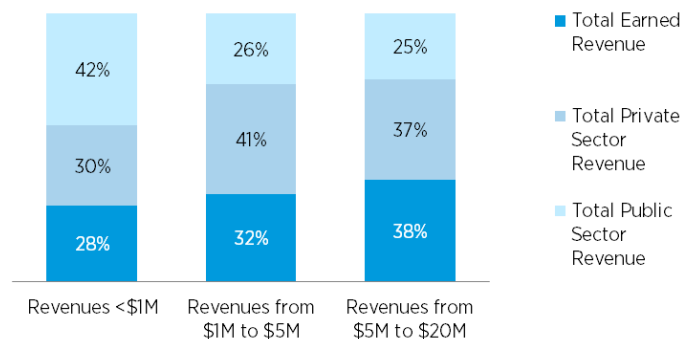
■ Total Other Revenues, including investment income
 ■ Total Public Sector Revenue
■ Total Private Sector Revenue
 ■ Total Earned Revenue

n=18

While the public and private sector revenues show a gradual increase of 8.6% and 25.2%, respectively from 2009-10 to 2015-16 (CAGRs of 1.4% and 3.8%), the earned revenues declined by 13%. The forecast shows that this trend tends to be accentuated in the following 2 projected years with a decrease of the earned revenue by 5.7% when comparing 2017-18 versus 2015-16. This decrease may be explained by the high fluctuation related to the touring revenues, sales and commissions, and facilities and equipment rentals.

For 2016-17, [these 18 opera organizations forecast a 7.6% increase in private revenue](#), with respect to 2015-16; reaching an estimated amount of \$28.5M and becoming the highest of the revenue categories by 2017-2018. The highest projected growth will be registered by opera organizations with a budget of less than \$1M, which project a 23% growth in this period.

Fig. 2 Financial Support by Organization Size (by total revenues) in 2015-2016



n=18

However, as shown on fig. 2, opera organizations with budgets of less than \$1M depend the most on public sector revenues, and in 2015-16, 42% of their total revenues was derived from this type of support. Correspondingly, they have the lowest level of earned revenue.

The [financial support from the Canada Council remained stable](#) during the last 7 years, amounting to \$5.5M in 2009-2010 and \$5.4M in 2015-16. Although, in relative terms, its share of total revenues decreased 0.6 percentage points in this interval. These 18 opera organizations forecast an 8% growth in Canada Council revenue, in 2016-2017. The percentage of provincial arts funding is projected to remain relatively stable in the upcoming two years (see Table 1).

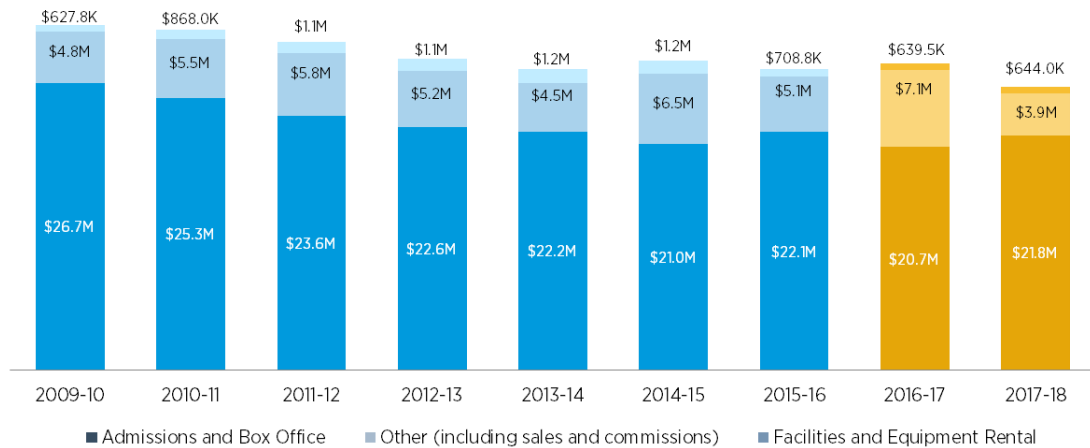


Table 1. Revenue Distribution (in \$CA million, actuals and projections)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Total Revenues	69.5	73.1	76.6	75.0	73.1	75.8	74.1	77.2	73.9
Total Public Sector Revenue	15.7	16.6	17.1	17.0	16.7	17.3	17.0	18.2	17.3
Total Canada Council Grants	5.5	5.5	5.5	5.5	5.4	5.4	5.4	5.9	6.2
Total Provincial Arts Funder Revenue	6.5	7.5	7.5	7.2	6.8	7.1	7.0	6.9	6.9
Total Municipal Arts Funder Revenue	0.9	1.0	0.7	0.8	0.9	0.9	0.9	1.1	1.1

In 2015-16, 79.2% of the total earned revenue (\$22.1M) for these opera organizations was derived from admissions and box office. It is important to mention that this source of income has been decreasing steadily from 2009-10 to 2015-16 at an annual rate of 3.1%. Furthermore, the share of admissions and box office in the total earned revenue decreased 4 percentage points in this period, from 83.2% to 79.2% (see Fig. 3).⁵

Fig. 3 Earned Revenue Sources (in CA\$ million, actuals and projections)



n=18

Conversely, revenues from rentals of facilities and equipment, as well as other types of revenues, increased 13% and 11%, respectively, from 2009-10 to 2015-16. Combined, they represent 21% of the total earned revenues in 2015-16. Other types of earned revenues include: fees from workshops / classes / conferences / annual meetings / seminars / colloquia, etc. These types of educational activities represent an important component of the opera organizations' activities for the artistic community and public.

