

Opera Colorado and Opera Colorado Foundation

Consolidated Financial Statements
with Supplemental Information

June 30, 2021



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Independent Auditor's Report

To the Board of Directors
Opera Colorado and
Opera Colorado Foundation

We have audited the accompanying consolidated financial statements of Opera Colorado and Opera Colorado Foundation (the "Opera"), which comprise the consolidated statement of financial position as of June 30, 2021 and 2020 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Opera Colorado and Opera Colorado Foundation as of June 30, 2021 and 2020 and the results of their operations, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the consolidated financial statements, the Opera has been impacted by a global pandemic that disrupted the Opera's operations. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink that reads "Plante & Moran, PLLC".

September 24, 2021



Consolidated Statement of Financial Position

June 30, 2021 and 2020

(In Dollars)

	<u>2021</u>	<u>2020</u>
Assets		
<u>Current Assets</u>		
Cash and Cash Equivalents	763,420	435,243
Contribution Receivables	409,620	84,630
Prepays & Deposits	288,747	104,424
Total Current Assets	<u>1,461,787</u>	<u>624,297</u>
<u>Non-Current Assets</u>		
Investments	2,178,330	935,407
Contribution Receivables, Net	1,070,270	1,362,583
Deposits	15,735	15,735
Restricted Cash	40,000	-
Property and equipment, Net	713,757	829,688
Total Non-Current Assets	<u>4,018,092</u>	<u>3,143,413</u>
Total Assets	<u>5,479,879</u>	<u>3,767,710</u>
Liabilities and Net Assets		
<u>Current Liabilities</u>		
Accounts Payable	22,216	10,112
Deferred Rent	34,719	31,807
Accrued Liabilities	9,040	12,456
Deferred Revenue	884,946	725,752
Total Current Liabilities	<u>950,921</u>	<u>780,127</u>
<u>Non-Current Liabilities</u>		
Deferred Rent, Net of Current Portion	264,340	299,059
Total Non-Current Liabilities	<u>264,340</u>	<u>299,059</u>
Total Liabilities	1,215,261	1,079,186
<u>Net Assets</u>		
Net Assets without Donor Restrictions	47,252	(711,456)
Net Assets with Donor Restrictions	4,217,366	3,399,980
Total Net Assets	<u>4,264,618</u>	<u>2,688,524</u>
Total Liabilities and Net Assets	<u>5,479,879</u>	<u>3,767,710</u>

See Notes to Consolidated Financial Statement



Consolidated Statement of Activities and Changes in Net Assets

Years Ended June 30, 2021 and 2020

(In Dollars)

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue						
Ticket sales	1,400	-	1,400	939,139	-	939,139
Event tickets and program fees	38,617	-	38,617	78,380	-	78,380
Other earned revenue	(3,200)	-	(3,200)	39,604	-	39,604
Contributions	1,499,931	799,648	2,299,579	1,558,753	1,285,967	2,844,720
Special events – Net of direct expenses of \$0 and \$45,696 for 2021 and 2020	-	-	-	176,679	-	176,679
SCFD income	312,170	-	312,170	304,403	-	304,403
COVID-19 federal stimulus	268,254	-	268,254	250,000	-	250,000
Net Assets Released from Restriction	312,790	(312,790)	-	762,950	(762,950)	-
Total Operating Revenue	2,429,962	486,858	2,916,820	4,109,908	523,017	4,632,925
Operating Expenses						
Program services	1,468,131	-	1,468,131	2,782,796	-	2,782,796
Support services:						
Fundraising	427,699	-	427,699	691,018	-	691,018
General & administrative	798,793	-	798,793	636,475	-	636,475
Total Operating Expenses	2,694,623	-	2,694,623	4,110,289	-	4,110,289
Net Operating Result	(264,661)	486,858	222,197	(381)	523,017	522,636
Non-Operating Activities						
Investment returns	(1,898)	330,528	328,630	187	(15,678)	(15,491)
Bequests	1,028,267	-	1,028,267	-	-	-
Bad Debt	(3,000)	-	(3,000)	(1,298)	-	(1,298)
Non-Operating Revenue (Expense)	1,023,369	330,528	1,353,897	(1,111)	(15,678)	(16,789)
Change in Net Assets	758,708	817,386	1,576,094	(1,492)	507,339	505,847
Net Assets, Beginning of Year	(711,456)	3,399,980	2,688,524	(709,964)	2,892,641	2,182,677
Net Assets, End of Year	47,252	4,217,366	4,264,618	(711,456)	3,399,980	2,688,524

See Notes to Consolidated Financial Statements



Consolidated Statement of Functional Expenses

Year Ended June 30, 2021

(In Dollars)

