UTAH SYMPHONY & OPERA

Financial Statements
Years Ended August 31, 2011 and 2010
With Report of Independent Auditors

Ernst & Young LLP
Utah Symphony & Opera

Financial Statements

Years Ended August 31, 2011 and 2010

Contents

Report of Independent Auditors .................................................................1

Audited Financial Statements

Statements of Financial Position .................................................................2
Statements of Activity and Changes in Net Assets ......................................3
Statements of Cash Flows ...........................................................................5
Notes to Financial Statements ....................................................................6
Report of Independent Auditors

The Board of Trustees
Utah Symphony & Opera

We have audited the accompanying statements of financial position of Utah Symphony & Opera as of August 31, 2011 and 2010, and the related statements of activity and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of Utah Symphony & Opera’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Organization’s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Utah Symphony & Opera at August 31, 2011 and 2010, and the results of its activity and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

As discussed in Note 1 to the financial statements, the Utah Symphony & Opera’s recurring deficits from operations and forecasted fundraising raise substantial doubt about its ability to continue as a going concern. Management’s plans as to these matters also are described in Note 1. The 2011 financial statements do not include any adjustments that might result from the outcome of this uncertainty.

February 17, 2012
Utah Symphony & Opera

Statements of Financial Position

<table>
<thead>
<tr>
<th>Assets</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$606,204</td>
<td>$683,238</td>
</tr>
<tr>
<td>Accounts receivable (Note 2)</td>
<td>1,888,727</td>
<td>597,802</td>
</tr>
<tr>
<td>Contributions receivable, net of estimated uncollectible receivables of $15,000 and $33,000 (Note 2)</td>
<td>546,983</td>
<td>917,318</td>
</tr>
<tr>
<td>Interest and dividends receivable</td>
<td>65,701</td>
<td>22,567</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>259,683</td>
<td>319,536</td>
</tr>
<tr>
<td>Multi-year contributions receivable, net of estimated uncollectible receivables of $12,000 and $38,000 (Note 2)</td>
<td>3,429,294</td>
<td>1,179,904</td>
</tr>
<tr>
<td>Long-term investments (Note 3 and 4)</td>
<td>28,115,204</td>
<td>26,458,230</td>
</tr>
<tr>
<td>Other investments (Note 3 and 4)</td>
<td>57,748</td>
<td>57,748</td>
</tr>
<tr>
<td>Land, building and equipment, net (Note 5)</td>
<td>4,439,330</td>
<td>4,709,388</td>
</tr>
<tr>
<td>Total assets</td>
<td>$39,408,874</td>
<td>$34,945,731</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and net assets</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$1,085,920</td>
<td>$1,217,645</td>
</tr>
<tr>
<td>Line of credit (Note 6)</td>
<td>842,705</td>
<td>664,689</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>1,628,899</td>
<td>1,601,702</td>
</tr>
<tr>
<td>Notes payable (Note 7)</td>
<td>450,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>4,007,524</td>
<td>3,984,036</td>
</tr>
<tr>
<td>Net assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted (Note 8) :</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating fund</td>
<td>203,654</td>
<td>1,560,516</td>
</tr>
<tr>
<td>Board designated fund</td>
<td>5,854,001</td>
<td>5,596,664</td>
</tr>
<tr>
<td>Total unrestricted net assets</td>
<td>6,057,655</td>
<td>7,157,180</td>
</tr>
<tr>
<td>Temporarily restricted net assets (Note 9)</td>
<td>4,909,415</td>
<td>2,476,958</td>
</tr>
<tr>
<td>Permanently restricted net assets (Note 10)</td>
<td>24,434,280</td>
<td>21,327,557</td>
</tr>
<tr>
<td>Total net assets</td>
<td>35,401,350</td>
<td>30,961,695</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>$39,408,874</td>
<td>$34,945,731</td>
</tr>
</tbody>
</table>

See accompanying notes.
Utah Symphony & Opera

Statements of Activity and Changes in Net Assets

Year Ended August 31, 2011

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Operating</th>
<th>Board Designated</th>
<th>Total Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance revenues received</td>
<td>$4,132,860</td>
<td>$</td>
<td>$4,132,860</td>
<td>$</td>
<td>$4,132,860</td>
<td></td>
</tr>
<tr>
<td>Government grants and fees:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Received</td>
<td>3,480,211</td>
<td>–</td>
<td>3,480,211</td>
<td>1,368,978</td>
<td>–</td>
<td>4,849,189</td>
</tr>
<tr>
<td>Released from restriction</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total government grants and fees</td>
<td>3,480,211</td>
<td>–</td>
<td>3,480,211</td>
<td>1,368,978</td>
<td>–</td>
<td>4,849,189</td>
</tr>
<tr>
<td>Contributions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Received</td>
<td>5,839,085</td>
<td>189,027</td>
<td>6,028,112</td>
<td>2,645,910</td>
<td>1,351,369</td>
<td>10,025,391</td>
</tr>
<tr>
<td>In-kind</td>
<td>685,064</td>
<td>–</td>
<td>685,064</td>
<td>–</td>
<td>–</td>
<td>685,064</td>
</tr>
<tr>
<td>Released from restriction</td>
<td>1,715,107</td>
<td>–</td>
<td>1,715,107</td>
<td>(1,715,107)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total contributions</td>
<td>8,239,256</td>
<td>189,027</td>
<td>8,428,283</td>
<td>2,645,910</td>
<td>1,351,369</td>
<td>10,710,455</td>
</tr>
<tr>
<td>Set and costume rentals</td>
<td>567,137</td>
<td>–</td>
<td>567,137</td>
<td>–</td>
<td>–</td>
<td>567,137</td>
</tr>
<tr>
<td>Other income</td>
<td>29,264</td>
<td>–</td>
<td>29,264</td>
<td>–</td>
<td>–</td>
<td>29,264</td>
</tr>
<tr>
<td>Investment income/(loss), net of transfers (Notes 1 and 3)</td>
<td>1,593,276</td>
<td>272,215</td>
<td>1,865,491</td>
<td>104,122</td>
<td>1,907,642</td>
<td>3,877,255</td>
</tr>
<tr>
<td>Total revenues</td>
<td>18,042,004</td>
<td>461,242</td>
<td>18,503,246</td>
<td>2,403,903</td>
<td>3,259,011</td>
<td>24,166,160</td>
</tr>
</tbody>
</table>