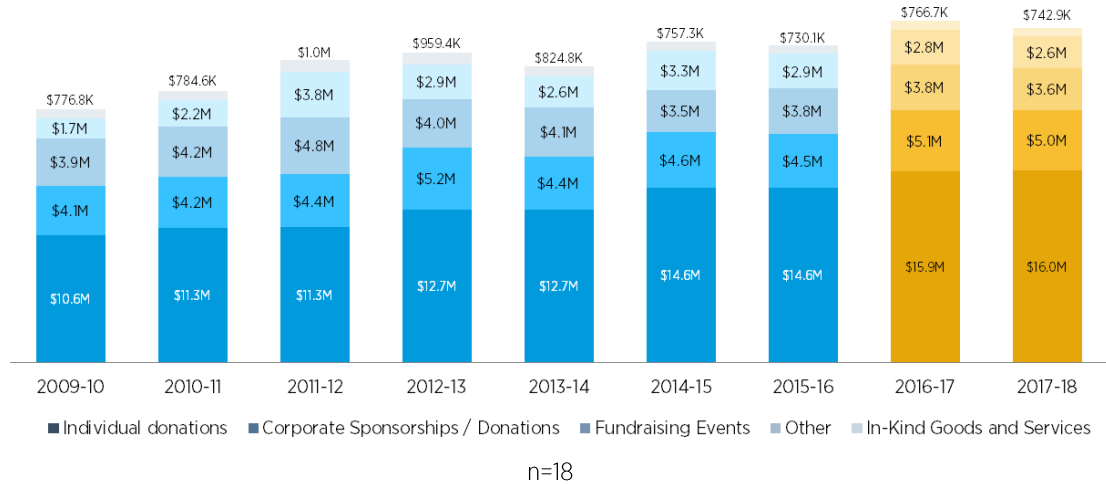
Most private support comes from individual donations⁶. In 2015-16, individual donations accounted for 55% of the total private support (\$14.6M)⁷, representing an increase of 5 percentage points in comparison to their amount reported in 2009-10. This support is expected to grow 9.5% in the next year and reach \$15.9M in 2016-17 (see Fig. 4).

Corporate sponsorships represented 17% of all private support in 2015-16, experiencing a 9% growth from 2009-10 to 2015-16. The rest of the sources of private revenues (fundraising events, in-kind



goods and services, and others) have also increased over this period, from \$6.4M in 2009-10 to \$7.4M in 2015-16, and projected to reach \$7.5M in 2016-17. However, the forecast reveals that the share of these other sources in the total private revenues will tend to decrease (2 percentage points when comparing 2016-17 to 2015-16) as individual donations are forecasted to grow.

Fig. 4 Private Support Sources (in CA\$ millions, actuals and projections)



Staffing and Programming ⁸

In 2015-16, artists, cultural workers and technical staff of these 18 opera organizations earned \$35M in fees and salaries,⁹ which accounts for 73% of the total artistic expenses (see Table 2). In general, artists' fees are paid to artists for the creation and presentation of their work. Artistic salaries are paid to cultural workers who may or may not be professional artists. It is important to mention that, more than nine out of every ten (96%) artists paid fees were Canadian¹⁰.

Table 2. Artists, Cultural workers and Production / technical staff earnings (in CA\$ millions, actuals and projections)

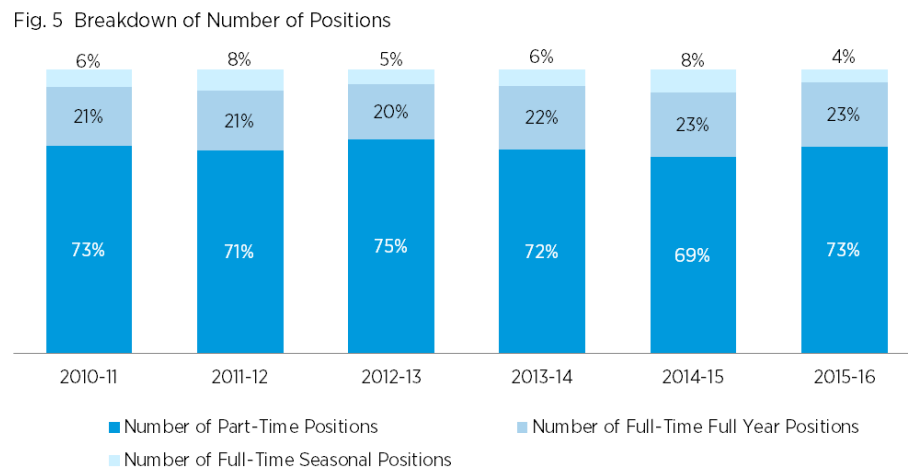
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Artists' and professional fees	19.9	20.3	19.4	21.0	19.8	17.9	19.7	21.1	20.7
Artistic salaries - permanent and temporary employees	2.2	2.6	2.8	2.9	3.0	3.7	3.1	2.8	2.8
Production / technical services professional fees	2.4	2.2	2.3	2.8	3.1	2.5	2.8	2.8	2.8
Production / technical salaries - permanent and temporary employees	10.1	10.8	11.9	11.6	10.7	8.8	9.4	9.7	9.6
Total	34.6	35.9	36.3	38.4	36.6	32.8	35.0	36.4	35.8
% of Total Artistic Expenses	75%	72%	73%	77%	75%	67%	73%	71%	76%

Further analysis shows that almost \$46M – or 63% of total expenses – were paid as salaries and professional fees for artistic, technical staff along with facility operating, marketing, fundraising and administration staff; and representing 270% of the total amount received from public support. This amount remained relatively stable from 2009 to 2013-14; however, in 2014-15 it declined 7.6%, when compared to the previous year, representing a loss of 5 percentage points in their share of total expenses. This was mainly due to the effect of a moderate drop in the artists’ salaries of one particular opera organization. In 2015-16, the total salaries and professional fees rebounded and they are expected to reach \$47.5M in 2016-17 – see Table 3.¹¹

Table 3. Salaries and Professional Fees (in CA\$ millions, actuals and projections)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Total Salaries and Professional Fees	44.0	45.7	46.2	49.1	47.6	44.0	45.9	47.5	47.6
% of Total Expenses	64%	61%	62%	66%	64%	59%	63%	63%	66%

In 2015-16, 23% of the overall workforce positions of these opera organizations were full-time, full-year (see Fig. 5¹²). In comparison, the same ratio for all CADAC organizations in 2015-16 was 17.2%. The total full-time full year positions registered by these organizations in 2015-16 were 201, representing a 22% increase when comparing with 2009-10.



