
***LYRIC OPERA OF
KANSAS CITY, INC.***
FINANCIAL STATEMENTS
JUNE 30, 2009



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Independent Auditors' Report

Board of Directors
Lyric Opera of Kansas City, Inc.
Kansas City, Missouri

We have audited the accompanying statement of financial position of Lyric Opera of Kansas City, Inc. (the Lyric) as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Lyric'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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 Lyric'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, as well as 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 the Lyric as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

RubinBrown LLP

December 22, 2009

LYRIC OPERA OF KANSAS CITY, INC.

STATEMENT OF FINANCIAL POSITION

Assets

	June 30,	
	2009	2008
Current Assets		
Cash and cash equivalents	\$ 1,589,999	\$ 1,620,653
Accounts receivable	264,366	144,513
Promises to give (Note 3)	147,635	92,000
Prepaid production costs	50,826	40,437
Other prepaid expenses	88,051	119,886
Total Current Assets	2,140,877	2,017,489
Property And Equipment (Note 4)		
Land, buildings, improvements and equipment	8,557,786	8,029,332
Less: Accumulated depreciation	(3,526,369)	(3,394,434)
Net Property And Equipment	5,031,417	4,634,898
Promises To Give (Note 3)	77,850	66,000
Interest In Net Assets Of Lyric Foundation (Note 10)	4,824,017	5,047,265
Beneficial Interest In Perpetual Trust (Note 5)	—	1,440,230
Total Assets	\$ 12,074,161	\$ 13,205,882

Liabilities And Net Assets

Current Liabilities		
Accounts payable	\$ 580,125	\$ 100,943
Accrued payroll and taxes	83,744	64,789
Deferred income:		
Proceeds from sale of building (Note 8)	2,196,630	2,196,630
Ticket sales	475,259	441,348
Other	99,143	20,458
Total Current Liabilities	3,434,901	2,824,168
Net Assets		
Undesignated	1,770,529	2,464,433
Board designated		
Operating reserve	784,200	784,200
Building fund	392,661	461,830
Total unrestricted	2,947,390	3,710,463
Temporarily restricted (Note 9)	850,348	166,251
Permanently restricted (Note 9)	4,841,522	6,505,000
Total Net Assets	8,639,260	10,381,714
Total Liabilities And Net Assets	\$ 12,074,161	\$ 13,205,882

LYRIC OPERA OF KANSAS CITY, INC.

STATEMENT OF ACTIVITIES For The Year Ended June 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Earned Revenue				
Ticket sales	\$ 978,862	\$ —	\$ —	\$ 978,862
Rental income	285,568	—	—	285,568
Education	61,171	—	—	61,171
Auxiliaries	160,902	—	—	160,902
Miscellaneous	51,550	—	—	51,550
Total Earned Revenue	1,538,053	—	—	1,538,053
Contributed Revenue				
Individual, corporate, foundation and special projects	1,949,774	168,000	—	2,117,774
Capital campaign	—	674,096	—	674,096
Federal, state and local	86,200	—	—	86,200
Lyric & Leather	15,597	—	—	15,597
In-kind contributions	81,166	—	—	81,166
Auxiliaries	33,732	1,000	—	34,732
Lyric Opera Ball	842,929	—	—	842,929
Net assets released from restrictions (Note 9)	158,999	(158,999)	—	—
Total Contributed Revenue	3,168,397	684,097	—	3,852,494
Total Revenue	4,706,450	684,097	—	5,390,547
Expenses				
Program Services:				
Production	2,130,627	—	—	2,130,627
Education	274,140	—	—	274,140
Total Program Services	2,404,767	—	—	2,404,767
Management And General:				
Theatre and building	826,930	—	—	826,930
Finance and administration	774,443	—	—	774,443
Marketing	508,149	—	—	508,149
Ticket office	237,769	—	—	237,769
Total Management And General	2,347,291	—	—	2,347,291
Fundraising:				
Development	381,410	—	—	381,410
Auxiliaries	138,506	—	—	138,506
Lyric Opera Ball	197,549	—	—	197,549
Total Fundraising	717,465	—	—	717,465
Total Expenses	5,469,523	—	—	5,469,523
Change In Net Assets Before Change In Value Of Beneficial Interest In Perpetual Trust And Net Assets Of Lyric Foundation				
	(763,073)	684,097	—	(78,976)
Change In Value Of Beneficial Interest In Perpetual Trust				
	—	—	(397,009)	(397,009)
Change In Net Assets Of Lyric Foundation				
	—	—	(1,266,469)	(1,266,469)
Change In Net Assets				
	(763,073)	684,097	(1,663,478)	(1,742,454)
Net Assets - Beginning Of Year				
	3,710,463	166,251	6,505,000	10,381,714
Net Assets - End Of Year				
	\$ 2,947,390	\$ 850,348	\$ 4,841,522	\$ 8,639,260

LYRIC OPERA OF KANSAS CITY, INC.