Expenses (Note 12):

| Program expenses | 16,071,336 | – | 16,071,336 | – | – | 16,071,336 |
| Management and general | 1,950,630 | 22,277 | 1,972,907 | 11,108 | 152,288 | 2,136,303 |
| Fundraising | 1,376,900 | 181,628 | 1,558,528 | (39,662) | – | 1,518,866 |
| Total expenses | 19,398,866 | 203,905 | 19,602,771 | (28,554) | 152,288 | 19,726,505 |

Changes in net assets

| (1,356,862) | 257,337 | (1,099,525) | 2,422,457 | 3,106,723 | 4,439,655 |
| Net assets at beginning of year | 1,560,516 | 5,596,664 | 7,157,180 | 2,476,958 | 21,327,557 | 30,961,695 |
| Net assets at end of year | $203,654 | $5,854,001 | $6,057,655 | $4,909,415 | $24,434,280 | $35,401,350 |

See accompanying notes.
# Statements of Activity and Changes in Net Assets

## Year Ended August 31, 2010

### Utah Symphony & Opera

#### Unrestricted

<table>
<thead>
<tr>
<th></th>
<th>Operating</th>
<th>Board Designated</th>
<th>Total Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance revenues received</td>
<td>$ 4,320,636</td>
<td>$ –</td>
<td>$ 4,320,636</td>
<td>$ –</td>
<td>$ –</td>
<td>$ 4,320,636</td>
</tr>
<tr>
<td>Government grants and fees:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Received</td>
<td>3,187,749</td>
<td>–</td>
<td>3,187,749</td>
<td>–</td>
<td>–</td>
<td>3,187,749</td>
</tr>
<tr>
<td>Released from restriction</td>
<td>186,362</td>
<td>–</td>
<td>186,362</td>
<td>(186,362)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total government grants and fees</strong></td>
<td>3,374,111</td>
<td>–</td>
<td>(186,362)</td>
<td>–</td>
<td>3,187,749</td>
<td></td>
</tr>
<tr>
<td>Contributions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Received</td>
<td>5,398,140</td>
<td>240,490</td>
<td>5,638,630</td>
<td>1,316,449</td>
<td>310,442</td>
<td>7,265,521</td>
</tr>
<tr>
<td>In-kind</td>
<td>1,074,240</td>
<td>–</td>
<td>1,074,240</td>
<td>–</td>
<td>–</td>
<td>1,074,240</td>
</tr>
<tr>
<td>Released from restriction</td>
<td>1,749,750</td>
<td>–</td>
<td>1,749,750</td>
<td>(1,749,750)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total contributions</strong></td>
<td>8,222,130</td>
<td>240,490</td>
<td>8,462,620</td>
<td>(433,301)</td>
<td>310,442</td>
<td>8,339,761</td>
</tr>
<tr>
<td>Set and costume rentals</td>
<td>403,797</td>
<td>–</td>
<td>403,797</td>
<td>–</td>
<td>–</td>
<td>403,797</td>
</tr>
<tr>
<td>Other income</td>
<td>31,612</td>
<td>–</td>
<td>31,612</td>
<td>–</td>
<td>–</td>
<td>31,612</td>
</tr>
<tr>
<td>Investment income/(loss), net of transfers (Notes 1 and 3)</td>
<td>1,688,559</td>
<td>(31,191)</td>
<td>1,657,368</td>
<td>(10,102)</td>
<td>63,017</td>
<td>1,710,283</td>
</tr>
<tr>
<td>Total revenues</td>
<td>18,040,845</td>
<td>209,299</td>
<td>18,250,144</td>
<td>(629,765)</td>
<td>373,459</td>
<td>17,993,838</td>
</tr>
<tr>
<td>Expenses (Note 12):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>1,931,820</td>
<td>31,095</td>
<td>1,962,915</td>
<td>15,701</td>
<td>210,265</td>
<td>2,188,881</td>
</tr>
<tr>
<td>Fundraising</td>
<td>905,764</td>
<td>238,450</td>
<td>1,144,214</td>
<td>(159,128)</td>
<td>(289)</td>
<td>984,797</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>18,006,383</td>
<td>269,545</td>
<td>18,275,928</td>
<td>(143,427)</td>
<td>209,976</td>
<td>18,342,477</td>
</tr>
<tr>
<td>Changes in net assets</td>
<td>34,462</td>
<td>(60,246)</td>
<td>(25,784)</td>
<td>(486,338)</td>
<td>163,483</td>
<td>(348,639)</td>
</tr>
<tr>
<td>Net assets at beginning of year</td>
<td>1,526,054</td>
<td>5,656,910</td>
<td>7,182,964</td>
<td>2,963,296</td>
<td>21,164,074</td>
<td>31,310,334</td>
</tr>
<tr>
<td><strong>Net assets at end of year</strong></td>
<td>$ 1,560,516</td>
<td>$ 5,596,664</td>
<td>$ 7,157,180</td>
<td>$ 2,476,958</td>
<td>$ 21,327,557</td>
<td>$30,961,695</td>
</tr>
</tbody>
</table>