	Program Services				Support Services			Total
	Mainstage	Community Engagement	Education	Total	Fundraising	General & Administrative	Total	
Salaried Personnel	132,312	358,062	181,678	672,052	252,283	568,814	821,097	1,493,149
Seasonal Personnel	169	7,367	110,399	117,935	-	169	169	118,104
Union Personnel	278	16,563	139	16,980	-	139	139	17,119
Contract labor	26,272	65,899	6,021	98,192	-	-	-	98,192
Other personnel expenses	812	26	-	838	2	20,375	20,377	21,215
Total personnel expenses	159,843	447,917	298,237	905,997	252,285	589,497	841,782	1,747,779
Professional Fees	4,977	71,209	61,373	137,559	27,484	27,890	55,374	192,933
Advertising and Promotion	-	21,545	2,453	23,998	3,577	5,784	9,361	33,359
Intellectual Property	6,452	30,614	8,603	45,669	24,375	15,055	39,430	85,099
Office Occupancy	13,455	35,881	17,940	67,276	50,831	31,396	82,227	149,503
Warehouse Occupancy	92,158	-	7,168	99,326	461	2,611	3,072	102,398
Rental Fees	-	5,926	3,096	9,022	-	710	710	9,732
Research and training	552	1,473	1,041	3,066	2,087	1,289	3,376	6,442
Shipping and postage	396	1,125	528	2,049	2,225	924	3,149	5,198
Supplies and equipment	2,668	13,993	3,942	20,603	10,079	5,005	15,084	35,687
Travel	-	16,160	56,549	72,709	-	116	116	72,825
Events	-	10,351	1,349	11,700	-	4,086	4,086	15,786
Retreats and meetings	-	-	-	-	-	6,653	6,653	6,653
Executive travel & expense	2,317	600	972	3,889	5,428	5,514	10,942	14,831
Other expenses	-	592	-	592	-	39,406	39,406	39,998
Insurance	-	-	-	-	-	27,055	27,055	27,055
In-Kind expense	-	-	-	-	-	5,620	5,620	5,620
Depreciation	12,935	34,494	17,247	64,676	48,867	30,182	79,049	143,726
Bad Debt	-	-	-	-	-	3,000	3,000	3,000
Total non-personnel expenses	135,910	243,963	182,261	562,134	175,414	212,296	387,710	949,844
Total functional expenses	295,753	691,880	480,498	1,468,131	427,699	801,793	1,229,492	2,697,623

See Notes to Consolidated Financial Statements



Consolidated Statement of Functional Expenses

For Year Ended June 30, 2020

(In Dollars)

	Program Services				Support Services			Total
	Mainstage	Community Engagement	Education	Total	Fundraising	General & Administrative	Total	
Salaried Personnel	518,912	33,058	188,308	740,278	438,067	268,214	706,281	1,446,559
Seasonal Personnel	131,005	-	106,245	237,250	-	-	-	237,250
Union Personnel	392,867	-	20,172	413,039	-	-	-	413,039
Contract labor	443,575	-	16,583	460,158	1,794	-	1,794	461,952
Other personnel expenses	5,538	627	313	6,478	3,313	4,520	7,833	14,311
Total personnel expenses	1,491,897	33,685	331,621	1,857,203	443,174	272,734	715,908	2,573,111
Professional Fees	68,231	1,687	6,452	76,370	20,268	81,542	101,810	178,180
Advertising and Promotion	58,497	2,909	1,858	63,264	9,432	60,152	69,584	132,848
Intellectual Property	29,111	1,357	8,819	39,287	20,352	15,116	35,468	74,755
Office Occupancy	51,938	2,881	18,724	73,543	43,209	27,366	70,575	144,118
Warehouse Occupancy	90,247	-	7,019	97,266	-	3,008	3,008	100,274
Rental Fees	181,984	-	9,333	191,317	5,364	-	5,364	196,681
Research and training	7,470	-	6,265	13,735	4,488	7,156	11,644	25,379
Shipping and postage	52,243	1,018	1,333	54,594	5,544	2,810	8,354	62,948
Supplies and equipment	43,557	754	5,178	49,489	14,254	8,139	22,393	71,882
Travel	89,662	-	60,167	149,829	2,657	905	3,562	153,391
Events	11,485	13,333	3,406	28,224	56,386	417	56,803	85,027
Retreats and meetings	-	-	-	-	12,850	6,907	19,757	19,757
Executive travel & expense	11,421	458	916	12,795	8,104	5,764	13,868	26,663
Other expenses	1,229	119	497	1,845	1,571	76,149	77,720	79,565
Insurance	-	-	540	540	-	25,024	25,024	25,564
In-Kind expense	-	-	-	-	133	17,203	17,336	17,336
Depreciation	51,879	2,882	18,734	73,495	43,232	26,083	69,315	142,810
Bad Debt	-	-	-	-	-	1,298	1,298	1,298
Total non-personnel expenses	748,954	27,398	149,241	925,593	247,844	365,039	612,882	1,538,476
Total functional expenses	2,240,851	61,083	480,862	2,782,796	691,018	637,773	1,328,791	4,111,587

See Notes to Consolidated Financial Statements



Consolidated Statement of Cash Flows

Years Ended June 30, 2021 and 2020

(In Dollars)

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	1,576,094	505,847
Adjustments to reconcile increase in net assets to net cash and cash equivalents:		
Depreciation	143,725	144,108
Discount on pledge receivables	-	9,643
Net realized and unrealized loss (gain) from investments	(342,924)	15,678
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Pledge receivables	(31,812)	(417,515)
Prepaid expenses and other assets	(185,188)	36,312
Accounts payable and accrued liabilities	8,689	(36,833)
Deferred revenue	159,194	(61,011)
Deferred rent	(31,807)	(28,963)
Net cash and cash equivalents provided by operating activities	1,295,971	167,266
Cash Flows from Investing Activities		
Contributions restricted for endowment	(26,455)	-
Purchase of property and equipment	(27,794)	(23,791)
Purchase of investments	(900,000)	-
Net cash and cash equivalents used in investment activities	(954,249)	(23,791)
Cash Flows from Financing Activities		
Contributions restricted for endowment	26,455	-
Net cash and cash equivalents and restricted cash used in financing activities	26,455	-
Change in Cash and Cash Equivalents and Restricted Cash	368,177	143,475
Cash and Cash Equivalents and Restricted Cash, Beginning Balance	435,243	291,768
Cash and Cash Equivalents and Restricted Cash, Ending Balance	803,420	435,243
Operating Cash and Cash Equivalents, Ending Balance	763,420	435,243
Restricted Cash and Cash Equivalents, Ending Balance	40,000	-
Total Cash and Cash Equivalents, Ending Balance	803,420	435,243

See Notes to Consolidated Financial Statements



Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 1 – NATURE OF BUSINESS

Opera Colorado (the “Opera”) was incorporated in 1981 as a not-for-profit entity with a mission to connect the Colorado community to the emotions and stories of the world through traditional and innovative opera and education programming that is accessible to all. The Opera is supported primarily through contributions and ticket sales.