STATEMENT OF ACTIVITIES For The Year Ended June 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Earned Revenue				
Ticket sales	\$ 836,524	\$ —	\$ —	\$ 836,524
Rental income	265,580	—	—	265,580
Education	56,430	—	—	56,430
Auxiliaries	267,252	—	—	267,252
Miscellaneous	46,999	—	—	46,999
Total Earned Revenue	1,472,785	—	—	1,472,785
Contributed Revenue				
Individual, corporate, foundation and special projects	3,459,470	62,512	—	3,521,982
Federal, state and local	39,391	40,000	—	79,391
Lyric & Leather	11,324	—	—	11,324
In-kind contributions	26,571	—	—	26,571
Auxiliaries	15,777	1,500	—	17,277
Lyric Opera Ball	1,466,040	115,000	—	1,581,040
Net assets released from restrictions (Note 8)	114,857	(114,857)	—	—
Total Contributed Revenue	5,133,430	104,155	—	5,237,585
Total Revenue	6,606,215	104,155	—	6,710,370
Expenses				
Program Services:				
Production	2,764,126	—	—	2,764,126
Education	243,316	—	—	243,316
Total Program Services	3,007,442	—	—	3,007,442
Management And General:				
Theatre and building	768,238	—	—	768,238
Finance and administration	765,021	—	—	765,021
Communications	699,171	—	—	699,171
Ticket office	207,253	—	—	207,253
Total Management And General	2,439,683	—	—	2,439,683
Development	426,221	—	—	426,221
Lyric Opera Ball	210,884	—	—	210,884
Auxiliaries	233,385	—	—	233,385
Total Fundraising	870,490	—	—	870,490
Total Expenses	6,317,615	—	—	6,317,615
Change In Net Assets Before Change In Value Of Beneficial Interest In Perpetual Trust And Net Assets Of Lyric Foundation				
	288,600	104,155	—	392,755
Change In Value Of Beneficial Interest In Perpetual Trust				
	—	—	(249,631)	(249,631)
Change In Net Assets Of Lyric Foundation				
		—	(537,396)	(537,396)
Change In Net Assets	288,600	104,155	(787,027)	(394,272)
Net Assets - Beginning Of Year	3,421,863	62,096	7,292,027	10,775,986
Net Assets - End Of Year	\$ 3,710,463	\$ 166,251	\$ 6,505,000	\$ 10,381,714

LYRIC OPERA OF KANSAS CITY, INC.

STATEMENT OF CASH FLOWS

	For The Years	
	Ended June 30,	
	2009	2008
Cash Flows From Operating Activities		
Change in net assets	\$ (1,742,454)	\$ (394,272)
Adjustments to reconcile change in net assets to to net cash provided by operating activities:		
Depreciation	238,731	242,857
Change in value of interest in net assets of Lyric Foundation	1,266,469	537,396
Change in value of beneficial interest in perpetual trust	397,009	249,631
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable and promises to give	(187,338)	120,680
Decrease in prepaid expenses and other assets	21,446	71,221
Increase (decrease) in accounts payable and accrued expenses	(35,541)	18,332
Increase in deferred income	112,596	31,370
Net Cash Provided By Operating Activities	70,918	877,215
Cash Flows Used In Investing Activities		
Purchases of property and equipment	(101,572)	(144,212)
Net Increase (Decrease) In Cash And Cash Equivalents	(30,654)	733,003
Cash And Cash Equivalents - Beginning Of Year	1,620,653	887,650
Cash And Cash Equivalents - End Of Year	\$ 1,589,999	\$ 1,620,653
Supplemental Disclosure Of Cash Flow Information		
Noncash investing and financing activities (Note 16)		

LYRIC OPERA OF KANSAS CITY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009 And 2008

1. Summary Of Significant Accounting Policies

Basis Of Accounting

The accompanying financial statements of Lyric Opera of Kansas City, Inc. (the Lyric) have been prepared on the accrual basis of accounting.

Basis Of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-For-Profit Organizations*. Under SFAS No. 117, the Lyric is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Estimates And Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash Equivalents

The Lyric considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2009 and 2008, cash equivalents consisted primarily of money market accounts.