*See accompanying notes.*
Utah Symphony & Opera

Statements of Cash Flows

<table>
<thead>
<tr>
<th></th>
<th>Years Ended August 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in net assets</td>
<td>$4,439,655</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to cash used by operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>358,348</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>(38,014)</td>
</tr>
<tr>
<td>Non-cash reduction of debt</td>
<td>(50,000)</td>
</tr>
<tr>
<td>Gain on disposal of assets</td>
<td>–</td>
</tr>
<tr>
<td>Interest and dividends restricted for long-term investments</td>
<td>(649,929)</td>
</tr>
<tr>
<td>Net unrealized and realized gains on long-term investments</td>
<td>(3,131,755)</td>
</tr>
<tr>
<td><strong>Changes in operating assets and liabilities:</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts and contributions receivable</td>
<td>(3,131,966)</td>
</tr>
<tr>
<td>Interest and dividends receivable</td>
<td>(43,134)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>59,853</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>(131,725)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>27,197</td>
</tr>
<tr>
<td><strong>Net cash used by operating activities</strong></td>
<td>(2,291,470)</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
</tr>
<tr>
<td>Purchase of property and equipment</td>
<td>(88,290)</td>
</tr>
<tr>
<td>Proceeds from sale of equipment</td>
<td>–</td>
</tr>
<tr>
<td><strong>Net proceeds from sale of long-term investments</strong></td>
<td>2,124,710</td>
</tr>
<tr>
<td><strong>Net cash provided by investing activities</strong></td>
<td>2,036,420</td>
</tr>
<tr>
<td><strong>Financing activities</strong></td>
<td></td>
</tr>
<tr>
<td>Proceeds from line of credit and long term borrowing</td>
<td>11,056,159</td>
</tr>
<tr>
<td>Payments on line of credit and long-term borrowing</td>
<td>(10,878,143)</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) financing activities</strong></td>
<td>178,016</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>(77,034)</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents:</strong></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>683,238</td>
</tr>
<tr>
<td>End of year</td>
<td>$606,204</td>
</tr>
</tbody>
</table>

See accompanying notes.
1. Significant Accounting Policies

Description of Business and Operations

Utah Symphony & Opera (Symphony & Opera or the Organization) was formed on July 8, 2002, when the respective Boards of Trustees ("Board of Trustees" or "Board") for both the Utah Symphony (the Symphony) and Utah Opera Company (the Opera) voted to merge the two organizations into one operating entity. The Opera’s name was then changed to Utah Symphony & Opera and the new Organization adopted the fiscal year end of August 31. The combined Organization functions as a nonprofit corporation without affiliation with the State of Utah.

In addition to its significant cultural and educational value, the Symphony & Opera also acts as a goodwill ambassador for the State of Utah through its local, national, and international tours and helps to provide opportunities for promising young artists through its outreach programs.

Three entities serve as support organizations for the Symphony & Opera, which exist to increase public recognition of opera and symphonic works and to solicit donations. These three entities include Utah Symphony Guild, Utah Symphony & Opera Volunteer Network, and Ogden Opera Guild. The operations of these entities are recorded in the Board Designated Fund.

Utah Symphony & Opera funds its operations with revenue received from ticket sales, concert presenter’s fees, costume and set rentals, governmental and other grants, investment income, and contributions.

Going Concern

The economic climate continues to have a profound negative effect on the non-profit sector across the country and on arts organizations in particular. Over the past three years, the Organization has reported deficits in the Operating Fund of approximately $3,283,000 on a cumulative basis. These factors raise substantial doubt about the Organization’s ability to continue as a going concern. The accompanying financial statements do not include any adjustments which might result from the outcome of the aforementioned uncertainties.

The Board of Trustees and management have undertaken aggressive expense management and fundraising activities to address the deficit, build cash reserves and replenish the endowment. Management has developed and implemented a plan to increase revenues and reduce expenses.
1. Significant Accounting Policies (continued)

A Comprehensive Campaign, initiated in 2010 with the assistance of fundraising consulting firm CCS, is the primary strategy for addressing long-term needs and the structural deficit of the Organization. The Campaign has three objectives. The first is to increase annual giving; the second is to increase the endowment; and the third is to raise sufficient bridge funding to sustain the Organization and to fill the present gap between its recurring revenues and expenses as it is achieving the first two objectives. Through February 2012, the Campaign has received commitments of over $16 million to address these three objectives.

In order to control expenses, management has implemented a salary and hiring freeze, eliminated staff retirement plan contributions, reduced opera production costs, renegotiated conductor and artist fees and most significantly, negotiated an amendment to the union contract with the musicians that reduces previously negotiated wages by an estimated cumulative $1.1 million for the three years ending August 31, 2014. This brings the total estimated concessions granted by the musicians, including earlier contract amendments in 2009 and 2010, to a total of approximately $3 million.

For the last several years, the Organization has had to rely on large “one-time” gifts from patrons to cover an annual deficit between recurring revenues and expenses of approximately $2 million. Through December 31, 2011, the Organization has raised approximately half of fiscal year 2012’s anticipated deficit. The efforts of the Comprehensive Campaign to raise endowment and annual giving are expected to reduce, and eventually eliminate, this deficit by increasing revenues at a moderately higher rate than expenses in the future.

Risks and Uncertainties

Risks and uncertainties are inherent with the Collective Bargaining Agreement (CBA) that the Organization has with members of the orchestra. The Organization employs approximately 140 individuals on a full-time basis. Members of the American Federation of Musicians Local 104 union make up 51% of the total full-time employees. The current CBA was entered into on September 1, 2007 and was originally set to expire August 31, 2010. The CBA has been renegotiated three times with a new expiration date of August 31, 2015.
1. Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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. Estimates also affect the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Fund Accounting and Net Asset Classifications

To ensure observance of limitations and restrictions placed on the use of resources available to the Symphony & Opera, the financial records of the Organization are maintained on the accrual basis of accounting in accordance with “fund accounting” and the Uniform Prudent Management of Institutional Funds Act (UPMIFA). This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specific activities and objectives. Separate accounts are maintained for each fund. In the accompanying financial statements, funds with similar characteristics have been combined into three net asset categories: unrestricted, temporarily restricted, and permanently restricted. See Notes 8, 9, and 10 for additional discussion of these net asset categories.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank deposits, and highly liquid financial instruments with a maturity of three months or less when purchased. Cash and cash equivalents include only funds that are not restricted by the donor.

