

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

	<u>Dec 31,</u> <u>2009</u>	<u>June 30,</u> <u>2009</u>
<b>Current Assets</b>		
Cash	\$ 591,080	\$ 1,590,001
Accounts Receivable	129,043	264,366
Promise to Give	184,921	225,485
Prepaid Production Expense	16,341	50,826
Other Prepaid Expenses	35,221	88,056
<b>Total Current Assets</b>	<b>956,605</b>	<b>2,218,733</b>
 <b>Property and Equipment</b>		
Land, Buildings, Improvements and Computer Equipment	9,043,220	8,557,786
Less: Accumulated Depreciation	(3,677,472)	(3,526,369)
<b>Net Property and Equipment</b>	<b>5,365,748</b>	<b>5,031,417</b>
 <b>Non-current Assets</b>		
Interest in Lyric Foundation	3,783,482	3,783,482
Interest in Trust	1,040,535	1,040,535
<b>Total Non-current Assets</b>	<b>4,824,017</b>	<b>4,824,017</b>
 <b>Total Assets</b>	 <b>\$ 11,146,371</b>	 <b>\$ 12,074,168</b>
 <b>Current Liabilities</b>		
Accounts Payable	\$ 51,371	\$ 580,126
Line of Credit	-	-
Payroll and Taxes	69,427	76,643
Deferred Income		
Proceeds from building sale	2,196,630	2,196,630
09/10 Season Ticket Sales	323,104	475,259
Other	87,242	106,243
<b>Total Current Liabilities</b>	<b>2,727,773</b>	<b>3,434,901</b>
 <b>Net Assets</b>		
Current Year Change		
Unrestricted	2,600,283	1,770,535
Board Restricted:		
Operating Reserve	784,200	784,200
Building Fund	-	392,661
Temporarily Restricted	192,592	850,349
Permanently Restricted	4,841,522	4,841,522
	8,418,597	8,639,267
 <b>Total Liabilities and Net Assets</b>	 <b>\$ 11,146,371</b>	 <b>\$ 12,074,168</b>

See the accompanying notes to financial statements.

**Lyric Opera of Kansas City, Inc.**  
**Statement of Activities**  
**For the Month Ended DEC 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 12/31/09</u>
<b>Revenue</b>								
<b>Earned Revenue</b>								
Season Tickets	\$ 297,408	\$ -	\$ -	\$ 297,408	\$ 319,089	\$ (21,681)	\$ 638,177	\$ 601,654
Single Tickets	175,387	-	-	175,387	197,153	(21,766)	373,791	351,887
Ticket Facility Fees	9,810	-	-	9,810	-	9,810	-	16,000
Theatre Rental Income	48,173	-	-	48,173	43,821	4,352	344,750	334,549
Set Rental Income	21,235	-	-	21,235	30,000	(8,765)	48,000	58,000
Education	28,922	-	-	28,922	27,795	1,127	53,870	53,189
Interest	287	-	-	287	10,000	(9,713)	20,000	1,000
Service Fees	-	-	-	-	-	-	22,914	24,250
Auxiliaries	-	-	-	-	-	-	-	-
Miscellaneous	5,761	-	-	5,761	1,200	4,561	5,050	5,050
<b>Subtotal - Earned Income</b>	<b>586,983</b>	<b>-</b>	<b>-</b>	<b>586,983</b>	<b>629,058</b>	<b>(42,074)</b>	<b>1,506,552</b>	<b>1,445,578</b>
<b>Contributed Revenue</b>								
Individual	\$ 255,588	\$ 600	\$ -	\$ 256,188	175,500	80,688	762,350	459,573
Corporate	85,111	-	-	85,111	98,100	(12,989)	188,750	123,111
Foundation	1,059,396	24,500	-	1,083,896	991,167	92,729	1,493,600	1,445,600
Federal, State and Local	-	-	-	-	91,500	(91,500)	120,000	150,943
Lyric & Leather	-	-	-	-	20,000	(20,000)	20,000	-
In-Kind Contributions	38,032	-	-	38,032	-	38,032	-	-
Auxiliaries	30,265	-	-	30,265	22,500	7,765	45,000	45,000
Lyric Opera Ball	26,000	-	-	26,000	-	26,000	585,000	585,000
Lyric Opera Foundation	100,000	-	-	100,000	78,927	21,073	78,927	178,927
Net Assets Released from Restrictions	683,857	(683,857)	-	-	-	-	-	-
<b>Subtotal - Contributed Revenue</b>	<b>2,278,249</b>	<b>(658,757)</b>	<b>-</b>	<b>1,619,492</b>	<b>1,477,694</b>	<b>141,798</b>	<b>3,293,627</b>	<b>2,988,154</b>
<b>Total Revenue</b>	<b>\$ 2,865,232</b>	<b>\$ (658,757)</b>	<b>\$ -</b>	<b>\$ 2,206,475</b>	<b>2,106,752</b>	<b>99,724</b>	<b>4,800,179</b>	<b>4,433,732</b>
<b>Expenses</b>								
Finance and Administration	\$ 349,014	\$ -	\$ -	\$ 349,014	\$ 346,830	\$ 2,184	\$ 673,152	\$ 665,993
Development	182,160	-	-	182,160	195,589	(13,429)	374,371	353,397
Auxiliaries	1,023	-	-	1,023	-	1,023	160,000	160,000
Marketing	362,344	-	-	362,344	344,896	17,449	542,252	526,915
Ticket Office	93,844	-	-	93,844	91,649	2,195	182,157	189,879
Theatre and Building	330,208	-	-	330,208	331,794	(1,586)	568,513	571,981
Education	88,111	-	-	88,111	80,619	7,492	168,415	179,483
Production - General	172,675	-	-	172,675	177,617	(4,942)	342,282	345,409
Tosca	425,469	-	-	425,469	425,443	26	471,506	425,511
H.M.S. Pinafore	262,409	-	-	262,409	277,985	(15,576)	421,754	330,479
Rigoletto	4,983	-	-	4,983	38,463	(33,480)	488,360	476,356
Don Giovanni	4,800	-	-	4,800	7,379	(2,579)	407,410	394,315
<b>Total Expenses</b>	<b>\$ 2,277,041</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,277,041</b>	<b>2,318,264</b>	<b>(41,223)</b>	<b>4,800,171</b>	<b>4,619,719</b>
<b>Operating Gain/(Loss)</b>	<b>588,191</b>	<b>(658,757)</b>	<b>-</b>	<b>(70,566)</b>	<b>(211,513)</b>		<b>8</b>	<b>(185,986)</b>
Depreciation Expense	(151,103)	-	-	(151,103)				
Capital Campaign Income	-	1,000	-	1,000				
Lyric Opera Endowment	-	-	-	-				
<b>Change in Net Assets</b>	<b>437,087</b>	<b>(657,757)</b>	<b>-</b>	<b>(220,670)</b>				
<b>Net Assets - Beginning of Year</b>	<b>2,947,396</b>	<b>850,349</b>	<b>4,841,522</b>	<b>8,639,267</b>				
<b>Net Assets - DEC 2009</b>	<b>\$ 3,384,483</b>	<b>\$ 192,592</b>	<b>\$ 4,841,522</b>	<b>\$ 8,418,597</b>				