Property And Equipment

The Lyric capitalizes all expenditures for property and equipment over \$500. Property and equipment are stated at cost at the date of the acquisition or fair value at date of donation, in case of a gift. Maintenance and repairs are charged to expense as incurred. When items of property or equipment are sold or retired, the related cost is removed from the accounts and any gain or loss is included in the results of operations. Depreciation is provided over the estimated useful lives of the respective assets on the straight-line basis.

LYRIC OPERA OF KANSAS CITY, INC.

Notes To Financial Statements *(Continued)*

Temporarily And Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Lyric have been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Lyric, or on behalf of the Lyric, in perpetuity.

Interest and dividends from permanently restricted investments are credited to unrestricted net assets unless donor stipulations restrict such earnings.

Internally Designated Net Assets

Included in unrestricted net assets are internally designated net assets designated by the Board of the Lyric as "Operating Reserve" and "Building Fund" amounting to \$784,200 and \$392,661 and \$784,200 and \$461,830 at June 30, 2009 and 2008, respectively.

In May 2008, the Board of the Lyric designated that the 2008 change in net assets before change in value of beneficial interest in Perpetual Trust and net assets of the Lyric Foundation of \$392,755, be added to the Building Fund. In addition, the Lyric expended \$69,168 and \$129,346 out of the Building Fund in 2009 and 2008, respectively.

Deferred Income - Ticket Sales And Prepaid Production Costs

Income from ticket sales pertaining to upcoming productions is recorded as deferred income and recognized as revenue when earned. Production costs applicable to upcoming productions are recorded as prepaid expenses and are recognized as expenses on a matching basis in the period of the applicable production.

Contributions

Unconditional promises to give cash and other assets are accrued at estimated fair value at the date each promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires; that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported as an increase in unrestricted net assets.

Advertising

Advertising costs are expensed as incurred. Advertising expense for 2009 and 2008 was \$290,204 and \$447,296, respectively.

LYRIC OPERA OF KANSAS CITY, INC.

Notes To Financial Statements (Continued)

Income Taxes

The Lyric is exempt from income taxes under Section 501(a) of the Internal Revenue Code and a similar section of state law. In accordance with Financial Accounting Standards Board Staff Position FIN 48-3, the Lyric has elected to defer implementation of Financial Accounting Standards Board Interpretation (FIN) 48, *Accounting for Uncertainty in Income Taxes*, until July 1, 2009. FIN 48 clarifies the accounting for uncertainty in tax positions. FIN 48 requires financial statement recognition of the impact of a tax position if a position is more likely than not of being sustained on audit, based on the technical merits of the position. Additionally, FIN 48 provides guidance on measurement, derecognition, classification, interest and penalties, accounting in interim periods, transition, and disclosure requirements for uncertain tax positions. The Lyric's current accounting policy is to evaluate uncertain tax positions, including those related to unrelated business income, using the framework set forth in SFAS 5, *Accounting for Contingencies*.

Subsequent Events

Management has evaluated subsequent events through December 22, 2009, the date which the financial statements were available for issue.

2. Operations

The Lyric was organized in 1958 as a not-for-profit corporation to enrich the lives of people of all ages and backgrounds throughout the region by offering a broad repertoire of professional operatic experiences. The Lyric's revenues and support are derived primarily from contributions and ticket sales.

3. Promises To Give

Promises to give consist of the following:

	<u>2009</u>	<u>2008</u>
Due in less than one year	\$ 147,635	\$ 92,000
Due in one to five years	77,850	66,000
	<u>\$ 225,485</u>	<u>\$ 158,000</u>

The Lyric considers these promises to give to be fully collectible. Therefore no allowance for doubtful accounts has been recorded.

LYRIC OPERA OF KANSAS CITY, INC.

Notes To Financial Statements (Continued)

4. Property And Equipment

Property and equipment consist of:

	<u>2009</u>	<u>2008</u>
Lyric Theatre	\$ 3,062,944	\$ 3,062,944
Lyric Theatre land and building improvements	2,103,418	2,159,241
Holmes land	190,000	190,000
Holmes Building	893,092	861,006
Construction in progress	533,679	—
18th Street land	280,000	280,000
18th Street building and improvements	1,281,844	1,221,304
Office equipment	155,744	197,772
Other	57,065	57,065
	<u>8,557,786</u>	<u>8,029,332</u>
Less: Accumulated depreciation	<u>3,526,369</u>	<u>3,394,434</u>
	<u>\$ 5,031,417</u>	<u>\$ 4,634,898</u>

Depreciation expense was \$238,731 and \$242,857 for 2009 and 2008, respectively.