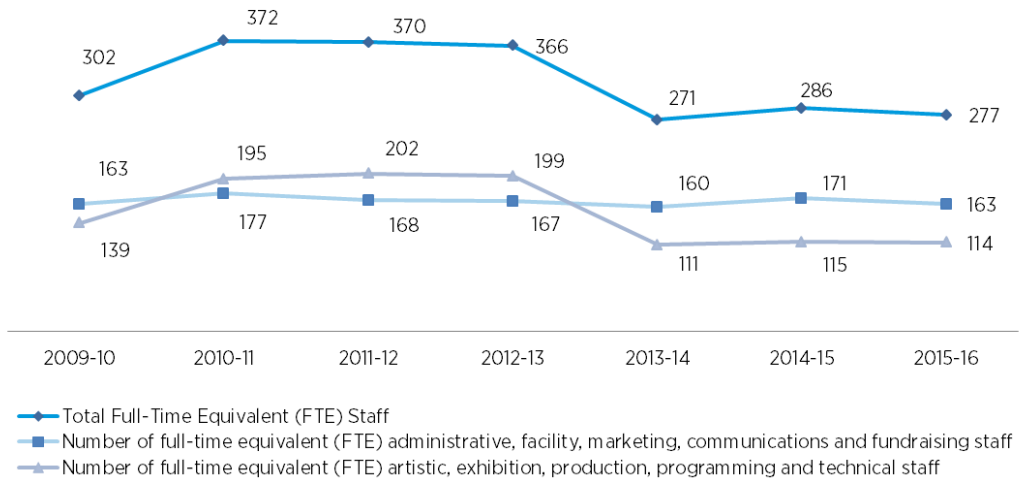
n=18

In 2015-16, these 18 opera organizations had a total of 277 full-time equivalent (FTE) staff.¹³ This amount has suffered an 8% decrease during the 7 year period under analysis (see Fig. 6). This is due to a sharp decrease in the number of full-time equivalent artistic, exhibition, production, programming and technical staff (mainly caused by the loss of positions in an organization during



2014-15), while the administrative, facility, marketing, communications and fundraising staff remained relatively constant.

Fig. 6 Full-Time Equivalent Staff



Note fig. 6: figures related to number of positions and FTE are affected by the exceptional circumstances of one organization in 2012-13. N=18.

In addition to salaries and fees expenses, the 18 opera organizations spent \$12.9M (18% of total expenses) in 2015-16 for programming expenses, such as artistic production, programming, presentation, etc. (see Table 4). This percentage is relatively similar to the one registered by all CADAC organizations, which was 19.3%.

Table 4. Total Programming Expenses - Production Costs (actuals and projections)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Total Programming Expenses	11.3	13.7	12.8	11.1	12.3	15.7	12.9	14.7	11.4
% of Total Expenses	16%	18%	17%	15%	17%	21%	18%	19%	16%

Summary

These 18 opera organizations registered a 6.6% increase in total revenues from \$69.5M in 2009-10 to \$74.1M in 2015-16, although earned revenue decreased 13%, over the same period. This decrease was compensated by the 25% growth of revenues from the private sector, and 9% growth from public funding. A relevant percentage of earned revenue, \$22.1M or 79% in 2015-16, came from admissions and box office.

The share of public support to operating budgets remained relatively stable at an average of 22.7% of total revenues during the past 7 years, gaining 0.4 percentage points; nevertheless, the share of support from the private sector increased 5.3 percentage points in this interval. Furthermore, the share of public funding in the total revenues also remained constant at 23% from 2009-10 to 2014-15, in spite of the 9% increase in this type of support during the past 6 years.

Conversely, the total private sector support increased 25% from \$21.1M in 2009-10 to \$26.5M in 2015-16, and is projected at \$28.5M (37% of total revenues) in 2016-17.

Individual donations increased 37% over the past 6 years, from \$10.6M (50% of private sector revenue) in 2009-10 to \$14.6M (55%) in 2015-16. Private support from corporate sponsorships / donations increased slightly from \$4.1M in 2009-10 to \$4.5M in 2015-16; nonetheless, their share as a percentage of total private revenues is decreasing (20% to 17% respectively).

These opera organizations reveal an 11% growth in their total employment numbers from 2010-11 to 2015-16.

The number of full-time full year positions increased 22% from 2010-11 to 2015-16, while the number of seasonal positions registered a decrease of 5% during the same period.

More than \$45.9M was paid as salaries and professional fees in 2015-16; representing 63% of total expenses, and 2.7 times the total amount received from public support (\$17M). A total of 2,782 Canadian artists (96% of all artists) received artists' fees in that year.



2. Artistic Activities and Public Participation¹⁴

Activities and Attendance

In 2015-16, 2,931 artists were featured in 415 total public performances by these 18 opera organizations, 278 of which, were produced and presented at a local scale, in their own city / town / reserve, and attracting more than 324,800 in attendance (see Table 5).¹⁵ The total number of public performances registered a 3% increase when comparing 2015-16 with 2009-10. In contrast, the attendance has declined 9.4% during the same period.

Table 5. Activities, attendance and revenues	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Number of public performances produced by your organization and presented in your city / town / reserve	270	252	261	269	263	273	278	126	57
Attendance	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.1	0.0
Production admissions and box office from subscriptions / admissions membership, group admissions or single ticket sales (in CA\$ million)	26.7	25.3	23.6	22.6	22.2	21.0	22.1	20.7	21.8

In addition to the public performances produced and presented in their own city / town / reserve, these opera organizations also produced and presented public performances at a regional / national level. In 2015-16 there were a total of 133, which represented 32% of the total number of public performances (see Table 6).



Table 6. National and international activities and attendance	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Number of public performances produced by organizations and presented nationally	107	168	139	149	108	62	133
Attendance	31,554	52,917	55,140	58,751	41,400	21,333	44,750
Number of public performances produced by organizations and presented internationally	-	4	10	4	3	-	4
Attendance	-	5,500	3,700	10,466	3,699	-	1,950
Total number of public performances	377	424	410	422	374	335	415

Canadian artists represent 95% of all artists who received artists' fees in 2015-16. This proportion has remained stable during the period 2010-11 to 2015-16 (see Table 7).¹⁶

Table 7. Canadian artists	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Total number of Canadian artists who received artists fees	1,466	2,300	2,283	2,410	2,511	2,892	2,782
% in Total Artists	71%	94%	95%	95%	94%	95%	95%

The number of **new works** created or commissioned by Canadian artists in this group of 18 opera organizations was 33 in 2014-15, **increasing 371% from 2009-10 to 2014-15**, and representing a CAGR of 29% (see Table 8). The total number of new works (including those specifically for children and youth) plummeted in 2015-16, and registered 23 (a 48% decrease in comparison to 2014-15). In average, during the period under analysis (2009-16), 3 new works per year were specifically created or commissioned for children and youth.

