

Return of Organization Exempt From Income Tax

2005

Open to Public Inspection

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2005 calendar year, or tax year beginning 8/01, 2005, and ending 7/31, 2006

- B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending

Please use IRS label or print or type. See specific instructions. Houston Grand Opera Guild, Inc. 510 Preston Houston, TX 77002-1504

D Employer Identification Number 74-0016764 E Telephone number 713-546-0200 F Accounting method: Cash, Accrual, Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

- H and I are not applicable to section 527 organizations. H (a) Is this a group return for affiliates? H (b) If 'Yes,' enter number of affiliates. H (c) Are all affiliates included? H (d) Is this a separate return filed by an organization covered by a group ruling? I Group Exemption Number. M Check if the organization is not required to attach Schedule B

G Web site: www.hgoguild.org

J Organization type (check only one) 501(c) 3 (insert no.) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 239,598.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

Table with columns for Revenue, Expenses, and Assets. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue; 3 Membership dues; 4 Interest on savings; 5 Dividends; 6a-6c Rental income; 7 Other investment income; 8a-8d Sales of assets; 9 Special events; 10a-10c Sales of inventory; 11 Other revenue; 12 Total revenue; 13-17 Expenses; 18-21 Net assets.

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (att sch) See Stm 3 (cash \$ 63,001. non-cash \$ _____)				
	If this amount includes foreign grants, check here <input type="checkbox"/>	22 63,001.	63,001.		
23	Specific assistance to individuals (att sch)	23			
24	Benefits paid to or for members (att sch)	24			
25	Compensation of officers, directors, etc	25 0.	0.	0.	0.
26	Other salaries and wages	26			
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29			
30	Professional fundraising fees	30			
31	Accounting fees	31 3,000.		3,000.	
32	Legal fees	32			
33	Supplies	33 2,689.	703.	604.	1,382.
34	Telephone	34			
35	Postage and shipping	35 5,184.	221.	74.	4,889.
36	Occupancy	36			
37	Equipment rental and maintenance	37 602.		600.	2.
38	Printing and publications	38 8,821.		452.	8,369.
39	Travel	39			
40	Conferences, conventions, and meetings	40 1,419.	999.	420.	
41	Interest	41			
42	Depreciation, depletion, etc (attach schedule)	42			
43	Other expenses not covered above (itemize):				
a	Advertising _____	43a 3,318.			3,318.
b	Credit card fees _____	43b 1,072.			1,072.
c	Other expenses _____	43c 2,465.	62.	297.	2,106.
d	Professional fees _____	43d 5,654.	3,731.		1,923.
e	Special event expenses _____	43e 22,445.			22,445.
f	_____	43f			
g	_____	43g			
44	Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15).	44 119,670.	68,717.	5,447.	45,506.

Joint Costs. Check if you are following SOP 98-2.
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____.

Part III Statement of Program Service Accomplishments

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ <u>Promote Opera Through Education & Svc</u> All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; but optional for others.)
a <u>See Statement 4</u> ----- ----- ----- ----- (Grants and allocations \$ <u>63,001.</u>) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	68,717.
b ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
c ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
d ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
e Other program services (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)..... ▶	68,717.