Investments

Investments in equity and debt securities are measured at fair value in the statements of financial position. Net realized and unrealized gains and losses on unrestricted net asset investments, including the Board Designated Fund, are included in unrestricted investment income in the statements of activity and changes in net assets. Net realized and unrealized gains and losses on restricted net asset investments, restricted by donors or law, are included in temporarily or
1. Significant Accounting Policies (continued)

permanently restricted investment income in the statements of activity and changes in net assets. Realized gains and losses are determined using the specific identification method. Investment related expenses were approximately $188,000 and $259,000 for the years ended August 31, 2011 and 2010, respectively, and are recorded in management and general expenses.

Management of the Symphony & Opera has retained the separate and distinct character of the respective Symphony and Opera endowment investment funds. New endowment funds have been created for donations received subsequent to the merger.

Effective September 1, 2002, the Symphony & Opera’s Board of Trustees adopted a resolution to transfer five percent of the value of the Permanently Restricted Fund annually for use in its operations. The amounts are transferred from the Permanently Restricted Fund to the Operating Fund. The annual five percent draw is based on an average of the market value of investments for the most recent 12 completed calendar quarters.

In November 2008, the Organization’s Investment Policy was changed from “no more than 75% equities” investment mix to a “no more than 70% equities” investment mix. The investment of funds is intended to support the long term financial viability of the Organization. Investment objectives encompass; optimizing portfolio efficiency by minimizing expected portfolio risk and seeking opportunities to reduce fees and expenses, providing liquidity to meet near term cash forecast needs while timing cash withdrawals with portfolio returns, and preserving capital by avoiding significant and sustained loss in market value.

Investments in musical instrument loans consist of two amounts: funds invested in long-term loans to orchestra members and funds not yet loaned to orchestra members. The total of both of these amounts is $235,665 and $211,318 at August 31, 2011 and 2010, respectively, with $120,925 and $68,590 in loans outstanding as of August 31, 2011 and 2010, respectively. As of August 31, 2011, one musician ex-officio trustee has approximately $27,000 in outstanding loans. The interest rate charged on these loans to orchestra members is 5%. Interest received from the investment in instrument loan funds is not used to fund operations but instead increases the amount of available funds for instrument loans. The investment in these loans is included in the statement of financial position under long-term investments and is excluded from the annual five percent draw described above.
1. Significant Accounting Policies (continued)

Land, Building and Equipment

Land, building and equipment are stated at cost or fair market value at the date of acquisition or gift, respectively, and include expenditures that substantially extend the useful lives of existing assets. Expenditures for normal maintenance and repairs are charged to operations as incurred. The cost of buildings and equipment is being depreciated using the straight-line method over the estimated useful lives of the assets, which range from five to thirty years. The Organization has a significant amount of costumes, wigs and props that are not recorded on the statement of financial position. Expenditures for these items are expensed as incurred.

Revenue Recognition and Deferred Revenue

The majority of the Organization’s revenue stems from donor contributions, grants, and performance ticket sales. Contributions are generally recognized as revenue at fair value in the period received or unconditionally pledged. Contributions of services are recognized only if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Contributions received are considered to be available for use unless specifically restricted by the donor. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met.

Utah Symphony & Opera records contributions as temporarily restricted if they are received with donor stipulations limiting the use either through purpose or time restrictions. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activity and changes in net assets as net assets released from restriction.

Utah Symphony & Opera rents its costumes, wigs, sets and props to individuals and other organizations across North America. It also constructs costumes and sets for other organizations. Rental and construction income of approximately $567,000 and $404,000 is included on the statements of activity and changes in net assets for the years ended August 31, 2011 and 2010, respectively.
1. Significant Accounting Policies (continued)

Deferred revenue arises from subscription ticket sales and advance ticket sales, including refundable gift certificates, and is recognized as revenue when the performance for which the tickets have been sold occurs, less any refunds granted.

As part of the Zoo, Arts and Parks Sales Tax Initiative passed in 1996, Utah Symphony & Opera receives funds from Salt Lake County (the County) and records revenues based on an estimated allotment provided by the County. Periodically, the County reconciles actual sales tax receipts with payments already made to the Organization and retroactively adjusts these amounts accordingly. The adjustments result from actual sales tax collections being different than originally estimated by the County. The Organization records these adjustments as they receive formal communication from the County of the adjustment. For the year ended August 31, 2011, the total adjustment increased government grants and fees by approximately $80,000. For the year ended August 31, 2010, the total adjustment increased government grants and fees by approximately $64,000.

Pledges to Contribute

Pledges to contribute over future periods are discounted to present values and recorded in the current period as revenue and multi-year contributions receivable. As of August 31, 2011 and 2010, the discount on these pledges was approximately $227,000 and $9,500 respectively. These multi-year contributions represent unconditional promises to donate within the next one to ten years. The Organization also records an estimate for uncollectible receivables based on historical payment experience coupled with projections and estimates of pledges and actual amounts expected to be received.

Contributions-in-Kind

The Symphony & Opera receives donated services and materials that are used in the operations of the Organization. These donated services and materials are recorded at fair market value.
1. Significant Accounting Policies (continued)

The following is a summary of amounts that were recorded as both revenue and expenses from unrestricted in-kind contributions:

<table>
<thead>
<tr>
<th></th>
<th>August 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Program expenses:</td>
<td></td>
</tr>
<tr>
<td>Advertising expense</td>
<td>$392,576</td>
</tr>
<tr>
<td>Production expense</td>
<td>71,170</td>
</tr>
<tr>
<td>Management and general expenses</td>
<td>221,318</td>
</tr>
<tr>
<td></td>
<td>$685,064</td>
</tr>
</tbody>
</table>

Certain members of the Utah Symphony & Opera’s Board of Trustees, or companies affiliated with certain board members, provided certain amounts of in-kind contributions for advertising services.

