

Opera Omaha, Inc.

Financial Statements and
Independent Auditor's Report

June 30, 2024

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Independent Auditor's Report

Board of Directors
Opera Omaha, Inc.
Omaha, Nebraska

Opinion

We have audited the accompanying financial statements of Opera Omaha, Inc. (the Opera) which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements (collectively, the financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Opera as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Opera and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the Opera's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Opera's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Opera's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Opera's 2023 financial statements and we expressed an unmodified opinion on those audited financial statements in our report dated February 1, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

AGSN, P.C.

Omaha, Nebraska
January 29, 2025

Opera Omaha, Inc.

Statement of Financial Position

June 30, 2024

(With Comparative Totals as of June 30, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Assets				
Current Assets				
Cash and cash equivalents	\$ 152,330	\$ -	\$ 152,330	\$ 59,152
Unconditional promises to give	352,461	517,599	870,060	605,281
Other receivables	-	-	-	30,678
Prepaid expenses	159,042	-	159,042	90,143
Total Current Assets	663,833	517,599	1,181,432	785,254
Noncurrent Assets				
Investments	667,204	5,305,412	5,972,616	6,253,977
Unconditional promises to give	1,328,570	26,000	1,354,570	1,146,427
Operating lease right-of-use assets	560,877	-	560,877	699,175
Property and equipment, net of accumulated depreciation	45,519	-	45,519	81,429
Total Noncurrent Assets	2,602,170	5,331,412	7,933,582	8,181,008
Total Assets	\$ 3,266,003	\$ 5,849,011	\$ 9,115,014	\$ 8,966,262
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	\$ 85,502	\$ -	\$ 85,502	\$ 71,494
Operating lease liabilities, current portion	146,638	-	146,638	137,661
Deferred revenue	453,831	-	453,831	183,653
Total Current Liabilities	685,971	-	685,971	392,808
Long-Term Liabilities				
Operating lease liabilities, net of current portion	428,467	-	428,467	575,105
Total Long-Term Liabilities	428,467	-	428,467	575,105
Net Assets				
Without donor restrictions	2,151,565	-	2,151,565	2,161,736
With donor restrictions	-	5,849,011	5,849,011	5,836,613
Total Net Assets	2,151,565	5,849,011	8,000,576	7,998,349
Total Liabilities and Net Assets	\$ 3,266,003	\$ 5,849,011	\$ 9,115,014	\$ 8,966,262

See notes to financial statements.

Opera Omaha, Inc.

Statement of Activities

Year Ended June 30, 2024

(With Comparative Totals for the Year Ended June 30, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support				
Revenue				
Ticket sales	\$ 312,597	\$ -	\$ 312,597	\$ 306,658
Sets and lighting rental	12,948	-	12,948	42,700
Miscellaneous revenue	1,550	-	1,550	5,199
Investment return, net	39,377	572,469	611,846	429,036
Total Revenue	366,472	572,469	938,941	783,593
Support				
Contributions				
Individuals	972,523	-	972,523	663,352
Corporations	68,836	95,000	163,836	148,036
Foundations	1,932,727	294,229	2,226,956	3,159,220
In-kind contributions	57,227	-	57,227	60,071
Grants	26,799	188,772	215,571	268,394
Gross special events revenue	464,980	-	464,980	361,906
Less cost of direct benefits to donors	(49,792)	-	(49,792)	(107,592)
Total Support	3,473,300	578,001	4,051,301	4,553,387
Net assets released from restrictions	1,138,072	(1,138,072)	-	-
Total Revenue and Support	4,977,844	12,398	4,990,242	5,336,980
Expenses				
Program services, opera productions	4,076,686	-	4,076,686	4,573,060
Management, general and fundraising	911,329	-	911,329	1,011,516
Total Expenses	4,988,015	-	4,988,015	5,584,576
Change in Net Assets	(10,171)	12,398	2,227	(247,596)
Net Assets, Beginning of Year	2,161,736	5,836,613	7,998,349	8,245,945
Net Assets, End of Year	\$ 2,151,565	\$ 5,849,011	\$ 8,000,576	\$ 7,998,349

See notes to financial statements.

Opera Omaha, Inc.

Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	\$ 2,227	\$ (247,596)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	48,250	49,387
Realized and unrealized gain on investments	(611,846)	(429,036)
(Increase) decrease in assets:		
Unconditional promises to give	(472,922)	870,337
Prepaid expenses	(68,899)	212,308
Other receivables	30,678	2,536
Increase (decrease) in liabilities:		
Accounts payable	14,008	(111,614)
Deferred revenue	270,178	(130,442)
Net Cash (Used) Provided by Operating Activities	(788,326)	215,880
Cash Flows from Investing Activities		
Purchase of property and equipment	(12,340)	(13,923)
Purchase of investments	(2,168,256)	(1,253,671)
Redemption of investments	3,062,100	1,020,885
Net Cash Provided (Used) by Investing Activities	881,504	(246,709)
Net Change in Cash and Cash Equivalents	93,178	(30,829)
Cash and Cash Equivalents, Beginning of Year	59,152	89,981
Cash and Cash Equivalents, End of Year	\$ 152,330	\$ 59,152
Supplemental Disclosure		
Interest paid	\$ 1,310	\$ 1,588

See notes to financial statements.

