

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

	<u>Oct 31,</u> <u>2009</u>	<u>June 30,</u> <u>2009</u>
Current Assets		
Cash	\$ 433,180	\$ 1,590,001
Accounts Receivable	215,907	264,366
Promise to Give	150,735	225,485
Prepaid Production Expense	16,336	50,826
Other Prepaid Expenses	29,975	88,056
Total Current Assets	846,133	2,218,733
Property and Equipment		
Land, Buildings, Improvements and Computer Equipment	9,043,220	8,557,786
Less: Accumulated Depreciation	(3,627,367)	(3,526,369)
Net Property and Equipment	5,415,853	5,031,417
Non-current Assets		
Interest in Lyric Foundation	3,783,482	3,783,482
Interest in Trust	1,040,535	1,040,535
Total Non-current Assets	4,824,017	4,824,017
Total Assets	\$ 11,086,004	\$ 12,074,168
Current Liabilities		
Accounts Payable	\$ 31,712	\$ 580,126
Line of Credit	-	-
Payroll and Taxes	68,928	76,643
Deferred Income		
Proceeds from building sale	2,196,630	2,196,630
09/10 Season Ticket Sales	520,356.15	475,259
Other	86,329	106,243
Total Current Liabilities	2,903,956	3,434,901
Net Assets		
Current Year Change		
Unrestricted	2,356,388	1,770,535
Board Restricted:		
Operating Reserve	784,200	784,200
Building Fund	-	392,661
Temporarily Restricted	199,939	850,349
Permanently Restricted	4,841,522	4,841,522
	8,182,049	8,639,267
Total Liabilities and Net Assets	\$ 11,086,004	\$ 12,074,168

See the accompanying notes to financial statements.

Lyric Opera of Kansas City, Inc.
Statement of Activities
For the Month Ended OCT 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 2010 Annual Budget</u>	<u>Year End Projection at 10/31/09</u>
Revenue								
Earned Revenue								
Season Tickets	\$ 145,407	\$ -	\$ -	\$ 145,407	\$ 159,544	\$ (14,137)	\$ 638,177	\$ 600,709
Single Tickets	74,283	-	-	74,283	83,393	(9,110)	373,791	364,801
Ticket Facility Fees	7,854	-	-	7,854	-	7,854	-	16,000
Theatre Rental Income	31,530	-	-	31,530	24,569	6,961	344,750	334,549
Set Rental Income	7,235	-	-	7,235	10,000	(2,765)	48,000	58,000
Education	21,485	-	-	21,485	21,000	485	53,870	53,189
Interest	283	-	-	283	6,667	(6,384)	20,000	1,000
Service Fees	-	-	-	-	-	-	22,914	24,250
Auxiliaries	119	-	-	119	-	119	-	-
Miscellaneous	3,610	-	-	3,610	800	2,810	5,050	5,050
Subtotal - Earned Income	291,807	-	-	291,807	305,973	(14,167)	1,506,552	1,457,548
Contributed Revenue								
Individual	\$ 100,463	\$ 500	\$ -	\$ 100,963	70,500	30,463	762,350	390,850
Corporate	200	-	-	200	3,100	(2,900)	188,750	133,500
Foundation	604,698	22,000	-	626,698	659,500	(32,802)	1,493,600	1,494,600
Federal, State and Local	-	-	-	-	15,000	(15,000)	120,000	150,943
Lyric & Leather	-	-	-	-	20,000	(20,000)	20,000	-
In-Kind Contributions	2,756	-	-	2,756	-	2,756	-	-
Auxiliaries	175	-	-	175	-	175	45,000	45,000
Lyric Opera Ball	-	-	-	-	-	-	585,000	585,000
Lyric Opera Foundation	-	-	-	-	-	-	78,927	78,927
Net Assets Released from Restrictions	673,910	(673,910)	-	-	-	-	-	-
Subtotal - Contributed Revenue	1,382,203	(651,410)	-	730,792	768,100	(37,308)	3,293,627	2,878,820
Total Revenue	\$ 1,674,009	\$ (651,410)	\$ -	\$ 1,022,599	1,074,073	(51,474)	4,800,179	4,336,368
Expenses								
Finance and Administration	\$ 231,564	\$ -	\$ -	\$ 231,564	\$ 232,721	\$ (1,157)	\$ 673,152	\$ 665,993
Development	114,269	-	-	114,269	133,972	(19,703)	374,371	353,397
Auxiliaries	806	-	-	806	-	806	160,000	160,000
Marketing	228,145	-	-	228,145	252,375	(24,229)	542,252	526,915
Ticket Office	68,110	-	-	68,110	66,535	1,575	182,157	189,879
Theatre and Building	166,909	-	-	166,909	175,379	(8,470)	568,513	571,981
Education	63,825	-	-	63,825	58,699	5,126	168,415	179,483
Production - General	111,320	-	-	111,320	113,118	(1,798)	342,282	345,409
Tosca	326,809	-	-	326,809	345,185	(18,376)	471,506	430,500
H.M.S. Pinafore	58,083	-	-	58,083	71,944	(13,861)	421,754	348,365
Rigoletto	5,215	-	-	5,215	38,191	(32,976)	488,360	476,356
Don Giovanni	4,765	-	-	4,765	7,432	(2,667)	407,410	397,151
Total Expenses	\$ 1,379,819	\$ -	\$ -	\$ 1,379,819	1,495,551	(115,731)	4,800,171	4,645,431
Operating Gain/(Loss)	294,190	(651,410)	-	(357,220)	(421,478)		8	(309,064)
Depreciation Expense	(100,998)	-	-	(100,998)				
Capital Campaign Income	-	1,000	-	1,000				
Lyric Opera Endowment	-	-	-	-				
Change in Net Assets	193,192	(650,410)	-	(457,218)				
Net Assets - Beginning of Year	2,947,396	850,349	4,841,522	8,639,267				
Net Assets - OCT 2009	\$ 3,140,588	\$ 199,939	\$ 4,841,522	\$ 8,182,049				