Volunteers

A number of volunteers have made contributions of time to the Utah Symphony & Opera’s program and support functions. The value of this contributed time does not meet the criteria for recognition of contributions-in-kind and, accordingly, is not reflected in the accompanying financial statements.

Advertising Expenses

The Symphony & Opera expenses advertising costs as incurred. Amounts expensed for advertising, including in-kind expenses, were approximately $1,601,000 and $1,903,000 for the years ended August 31, 2011 and 2010, respectively.
1. Significant Accounting Policies (continued)

Income Tax Status

The Internal Revenue Service has ruled that Utah Symphony & Opera’s predecessor organization, Utah Opera Company, qualifies under Section 501(c)(3) of the Internal Revenue Code (the IRC) and is, therefore, not subject to tax under present income tax laws. Accordingly, no provision for income taxes has been made in the accompanying financial statements. Based on communication with the IRS, the combination of the Opera and the Symphony has not negatively affected the tax qualification under section 501(c)(3). The Organization is required to operate in conformity with the IRC in order to maintain its tax exempt qualification.

Reclassifications

Certain previously reported amounts have been reclassified to conform with the 2011 financial statement presentation.

Subsequent Events

We have evaluated subsequent events that have occurred through February 17, 2012, the date the financial statement were available to be issued and determined that no additional disclosures are required to be made.

2. Accounts and Contributions Receivable

Accounts and contributions receivable consist of the following as of August 31, 2011:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td>$ 655,190</td>
<td>$ 1,233,537</td>
<td>–</td>
<td>$ 1,888,727</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>202,752</td>
<td>344,231</td>
<td>–</td>
<td>546,983</td>
</tr>
<tr>
<td>Multi-year contributions</td>
<td>50,000</td>
<td>2,203,925</td>
<td>1,175,369</td>
<td>3,429,294</td>
</tr>
<tr>
<td>receivable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$ 907,942</td>
<td>$ 3,781,693</td>
<td>$ 1,175,369</td>
<td>$ 5,865,004</td>
</tr>
</tbody>
</table>

Utah Symphony & Opera

Notes to Financial Statements (continued)
2. Accounts and Contributions Receivable (continued)

Accounts and contributions receivable consist of the following as of August 31, 2010:

<table>
<thead>
<tr>
<th></th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td>$ 597,802</td>
<td>–</td>
<td>– $ 597,802</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>457,294</td>
<td>460,024</td>
<td>917,318</td>
</tr>
<tr>
<td>Multi-year contributions receivable</td>
<td>–</td>
<td>1,169,904</td>
<td>1,179,904</td>
</tr>
<tr>
<td></td>
<td>$ 1,055,096</td>
<td>$ 1,629,928</td>
<td>$ 10,000 $ 2,695,024</td>
</tr>
</tbody>
</table>

All accounts and contributions receivable are collectible within one to nine years as noted below:

<table>
<thead>
<tr>
<th></th>
<th>August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current through August 31, 2012</td>
<td>$ 3,694,823</td>
</tr>
<tr>
<td>From September 1, 2012 to August 31, 2016</td>
<td>2,123,826</td>
</tr>
<tr>
<td>More than five years</td>
<td>72,932</td>
</tr>
<tr>
<td></td>
<td>5,891,581</td>
</tr>
<tr>
<td>Less estimated uncollectible receivables</td>
<td>(26,577)</td>
</tr>
<tr>
<td></td>
<td>$ 5,865,004</td>
</tr>
</tbody>
</table>

3. Investments

On November 25, 2008, the Organization was notified by an investment manager that its investment in certain hedge funds was to be liquidated over a five-year period beginning June 2009. Liquidation payments have been received in accordance with the original notification. As of August 31, 2011, the fair value of these investments was approximately $242,000.
3. Investments (continued)

The following is a summary of investments:

<table>
<thead>
<tr>
<th></th>
<th>August 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Long-term investments:</td>
<td>$28,115,204</td>
</tr>
<tr>
<td>Government bonds</td>
<td>$4,949,400</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>2,361,535</td>
</tr>
<tr>
<td>Corporate stocks</td>
<td>19,189,932</td>
</tr>
<tr>
<td>Hedge funds</td>
<td>241,710</td>
</tr>
<tr>
<td>Instrument loans</td>
<td>120,925</td>
</tr>
<tr>
<td>Money market</td>
<td>1,251,702</td>
</tr>
<tr>
<td>Other investments:</td>
<td></td>
</tr>
<tr>
<td>Real estate</td>
<td>$6,900</td>
</tr>
<tr>
<td>Art</td>
<td>50,848</td>
</tr>
<tr>
<td></td>
<td>$57,748</td>
</tr>
</tbody>
</table>

Major categories of the Symphony & Opera’s investment income (loss) are summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>For the Year Ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
</tr>
<tr>
<td>Interest</td>
<td>$4,546</td>
</tr>
<tr>
<td>Dividends</td>
<td>3,112</td>
</tr>
<tr>
<td>Unrealized gains/(losses)</td>
<td>7,658</td>
</tr>
<tr>
<td>Realized gains</td>
<td>36,452</td>
</tr>
<tr>
<td></td>
<td>70,465</td>
</tr>
<tr>
<td>Investment income,</td>
<td>78,123</td>
</tr>
<tr>
<td>before transfers</td>
<td>(1,515,153)</td>
</tr>
<tr>
<td>Transfers</td>
<td>76,608</td>
</tr>
<tr>
<td>Investment income</td>
<td>$1,593,276</td>
</tr>
</tbody>
</table>
3. Investments (continued)