Opera Omaha, Inc.

Statement of Functional Expenses

Year Ended June 30, 2024

(With Comparative Totals for the Year Ended June 30, 2023)

	2024						2023
	Program Services, Opera Productions	Supporting Services			Cost of Goods Sold	Total	Total
		Management and General	Fundraising	Combined Total			
Salaries	\$ 956,572	\$ 42,300	\$ 198,586	\$ 240,886	\$ -	\$ 1,197,458	\$1,258,089
Employee benefits/taxes	183,394	20,420	31,726	52,146	-	235,540	225,759
Performance fees	1,299,038	-	-	-	-	1,299,038	1,371,044
Orchestra	211,434	-	-	-	-	211,434	250,825
Sets and props	337,870	-	-	-	-	337,870	609,483
Marketing	316,599	-	-	-	-	316,599	313,176
Travel and per diem	291,941	6,462	1,384	7,846	-	299,787	445,102
Costuming	77,772	-	-	-	-	77,772	4,675
Box office - program and ticket	117,689	-	-	-	-	117,689	117,774
Occupancy	179,963	147,777	-	147,777	-	327,740	392,470
Office/administrative expenses	23,778	21,968	1,955	23,923	-	47,701	54,351
Telephone	-	14,373	-	14,373	-	14,373	24,475
Development/fundraising	-	-	254,773	254,773	-	254,773	135,165
Interest expense	-	1,310	-	1,310	-	1,310	1,588
Instrument and music rental	16,500	-	-	-	-	16,500	10,001
Professional fees	-	68,997	4,794	73,791	-	73,791	163,956
Conferences and seminars	5,378	30,281	-	30,281	-	35,659	38,643
Depreciation	19,206	29,044	-	29,044	-	48,250	49,387
Dues and subscriptions	1,130	16,901	-	16,901	-	18,031	14,425
Insurance	12,145	13,262	5,016	18,278	-	30,423	26,460
Cost of direct benefits to donors	-	-	-	-	49,792	49,792	107,592
Audio and video	26,277	-	-	-	-	26,277	77,728
Total Expenses	4,076,686	413,095	498,234	911,329	49,792	5,037,807	5,692,168
Cost of direct benefits to donors	-	-	-	-	(49,792)	(49,792)	(107,592)
Total Expenses included in the Expense Section of the Statement of Activities	\$ 4,076,686	\$ 413,095	\$ 498,234	\$ 911,329	\$ -	\$ 4,988,015	\$5,584,576

See notes to financial statements.

Opera Omaha, Inc.

Notes to Financial Statements

Note 1—Summary of Significant Accounting Policies

Opera Omaha, Inc. (the Opera) reports in accordance with the audit and accounting guide “Not-For-Profit Organizations” published by the American Institute of Certified Public Accountants. Under the provisions of that guide, the following accounting policies, some of which are unique to non-profit organizations, are as follows:

Nature of Activities

The Opera is a private nonprofit organization dedicated to enriching the quality of life in our community by creating professional opera and music theatre. The Opera produces a season of original main stage productions, presented at the historic Orpheum Theater, and small productions and musical events throughout the community. The Opera is internationally known for its productions of eight world premieres and four American premieres of classical masterpieces and is highly regarded regionally for an extensive education and outreach program that annually reaches thousands from elementary school through adulthood.

Basis of Accounting

The financial statements of the Opera have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The financial statements of the Opera report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

- Net assets without donor restrictions are resources available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for the artistic excellence program.
- Net assets with donor restrictions are resources subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles (GAAP). Accordingly, such information should be read in conjunction with the Opera's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Estimates

The preparation of financial statements in conformity with GAAP required management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Opera Omaha, Inc.

Notes to Financial Statements

Note 1—Summary of Significant Accounting Policies (Continued)

Fair Market Value of Financial Instruments

GAAP defines fair value as a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All financial instruments are carried at amounts that approximate estimated fair value.

Cash and Cash Equivalents

The Opera considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, excluding cash and cash equivalents in investment portfolios.

	<u>2024</u>
Cash and cash equivalents	\$ 152,330
Restricted cash	<u>-</u>
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	<u><u>\$ 152,330</u></u>

Unconditional Promises to Give

Contributions are recognized when the donor makes an unconditional promise to give to the Opera. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques using a risk adjusted discount rate. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. The Opera receives contributions principally from individuals and organizations located in Nebraska and Iowa. The Opera writes off pledged and accounts receivable as they are determined to be uncollectible.