See the accompanying notes to financial statements.

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

	Oct 31, 2009	June 30, 2009
Cash Flows From Operating Activities		
Change in Net Assets	(457,218)	(1,742,454)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	100,999	238,731
Decrease in interest in net assets of Lyric Foundation	-	1,263,783
Decrease in value of beneficial interest in perpetual trust	-	399,695
Change in assets and liabilities:		
Decrease in accounts and promises to give receivables	123,209	(187,339)
Decrease in prepaid expenses and other assets	92,570	21,446
Increase (decrease) in accounts payable and accrued expenses	(556,129)	(35,541)
Increase in deferred income	25,184	112,596
Net Cash Provided By Operating Activities	(671,385)	70,917
Cash Flows From Investing Activities		
Purchase of property and equipment	(485,434)	(101,572)
Proceeds from deferred sale of property	-	-
Net Cash Used in Investing Activities	(485,434)	(101,572)
Net Increase (Decrease) In Cash and Cash Equivalents	(1,156,819)	(30,655)
Cash And Cash Equivalents - Beginning of Year	1,589,999	1,620,654
Cash And Cash Equivalents - OCT 2009	433,180	1,589,999

See the accompanying notes to financial statements.

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

Statement of Financial Position

Assets

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

	June	October	Increase/(Decrease)
Available Operating Cash	\$ 616,593	\$ 302,931	\$ (313,662)
Restricted Auxiliary Cash	131,964	130,249	(1,715)
Restricted Building Cash	841,444	-	(841,444)
	<u>\$1,590,001</u>	<u>\$ 433,180</u>	<u>\$ (1,156,821)</u>

Based on our average cash needs the available operating cash would last the company less than 30 days assuming no other income were to be received. The company's budget annualization shows that between projected income, expenses and the available operating cash, the company may be required to utilize its line of credit by February 2010.

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 \$66,000. Additionally the capital campaign has received pledges which extend over the next five years and total \$86,285.

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.

Deferred Revenue

09/10 Season Ticket Sales - These are the subscription and single ticket sales for the current fiscal year. These accounts will hold the revenue until the respective show is complete, at that time we recognize the income by moving the funds from the deferred revenue account to the respective season or single ticket income line. The company has achieved 94% of its subscription revenue goal and 89% of its single ticket goal for *Tosca*.

Statement of Activities

Earned Revenue

Theatre Rental Income - The theatre licensing agreements for both the Symphony and the Ballet are signed. Using the contract the year end projection for rental income has been recalculated. This amount can change depending upon the timing of the proceeds from the joint theatre rent campaign. The year end projection will continue to be updated based upon the success of this campaign.

Contributed Revenue

The Company has received significant contributions from two donors thus far, combined they total \$575,000, which is 42% of the total unrestricted contributed revenue so far this year.

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

Expenses

The company is four months or 33% of the way through the fiscal year. At this point the company is operating below it's expense budget. Currently the Company expects to reduce its over all expenses by approximately \$155,000.

Lyric Theatre - Of the \$162,142 of Theatre and Building Expenses, \$110,604 directly relate to the operations and renting of the Lyric Theatre.

Lyric Theatre Rental Expenses	\$ 135,824
Lyric Theatre Rental Income	(31,530)
Facility Fee	<u>(7,854)</u>
Unfunded building costs	<u>\$ 96,440</u>

Year End Projection

The company regularly reviews its budgets and updates the year end projection on a monthly basis as new information or events allow. We have learned that the Symphony orchestra agreement will not include a rate increase, therefore we have updated the show's budgets and removed the originally budgeted increase for orchestra services. The company has also officially postponed the Lyrics in Leather fundraising event, the income and expenses associated with this event has been removed from the budget. We have also been notified by the Missouri Arts Council that we are to receive an increase of our annual grant by about \$37,000. During the month of October the company had a decrease in multiple expense lines that totaled about \$45,000 and saw increases in contributed revenue from federal and individual sources of another \$45,000. After all known increases and decreases, the year end projection still shows an approximate \$310,000 deficit. The staff is aware of the situation and are making concessions to help improve the bottom line when ever possible. The development department and committee are working on ways to bridge this gap. The goal is to balance the budget by year end.