Table 8. New works	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Number of new works presented or exhibited which were created by or commissioned from Canadian artists	7	14	16	27	30	33	17
Number of new works specifically for children up to 14 years of age presented or exhibited which were created by or commissioned from Canadian artists	3	4	2	2	2	3	3
Number of new works specifically for youth 15-24 years of age presented or exhibited which were created by or commissioned from Canadian artists	-	-	-	1	-	1	3
Total Number of New Works	10	18	18	30	32	37	23



Arts Education, Learning Activities, and Public Participation

In 2015-16, there were almost 196,000 participants in the combined 1,319 arts education and arts learning activities produced by these opera organizations (see Table 9)¹⁷. In 2010-11, the attendance and participants' number experienced a peak, mainly because of the effect of a particular mid-size organization, which reported a 230% increase in comparison with the previous year.

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Total Number of Arts Education and Arts Learning Activities	1,295	1,376	1,318	1,095	1,352	1,306	1,319
Attendance	174,293	212,490	175,331	177,433	156,542	170,791	195,916

There were 906 activities that added value¹⁸ to artistic programming with 87,003 participants, as well as 10 community arts activities with 4,678 participants and attendees in 2015-16 (see Table 10).

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Number of activities that add value to artistic programming	801	795	805	715	851	967	906
Participants	90,870	105,542	85,480	78,085	65,929	86,726	87,003
Number of training workshops	68	66	74	61	61	59	55
Participants	591	2,193	3,370	638	643	603	551
Total Number of Community Arts Projects	3	15	36	36	22	14	10
Attendance and Participants	21,636	4,175	4,613	15,922	6,114	7,455	4,678

In 2015-16, 14% of all arts education and arts learning activities were designed for children and 5% for youth (see Table 11).¹⁹ More than 107,000 children and youth attended and/or participated in these activities.

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Percentage of total activities for children	18%	22%	16%	17%	18%	10%	14%
Percentage of total activities for youth	9%	8%	10%	5%	6%	4%	5%
Attendance and Participants	82,234	103,985	85,769	95,444	89,040	82,642	107,262

In average, during the past 7 years, 323 children and youth attended and participated in 303 activities per year delivered by this group of opera organizations. These activities reached in average 92,000 children and youth participants per year. Also, in 2015-16, 225 teachers participated in 13 workshops organized by this group, and had access to 22 curriculum-related materials prepared by them (see Table 12).

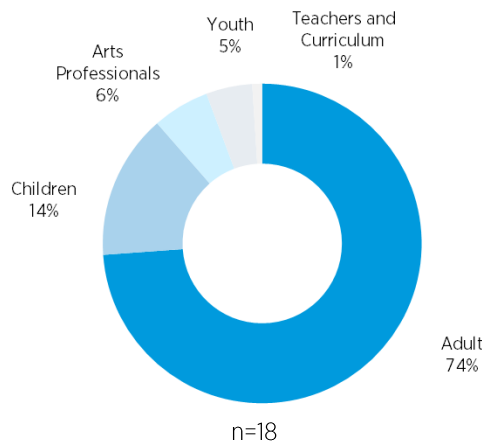
Table 12. Teachers and Curriculum	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Number of workshops for teachers	12	12	11	9	10	9	13
Participants	140	141	154	161	173	163	225
Number of study guides, curriculum and curriculum-related material	56	57	26	28	22	24	22

From 2009-10 to 2015-16, in average, there were 71 activities for arts professionals per year, which attracted an average of 323 participants (see Table 13)²⁰. Additionally, there were an average of 3 artists-in-residence projects and 20 conferences organized and presented by opera organizations in this 7-year period. The growth registered since 2013-14 is mainly due to the effect of one particular organization.

Table 13. Activities for Arts Professionals	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Number of professional training programs	61	61	61	59	61	57	55
Number of professional development activities	1	14	16	4	15	9	20
Number of artists-in-residence projects	5	4	1	1	2	1	4
Number of conferences organized and presented by organizations	28	27	24	28	11	11	11
Average participants	458	629	108	127	305	177	455

As an overview, in 2015-16, this group of 18 opera organizations offered 74% of their arts education and professional development activities to adults, 14% to children, 7% to teachers and arts professionals, and 5% to youth, (see Fig. 7).

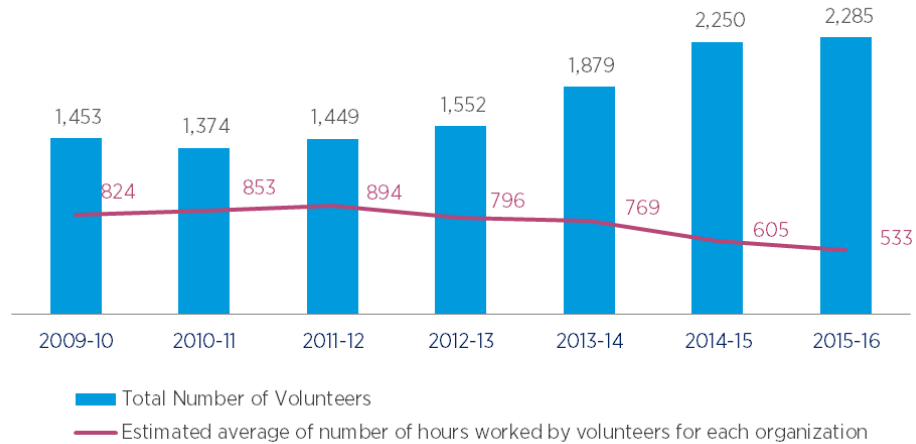
Fig. 7 Arts Education and Professional Development Activities offered in 2015-16 to:





There has been a 57% increase in volunteers offering their support to these opera organizations over the past 7 years; however, the estimated number of hours worked by volunteers has decreased 35% during the same period (see Fig. 8), mainly because of an important decline in one particular opera organization.

Fig. 8 Number of volunteers and estimated average of number of hours worked by volunteers



n=18

In 2015-16, 2,285 volunteers collectively contributed over 67,643 hours of their time.²¹ The annual average of this group of opera organizations that reported data in CADAC was 127 volunteers, working 533 hours per organization. This represents a difference of 72 hours in comparison with the previous year, and it's explained by a loss of 6,000 volunteering hours, reported by one large-size organization. In comparison, all CADAC organizations reported an average of 81 volunteers working 2,455 hours per organization (in 2015-16).