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Board Designated</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>$ 3,710</td>
<td>$ 39,958</td>
<td>$ 20,179</td>
<td>$ 273,773</td>
<td>$ 337,620</td>
</tr>
<tr>
<td>Dividends</td>
<td>2,144</td>
<td>29,756</td>
<td>15,027</td>
<td>201,314</td>
<td>248,241</td>
</tr>
<tr>
<td></td>
<td>5,854</td>
<td>69,714</td>
<td>35,206</td>
<td>475,087</td>
<td>585,861</td>
</tr>
<tr>
<td>Unrealized gains/(losses)</td>
<td>(3,869)</td>
<td>11,377</td>
<td>5,683</td>
<td>39,080</td>
<td>52,271</td>
</tr>
<tr>
<td>Realized gains</td>
<td>2,867</td>
<td>129,545</td>
<td>65,420</td>
<td>874,319</td>
<td>1,072,151</td>
</tr>
<tr>
<td></td>
<td>(1,002)</td>
<td>140,922</td>
<td>71,103</td>
<td>913,399</td>
<td>1,124,422</td>
</tr>
<tr>
<td>Investment income, before transfers</td>
<td>4,852</td>
<td>210,636</td>
<td>106,309</td>
<td>1,388,486</td>
<td>1,710,283</td>
</tr>
<tr>
<td>Transfers</td>
<td>1,683,707</td>
<td>(241,827)</td>
<td>(116,411)</td>
<td>(1,325,469)</td>
<td>–</td>
</tr>
<tr>
<td>Investment income/(loss)</td>
<td>1,688,559</td>
<td>$(31,191)</td>
<td>$(10,102)</td>
<td>63,017</td>
<td>1,710,283</td>
</tr>
</tbody>
</table>

4. Fair Value Measurements

In fiscal year 2009, the Organization adopted Accounting Standards Codification (ASC 820), which established a framework for measuring fair value in accordance with Generally Accepted Accounting Principles (GAAP) and clarified the definition of fair value within that framework. It does not require assets and liabilities that were previously recorded at cost to be recorded at fair value. For assets and liabilities that are already required to be disclosed at fair value, ASC 820 introduced, or reiterated, a number of key concepts which form the foundation of the fair value measurement approach to be used for financial reporting purposes. The Organization adopted the provisions for non-financial assets and liabilities in fiscal year 2010, which did not have a material impact on its financial position, activities or cash flows.

This standard established a fair value hierarchy that prioritizes the use of inputs used in valuation techniques into the following three levels:

Level 1—Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities

Level 2—Observable inputs other than quoted prices in active markets for identical assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
4. Fair Value Measurements (continued)

Level 3—Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Where quoted prices are available in an active market, investments are classified within level 1 of the hierarchy. If quoted prices are not available, then fair values are estimated using pricing models, quoted prices or securities with similar characteristics are categorized within level 2 of the hierarchy. Level 3 investments are valued using a discounted cash flows and cost approach.

Assets measured at fair value on a recurring basis as of August 31, 2011 are summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government bonds</td>
<td>$</td>
<td>–</td>
<td>$4,949,400</td>
<td>$4,949,400</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>–</td>
<td>2,361,535</td>
<td>–</td>
<td>2,361,535</td>
</tr>
<tr>
<td>Corporate stocks</td>
<td>19,189,932</td>
<td>–</td>
<td>–</td>
<td>19,189,932</td>
</tr>
<tr>
<td>Hedge funds</td>
<td>–</td>
<td>–</td>
<td>241,710</td>
<td>241,710</td>
</tr>
<tr>
<td>Instrument loans</td>
<td>–</td>
<td>–</td>
<td>120,925</td>
<td>120,925</td>
</tr>
<tr>
<td>Money market</td>
<td>1,251,702</td>
<td>–</td>
<td>–</td>
<td>1,251,702</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$20,441,634</td>
<td>$7,310,935</td>
<td>$362,635</td>
<td>$28,115,204</td>
</tr>
</tbody>
</table>

Assets measured at fair value on a recurring basis as of August 31, 2010 are summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate bonds</td>
<td>–</td>
<td>2,665,440</td>
<td>–</td>
<td>2,665,440</td>
</tr>
<tr>
<td>Corporate stocks</td>
<td>16,311,458</td>
<td>–</td>
<td>–</td>
<td>16,311,458</td>
</tr>
<tr>
<td>Hedge funds</td>
<td>–</td>
<td>–</td>
<td>367,025</td>
<td>367,025</td>
</tr>
<tr>
<td>Instrument loans</td>
<td>–</td>
<td>–</td>
<td>68,590</td>
<td>68,590</td>
</tr>
<tr>
<td>Money market</td>
<td>2,810,557</td>
<td>–</td>
<td>–</td>
<td>2,810,557</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$19,122,015</td>
<td>$6,900,600</td>
<td>$435,615</td>
<td>$26,458,230</td>
</tr>
</tbody>
</table>
5. Land, Building and Equipment

Land, building and equipment are summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>August 31 2011</th>
<th>August 31 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$229,500</td>
<td>$229,500</td>
</tr>
<tr>
<td>Building and improvements</td>
<td>5,700,402</td>
<td>5,700,402</td>
</tr>
<tr>
<td>Office equipment</td>
<td>518,768</td>
<td>494,182</td>
</tr>
<tr>
<td>Hall equipment</td>
<td>580,143</td>
<td>532,239</td>
</tr>
<tr>
<td>Production sets</td>
<td>1,246,872</td>
<td>1,243,798</td>
</tr>
<tr>
<td>Vehicles</td>
<td>129,469</td>
<td>121,442</td>
</tr>
<tr>
<td>Construction in process</td>
<td>15,770</td>
<td>11,072</td>
</tr>
<tr>
<td></td>
<td>$8,420,924</td>
<td>$8,332,634</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(3,981,594)</td>
<td>(3,623,246)</td>
</tr>
<tr>
<td></td>
<td>$ 4,439,330</td>
<td>$ 4,709,388</td>
</tr>
</tbody>
</table>

Utah Symphony & Opera uses the facilities of Abravanel Hall and the Capitol Theater under a lease agreement with Salt Lake County, which is renewable annually. Rental expense for these facilities was approximately $274,000 and $263,000 for the years ended August 31, 2011 and 2010, respectively.

Additionally, in the same time period, the Organization leased an apartment on a month-to-month basis. Total rental expense for this lease was approximately $5,600 and $5,400 for the years ended August 31, 2011 and 2010, respectively.

