

Lyric Opera of Kansas City, Inc.
Statement of Financial Position
MAY 2009

	2009	June 30, 2008
Current Assets		
Cash	\$ 1,362,266	\$ 1,620,654
Accounts Receivable	148,957	144,512
Promise to Give	181,310	158,000
Prepaid Production Expense	40,054	40,437
Other Prepaid Expenses	74,636	119,887
Total Current Assets	1,807,223	2,083,491
Property and Equipment		
Land, Buildings, Improvements and Computer Equipment	8,109,313	8,029,333
Less: Accumulated Depreciation	(3,614,575)	(3,394,433)
Net Property and Equipment	4,494,737	4,634,900
Non-current Assets		
Interest in Lyric Foundation	5,047,265	5,047,265
Interest in Trust	1,440,230	1,440,230
Total Non-current Assets	6,487,495	6,487,495
Total Assets	\$ 12,789,455	\$ 13,205,885
Current Liabilities		
Accounts Payable	\$ 37,845	\$ 100,943
Line of Credit	-	-
Payroll and Taxes	53,072	63,287
Deferred Income		
Proceeds from building sale	2,196,630	2,196,630
08/09 Season Ticket Sales	-	-
09/10 Season Ticket Sales	423,274	441,348
Other	35,627	21,958
Total Current Liabilities	2,746,448	2,824,166
Net Assets		
Current Year Change		
Unrestricted	1,557,675	2,464,437
Board Restricted:		
Operating Reserve	784,200	784,200
Building Fund	392,661	461,830
Temporarily Restricted	803,471	166,252
Permanently Restricted	6,505,000	6,505,000
	10,043,007	10,381,718
Total Liabilities and Net Assets	\$ 12,789,455	\$ 13,205,885

See the accompanying notes to financial statements.

Lyric Opera of Kansas City, Inc.
Statement of Activities
For the Month Ended MAY 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Year to Date Total</u>	<u>Year to Date Budgeted Amount</u>	<u>Year to Date Over/(Under) Budget Variance</u>	<u>FY 2009 Annual Budget</u>	<u>Year End Projection at 5/31/09</u>
Revenue								
Earned Revenue								
Season Tickets	\$ 567,914	\$ -	\$ -	\$ 567,914	\$ 524,700	\$ 43,214	\$ 524,700	\$ 573,606
Single Tickets	394,772	-	-	394,772	432,560	(37,788)	432,560	394,296
Ticket Facility Fees	14,729	-	-	14,729	-	14,729	-	20,000
Theatre Rental Income	218,450	-	-	218,450	100,542	117,908	127,863	215,147
Set Rental Income	60,000	-	-	60,000	50,000	10,000	54,000	60,000
Education	56,850	-	-	56,850	61,395	(4,545)	64,640	64,640
Interest	16,433	-	-	16,433	27,500	(11,067)	30,000	17,500
Service Fees	-	-	-	-	-	-	23,717	22,512
Auxiliaries	130,064	-	-	130,064	-	130,064	-	-
Miscellaneous	2,888	-	-	2,888	917	1,971	1,000	5,000
Subtotal - Earned Income	1,462,100	-	-	1,462,100	1,197,614	264,486	1,258,480	1,372,701
Contributed Revenue								
Individual	\$ 314,501	\$ 1,500	\$ -	\$ 316,001	311,835	4,166	788,122	739,350
Corporate	127,825	-	-	127,825	216,869	(89,044)	240,369	127,825
Foundation	1,451,193	41,250	-	1,492,443	1,508,000	(15,557)	1,700,683	1,507,443
Federal, State and Local	64,650	-	-	64,650	50,000	14,650	85,000	96,000
Lyric & Leather	15,597	-	-	15,597	20,000	(4,403)	20,000	15,597
In-Kind Contributions	13,066	-	-	13,066	-	13,066	-	13,066
Auxiliaries	10,332	-	-	10,332	60,000	(49,668)	60,000	50,000
Lyric Opera Ball	311,886	-	-	311,886	300,000	11,886	650,000	805,149
Lyric Opera Foundation	-	-	-	-	-	-	311,582	113,927
Net Assets Released from Restrictions	76,776	(76,776)	-	-	-	-	-	-
Subtotal - Contributed Revenue	2,385,826	(34,026)	-	2,351,800	2,466,704	(114,904)	3,855,756	3,468,357
Total Revenue	\$ 3,847,926	\$ (34,026)	\$ -	\$ 3,813,900	3,664,318	149,582	5,114,236	4,841,058
Expenses								
Finance and Administration	\$ 639,804	\$ -	\$ -	\$ 639,804	\$ 607,404	\$ 32,401	\$ 659,807	\$ 694,309
Development	344,895	-	-	344,895	400,190	(55,295)	419,414	397,443
Auxiliaries	107,126	-	-	107,126	150,000	(42,874)	150,000	160,000
Marketing	478,048	-	-	478,048	523,360	(45,312)	537,045	507,679
Ticket Office	203,311	-	-	203,311	174,127	29,185	191,828	219,271
Theatre and Building	530,133	-	-	530,133	518,890	11,242	550,705	576,004
Education	259,652	-	-	259,652	283,874	(24,223)	299,901	275,807
Production - General	318,495	-	-	318,495	317,465	1,031	343,919	346,360
La Boheme	529,258	-	-	529,258	574,015	(44,757)	574,015	530,376
Julius Caesar	422,002	-	-	422,002	457,362	(35,360)	457,362	424,715
La Traviata	451,148	-	-	451,148	480,470	(29,322)	497,472	452,384
Pirates of Penzance	319,843	-	-	319,843	344,027	(24,184)	432,577	406,439
Total Expenses	\$ 4,603,715	\$ -	\$ -	\$ 4,603,715	4,831,184	(227,469)	5,114,045	4,990,787
Operating Gain/(Loss)	(755,789)	(34,026)	-	(789,815)	(1,166,866)		191	(149,729)
Depreciation Expense	(220,142)	-	-	(220,142)				
Capital Campaign Income	-	671,246	-	671,246				
Lyric Opera Endowment	-	-	-	-				
Change in Net Assets	(975,931)	637,220	-	(338,711)				
Net Assets - Beginning of Year	3,710,467	166,252	6,505,000	10,381,718				
Net Assets - MAY 2009	\$ 2,734,536	\$ 803,471	\$ 6,505,000	\$ 10,043,007				