The Opera’s consolidated financial statements include the accounts of the Opera Colorado Foundation (the “Foundation”). The Foundation was incorporated in 1994 as a not-for-profit entity with the sole purpose of supporting the activities of the Opera. All significant intercompany balances and transactions have been eliminated in consolidation.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Opera have been prepared on the basis of generally accepted accounting principles (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates. Management believes the financial statements present fairly, in all material respects, the financial position of Opera Colorado. The net operating result presented on the consolidated statement of activities represents revenue and expenses from operations and does not include investment non-operating items such as investment returns, bequests, and bad debt.

Recently Adopted Accounting Pronouncements

Effective July 1, 2020, the Opera adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgements and changes in judgements and assets recognized from costs incurred to obtain or fulfill a contract. The adoption did not have a material impact to the financial statements, and the Opera’s revenue recognition policies were substantially unchanged as a result of applying ASU 2014-09.

Risks and Uncertainties

In early March 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted millions of individuals worldwide. In response, many countries have implemented measures to combat the outbreak that have impacted global business operations. As a result of the pandemic, the



Opera was forced to cancel all in-person programming and fundraising events since March 13, 2020. In an effort to stem the financial losses, the Opera applied for and received a \$250,000 forgivable loan from the Small Business Administration (SBA) Paycheck Protection Program (PPP). Under ASC 958-605, the Opera has elected to account for these funds as a conditional contribution. During the year ended June 30, 2020, the Opera overcame all measurable barriers and, therefore, recognized the funds received as a contribution on the consolidated statement of activities and changes in net assets. The Opera received notification this loan was forgiven in its entirety on January 6, 2021.

Since June 30, 2020 the Opera has constantly analyzed current conditions of the pandemic. The Opera assembled a COVID-19 Taskforce in July 2020 comprised of legal and medical experts to advise the Opera on the impact of the pandemic and to inform the Opera's decision making. On October 22, 2020 Opera Colorado publicly announced plans to postpone the mainstage season at the Ellie Caulkins Opera House due to COVID-19 restrictions and to pursue new digital and in-person programming for the 20-21 season that adheres to current public health mandates.

Management implemented expenditure reduction plans to offset a significant portion of this loss and has actively explored additional relief grants and support. On December 21, 2020 U.S. Congress passed the Consolidated Appropriations Act of 2021 which provided an additional \$284.5 billion available for "second-draw" forgivable PPP loans, \$15 billion available for Shuttered Venue Operator Grants (SVOG) and allowed businesses who previously participated in the PPP program to be eligible for Employee Retention Tax Credits (ERTC). Management applied for and received a "second-draw" forgivable PPP loan in the amount of \$268,254 on April 8, 2021. Based on the treatment of the previous PPP loan the Opera elected to account for these funds as a conditional contribution. During the year ended June 30, 2021, the Opera overcame all measurable barriers and, therefore, recognized the funds received as a contribution on the consolidated statement of activities and changes in net assets.

The SBA opened its application portal for SVOG on April 26, 2021 and the Opera applied for a grant in the amount of \$403,305. Further, efforts are ongoing to apply for the Employee Retention Tax Credits and the Opera expects to see additional relief from these efforts sometime in 2022.

As of June 30, 2021, the City of Denver has announced no remaining public health restrictions related to COVID-19. The Opera is planning to re-open the Ellie Caulkins Opera House and began selling single tickets on August 16, 2021. Management is actively working with the Denver Performing Arts Complex on re-opening protocols and will continue to monitor changes to public health and safety mandates.

The full extent of the ongoing pandemic on the Opera's future results of operations, cash flows, and financial condition is not known, but management expects its liquidity position to remain stable.

Classification of Net Assets

Net assets of the Opera are classified based on the presence or absence for donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed or the donor-imposed restriction have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Opera.



Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Opera or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

Revenue Recognition, Contributions and Contributions Receivable

Unconditional promises to give cash and other assets to the Opera are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value on the date the gift becomes unconditional or is received. The gifts are reported as contributions with donor restrictions 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 the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying financial statements.

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The Opera records discounts of present value at the end of the fiscal year. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

An allowance for uncollectible contributions is provided when evidence indicates amounts promised by donors may not be collectible. As of June 30, 2021 and 2020, there was no allowance for uncollectible contributions.

Revenue Recognition, Conditional Gifts

The Opera receives conditional contributions from time to time that are not recognized as revenue within the consolidated statement of activities and changes in net assets until the conditions are met. Typically, conditional contributions are received from federal sources. At June 30, 2021, the Opera had no outstanding conditional contributions to report.

Revenue Recognition, Contracts with Customers

The Organization's revenue from contracts with customers primarily consists of ticket sales, ticket fees, program fees, rental sales, advertising sales, and merchandise sales. These revenue contracts generally have single performance obligations. Revenue is reported net of variable consideration and consideration payable to customers, including applicable discounts, returns, unsalable product, and other costs. Amounts billed and due from customers are classified as receivables and require payment on a short-term basis; therefore, the Organization does not have any significant financing components.