See the accompanying notes to financial statements.

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

	<b>Dec 31, 2009</b>	<b>June 30, 2009</b>
<b>Cash Flows From Operating Activities</b>		
Change in Net Assets	(220,670)	(1,742,454)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	151,105	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	175,887	(187,339)
Decrease in prepaid expenses and other assets	87,319	21,446
Increase (decrease) in accounts payable and accrued expenses	(535,971)	(35,541)
Increase in deferred income	(171,156)	112,596
<b>Net Cash Provided By Operating Activities</b>	<b>(513,485)</b>	<b>70,917</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	(485,434)	(101,572)
Proceeds from deferred sale of property	-	-
<b>Net Cash Used in Investing Activities</b>	<b>(485,434)</b>	<b>(101,572)</b>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	<b>(998,919)</b>	<b>(30,655)</b>
<b>Cash And Cash Equivalents - Beginning of Year</b>	<b>1,589,999</b>	<b>1,620,654</b>
<b>Cash And Cash Equivalents - DEC 2009</b>	<b>591,080</b>	<b>1,589,999</b>

See the accompanying notes to financial statements.

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

**Statement of Financial Position**

Assets

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

	June	December	Increase/(Decrease)
Available Operating Cash	\$ 616,593	\$ 460,831	\$ (155,762)
Restricted Auxiliary Cash	131,964	130,249	(1,715)
Restricted Building Cash	841,444	-	(841,444)
	<u>\$1,590,001</u>	<u>\$ 591,080</u>	<u>\$ (998,921)</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 \$56,000. Additionally the capital campaign has received pledges which extend over the next five years and total \$49,735. The company also has a pledge from the Hallmark Corporation in the amount of \$79,186 which will be paid in January 2010.

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 both *Tosca* and *H.M.S. Pinafore*.

**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 two donors who individually have contributed more than 10% of the company's total contributed income. Combined these two donors have contributed 54% of the companies total contributed income.

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

Expenses

The company is six months or 50% of the way through the fiscal year. At this point the company is operating below it's expense budget. Currently the company's year end expense projections show that there will be a \$180,000 savings from what was originally budgeted. The company has used 49% of the year end projected budget or 47% of the original budget.

Lyric Theatre - Of the \$330,208 of Theatre and Building Expenses, \$277,456 directly relate to the operations and renting of the Lyric Theatre.

Lyric Theatre Rental Expenses	\$ 277,456
Lyric Theatre Rental Income	(48,173)
Facility Fee	(9,810)
Unfunded building costs	<u>\$ 219,473</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 & 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. In December the company received an anticipated distribution from its Foundation of \$100,000. The deficit is now projected to be approximately \$185,000. The company is aware of the potential of an additional \$88,000 of income from several different sources. None of the gifts have been promised, but indications are that they will become available this fiscal year.

As these gifts are solidified the company will add them to the year end projection. The company is monitoring both the revenue and expense situation and is making concessions to help improve the bottom line where 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.