Summary

In 2015-16, \$22.1M was generated through admission and box office (79% of total earned revenues). This represents a 17% decrease in comparison with 2009-10. In average, 95% of the artists presented during the past six years were Canadian.

During 2015-16, 278 public performances produced by this group were programmed and presented locally. In addition, 133 performances were presented nationally and 10 were co-presented. The total attendance at all performances produced by this group is more than 325,000.

A total of 23 new works were created by or commissioned by Canadian artists.

Arts education and arts learning activities represent an important part of the activity that connects these opera organizations with their communities; there were almost 196,000 participants at more than 1,319 activities in 2015-16. Furthermore, 55 workshops took place in 2015-16, gathering 551 participants.

The programming and arts education activities were well supported by the participation of more than 225 teachers participating in 13 workshops and by the used of 22 curriculum-related materials in 2015-16.

14% of all arts education and arts learning activities were designed for children, and 5% for youth. Over 107,000 children and youth attended and/or participated in these arts education activities during 2015-16.

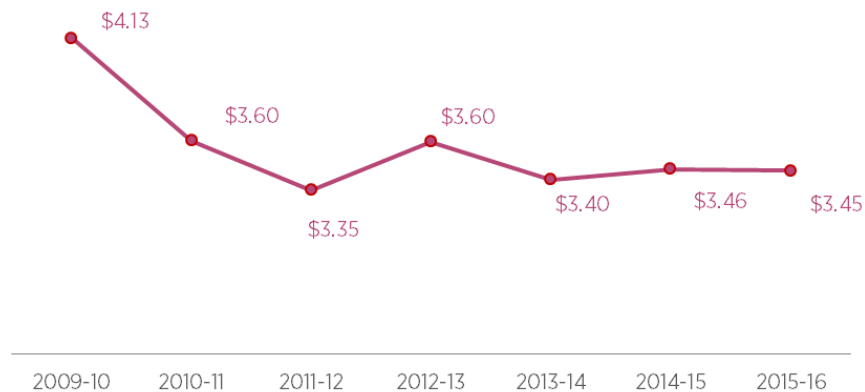
In 2015-16, 2,285 volunteers collectively contributed over 67,643 hours of their time.

3. Financial Position and Long-Term Continuity

Marketing and Fundraising Activities

For each dollar spent in **marketing activities**, this group of 18 opera organizations generated **\$3.45 in earned revenue** during 2015-16. This represents a 16.5% decrease in comparison to the amount registered in 2009-10²², and is explained by a 13% drop in earned revenues, combined with a 4% increase in marketing expenses in this period.

Fig. 9 Each dollar spent in marketing brings \$X in total earned revenues

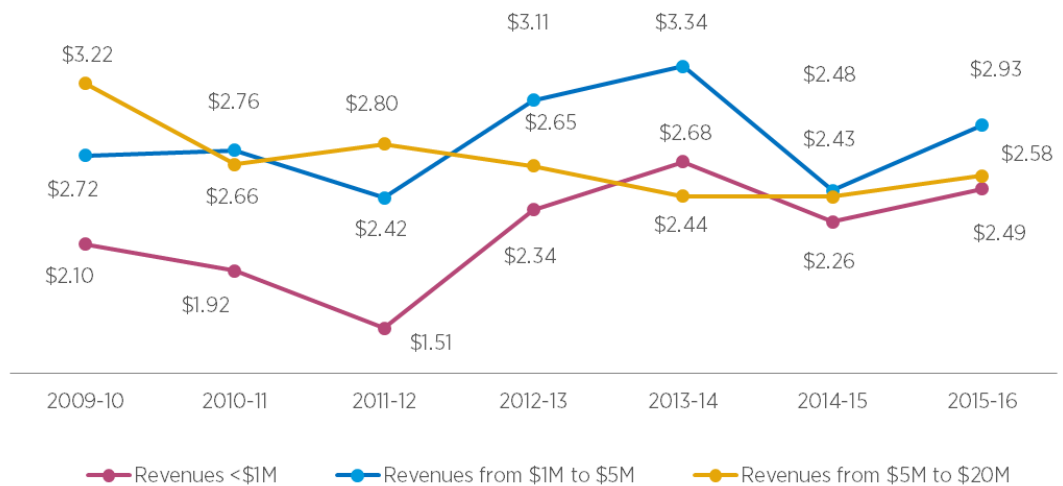


n=18

The total earned revenue for each dollar spent in marketing by this group was close to the average for all CADAC organizations, which was \$3.60 in 2015-16.

Since 2012-13, organizations with revenues between \$1M and \$5M receive the most earned revenues per dollar invested in marketing activities. In 2015-16, these opera organizations received \$2.93; while opera organizations with revenues less than \$1M and opera organizations with revenues between \$5M and \$20M received \$2.58 and \$2.49, respectively. This translates to a difference of 35 and 44 cents.

Fig. 10 Each dollar spent in marketing brings \$X in total earned revenues (per organization size in terms of total revenues)

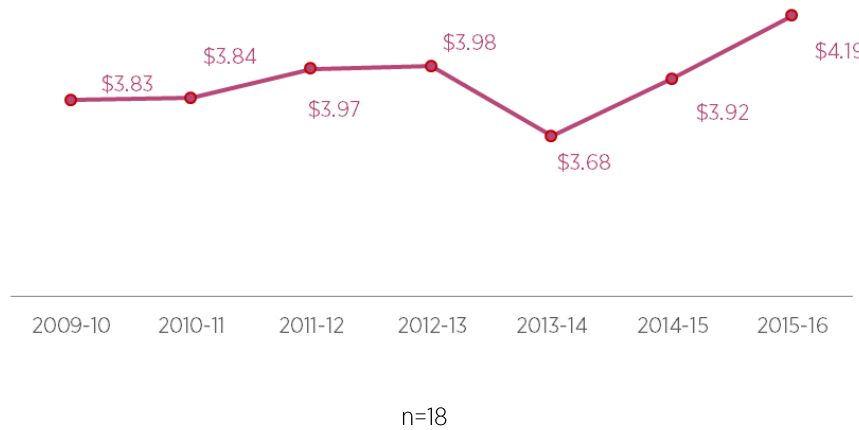


n=17

For each dollar spent in [fundraising activities](#), this group of 18 opera organizations earned [\\$4.19 in private revenues](#). This is equivalent to a 9% increment when compared against 2009-10.²³ Nevertheless, this ratio is lower than the one reported by all CADAC organizations in 2015-16: \$4.70.