The balance on deferred revenue relating to contracted revenue was \$725,752 and \$786,763 at June 30, 2020 and 2019, respectively.



Ticket Sales

This revenue represents tickets purchased to attend opera performances. Ticketholders are entitled to attend the performance stated on the ticket(s) they hold. The Opera allows for ticketholders to make changes to their performance as detailed in ticket fees, refunds, and exchanges below. Revenue is deferred at the time of payment and is recognized at the time of the performance. See **NOTE 5** for further information.

Ticket Fees, Refunds, and Exchanges

This revenue represents ticketing fees related to the sale, exchange, or handling of a ticket purchase transaction. These revenues are reported in ticket sales. The Opera's exchange policy allows multi-performance ticketholders (known as subscribers) to exchange their tickets up to one business day in advance of the original performance for no fee. After this period, the ticketholder is charged a fee.

For single performance ticketholders a fee is always charged. Exchange fees are recognized at the time of the purchase. For all exchange transactions where there is an increase between the original purchase price and the new purchase price, the ticketholder pays the difference. Any decreases in total purchase price during an exchange are not refunded to the ticketholder and are captured as ticket sales revenue and recognized at the time of the exchange.

The Opera also charges a handling fee on all single performance orders based on the modality of sale and how the ticketholder receives the tickets. Handling fees are recognized at the time of purchase.

The Opera's standard policy regarding refunds is that no refunds are offered under any circumstance. However, due to forced cancellations and postponements due to COVID-19, the Opera offered ticket refunds for the first time. As the Opera re-opens for the 2021-22 Season it will resume its standard refund policy, with case-by-case exceptions made pertaining to newly-implemented vaccination policies.

Ticketholders concerned about the possibility of needing a ticket refund are offered the option to purchase ticket protection at the time of purchase through a third-party provider, Booking Protect, LTD., for a full refund of the ticket purchase price. Ticket protection offers a safeguard to ticketholders for specific circumstances under the protection policy. The performance obligation for the ticket protection program is the sole responsibility of Booking Protect LTD., therefore ticket protection fees collected for Opera Colorado's share are recognized into revenue at the time of purchase.

Event Tickets and Program Fees

This revenue represents tickets purchased to attend community engagement events and education programs. Events are offered throughout the fiscal year. Events tickets are offered for various community engagement and patron activities. Program Fees (tickets) are offered for education programs. Typically, because the transaction and performance obligation are less than twelve months apart there are typically no revenues that cross-over at year-end. However, any amounts related to future performance obligations not yet satisfied are deferred until such time, typically the date of the event.

Other Earned Revenue

This revenue represents rental sales, advertising sales, and merchandise sales where performance obligations are satisfied at the point of sale. Occasionally there are timing



delays between the point of sale and the performance obligation to deliver rented sets and costumes or advertising. However, these delays do not cross-over at year-end and thus are recognized into revenue at point of sale.

Scientific and Cultural Facilities District Funds

Scientific and Cultural Facilities District ("SCFD") revenue represents the Opera's share of proceeds from a scientific and cultural facilities tax assessed by the Scientific and Cultural Facilities District (the "District"). The tax was first implemented in 1989, and the proceeds are distributed by the District to various Colorado cultural arts organizations in Denver. The amount distributed to these Tier II organizations (including the Opera) is based on the revenue and paid attendance of each eligible organization. During the years ended June 30, 2021 and 2020, the Opera received Tier II formula funds of \$312,170 and \$304,403, respectively.

Donated Services and Assets

Certain donated services are recognized as contributed support in the statement of activities and changes in net assets. The value of these services is determined based on estimated fair value. Donated assets are reflected in the financial statements at their estimated values. Donated services and assets for the year ended June 30, 2021 and 2020 consisted of goods and services, totaling \$5,620 and \$17,501 respectively.

Cash and Cash Equivalents and Restricted Cash

The Opera considers all investments with an original maturity of three months or less when purchased to be cash equivalents, unless held for reinvestment as part of the investment portfolio or otherwise encumbered. The total amount of bank deposits (checking and savings accounts) insured by the FDIC is \$250,000. See **NOTE 6** for information relating to restricted cash.

Investment Policy

The Opera reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values with realized and unrealized gains and losses included in the consolidated statement of activities and changes in net assets. See **NOTE 9** for further information.

Advertising Expenses

The Opera uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed the first time the advertising takes place, except for direct-response advertising, which is capitalized and amortized over its expected period of benefits. At June 30, 2021 and 2020, \$51,073 and \$38,013, of advertising is included in prepaid expenses and other current assets. Advertising expense for the years ended June 30, 2021 and 2020 is \$33,359 and \$60,152, respectively.

Income Taxes

The Opera is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3). Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Opera and recognize a tax liability if the Opera has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Opera, and has concluded that as of June 30, 2021, there are no uncertain positions taken or expected to



be taken that would require recognition of a liability or disclosure in the financial statements.

Functional Allocation of Expenses

The financial statements report certain expenses that are attributable to one or more programs and or supporting functions. These expenses require allocation on a reasonable basis that is consistently applied. Opera Colorado's expense allocation policy applies these allocations at the end of each fiscal year. The expenses that are allocated include as salaries and benefits, which are allocated on the basis of estimates of time and effort, as well as depreciation, interest, information technology, office equipment and occupancy, which are allocated on the basis of total related personnel expenses.