BAA

Part IV Balance Sheets (See Instructions)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.		(A) Beginning of year		(B) End of year
A S S E T S	45 Cash — non-interest-bearing	3,180.	45	3,180.
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable	1,217.		
	b Less: allowance for doubtful accounts		47 c	1,217.
	48 a Pledges receivable		48 c	
	b Less: allowance for doubtful accounts			
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51 a Other notes & loans receivable (attach sch.)		51 c	
	b Less: allowance for doubtful accounts			
	52 Inventories for sale or use	93,322.	52	106,857.
	53 Prepaid expenses and deferred charges	1,120.	53	
	54 Investments — securities (attach schedule)	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55 a Investments — land, buildings, & equipment: basis		55 c	
	b Less: accumulated depreciation (attach schedule)			
56 Investments — other (attach schedule)		56		
57 a Land, buildings, and equipment: basis		57 c		
b Less: accumulated depreciation (attach schedule)				
58 Other assets (describe ▶ <u>See Statement 5</u>)	7,880.	58	1,103.	
59 Total assets (must equal line 74). Add lines 45 through 58	107,406.	59	112,357.	
L I A B I L I T I E S	60 Accounts payable and accrued expenses	1,628.	60	115.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64 a Tax-exempt bond liabilities (attach schedule)		64 a	
	b Mortgages and other notes payable (attach schedule)		64 b	
	65 Other liabilities (describe ▶ _____)		65	
66 Total liabilities. Add lines 60 through 65	1,628.	66	115.	
N E T A S S E T S O R F U N D B A L A N C E S	Organizations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	105,778.	67	112,242.
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	105,778.	73	112,242.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	107,406.	74	112,357.

BAA

Form 990 (2005)

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	18,358,594.
b	Amounts included on line a but not on Part I, line 12:		
	1 Net unrealized gains on investments	b1	
	2 Donated services and use of facilities	b2	
	3 Recoveries of prior year grants	b3	
	4 Other (specify): _____ See Stm 6	b4	18,232,460.
	Add lines b1 through b4	b	18,232,460.
c	Subtract line b from line a	c	126,134.
d	Amounts included on Part I, line 12, but not on line a :		
	1 Investment expenses not included on Part I, line 6b	d1	
	2 Other (specify): _____	d2	
	Add lines d1 and d2	d	
e	Total revenue (Part I, line 12). Add lines c and d	e	126,134.

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements	a	20,120,979.
b	Amounts included on line a but not on Part I, line 17:		
	1 Donated services and use of facilities	b1	
	2 Prior year adjustments reported on Part I, line 20	b2	
	3 Losses reported on Part I, line 20	b3	
	4 Other (specify): _____ See Stmt 7	b4	20,001,309.
	Add lines b1 through b4	b	20,001,309.
c	Subtract line b from line a	c	119,670.
d	Amounts included on Part I, line 17, but not on line a :		
	1 Investment expenses not included on Part I, line 6b	d1	
	2 Other (specify): _____	d2	
	Add lines d1 and d2	d	
e	Total expenses (Part I, line 17). Add lines c and d	e	119,670.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
See attached volunteer board 510 Preston Houston, TX 77002	See attached 0	0.	0.	0.

Part VI Other Information (continued)	Yes	No
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?.....	X	
b If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)..... 82 b		
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?.....	X	
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?.....	X	
84 a Did the organization solicit any contributions or gifts that were not tax deductible?.....		X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?.....	N/A	
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?.....	N/A	
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?.....	N/A	
If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c Dues, assessments, and similar amounts from members..... 85 c	N/A	
d Section 162(e) lobbying and political expenditures..... 85 d	N/A	
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices..... 85 e	N/A	
f Taxable amount of lobbying and political expenditures (line 85d less 85e)..... 85 f	N/A	
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?.....	N/A	
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?.....	N/A	
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12..... 86 a	N/A	
b Gross receipts, included on line 12, for public use of club facilities..... 86 b	N/A	
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders..... 87 a	N/A	
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)..... 87 b	N/A	
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX.....		X
89 a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ <u>0.</u> ; section 4912 ▶ <u>0.</u> ; section 4955 ▶ <u>0.</u>		
b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction.....		X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958..... ▶ <u>0.</u>		
d Enter: Amount of tax on line 89c, above, reimbursed by the organization..... ▶ <u>0.</u>		
90 a List the states with which a copy of this return is filed ▶ <u>None</u>		
b Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)..... 90 b		0
91 a The books are in care of ▶ <u>Richard L. Brown, CFO, HGOA</u> Telephone number ▶ <u>713-546-0200</u> Located at ▶ <u>510 Preston, Houston, TX,</u> ZIP + 4 ▶ <u>77002-1504</u>		
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?.....	Yes	No
If 'Yes,' enter the name of the foreign country ▶ _____		X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Statements		
c At any time during the calendar year, did the organization maintain an office outside of the United States?.....		X
If 'Yes,' enter the name of the foreign country ▶ _____		
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 – Check here..... N/A... ▶ <input type="checkbox"/>		
and enter the amount of tax-exempt interest received or accrued during the tax year..... ▶ 92		N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies . . .					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts . . .					
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop.					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			1	9,497.	
102 Gross profit or (loss) from sales of inventory			2	71,075.	
103 Other revenue: a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E)).				80,572.	
105 Total (add line 104, columns (B), (D), and (E))					80,572.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
N/A	