6. Line of Credit

The Organization has a line of credit for $2,000,000. The interest rate is at the prime rate less 1.0%, and is limited to a rate of at least 5%, (5.0% as of August 31, 2011). The Organization had $842,705 and $664,689 outstanding under the line of credit as of August 31, 2011 and 2010, respectively. The line of credit is secured by certain assets of the Organization’s Board Designated Fund, and the Board has permitted management to utilize this line of credit at its discretion. The bank has restricted the draws to 75% of the collateral’s value. At August 31, 2011, the line of credit was limited to $1,590,000. The Organization expects to renew the line of credit when it expires on March 15, 2012.
7. Notes Payable

Notes payable consists of a promissory note payable to the Redevelopment Agency of Salt Lake City and is due September 30, 2016, with interest at 3%. The principal balance of the note payable at August 31, 2011 and August 31, 2010 was $450,000 and $500,000, respectively, which approximates fair value. During September 2011, the loan agreement was amended to allow for a credit against the principal of the loan in the amount of $50,000 each of the 5 years if the Organization performs one concert at the Gallivan Center annually. The maximum credit is $250,000. In fiscal 2011, the Organization performed the required concert to receive the credit. Accrued interest on the note was $15,000 as of both August 31, 2011 and 2010. The Symphony & Opera has the option of paying the interest on the note in cash or by receiving credit for value in-kind or a combination of cash and in-kind services. Through fiscal 2011, the Organization has provided in-kind services sufficient to cover all interest expense associated with this note. The promissory note is collateralized by a deed of trust granting a security interest in the real property owned by the Organization.

Cash paid for interest was $43,455 for the year ended August 31, 2011 and $15,001 for the year ended August 31, 2010, and interest expense was $58,455 for the year ended August 31, 2011 and $30,001 for the year ended August 31, 2010. Interest expense is recorded in management and general expenses.

8. Unrestricted Net Assets

Unrestricted net assets include amounts from the Operating Fund and from the Board Designated Fund. All general operating revenues and expenditures related to the program activities of the Organization, which are included in the Operating Fund, are presented in the unrestricted statements of activity and changes in net assets.

On May 6, 2009, the Organization received court approval to release $3,000,000 from the Permanently Restricted Fund into the Board Designated Fund. According to the UPMIFA these funds need to be released by the donor or a court if the donor cannot be located. The Board of Trustees approved lending these funds from the Board Designated Fund to assist in financing operating deficits. The loan is non-interest bearing and is required to be repaid within five years. For the year-ended August 31, 2009, the Board Designated Fund loaned to the Operating Fund $2,120,000. For the year-ended August 31, 2011, the Board Designated Fund loaned to the Operating Fund $400,000. The balance of the loan at August 31, 2011 was $2,520,000.
8. Unrestricted Net Assets (continued)

The Board Designated Fund consists of funds with no donor or legal restrictions, but through Board resolutions have been set aside for specific purposes. This fund currently consists of the following:

<table>
<thead>
<tr>
<th>Fund</th>
<th>August 31 2011</th>
<th>August 31 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utah Opera Surplus Endowment Fund</td>
<td>$2,267,922</td>
<td>$2,103,665</td>
</tr>
<tr>
<td>Guild Operations</td>
<td>24,190</td>
<td>16,791</td>
</tr>
<tr>
<td>Board Designated Reserve Fund</td>
<td>3,561,889</td>
<td>3,476,208</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$5,854,001</strong></td>
<td><strong>$5,596,664</strong></td>
</tr>
</tbody>
</table>

Assets underlying the Utah Opera Surplus Endowment Fund have been pledged as security on the line of credit. The Utah Opera Surplus Endowment Fund requires a 90% vote of the full Board to access such funds. The Board Designated Reserve Fund is used to offset any year-end deficits in the Operating Fund and for such other purposes as the Board may from time to time determine. For the years ended August 31, 2011 and 2010, there were no transfers from the Board Designated Reserve Fund to the Operating Fund except for the loan described above.

9. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>August 31 2011</th>
<th>August 31 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental grants received for use in future periods</td>
<td>$1,368,978</td>
<td>$ –</td>
</tr>
<tr>
<td>Deer Valley Music Festival</td>
<td>324,441</td>
<td>78,795</td>
</tr>
<tr>
<td>Opera Production Studio Expansion</td>
<td>674,936</td>
<td>581,922</td>
</tr>
<tr>
<td>Donations and other funds for use in future periods</td>
<td>2,541,060</td>
<td>1,816,241</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,909,415</strong></td>
<td><strong>$2,476,958</strong></td>
</tr>
</tbody>
</table>
9. Temporarily Restricted Net Assets (continued)

All amounts released from temporary restriction during the years ended August 31, 2011 and 2010 were released following the fulfillment of purpose or expiration of time restrictions placed on the assets.

The Opera Production Studios expansion was completed in fiscal year 2003. The remaining funds held in Temporarily Restricted Net Assets represent donations received in excess of the cost of the expansion and are to be used for the operation and maintenance of the building. For the year ended August 31, 2011 and 2010, approximately $124,000 and $116,000, respectively, was transferred from the Opera Production Studio Expansion Temporarily Restricted Fund to offset costs associated with the operations and maintenance of this building.