See the accompanying notes to financial statements.

Lyric Opera of Kansas City, Inc.
Statement of Cash Flows
For the Month Ended MAY 2009

	May 31, 2009	June 30, 2008
Cash Flows From Operating Activities		
Change in Net Assets	(338,711)	(394,268)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	220,142	242,858
Decrease in interest in net assets of Lyric Foundation	-	537,396
Decrease in value of beneficial interest in perpetual trust	-	249,631
Change in assets and liabilities:		
Decrease in accounts and promises to give receivables	(27,755)	121,555
(Increase) in due from Lyric Foundation	-	(872)
Decrease in prepaid expenses and other assets	45,634	71,220
Increase (decrease) in accounts payable and accrued expenses	(73,314)	18,331
Increase in deferred income	(4,405)	31,370
Net Cash Provided By Operating Activities	(178,408)	877,220
Cash Flows From Investing Activities		
Purchase of property and equipment	(79,980)	(144,216)
Net Cash Used in Investing Activities	(79,980)	(144,216)
Net Increase (Decrease) In Cash and Cash Equivalents	(258,388)	733,004
Cash And Cash Equivalents - Beginning of Year	1,620,654	887,650
Cash And Cash Equivalents - MAY 2009	1,362,267	1,620,654

See the accompanying notes to financial statements.

Lyric Opera of Kansas City, Inc.
Notes to the Financial Statements
Year To Date MAY 2009

Statement of Financial Position

Assets

Cash - The following is a breakout of our cash restrictions:

	April	May	Increase/(Decrease)
Available Operating Cash	\$ 284,849	\$ 246,757	\$ (38,092)
Restricted Auxiliary Cash	158,412	158,412	-
Restricted Building Cash	841,444	957,097	115,653
	<u>\$1,284,705</u>	<u>\$1,362,266</u>	<u>\$ 77,561</u>

Promises to Give - The 2008 Circle's Lyric Opera Ball gave the Anniversary Angels the option of paying their gifts over time. We have 4 individuals whose outstanding pledges total \$76,000. Additionally the capital campaign has received pledges which extend over the next six years and total \$105,310.

Property and Equipment - The Lyric Theatre is still shown on our Property and Equipment ledger. Please see the note on Proceeds on Building Sale for additional information.

Liabilities

Proceeds on Building Sale - There is a provision in the sales contract of the Lyric Theatre to DST, that allows the Lyric to repurchase the building at the sales price, if the Kauffman Performing Arts Center (PAC) is not completed. Per accounting rules, this clause means that the transaction has not been completed, therefore we must show the sale's proceeds as a deferred liability and we must maintain the Lyric Theatre in our Property and Equipment detail, until we move out of the theater and the PAC is open. Once the PAC opens, the repurchase clause in the sales contract closes and we will recognize the income as well as write-off the Lyric Theatre from Property and Equipment.