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

▶ ORIGINAL SIGNED BY TAXPAYER

Signature of officer _____ Date _____

▶ PUBLIC INSPECTION COPY

Type or print name and title. _____

Paid Preparer's Use Only

Preparer's signature ▶ ORIGINAL SIGNED BY JODY BLAZEK Date _____ Check if self-employed Preparer's SSN or PTIN (See General Instruction W) N/A

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ Blazek & Vetterling LLP
2900 Wesleyan, Suite 200
Houston, TX 77027-5132

EIN ▶ N/A
Phone no. ▶ (713) 439-5739

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

**Organization Exempt Under
Section 501(c)(3)**

**(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust**

Supplementary Information — (See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

OMB No. 1545-0047

2005

Name of the organization

Houston Grand Opera Guild, Inc.

Employer identification number

74-0016764

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See instructions. List each one. If there are none, enter 'None.')

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
None				

Total number of other employees paid over \$50,000..... ▶ 0				

Part II – A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See instructions. List each one (whether individuals or firms). If there are none, enter 'None.')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		

Total number of others receiving over \$50,000 for professional services..... ▶ 0		

Part II – B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter 'None.' See instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		

Total number of other contractors receiving over \$50,000 for other services..... ▶ 0		

Part III Statements About Activities (See instructions.)		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities. . . . ▶ \$ <u>N/A</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)		X
	Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)		
	See Statement 10		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?	X	
	See Form 990, Part V		
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
e	Transfer of any part of its income or assets?		X
3a	Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments.)		X
3b	Do you have a section 403(b) annuity plan for your employees?		X
3c	During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?		X
4a	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
4b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

Part IV Reason for Non-Private Foundation Status (See instructions.)	
The organization is not a private foundation because it is: (Please check only ONE applicable box.)	
5	<input type="checkbox"/> A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
6	<input type="checkbox"/> A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
7	<input type="checkbox"/> A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
8	<input type="checkbox"/> A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
9	<input type="checkbox"/> A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ▶ _____
10	<input type="checkbox"/> An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the Support Schedule in Part IV-A.)
11a	<input type="checkbox"/> An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
11b	<input type="checkbox"/> A community trust. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
12	<input checked="" type="checkbox"/> An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc, functions — subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the Support Schedule in Part IV-A.)
13	<input type="checkbox"/> An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization: ▶ <input type="checkbox"/> Type 1 <input type="checkbox"/> Type 2 <input type="checkbox"/> Type 3
Provide the following information about the supported organizations. (See instructions.)	
(a) Name(s) of supported organization(s)	(b) Line number from above
14	<input type="checkbox"/> An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	88,923.	36,105.	4,512.	1,500.	131,040.
16 Membership fees received.			31,000.	30,073.	61,073.
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc, purpose.	207,971.	239,620.	198,241.	160,913.	806,745.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975.					0.
19 Net income from unrelated business activities not included in line 18.					0.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf.					0.
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					0.
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					0.
23 Total of lines 15 through 22.	296,894.	275,725.	233,753.	192,486.	998,858.
24 Line 23 minus line 17.	88,923.	36,105.	35,512.	31,573.	192,113.
25 Enter 1% of line 23.	2,969.	2,757.	2,338.	1,925.	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24.	N/A	▶	26a	
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.		▶	26b	
c Total support for section 509(a)(1) test: Enter line 24, column (e).		▶	26c	
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____			26d	
e Public support (line 26c minus line 26d total).		▶	26e	
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)).		▶	26f	%