10. Permanently Restricted Net Assets

Permanently restricted net assets represent the Donor Restricted Endowment Fund of the Symphony and the Opera, which consists primarily of investments and accrued investment income restricted in perpetuity by the donor of the assets. This endowment was established from donor restricted endowment contributions or grants from charitable individuals, foundations, agencies or other groups and includes matching funds raised by the Organization when the contribution or grant requires such conditions. These amounts, including the matching contributions, are restricted for permanent endowment. At its discretion, the Symphony & Opera’s Board of Trustees can transfer investment income, as determined by the 5% annual draw investment policy (see Note 1), to the Operating Fund in order to fund general operations. Categories of permanently restricted net assets are as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>August 31 2011</th>
<th>August 31 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Operations for Symphony</td>
<td>$20,642,486</td>
<td>$19,107,349</td>
</tr>
<tr>
<td>General Operations for Deer Valley Music Festival</td>
<td>878,468</td>
<td>–</td>
</tr>
<tr>
<td>Park City Enhancement (Capital Improvements)</td>
<td>815,119</td>
<td>731,058</td>
</tr>
<tr>
<td>General Operations for Opera</td>
<td>674,195</td>
<td>627,740</td>
</tr>
<tr>
<td>Opera Ensemble/Education Programs</td>
<td>623,380</td>
<td>569,571</td>
</tr>
<tr>
<td>Ogden/Weber Outreach</td>
<td>472,325</td>
<td>–</td>
</tr>
<tr>
<td>Instrument Loan Fund</td>
<td>217,725</td>
<td>193,378</td>
</tr>
<tr>
<td>Symphony Chorus</td>
<td>98,426</td>
<td>86,461</td>
</tr>
<tr>
<td>Orchestra Refreshment Fund</td>
<td>12,156</td>
<td>12,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$24,434,280</strong></td>
<td><strong>$21,327,557</strong></td>
</tr>
</tbody>
</table>
11. Retirement Programs and Commitments

All of the musicians are covered by the American Federation of Musicians Employers Pension and Welfare (AFM-EPW) defined benefit pension plan, which is sponsored and administered by their union (the Union Plan), or a Section 401(k) retirement plan. The Organization contributes on behalf of each musician an amount equal to 8% of that musician’s salary, up to the prevailing minimum salary. Effective September 1, 2009, the retirement contribution for musicians employed for 15 years or more increased to 9%. Effective March 1, 2009, the Organization negotiated with the musicians union to reduce the contribution by 50% until August 31, 2010. Additional contributions based upon media services are computed according to the current rates of the AFM-EPW. Assets and vested benefits are not segregated by unit within the Union Plan. As a result, it is not possible to determine the portion of the assets and vested benefits or unfunded liabilities of the Union Plan that are applicable to the Symphony musicians.

In March 2010, the AFM-EPW notified the Organization that it expects to certify the plan to be in “critical status” for the plan year beginning April 1, 2010. As such, the Plan adopted a rehabilitation plan that reduces benefits paid and requires employers to pay a surcharge on contributions to the fund. The surcharge start date was June 1, 2010. This surcharge is 4% of contributions until March 31, 2011, and 9% of contributions effective April 1, 2011.

Beginning December 12, 2009 the Organization created two 401(k) retirement plans. One plan for the benefit of full-time AFM Union members and one for full-time non-union members. Between January 1, 2011 and August 31, 2011, the Organization made monthly contributions of 2% of each participating individual’s salary. Employees may contribute a portion of their compensation to this plan, subject to limitations established by the IRC. The contributed funds are held in individual accounts with an outside manager.

The cost to the Symphony & Opera of contributions to all of the above retirement programs incurred by the Operating Fund was approximately $489,000 and $211,000 for the years ended August 31, 2011 and 2010, respectively.
12. Functional Expenses

The functional expenses of the Symphony & Opera’s operations are as follows:

<table>
<thead>
<tr>
<th>Year Ended August 31, 2011</th>
<th>Management and General</th>
<th>Fund Raising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>$9,274,526</td>
<td>$828,581</td>
<td>$661,298</td>
</tr>
<tr>
<td>Other production</td>
<td>5,053,926</td>
<td>32,064</td>
<td>882</td>
</tr>
<tr>
<td>Marketing</td>
<td>1,601,341</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Office</td>
<td>927</td>
<td>595,737</td>
<td>19,559</td>
</tr>
<tr>
<td>Professional</td>
<td>–</td>
<td>92,804</td>
<td>303,870</td>
</tr>
<tr>
<td>Cultivation</td>
<td>–</td>
<td>142</td>
<td>365,526</td>
</tr>
<tr>
<td>Depreciation</td>
<td>129,936</td>
<td>228,412</td>
<td>–</td>
</tr>
<tr>
<td>Guild</td>
<td>–</td>
<td>–</td>
<td>181,628</td>
</tr>
<tr>
<td>Bad debts</td>
<td>–</td>
<td>–</td>
<td>(38,014)</td>
</tr>
<tr>
<td>Other</td>
<td>10,680</td>
<td>358,563</td>
<td>24,117</td>
</tr>
<tr>
<td></td>
<td><strong>$ 16,071,336</strong></td>
<td><strong>$ 2,136,303</strong></td>
<td><strong>$ 1,518,866</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year Ended August 31, 2010</th>
<th>Management and General</th>
<th>Fund Raising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>$8,756,805</td>
<td>$752,038</td>
<td>$613,546</td>
</tr>
<tr>
<td>Other production</td>
<td>4,369,785</td>
<td>10,182</td>
<td>–</td>
</tr>
<tr>
<td>Marketing</td>
<td>1,902,569</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Office</td>
<td>628</td>
<td>695,294</td>
<td>16,828</td>
</tr>
<tr>
<td>Professional</td>
<td>–</td>
<td>80,284</td>
<td>–</td>
</tr>
<tr>
<td>Cultivation</td>
<td>79</td>
<td>143</td>
<td>252,801</td>
</tr>
<tr>
<td>Depreciation</td>
<td>130,794</td>
<td>233,909</td>
<td>–</td>
</tr>
<tr>
<td>Guild</td>
<td>–</td>
<td>–</td>
<td>238,450</td>
</tr>
<tr>
<td>Bad debts</td>
<td>–</td>
<td>–</td>
<td>(151,558)</td>
</tr>
<tr>
<td>Other</td>
<td>8,139</td>
<td>417,031</td>
<td>14,730</td>
</tr>
<tr>
<td></td>
<td><strong>$ 15,168,799</strong></td>
<td><strong>$ 2,188,881</strong></td>
<td><strong>$ 984,797</strong></td>
</tr>
</tbody>
</table>
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