Property and Equipment

Property and equipment are recorded at cost and are capitalized if the cost of the item exceeds \$1,000. Sets, props, and costumes are stated at cost and capitalized when: 1) The Opera constructs production materials that exceed \$35,000 in combined cost with the intention of renting the assets over their useful life; or 2) The Opera pursues a co-production agreement with another opera company to construct production materials on a joint basis. The provisions for amortization and depreciation of all assets are computed on the straight-line method over the following estimated useful lives of the assets.

	<u>Depreciable Life - Years</u>
Sets, props, and costumes	5-10
Landlord provided improvements	10
Furniture and fixtures	3-10
Leasehold improvements	3-5
Computer equipment	3-5

Deferred Rent

The Opera has entered into an operating lease agreement for its office facility, which contains provisions for future rent escalations and a tenant improvement allowance. The Opera records monthly rent expense on a straight-line basis. The difference between rent expense recorded and the amount paid is credited or charged to deferred rent, which is reflected as a separate line item in the accompanying statements of financial position.

Upcoming Accounting Pronouncements

The Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU require lessees to recognize a right-to-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Opera's year ending June 30, 2023 and will be applied using a modified retrospective transition method to either the beginning of the earliest period presented or the beginning of the year of adoption. The



Opera is still evaluating which method it will apply. Upon adoption, the Opera will recognize a lease liability and corresponding right-to-use asset based on the present value of the minimum lease payments. The effects on the results of operations are not expected to be significant as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Financial Assets*. The ASU provides for additional disclosures to support clearer financial information about important noncash contributions charities and other not-for-profit organization receive, known as gifts in kind (GIKs). Contributed nonfinancial assets will be reported by category within the financial statements, and there will be additional disclosures included for each category, including whether the nonfinancial assets were monetized or used during the reporting period, the policy for monetizing nonfinancial contributions, and description of the fair value techniques used to arrive at fair value measurement. The new guidance will be effective for the Opera’s year ending June 30, 2022 and will be applied using a retrospective method.

Reclassification

Certain 2020 amounts have been re-classified to conform to the 2021 presentation. The total change in net assets and classification of net assets was not impacted by these re-classifications.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including September 24, 2021 which is the date the financial statements were available to be issued.

NOTE 3 – CONTRIBUTIONS RECEIVABLE

Unconditional contributions are due as follows as of June 30, 2021 and 2020:

Amounts due in:	2021	2020
Less than one year	\$ 409,620	\$ 84,630
One to five years	1,085,540	1,372,226
Present value discount	(15,270)	(9,643)
Total	\$ 1,479,890	\$ 1,447,213

The Opera discounts material contributions expected to be collected in one to five years commensurate with the risk. Present value discounts are computed at year-end in accordance with accounting policy. The discount rate used in 2021 ranged from 0.36 to 0.92 percent.

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NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	<u>2021</u>	<u>2020</u>
Sets, props, and costumes	\$ 825,057	\$ 825,057
Landlord provided improvements	353,800	353,800
Furniture and fixtures	116,937	99,242
IT equipment and software	89,330	79,231
Leasehold improvements	<u>71,424</u>	<u>71,424</u>
Total cost	1,456,548	1,428,754
Accumulated depreciation	<u>742,792</u>	<u>599,066</u>
Net property and equipment	<u>\$ 713,757</u>	<u>\$ 829,688</u>

NOTE 5 – DEFERRED REVENUE

Deferred revenue is summarized as follows:

	<u>2021</u>	<u>2020</u>
Advance ticket and season subscription sales for the 2022 season	\$ 818,571	\$ 649,723
Cancellation Credits	20,195	30,173
Gift Certificates	23,183	18,762
Other deferred revenue	<u>22,997</u>	<u>27,094</u>
Total	<u>\$ 884,946</u>	<u>\$ 725,752</u>

NOTE 6 – NOTES PAYABLE

The Opera has a revolving line of credit of up to \$880,000 with an interest at the bank's prime rate. The line of credit is secured by individual guarantees from certain board members and individuals totaling \$623,000. At June 30, 2021 and 2020, there was no outstanding balance on the line of credit. The line of credit expires on December 31, 2021. There were no interest expenses on the line of credit for the years ending June 30, 2021 and 2020.

The loan agreement requires a debt service reserve in the amount of \$40,000 in an interest-bearing account at the bank. During 2021 the Opera re-classified this as a compensating balance in restricted cash until such time as the reserve is no longer required.

In July 2018, the Board of Directors for the Opera requested a Program Related Investment (PRI) from the Opera Colorado Foundation. The Foundation's Board approved a disbursement to the Opera in the amount of \$300,000 to be structured as a PRI loan at the minimum interest allowable under the Internal Revenue Service code. The PRI is to be repaid to the Foundation at such time as the Opera has achieved two consecutive years of balanced budgets, paid down its line of credit at Vectra Bank Colorado to no more than \$250,000 balance, and has a minimum of \$500,000 of available cash. As of June 30, 2021 and 2020, the balance of the PRI loan was \$300,000. The PRI has been eliminated in consolidation.



NOTE 7 – LEASES

The Opera has several operating leases for office, warehouse space, and office equipment. The leases require the Opera to pay taxes, insurance, utilities, and maintenance costs. Total rent expense under these leases was \$161,882 and \$191,671 at June 30, 2021 and 2020, respectively. Deferred rent resulting from rent escalations totaled \$299,059 and \$330,866 at June 30, 2021 and 2020, respectively.