27 Organizations described on line 12:	
a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year: (2004) _____ 1,500. (2003) _____ 1,500. (2002) _____ 1,295. (2001) _____ 980.	
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2004) _____ 0. (2003) _____ 0. (2002) _____ 0. (2001) _____ 0.	
c Add: Amounts from column (e) for lines: 15 _____ 131,040. 16 _____ 61,073. 17 _____ 806,745. 20 _____	27c 998,858.
d Add: Line 27a total. 5,275. and line 27b total. 0.	27d 5,275.
e Public support (line 27c total minus line 27d total).	27e 993,583.
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e). ▶ 27f 998,858.	
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)).	27g 99.47 %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)).	27h 0. %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See instructions.)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?		
	If 'Yes,' please describe; if 'No,' please explain. (If you need more space, attach a separate statement.) ----- ----- -----		
32	Does the organization maintain the following:		
	a Records indicating the racial composition of the student body, faculty, and administrative staff?		
	b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
	d Copies of all material used by the organization or on its behalf to solicit contributions?		
	If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
33	Does the organization discriminate by race in any way with respect to:		
	a Students' rights or privileges?		
	b Admissions policies?		
	c Employment of faculty or administrative staff?		
	d Scholarships or other financial assistance?		
	e Educational policies?		
	f Use of facilities?		
	g Athletic programs?		
	h Other extracurricular activities?		
	If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
	b Has the organization's right to such aid ever been revoked or suspended?		
	If you answered 'Yes' to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' attach an explanation.		

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions.)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked 'a' and 'limited control' provisions apply.

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term 'expenditures' means amounts paid or incurred.)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying).....	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying).....	37	
38	Total lobbying expenditures (add lines 36 and 37).....	38	
39	Other exempt purpose expenditures.....	39	
40	Total exempt purpose expenditures (add lines 38 and 39).....	40	
41	Lobbying nontaxable amount. Enter the amount from the following table —		
	If the amount on line 40 is —		
	The lobbying nontaxable amount is —		
	Not over \$500,000..... 20% of the amount on line 40.....		
	Over \$500,000 but not over \$1,000,000..... \$100,000 plus 15% of the excess over \$500,000		
	Over \$1,000,000 but not over \$1,500,000..... \$175,000 plus 10% of the excess over \$1,000,000	41	
	Over \$1,500,000 but not over \$17,000,000..... \$225,000 plus 5% of the excess over \$1,500,000		
	Over \$17,000,000..... \$1,000,000.....		
42	Grassroots nontaxable amount (enter 25% of line 41).....	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36.....	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38.....	44	
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.			

4 -Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
 See the instructions for lines 45 through 50.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
45 Lobbying nontaxable amount.....					
46 Lobbying ceiling amount (150% of line 45(e)).....					
47 Total lobbying expenditures.....					
48 Grassroots non-taxable amount.....					
49 Grassroots ceiling amount (150% of line 48(e)).....					
50 Grassroots lobbying expenditures.....					

Part VI-B Lobbying Activity by Nonelecting Public Charities
 (For reporting only by organizations that did not complete Part VI-A) (See instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers.....		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h .).....		X	
c Media advertisements.....		X	
d Mailings to members, legislators, or the public.....		X	
e Publications, or published or broadcast statements.....		X	
f Grants to other organizations for lobbying purposes.....		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body.....		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means.....		X	
i Total lobbying expenditures (add lines c through h .).....			0.