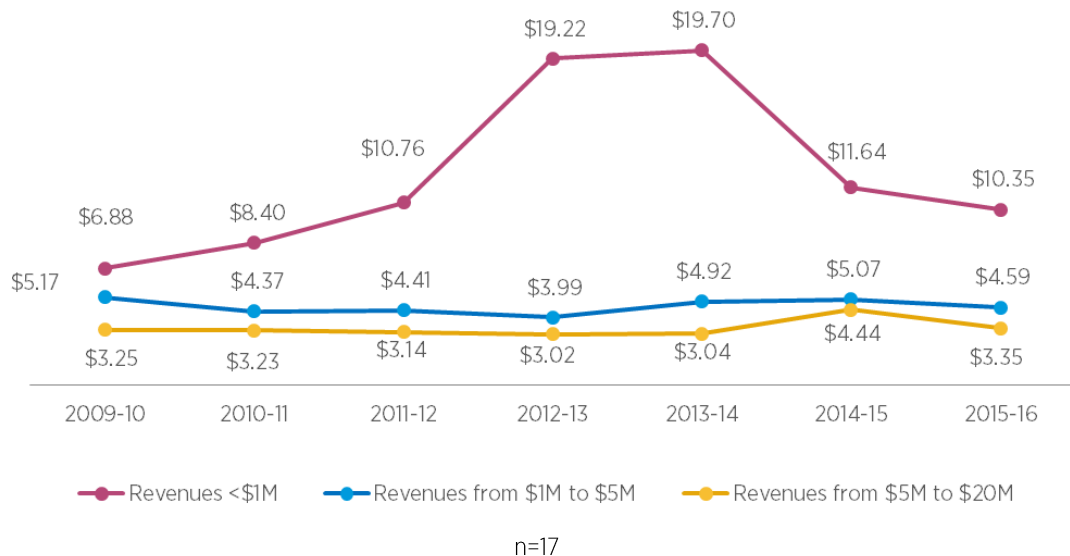
Fig. 11 Each dollar spent in fundraising brings \$X from private sector



Opera organizations with revenues less than \$1M receive the most dollars from the private sector for each dollar spent in fundraising. In 2015-16, they received \$10.35, while opera organizations with revenues between \$1M and \$5M, and revenues between \$5M and \$20M received \$4.59 and \$3.35, respectively.

During that year, the difference between opera organizations that had revenues less than \$1M and the rest was \$5.76 and \$7.00. In 2012-13 this difference reached their maximum level, which was \$15.23.

Fig. 12 Each dollar spent in fundraising brings \$X from private sector (per organization size in terms of total revenues)





Financial Structure and Ratios

For these 18 opera organizations, [administrative costs accounted for 10.7%](#) of total expenses in 2015-16. This share of administration expenses in the total expenses increased 0.9 percentage points over the last 7 years (see Table 14). This percentage of administrative expenses might be explained by some opera organizations that do not prorate the salaries of senior staff when they have multiple functions (e.g. the salary paid to a General Manager, who has an artistic and administrative role in the organization, should be pro-rated between these two functions).

[Artistic expenses represent on average 66.5% of the total expenses](#) while facility operating expenses represented 3% of total expenses in 2015-16 (see Table 14).²⁴ It is important to mention that the structure of the share of artistic and administration expenses has remained relatively stable during this 7-year period, whereas the share of facility operating expenses lost 0.9 percentage points.

Table 14. Artistic and Administration Expenses

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Total Artistic Expenses	67.0%	67.3%	66.3%	66.7%	66.0%	65.7%	66.5%
Total Facility Operating Expenses	3.9%	3.0%	2.6%	2.8%	3.0%	3.2%	3.0%
Total Administration Expenses	9.8%	10.0%	10.4%	11.0%	10.9%	10.7%	10.7%

In 2015-16, this group of opera organizations had earned [revenue per attendee/participant of \\$68.78](#); [and total expenses per attendee/participant of \\$178.38](#) (see Table 15). The latter represents an increase of 7% or \$12 in comparison with 2009-10; while the former represents a decline of 11% (although both values have oscillated up and down, around an average of \$72 and \$179, respectively, during the past 7 years). The increasing difference between expenses and revenues per attendee was mostly covered by the revenues from private and public sectors.

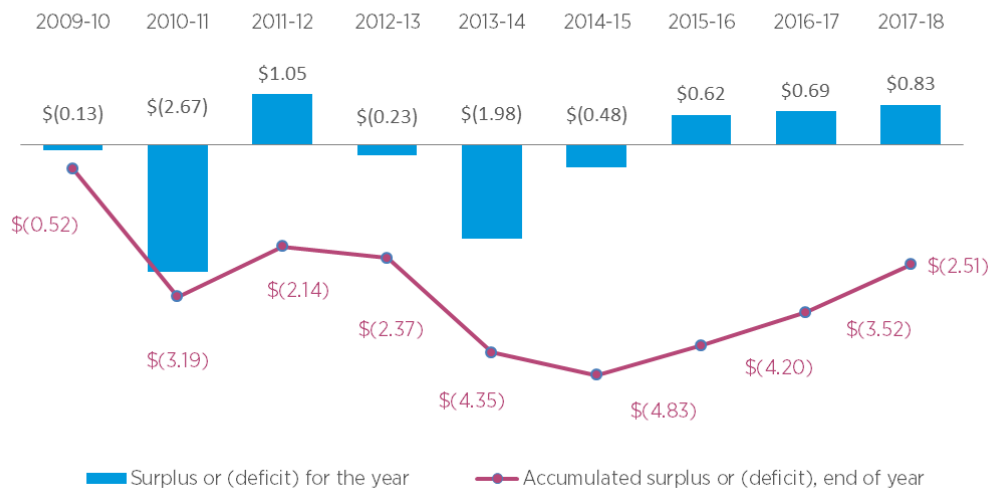
Table 15. Earned Revenue and Expense per attendee

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Earned Revenue / Attendee	\$ 77.53	\$ 73.78	\$ 70.48	\$ 64.30	\$ 71.54	\$ 80.74	\$ 68.78
Expense / Attendee	\$ 166.55	\$ 173.61	\$ 173.19	\$ 165.32	\$ 190.27	\$ 208.14	\$ 178.38

The data of these opera organizations show a [steady increase in the accumulated deficit](#)²⁵ from 2009-10 to 2014-15; rising from -\$520K in 2009-10 to -\$4.8M in 2014-15. In other words, an 828% increase or a CAGR of 56.1%. This was mainly due to the effect of 2 opera organizations, which combined registered a total deficit of \$1.9M in 2013-14, in relation to 2012-13. These deficits persisted until 2014-15.