Statement of Activities

Earned Revenue

The company has experienced strong season and single ticket sales. We have exceeded our season ticket goals by \$48,906, while *La Boheme's*, *Julius Caesar's*, *La Traviata's* and *The Pirates of Penzance's* single ticket sales achieved 81%, 91%, 97% and 97% of their goals respectively. The combination of season and single ticket income surpassed the budgetary goal by \$3,714.

Theatre Rental Income - The actual revenue is based upon the full rental rate for the Lyric's stage, which allows the company to break even on the cost to operate the theatre. Currently the company has not elected to establish an allowance for bad debt, there by reducing the anticipated income. Negotiations with the Symphony and Ballet have provided us with the frame work of an agreement that allows for our reimbursement of the cost for maintaining the Theatre this fiscal year. The amount of income and the collectability of the receivables appears reasonable at this time.

Theatre Rental Income Year-End Forecast - The Theatre rental income forecast for the fiscal year end is based upon the framework of a rental agreement which arose from the negotiations between the Symphony, Ballet and Opera. Indications are that the other companies will sign the agreement. The current forecast is calculated based upon the formula in the proposed contract.

Contributed Revenue

The Company has received significant contributions from three donors thus far, combined they total \$1,1730,000, which is 31% of the total unrestricted contributed revenue so far this year.

Lyric Opera of Kansas City, Inc.
Notes to the Financial Statements
Year To Date MAY 2009

Corporate - Due to current economic conditions we have lost a \$100,000 corporate donor. We have decreased the corporate budget projection at June 30 accordingly.

Lyric Opera Foundation - Due to the current economic situation the foundation has notified the Company that they will not be making a grant this year, therefore we have decreased the foundation show the amount to be received from the Missouri Cultural Trust, plus a distribution from the Hearst Fund for the Charlotte's Web production.

Expenses

Administration - The Company's worker's compensation insurance ratings were audited and it was determined that we did not have employee's classified into the correct groups. Once this was amended and the audit was completed our the Company's experience ratings increased causing an unbudgeted increase to the insurance line item.

The cost to maintain the Tessitura ticketing, seating, credit card processing and donor tracking system cost more than originally anticipated. This was the first year that the maintenance costs of the system were the responsibility of each individual company and not part of the start-up costs. This line item will come in \$25,000 more than originally budgeted.

The Majestic Steak House has closed and it is unlikely that we will be paid for the concession space they maintained in the Lyric Theatre, therefore we have written off \$4,000 which is a non-cash item that was not budgeted.

Ticket Office - The Company experienced an increase in on-line ticket sales as well as in overall increase in the numbers of tickets sold. These increases contributed to more credit card processing fees than was originally budgeted.

Theatre and Building - In January we learned that the County ruled in favor of exempting the warehouse on 18th Street, but denied an exemption for the brick buildings on Holmes. We have increased our budget to include \$17,078 for Holmes' property taxes. In addition to the budget increase for the property taxes, the company decided to move its offices from the back of the Lyric Theatre to the front in the former KMBC offices. This was not budgeted and the final cost of the move was \$22,243.

Lyric Theatre - Of the \$528,247 of Theatre and Building Expenses, \$424,053 directly relate to the operations and renting of the Lyric Theatre.

Lyric Theatre Rental Expenses	\$ 424,053
Lyric Theatre Rental Income	(218,450)
Facility Fee	(14,729)
Lyric Opera's "Rent"	<u>\$ 190,874</u>

Year End Projection

Due to strong ticket sales the company is projecting an increase to earned income budget of \$26,000. This projection shows the conservative estimates for theatre rental income. If the company were to receive the full rental rate which covers the actual costs of the theatre, our earned income would increase by approximately \$114,221.

The company is projecting a decrease in contributed income from our initial budget. Due to some funder decisions, the economy, and the decrease in the Lyric Foundation's value, the company is projecting a decrease in contributed income of \$387,399.

Each department has reviewed and revised their individual budgets. Most departments were able to find some expense savings. Combined we are projecting a \$123,258 expense savings. The combination of increased earned income and expense savings off set the decrease in contributed revenue and leave a projected deficit of \$149,729. If, the rental agreements are not signed and we were not able to collect on the forecasted unpaid portion of the rental fees the companies deficit may increase by an additional \$93,112.