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Statement 1
Form 990, Part I, Line 9
Net Income (Loss) from Special Events

Special Events	Gross Receipts	Less Contri- butions	Gross Revenue	Less Direct Expenses	Net Income (Loss)
Spring Event	41,283.	26,670.	14,613.	12,185.	2,428.
Fall Awards Brunch	14,235.	5,435.	8,800.	4,201.	4,599.
Opera Volunteers Intl	5,490.	1,400.	4,090.	1,620.	2,470.
Total	<u>\$ 61,008.</u>	<u>\$ 33,505.</u>	<u>\$ 27,503.</u>	<u>\$ 18,006.</u>	<u>\$ 9,497.</u>

Statement 2
Form 990, Part I, Line 10
Gross Profit (Loss) From Sales Of Inventory

Boutique Items.....	\$ 166,533.
Gross Sales.....	<u>\$ 166,533.</u>
Less Returns & Allowances.....	<u>0.</u>
Net Sales.....	\$ 166,533.
Less Cost Of Goods Sold.....	<u>95,458.</u>
Gross Profit From Sales Of Inventory.....	<u>\$ 71,075.</u>

Statement 3
Form 990, Part II, Line 22
Grants and Allocations

Cash Grants and Allocations

Class of Activity:	General Support	
Donee's Name:	Houston Grand Opera Assoc.	
Donee's Address:	510 Preston Houston, TX 77002	
Relationship of Donee:	N/A	
Amount Given:		\$ 63,001.
Total Grants and Allocations		<u>\$ 63,001.</u>

Statement 4
Form 990, Part III, Line a
Statement of Program Service Accomplishments

Description	Grants and Allocations	Program Service Expenses
The Guild provides financial and volunteer support to the Houston Grand Opera Association of Houston, Texas, and in particular the Opera Studio Training Program and its outreach programs in the Houston community.		

Statement 4 (continued)
Form 990, Part III, Line a
Statement of Program Service Accomplishments

Description	Grants and Allocations	Program Service Expenses
<p>Artist in Residence Program: gives the public a personal experience with opera by putting on free informational performances (informances). The informances feature a Houston Grand Opera Studio singer and an accompanist performing classical selections, talking about their backgrounds and the HGO Studio, and answering questions from the audience. A Guild volunteer is present to introduce the HGO Studio performers, explain what the Guild is, and talk a little about what it does. Any group of people with a desire to learn about opera can request an informance. Informance attendees receive education about opera, opportunities to attend opera performances, information about the HGO Studio program and what it takes to become an opera singer.</p> <p>Opera Docents Program: introduces opera to school students in the Houston area. Volunteer guild docents make 45 minute presentations that illustrate how opera relates to our lives with music, theater, and dance. Presentations include video excerpts from an opera and the docent's explanation of excerpts and story of the opera.</p> <p style="text-align: right;">Includes Foreign Grants: No</p>	63,001.	68,717.
	<u>\$ 63,001.</u>	<u>\$ 68,717.</u>

Statement 5
Form 990, Part IV, Line 58
Other Assets

Due from affiliates.....	\$ 1,103.
Total	<u>\$ 1,103.</u>

Statement 6
Form 990, Part IV-A, Line b(4)
Other Amounts

To reconcile to audit - see attachment.....	\$ 18,232,460.
Total	<u>\$ 18,232,460.</u>

Statement 7
Form 990, Part IV-B, Line b(4)
Other Amounts

To reconcile to audit - see attachment.....	\$ 20,001,309.
Total	<u>\$ 20,001,309.</u>

Houston Grand Opera Guild, Inc.

74-0016764

Statement 8
Form 990, Part V-A, Line 75b
Compensation Paid to Related Individuals

Name and Relationship _____

Jess Carnes, Co-President, and Pat Carnes, Co-President, are husband and wife.

Ward Pennebaker, Past President, and Susan Pennebaker, Past President, are husband and wife.