Nevertheless, during 2015-16 the data revealed a \$620K surplus, which helped reduce the accumulated deficit and invert the negative trend since 2012-13.

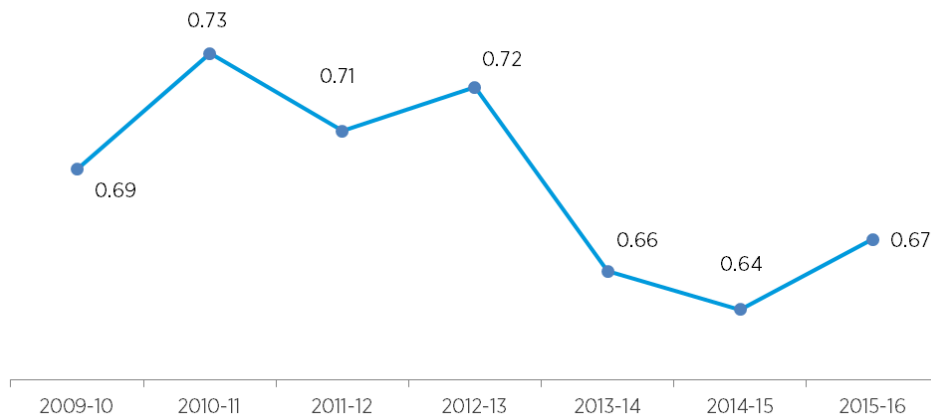
Fig. 13 Trend of Accumulated Deficit (in CA\$ million)



n=18

The [working capital ratio](#) of these opera organizations averaged 0.68 from 2009-10 to 2015-16, and in 2015-16 it registered 0.67, which represents a 3.7% increase in comparison to 2014-15. Nevertheless, it is still situated 0.06 points below its maximum level (0.73) registered in 2010-11 (see Fig. 14).^{26 27} The working capital ratio indicates the ability of an organization to meet its payment obligations as they become due. In general, the higher the number the greater an organization's financial flexibility. The average of all CADAC organizations in 2015-16 was 1.7.

Fig. 14 Working Capital Ratio



n=18



The investment capacity of these 18 opera organizations was also evident by an increase of [investment in capital assets](#) (from \$1.5M in 2009-10 to \$2.4M in 2014-15), equivalent to a 63.1% increase in 5 years.²⁸ However, in 2015-16 the investment in capital assets contracted 29% in relation to the previous year.

[The operating margin averaged 0.7% over the past seven years](#) (see Table 16), reaching -2.3% in 2015-16. The national benchmark for all CADAC organizations was 0.8% in 2015-16. Generally, a decrease in the operating margin affects the ability of an organization to allocate revenues for future projects.

Table 16. Financial Ratios	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Growth		5.1%	4.8%	-2.2%	-2.5%	3.7%	-2.1%
Operating Margin	0.9%	-1.8%	2.2%	0.8%	-1.6%	2.2%	2.3%
Surplus to Total Assets	3%	-6%	8%	3%	-5%	7%	11%
Debt to Assets	99%	112%	106%	106%	115%	119%	105%

The [debt to assets ratio fluctuated over the past 7 years from 99% in 2009-10 to 119% in 2014-15, and attained 105% in 2015-16](#) (see Table 16) – this is above the national benchmark for all CADAC organizations, which registered 84% in 2015-16.²⁹ Consequently, there is pressure on these opera organizations to find additional financial resources to cover their long-term debts.

Summary

The financial data reported to CADAC by these 18 opera organizations reveal:

- **A decreasing return of marketing expenses** (\$4.13 in 2009-10 to \$3.45 in 2015-16), equivalent to a 17% decline. This is slightly lower than the national benchmark for all CADAC organizations (\$3.60 during 2015-16).
- **A relatively stable return of fundraising expenses** over past last seven years (\$3.83 in 2009 and \$4.19 in 2015-16), equivalent to a 9% growth.
- **Stable organizational infrastructure** that ensures a constant balance between artistic and administrative expenses, as registered during the 7-year interval (2009-10 to 2015-16); with a share of total expenses averaging 67% and 11%, respectively.
- **A steadily increasing accumulated deficit**, from -\$520K in 2009-10 to -\$4.8M in 2014-15; equivalent to a CAGR of 56%
- **Positive Working Capital Ratio** (current assets/current liabilities) in the past 7 years, which averaged 0.69.
- These opera organizations have seen **a sharp increase in the debt to assets ratio** in the past six years, from 99% in 2009-10 to 119% in 2014-15; and 105% in 2015-16. This puts pressure to cover their long term operations.

¹ One particular opera organization was identified as an outlier and therefore, was not included in the analyses based on the revenue size since it was skewing the data; however, this organization was included in other analyses comprising the entire group of opera organizations.

² All financial figures in this report are expressed in current (nominal) dollars and have not been adjusted for inflation.

³ The Compound Annual Growth Rate (CAGR) is the Annual return based on each year's previous balances where each previous balance includes both the original principal and all interest accrued from prior years. To calculate compound annual growth rate, divide the final value by the initial value, raise the result to the power of one divided by the period length, and subtract one from the subsequent result ($CAGR = (Present\ Year/Base\ Year)^{(1/n)} - 1$).

⁴ The information was obtained from the following CADAC lines: 4175 Total Earned Revenue, 4345 Total Private Sector Revenue, 4550 Total Public Sector Revenue, and 4700 Total Revenues.

⁵ The information was obtained from the following CADAC lines: 4105 Production admissions and box office from subscriptions / admissions membership or group admissions, 4110 Production admissions and box office from single ticket sales, 4115 Co-productions, 4120 Touring revenue / exhibition rental, 4145 Fees from workshops / classes / conferences / annual meetings / seminars / colloquia, 4150 Revenue from associated school (gross), 4160 Sales, commissions and broadcasting (gross) and 4165 Facilities and equipment rental, sale of works of art.