The land and buildings on Holmes and 18th Street are being held for rehabilitation. Construction began in June 2009, but construction had not been completed as of June 30, 2009; therefore, the buildings have not been placed in service as of June 30, 2009.

5. Beneficial Interest In Perpetual Trust

The Lyric had a beneficial interest in a perpetual trust that consisted of a promise to give from a perpetual trust created by an independent donor, which was not in the possession or control of the Lyric, but was held and administered by an advisory committee consisting of at least three, but no more than five members. This committee must include at least one representative from the Lyric. On June 8, 2009, the advisory committee approved the transfer of the advisory committee's duties to the Lyric Foundation. As a result, the trust's assets are included within the Lyric's interest in net assets of Lyric Foundation on the accompanying statement of financial position at June 30, 2009. The Lyric receives an annual donation in an amount equal to five percent of the average fair market value of the trust's assets. This donation is included in unrestricted contributions. At June 30, 2008, the Lyric has recorded \$1,440,230 as its beneficial interest in the fair value of these trust assets and classified such beneficial interest within permanently restricted net assets.

6. Fair Value Measurements

Effective July 1, 2008, the Lyric has adopted Statement of Financial Accounting Standards (FAS) No. 157, *Fair Value Measurements*, which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FAS 157 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

LYRIC OPERA OF KANSAS CITY, INC.

Notes To Financial Statements (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value:

The Lyric values its interest in the net assets of the Lyric Foundation at fair market value of the underlying assets. These assets include common stocks, corporate bonds and U.S. Government securities which are valued at the closing price reported on the active market on which the individual securities are traded, as well as mutual funds which are valued at the net asset value (NAV) of shares held at year-end. The Lyric valued its beneficial interest in the perpetual trust at the present value of the estimated future cash receipts from the trust's assets.

The following table sets forth by level, within the fair value hierarchy, the Lyric's assets at fair value as of June 30, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Interest in net assets of Lyric Foundation	\$ —	\$ 4,824,017	\$ —	\$ 4,824,017

The table below sets forth a summary of changes in the fair value of the Lyric's Level 3 assets for the year ended June 30, 2009.

	<u>Beneficial Interest In Perpetual Trust</u>
Balance, beginning of year	\$ 1,440,230
Interest and dividend income	52,551
Disbursements	(70,013)
Fees and expenses	(7,583)
Realized gains	24,977
Unrealized losses	(396,941)
Transfers of amounts held to Interest in net assets of Lyric Foundation	<u>(1,043,221)</u>
Balance, end of year	<u>\$ —</u>

There have been no changes in the methodologies used at June 30, 2009 or 2008.

LYRIC OPERA OF KANSAS CITY, INC.

Notes To Financial Statements (Continued)

7. Line-Of-Credit Agreement

The Lyric has \$500,000 available to borrow on a line of credit agreement with a bank. No advances were made during 2009 or 2008. The line of credit is secured by the property at 18th Street. Interest is computed at the daily prime rate. The line of credit matures in May 2010.

8. Sale Of Real Estate

In May 2007, the Lyric sold the real estate currently occupied for \$2,200,000 in connection with plans to move to a new location. As a condition of sale, the purchaser agreed to lease the space to the Lyric at an annual amount of \$1. This lease agreement expires at the earlier of (a) the day on which the Lyric first performs in the Kauffman Center for the Performing Arts, or (b) the end of the first regular Lyric performance season which concludes following the completion of the Kauffman Center for the Performing Arts, or (c) such earlier date as the Lyric may designate in writing. The net proceeds from the sale were used in the acquisition of real estate for the Lyric's new location.

Included in the agreement for the sale and the leasing of the property was the option for the Lyric to purchase property for \$2,200,000 under certain circumstances prior to the completion of the Kauffman Center for the Performing Arts. The option to purchase provision does not allow recording the transaction as a sale and recognizing the related gain. The funds received from the seller are recorded in a liability account on the statement of financial position.

9. Temporarily And Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	<u>2009</u>	<u>2008</u>
Future activities	\$ 781,188	\$ 49,091
Time restriction	66,000	115,000
Other	3,160	2,160
	<u>\$ 850,348</u>	<u>\$ 166,251</u>

LYRIC OPERA OF KANSAS CITY, INC.