Statement 9
Form 990, Part VI, Line 80b
Related Organizations

<u>Name of Organization</u>	<u>Exempt</u>	<u>Nonexempt</u>
Houston Grand Opera Association, Inc.	X	
Houston Grand Opera Endowment, Inc.	X	
Houston Grand Opera Productions, Inc.	X	

Statement 10
Schedule A, Part III, Line 2
Transactions with Trustees, Directors, Etc.

Houston Grand Opera Guild purchases printing and design services from Pennebaker, a company which is owned by Susan and Ward Pennebaker, Past Presidents. For the fiscal year ending 7/31/06, \$296 was paid to Pennebaker for such services. All purchases for services from Pennebaker are negotiated at arms-length and no more than the fair market value for such services is paid.

Part IV-A - Reconciliation of Revenue per Audited Financial Statements with Revenue per Return

	<u>Association</u>	<u>Endowment</u>	<u>Guild</u>	<u>Total</u>
Total revenue per audited fin. stmts				
et unrealized losses				
onated services				
nvestment expenses				
adjustment				
G reported on line				
Transfers between affiliates				
Total per line Form				

Part IV-B - Reconciliation of Expenses per Audited Financial Statements with Revenue per Return

	<u>Association</u>	<u>Endowment</u>	<u>Guild</u>	<u>Total</u>
Total expenses per audited fin. stmt	\$19,943,439	7,407	170,133	\$ 20,120,979
Donated services	(637,606)	(59,443)		(697,049)
DDB adjustment			(18,006)	(18,006)
COGS reported on line 10b			(95,458)	(95,458)
Transfers between affiliates		2,165,985	63,001	2,228,986
Investment expenses		314,630		314,630
Total per line 17, Form 990	\$19,305,833	2,428,579	119,670	\$ 21,854,082

Part V-A - List of Officers, Directors, Trustees, and Key Employees

<u>Name</u>	<u>Title</u>	<u>Hrs Per Week</u>	<u>Compensation</u>
Executive Committee			
Carnes, Jess and Pat	Co-Presidents, VP Membership (Pat), Website (Jess)	<1	None
Hershey, Wendy	VP Special Events	<1	None
Lyday, Dr. Jo	VP Hospitality	<1	None
Moore, Kathy	VP Development	<1	None
Pennebaker, Ward and Susan	Past Presidents/VP Marketing (Ward)	<1	None
Sickler, Jennifer	VP Studio	<1	None
Gott, Fred	VP Finance	<1	None
Jack, Janine	Secretary	<1	None
Gott, Fred	Historian	<1	None
Trustees			
Bohannon, Dr. Jerry	Boutique	<1	None
Brown, Lanie	Community Outreach	<1	None
Cooper, Christa	Volunteer Coordinator	<1	None
Gates, Dr. Alice	Education - ONL	<1	None
Gott, Imelda	Communications	<1	None
Graham, Adelman	Education - Docents	<1	None
Greene, Shelley	Artist in Residence	<1	None
Guittard, Pat	Membership	<1	None
Hanks, Mary	Hospitality	<1	None
Mattison, Wynne	Studio Buddies	<1	None
Schueler, Steve	Speakers' Bureau	<1	None
Toth, Dr. Robert	Counselor/Parliamentarian	<1	None
Life Trustees			
Bratsas, Pat	Life Trustee	<1	None
Caraway, Mary Gene	Life Trustee	<1	None
Carroll, Sylvia	Life Trustee	<1	None
Comstock, Patte	Life Trustee	<1	None
Craft, Ann	Life Trustee	<1	None
Demme, Genevieve	Life Trustee	<1	None
Loos, Heide	Life Trustee	<1	None
Parish, Penny	Life Trustee	<1	None
Sweeney, Rhonda	Life Trustee	<1	None
Weir, Jesse F.	Life Trustee	<1	None
Wooldridge, Bonnie Sue	Life Trustee	<1	None