⁶ Individual donations include donations of artwork in addition to monetary donations.

⁷ The information was obtained from the following CADAC lines: 4305 Individual donations, 4310 Corporate donations, and 4330 Fundraising events (gross).

⁸ Figures related to number of positions, salaries and FTE are affected by the exceptional circumstances of one organization in 2012-13.

⁹ The information was obtained from adding the following CADAC lines: 5015 Artists' and professional fees, 5110 Artistic salaries

¹⁰ The information was obtained from the following CADAC line: 2325 Total number of Canadian artists and 2340 Total number of artists to whom organizations paid artists' fees.

¹¹ The information was obtained from the following CADAC lines: 5105 Artists' and professional fees, 5110 Artistic salaries - permanent and temporary employees, 5125 Production / technical salaries - permanent and temporary employees, 5130 Production / technical services professional fees, 5205 Facility operating salaries - permanent and temporary employees, 5210 Facility operating professional fees, 5305 Marketing and communications salaries - permanent and temporary employees, 5310 Marketing and communications professional fees, 5405 Fundraising salaries - permanent and temporary employees, 5410 Fundraising professional fees, 5505 Administrative salaries - permanent and temporary employees, 5510 Administrative professional fees and 5600 Total Expenses.

¹² Due to a change of methodology in data collection, for this chart the data corresponding to 2009-10 has been removed, in order to avoid misinterpretations.

¹³ The information was obtained from the following CADAC lines: 2360 Number of full-time equivalent (FTE) artistic, exhibition, production, programming and technical staff, 2385 Number of full-time equivalent (FTE) administrative, facility, marketing, communications and fundraising staff, and 2405 Total Full-Time Equivalent Staff.

¹⁴ Statistical data are not validated and represent what is reported by organizations and may include double counting

¹⁵ The information was obtained from the following CADAC lines: 1140 Total Number of Public Performances produced by your organization, 1545 Total Attendance/ Participants at Public Performances produced by your organization, 4105 Production

admissions and box office from subscriptions / admissions membership or group admissions, 4110 Production admissions and box office from single ticket sales, and 2350 Total Number of Artists.

¹⁶ The information was obtained from the following CADAC lines: 2325 Total number of Canadian artists and 2350 Total number of Artists.

¹⁷ The information was obtained from the following CADAC lines: 2155 Total Number of Arts Education and Arts Learning Activities and 2160 Total Attendance at/Number of Participants in Arts Education and Arts Learning Activities, 1420 Total Number of Community Arts Activities, 1670 Total Number of Participants in Community Arts Activities and 1700 Total Attendance at Community Arts Activities.

¹⁸ The information was obtained from CADAC line 2015: Number of activities that add value to artistic programming.

¹⁹ The information was obtained from the following CADAC lines: 2040 Number of activities in which children create work, 2050 Number of activities specifically designed for children, 2075 Number of activities in which youth create work, and 2085 Number of activities specifically designed for youth, and their participation.

²⁰ The average participants do not contemplate the results reported in 2012-13 by one organization in particular, as this was an atypical year.

²¹ The information was obtained from the following CADAC lines: 2425 Total Number of Volunteers and 2430 Estimated number of hours worked by all volunteers.

²² Calculation using CADAC lines: 4175 for Total Earned Revenues / 5330 Total Marketing and Communications Expenses.

²³ Calculation using CADAC lines: 4345 Total Private Sector Revenue / 5425 Total Fundraising Expenses.

²⁴ Calculation using CADAC lines: 5235 Total Facility Operating Expenses 5195 or Total Artistic Expenses or 5525 Total Administration Expenses / 5600 Total Expenses.

²⁵ The information was obtained from the following CADAC line: 6215 Accumulated surplus or (deficit), end of year.

²⁶ The information was obtained from the following CADAC line: 6360 Working capital ratio.

²⁷ The analysis of working capital ratio did not include 6 opera organizations that did not report values for this CADAC line on 2015-16.

²⁸ The information was obtained from the following CADAC line: 6315 Invested in Capital / fixed assets and 6340 Total Net Assets.

²⁹ Calculation using CADAC lines:

Revenue Growth: (Annual % growth in total revenues) = $\frac{\text{Total Revenues } t - \text{Total Revenues } t-1}{\text{Total Revenues } t-1}$

Operating margin: (Ratio of surplus to total revenues) = $\frac{(4700 \text{ Total Revenues} - 5600 \text{ Total Expenses})}{4700 \text{ Total Revenues}}$

Measures the ability/willingness to allocate revenues to future periods. A negative value is a strong indicator of financial distress.

Surplus to Total Assets (Operating surplus generated by each dollar of assets) = $\frac{(4700 \text{ Total Revenues} - 5600 \text{ Total Expenses})}{6275 \text{ Total Assets}}$

A higher ratio indicates that investments in assets are generating a higher surplus. A low ratio might cause an increase in the cost of capital. A negative ratio is a strong indicator of financial distress.

Debt to Assets (Measure of leverage) = $\frac{6300 \text{ Total Liabilities}}{6275 \text{ Total Assets}}$

A measure of total liabilities relative to total assets. A high/increasing value may indicate future problems with solvency, the ability to pay debts as they come due. A ratio less than 1 is considered favorable; A high or increasing value may indicate future problems with solvency.

Appendix

The organizations included in this report are:

Legal Name (as registered in CADAC)	City	Province / Territory
Calgary Opera	Calgary	Alberta
Canadian Opera Company	Toronto	Ontario
Chants Libres, compagnie lyrique de création	Montréal	Quebec
Cowtown Opera Company Society	Calgary	Alberta
Edmonton Opera Association	Edmonton	Alberta
Manitoba Opera Association	Winnipeg	Manitoba
Opera Atelier	Toronto	Ontario
Opéra de Montréal	Montréal	Quebec
Opéra de Québec	Québec	Quebec
Opera in Concert	Toronto	Ontario
Pacific Opera Victoria	Victoria	British Columbia
Saskatoon Opera	River Heights RPO Saskatoon	Saskatchewan
Société d'art lyrique du Royaume	Chicoutimi	Quebec
Tapestry New Opera Works	Toronto	Ontario
Toronto Masque Theatre	Toronto	Ontario
Toronto Operetta Theatre	Toronto	Ontario
Vancouver Cantonese Opera	Surrey	British Columbia
Vancouver Opera	Vancouver	British Columbia