Future minimum annual commitments under these operating leases are as follows:

<u>Year Ending, June 30</u>	<u>Amount</u>
2022	\$ 187,410
2023	133,023
2024	132,312
2025	130,237
2026	133,366
Thereafter	<u>250,147</u>
Total	<u>\$ 966,495</u>

NOTE 8 – DONOR-RESTRICTED NET ASSETS

The Opera's donor restricted net assets at June 30, 2021 and 2020 totaling \$2,636,966 and \$2,158,906 respectively relate to cash contributions collected but not yet expended of \$1,256,156 and \$722,889 and contributions receivable of \$1,479,890 and \$1,447,213 for future fiscal years as of June 30, 2021 and 2020, respectively. Net assets totaling \$295,133 and \$762,950 were released from restriction during the years ended June 30, 2021 and 2020, respectively, as a result of expenditures incurred for the 2021 and 2020 seasons.

The Foundation had donor-restricted net assets of \$1,580,400 and \$1,241,074 at June 30 2021 and 2020, respectively, and \$11,990 was released from donor-restricted net assets during the year ended June 30, 2021. There were no releases from donor-restricted net assets during the year ended June 30, 2020.

The Opera Colorado Foundation has three endowment funds held in trust and managed by The Denver Foundation: the Hearst Endowment Fund, the Merrill-Sherman Endowment Fund, and the General Endowment Fund. The principal balances for each of the three funds at June 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Hearst Endowment Fund	\$ 200,000	\$ 200,000
Merrill-Sherman Endowment Fund	5,380	5,380
General Endowment Fund	1,126,424	1,099,969
Total donor-restricted net assets required to be held in perpetuity	<u>\$ 1,331,804</u>	<u>\$ 1,305,349</u>



The endowments consist of donor-restricted endowment funds established for the benefit for the benefit of the Opera. As required by generally accepted accounting principles, net assets associated with these endowment funds are classified and reported based on existence or absence of donor-imposed restrictions.

The State of Colorado adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective September 1, 2008. Accordingly, the Foundation adopted the *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* topic of FASB ASC.

The Foundation has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as donor-restricted net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Donor-restricted endowment funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purpose of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other foundation resources
- (7) The investment policies of the Foundation

The Foundation's endowment net assets consisted of the following for the years ending June 30, 2021 and 2020

Endowment Net Assets Composition by Type of Fund	2021	2020
Net Assets with Donor Restrictions:		
Donor-restricted endowment funds	<u>\$ 1,280,400</u>	<u>\$ 935,407</u>

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The following are the changes in the endowment net assets for the years ending June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Endowment net assets – Beginning of year	\$ 935,407	\$ 951,085
Investment Return:		
Investment income	26,673	15,156
Management fees	(19,602)	(17,313)
Net appreciation (depreciation)	<u>323,457</u>	<u>(13,521)</u>
Total investment return	330,528	(15,678)
Contributions	26,455	-
Appropriation of endowment assets for expenditure	(11,990)	-
Endowment net assets – End of year	<u>\$ 1,280,400</u>	<u>\$ 935,407</u>

As of June 30, 2021 and 2020, the portion of perpetual endowment funds that is required to be retained in perpetuity either by explicit donor stipulation or by UPMIFA totals \$1,331,804 and \$1,305,349, respectively, of which \$300,000 has been used to fund a \$300,000 program investment between Opera Colorado and Opera Colorado Foundation (see **NOTE 6**).

Funds with Deficiencies

From time to time the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with the foundation distribution policy statement, the Foundation may continue to spend funds with deficiencies up to an amount no more than 5 percent of the total value of the fund. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in net assets with donor restrictions. As of June 30, 2021, there were no deficiencies of this nature. However, at June 30, 2020, there were deficiencies of (\$69,942). These deficiencies resulted from unfavorable market fluctuations and distributions exceeding investment income.

Return Objectives and Risk Parameters

Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. The Foundation has, through its investments held by The Denver Foundation, adopted investment and spending policies for endowment assets that attempt to provide a reasonable, predictable, stable, and sustainable level of distribution to Opera Colorado and Opera Colorado Foundation that supports current needs and provides for growth in assets and income over time. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce a long-term rate of return that is, net of spending, greater than the rate of inflation.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on the investment strategies of The Denver Foundation, which emphasize a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation, through its investments held at The Denver Foundation, targets a diversified asset allocation that



places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Distribution Policy and How the Investment Objectives Relate to Distribution Policy

The Foundation follows the policies of The Denver Foundation of appropriating for distribution each year of 5% of the average investable assets for the past four quarters on the General Endowment and Merrill-Sherman Endowment funds, which is at the sole discretion of the Foundation. The Hearst Endowment Fund is required to distribute income only. In establishing the distribution policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow, net of spending, at the rate of inflation or greater over the investment horizon, thus maintaining the purchasing power of the endowment assets held in perpetuity and providing additional real growth through new gifts and investment return. In determining the annual grant to the Opera, the Foundation's board of directors may make an exception to the distribution policy.

NOTE 9 – INVESTMENTS

During 2021, the Opera adopted a new investment policy to includes assets of the Opera that are available for investment in one of two available funds: 1) Short-Term Operating Fund, which are unrestricted funds available for use within 12-24 months; and 2) Board-Designated Operating Reserve Fund, which are unrestricted funds board designated for operating reserves, to be used as authorized by the board. Both funds are classified as non-current assets on the Opera's statement of financial position. As of June 30, 2021, the balance of total investments for the Opera is \$897,930, which includes \$897,930 in short-term operating funds and \$0 in board designated operating reserves. The investments in the short-term operating funds consists of a mutual fund invested in bonds and bond funds, cash equivalents, and convertible debt.