Notes To Financial Statements (Continued)

Future activities include construction on the buildings on Holmes and 18th Street, education and outreach activities, general operations, the regional opera conference and apprentice artist grants.

Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	<u>2009</u>	<u>2008</u>
Future activities	\$ 109,999	\$ 112,362
Time restriction	49,000	—
Other	—	2,495
	<u>\$ 158,999</u>	<u>\$ 114,857</u>

Permanently restricted net assets held by the Lyric Opera of Kansas City Foundation (Lyric Foundation) and amounts held in a perpetual trust totaling \$4,841,522 and \$6,505,000 at June 30, 2009 and 2008, respectively, are to be maintained in perpetuity, with the income being available for unrestricted purposes.

10. Related Party Transactions

The Lyric Foundation was formed to benefit, perform the functions of and carry out the charitable purposes of the Lyric. At the discretion of the Lyric Foundation's Board of Directors, it may hold and reinvest earnings, distribute its earnings to the Lyric, or use its earnings for any purpose that furthers the charitable purposes of the Lyric. Distributions of principal by the Lyric Foundation are prohibited by its articles of incorporation, the terms of specific bequests, and by specific agreements. The Lyric Foundation is required to maintain an independent Board of Directors and officers. The Lyric may not require distributions of the Lyric Foundation's earnings to be made to it or on its behalf.

The Lyric Foundation has agreed to reimburse the Lyric for certain expenses the Lyric incurred on its behalf. Related thereto, the Lyric has recorded a receivable from the Foundation amounting to \$24,250 and \$18,377 at June 30, 2009 and 2008, respectively.

The members of the Board of Directors and their employers and foundations made contributions totaling \$1,617,613 and \$2,093,664 for the years ended June 30, 2009 and 2008, respectively.

11. Operating Lease Income

The Lyric leased a portion of the Lyric Theater building to an unrelated entity. The lease required monthly payments of \$22,250 commencing January 1, 2007 through the expiration of the lease. The lease expired on December 31, 2007 and was not renewed.

12. Missouri Cultural Trust Fund

The Lyric has entered into a matching grant with the Missouri Cultural Trust Fund (MCT). The grant guidelines were for the Lyric to raise up to \$3,700,000 (approximately \$3,152,000 was actually raised) in endowment funds from private donors by June 30, 2001, solely to support the Lyric and its mission. Such funds are currently maintained by the Greater Kansas City Community Foundation on behalf of the Lyric Foundation. In return, the MCT set aside approximately \$1,576,000 or a 50% match of private funds raised, in the MCT. The MCT remains the owner of the \$1,576,000 of matching funds and, therefore, such assets are not included in the accompanying financial statements. The Lyric receives distributions of 5% from MCT matching funds.

13. Significant Estimates And Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Contribution Revenues

Contributions from three entities in 2009 and five entities in 2008 comprised 45% and 47% of the total contribution revenues from private sources for the years ended June 30, 2009 and 2008, respectively.

The Lyric Opera Ball fund-raising event comprised approximately 22% and 30% of the total contribution revenues for the years ended June 30, 2009 and 2008, respectively.

LYRIC OPERA OF KANSAS CITY, INC.

Notes To Financial Statements (Continued)

Cash Accounts

The Lyric maintains cash accounts in three banks located in the metropolitan Kansas City area. The balance is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank at June 30, 2009 and up to \$100,000 per bank at June 30, 2008. The insurance is for balances in banks without regard to outstanding items. In addition, a Money Market Mutual Fund is utilized by the Lyric. The balance in this account is uninsured. A summary of the insured and uninsured amounts at June 30, 2009 and 2008 is as follows.

	<u>2009</u>	<u>2008</u>
Cash in bank	\$ 596,957	\$ 671,016
Portion insured by the FDIC	<u>(329,770)</u>	<u>(209,141)</u>
Uninsured cash in bank	267,187	461,875
Cash in Money Market Mutual Fund	<u>1,035,646</u>	<u>1,217,011</u>
	<u>\$ 1,302,833</u>	<u>\$ 1,678,886</u>

14. Contributed Services

For the years ended June 30, 2009 and 2008, the Lyric received contributed services for legal and marketing, which totaled \$81,166 and \$26,571, respectively. The value of contributed services is based on quoted market prices for those services.

15. Risks And Uncertainties

The Lyric Foundation (Note 10) and the perpetual trust (Note 5) invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

16. Noncash Transactions

At June 30, 2009 additions to construction in progress totaling \$533,679 were included in accounts payable.