The Foundation's investments consist of units of The Denver Foundation's ("TDF") total investment portfolio. The market value of these investment represents the pro rata interest in The Denver Foundation's total investment portfolio and is based on monthly statement received from the Denver Foundation. The Denver Foundation's investment portfolio consists of mutual funds invested in bonds and bond funds, mutual funds invested in domestic and international equity securities, cash equivalents, hedged domestic and international equity funds, venture capital/private equity funds, and absolute return funds.

NOTE 10 – FAIR VALUE MEASUREMENTS

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.



Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Opera has the ability to access. Level 1 assets are comprised of mutual funds, which are valued based on closing price.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Opera's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The carrying amounts of financial assets required to be measured at fair value on a recurring basis include investments held by TDF, the fair value of which is based upon information determined and reported by TDF and corroborated with TDF's monthly account statements by management. The fair value of investments held at TDF include Level 1, 2, and 3 classifications; however, the Foundation's pro rata share of the pooled investments does not have an active market and is therefore, classified under Level 3 in the fair value hierarchy for the year ending June 30, 2021 and 2020, respectively.

The Organization reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values with realized and unrealized gains and losses included in the statement of activities and changes in net assets.

The fair value of investments held include Level 1, 2, and 3 classifications and are reported as follows:

<u>Assets Measures at Fair Value on a Recurring Basis at June 30, 2021</u>					
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2021	
Assets					
Cash held for investment	\$ -	\$ -	\$ -	\$ -	\$ -
Pooled investments at TDF	-	-	1,280,400	1,280,400	
Mutual funds	<u>897,930</u>	=	=	<u>897,930</u>	
Total assets	<u>\$ 897,930</u>	<u>\$ -</u>	<u>\$ 1,280,400</u>	<u>\$ 2,178,330</u>	



NOTE 11 – RETIREMENT PLAN

The Opera sponsors a 401(k) plan that covers substantially all employees who are at least 21 years old and have completed one year of service. The plan provides for the Opera to make a matching contribution equal to 100 percent of employee contributions on the first 3 percent of eligible employee earnings and an additional 50 percent on the next 2 percent of eligible earnings that are contributed. Plan benefits vest immediately. Contributions to the plan totaled \$37,718 and \$26,220 for the year ending June 30, 2021 and 2020, respectively.

NOTE 12 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Opera has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 30 days general operating expenditures. The Opera considers all expenditures related to daily operations to be general expenditures. These expenditures have some degree of fluctuation as program costs are based on different repertoire and require different levels of human capital. The Opera relies on a mix of earned and contributed revenues to support its general operating expenditures. The Opera's earned revenues primarily consist of ticket sales and program fees. The Opera receives significant contributions and promises to give by donors, some of which are restricted for programs which are ongoing or critical to its operations. As such, the Opera monitors these contributions and promises to give monthly to determine if there are changes in estimated timing of receipt or intent to give. For the purposes of analyzing resources available to meet the Opera's liquidity policy it forecasts its future cash flows and monitors liquidity on a monthly basis.

Due to the significant fluctuation and seasonality of the Opera's business, it considers all cash received, unless explicitly stated by the donor, to be available to meet the needs of general operating expenditures including advanced ticket sales and restricted contributions.

The Opera does not consider the use of the Foundation's investment available for general operating expenditures, as these investments are preserved in perpetuity, and any earned interest is restricted and released to the Opera on a discretionary basis by the Foundation board for all funds except the Hearst Endowment Fund (See **NOTE 8** for further information). The Opera only considers assets available from the Foundation when it receives written confirmation of a distribution from the Foundation board.

The Opera also has a line of credit that can be leveraged to support liquidity as needed (see **NOTE 6** for further information).

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The Opera’s financial assets available within one year of the balance sheet date for general expenditure are as follows:

	2021	2020
Cash and cash equivalents	\$ 763,420	\$ 435,243
Contributions for general expenditures due in one year or less (Note 3)	409,620	1,254,388
Investments	897,930	-
Less accounts payable due in one year or less	<u>(22,216)</u>	<u>-</u>
Total	<u>\$ 2,048,754</u>	<u>\$ 1,689,631</u>

NOTE 13 – COLLECTIVE BARGAINING AGREEMENTS

The Opera has a collective bargaining agreement with the Denver Musicians Association (DMA), Local 20-623 of the American Federation of Musicians (AFM). The agreement was entered into on June 30, 2018 and is in effect through June 30, 2021, and from year to year thereafter, unless written notice to renegotiate is received by June 1 of the year in which renegotiation is requested. On March 22, 2021 the Opera and DMA entered into a memorandum of agreement to extend all provisions of the current CBA through June 30, 2022 due to the COVID-19 pandemic.

The Opera also has a collective bargaining agreement with The Denver Theatrical, Stage, Film and Exhibition Employees’ Union, Local No. 7, of the International Alliance of Theatrical Stage Employees (IATSE). The agreement was entered into on November 1, 2019 and is in effect through June 30, 2022 from year to year thereafter, unless written notice to renegotiate is received at least 30 days in advance of the expiration date.

NOTE 14 – PURCHASE OBLIGATIONS

The Opera enters into unconditional purchase obligations for future fiscal years in order to secure artists, conductors, stage director, designers, and other production personnel. These purchase obligations are typically in excess of one year and non-cancelable or cancelable in circumstances that require agreement of the other party. As of June, 30 2021 the opera entered into total purchase obligations of \$778,971 of which \$606,003 remain outstanding.



Supplemental Information

Independent Auditor's Report on Supplemental Information

To the Board of Directors
Opera Colorado and
Opera Colorado Foundation

We have audited the consolidated financial statements of Opera Colorado and Opera Colorado Foundation as of and for the years ended June 30, 2021 and 2020 and have issued our report thereon dated September 24, 2021, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the 2021 consolidated financial statements as a whole. The supplemental consolidating statement of financial position and statement of activities are presented for the purpose of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual companies and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the 2021 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2021 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2021 consolidated financial statements as a whole.

Plante & Moran, PLLC

September 24, 2021



Consolidating Statement of Financial Position

June 30, 2021 (with comparative totals for June 30, 2020)

(In Dollars)

	Opera Colorado	Opera Colorado Foundation	Eliminating Entries	Total	2020
Assets					
<u>Current Assets</u>					
Cash and Cash Equivalents	763,420	-	-	763,420	435,243
Contribution Receivables	409,620	-	-	409,620	84,630
Prepays & Deposits	288,747	-	-	288,747	104,424
Total Current Assets	1,461,787	-	-	1,461,787	624,297
<u>Non-Current Assets</u>					
Investments	897,930	1,280,400	-	2,178,330	935,407
Contribution Receivables, Net	1,070,270	-	-	1,070,270	1,362,583
Deposits	15,735	-	-	15,735	15,735
Restricted Cash	40,000	-	-	40,000	-
Program-related Investment	-	300,000	(300,000)	-	-
Property and equipment, Net	713,757	-	-	713,757	829,688
Total Non-Current Assets	2,737,692	1,580,400	(300,000)	4,018,092	3,143,413
Total Assets	4,199,479	1,580,400	(300,000)	5,479,879	3,767,710
Liabilities and Net Assets					
<u>Current Liabilities</u>					
Accounts Payable	22,216	-	-	22,216	10,112
Deferred Rent	34,719	-	-	34,719	31,807
Accrued Liabilities	9,040	-	-	9,040	12,456
Deferred Revenue	884,946	-	-	884,946	725,752
Total Current Liabilities	950,921	-	-	950,921	780,127
<u>Non-Current Liabilities</u>					
Notes Payable	300,000	-	(300,000)	-	-
Deferred Rent, Net of Current Portion	264,340	-	-	264,340	299,059
Total Non-Current Liabilities	564,340	-	(300,000)	264,340	299,059
Total Liabilities	1,515,261	-	(300,000)	1,215,261	1,079,186
<u>Net Assets</u>					
Net Assets without Donor Restrictions	47,252	-	-	47,252	(711,456)
Net Assets with Donor Restrictions	2,636,966	1,580,400	-	4,217,366	3,399,980
Total Net Assets	2,684,218	1,580,400	-	4,264,618	2,688,524
Total Liabilities and Net Assets	4,199,479	1,580,400	(300,000)	5,479,879	3,767,710



Consolidating Statement of Activities

For Year Ended June 30, 2021 (with comparative totals for 2020)

(In Dollars)

	Opera Colorado			Opera Colorado Foundation			Eliminations	Total	
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		2021	2020
Operating Revenue									
Ticket sales	1,400	-	1,400	-	-	-	-	1,400	939,139
Event tickets and program fees	38,617	-	38,617	-	-	-	-	38,617	78,318
Other earned revenue	(3,200)	-	(3,200)	-	-	-	-	(3,200)	39,604
Contributions	1,499,931	773,193	2,273,124	-	26,455	26,455	-	2,299,579	2,844,720
Contributions from Opera Colorado Foundation	11,990	-	11,990	-	-	-	(11,990)	-	-
Special events – Net of direct expenses of \$0 and \$45,696 for 2021 and 2020	-	-	-	-	-	-	-	-	176,679
SCFD income	312,170	-	312,170	-	-	-	-	312,170	304,403
COVID-19 federal stimulus	268,254	-	268,254	-	-	-	-	268,254	250,000
Net Assets Released from Restriction	295,133	(295,133)	-	17,657	(17,657)	-	-	-	-
Total Operating Revenue	2,424,295	478,060	2,902,355	17,657	8,798	26,455	(11,990)	2,916,820	4,632,925
Operating Expenses									
Program services	1,468,131	-	1,468,131	11,990	-	11,990	(11,990)	1,468,131	2,782,796
Support services:									
Fundraising	427,699	-	427,699	-	-	-	-	427,699	691,018
General & administrative	798,793	-	798,793	-	-	-	-	798,793	636,475
Total Operating Expenses	2,694,623	-	2,694,623	11,990	-	11,990	(11,990)	2,694,623	4,110,289
Net Operating Result	(270,328)	478,060	207,732	5,667	8,798	14,465	-	222,197	522,636
Non-Operating Activities									
Investment returns	(1,898)	-	(1,898)	-	330,528	330,528	-	328,629	(15,491)
Bequests	1,028,267	-	1,028,267	-	-	-	-	1,028,267	-
Bad Debt	(3,000)	-	(3,000)	-	-	-	-	(3,000)	(1,298)
Non-Operating Revenue (Expense)	1,023,369	-	1,023,369	-	330,528	330,528	-	1,353,896	(16,789)
Change in Net Assets	753,041	478,060	1,231,101	5,667	339,326	344,993	-	1,576,093	505,847
Net Assets, Beginning of Year	(705,789)	2,158,906	1,453,117	(5,667)	1,241,074	1,235,407	-	2,688,524	2,182,677
Net Assets, End of Year	47,252	2,636,966	2,684,217	-	1,580,400	1,580,400	-	4,264,618	2,688,524