Other Receivables

Other receivables consist of trade receivables for ticket sales, program advertising, sponsorships and government grants. Management monitors outstanding receivables and charges off to expense any balances that are determined to be uncollectible or establishes an allowance for doubtful accounts. The Opera did not have an allowance for doubtful accounts for other receivables as of June 30, 2024.

Investments

Investments that are purchased are recorded at cost. Investments that are donated are recorded at fair value on the date of donation. Thereafter, investments are reported at fair value. Net investment return (loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external investment expenses. Investments are composed of common trust funds investing in debt and equity securities and mutual funds.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets using the straight-line method. Useful lives range from three to thirty-nine years. The Opera's policy is to capitalize all assets costing more than \$500 with an estimated useful life greater than one year.

Opera Omaha, Inc.

Notes to Financial Statements

Note 1—Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Revenue from ticket sales, grants and sponsorships is recognized when the performance obligations of providing the services are met. Revenue prior to that time is recorded as deferred revenue.

Contributions

Contributions are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions when cash, securities or other assets or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. One donor's contributions consisted of 35% of total support for the year and 80% of the total promises to give at June 30, 2024.

Advertising Expense

The Opera expenses advertising as incurred. Advertising expense was \$316,599 for the year ended June 30, 2024.

Sales Tax

The Opera collects sales tax from ticket sales and remits the appropriate amounts to the State of Nebraska. The Opera's accounting policy is to include the tax collected and remitted to the State of Nebraska in ticket revenue and show the expense in box office sales tax expense.

Functional Allocation of Expenses

Functional expenses that are not directly attributed to specific program services or supporting services are allocated based upon staff time spent on a particular program service or supporting service. Salaries and benefits are allocated based on estimates of time and effort.

Long-Lived Asset Impairment

The Opera evaluates the recoverability of the carrying value of long-lived assets when events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of the long-lived asset exceeds its fair value. Management does not believe any impairment exists as of June 30, 2024.

Leases

Effective July 1, 2022, the Opera retrospectively adopted FASB Update 2016-02, *Leases* (Topic 842). Under the guidance, lease liabilities are equal to the present value of the remaining fixed lease payments. Right-of-use ("ROU") assets are determined on the amount of the lease liability, plus initial direct costs incurred less lease incentives. The Opera determines its incremental borrowing rates based on information available at the lease commencement date in calculating the present value of its lease payments. The Opera reviews its ROU lease assets for indicators of impairment in the same manner as its other long-lived assets as described in accounting policies in Note 1.

Opera Omaha, Inc.

Notes to Financial Statements

Note 1—Summary of Significant Accounting Policies (Continued)

Leases (Continued)

The Opera selected the following practical expedients as part of the adoption of ASU 2016-02:

- Leases with an initial term of twelve months or less are not recognized as assets or liabilities and will have their short-term payments recognized on the statement of activities on a straight-line basis over the lease term.
- The Opera need not reassess whether any expired or existing contracts are or contain leases.
- The Opera need not reassess the lease classification for any expired or existing leases.
- The Opera need not reassess initial direct costs for any existing leases.

Note 2—Organization and Tax Status

The Opera is exempt from income taxes as a non-profit corporation under Section 501(c)(3) of the Internal Revenue Code and, accordingly, the financial statements do not reflect a provision for income taxes. The Opera's Form 990 is subject to examination by the Internal Revenue Service for a period of three years.

Note 3—Promises to Give

Promises to give at June 30, 2024 are as follows:

Fellowship endowment	\$ 132,000
Programs	20,000
General use	2,123,426
Total	\$ 2,275,426
Receivable in less than one year	\$ 870,060
Receivable in one to five years	1,405,366
Total Unconditional Promises to Give	2,275,426
Less discounts to net present value	(50,796)
Total Unconditional Promises to Give at June 30, 2024	\$ 2,224,630

Promises to give in more than one year are discounted at 3.75%.

Opera Omaha, Inc.

Notes to Financial Statements

Note 4—Liquidity and Availability

The following reflects the Opera's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of June 30, 2024 because of contractual or donor-imposed restrictions or internal designations:

Financial assets:

Cash	\$ 152,330
Unconditional promises to give	2,224,630
Investments	<u>5,972,616</u>
Total Financial Assets Available	8,349,576

Less amounts unavailable for general expenditures within one year due to:

Amounts restricted by donors	<u>(5,849,011)</u>
Total Amounts Unavailable for General Expenditures Within One Year	(5,849,011)

Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year

\$ 2,500,565

The Opera's liquidity policy is to ensure that the Opera operates within an adequate level of institutional liquidity to minimize risk associated with temporary, unforeseen liquidity needs. Liquid funds that are without donor restriction will be used to satisfy the minimum liquidity target. Additionally, the Opera does not intend to spend these funds for purposes other than those identified that could be used to help manage unanticipated liquidity needs. Further, the Opera has the ability to access additional resources through a line-of-credit agreement with the bank.

Note 5—Investments

The Opera's investments include marketable securities and are measured at estimated fair value on a recurring basis using available market information.

Note 6—Fair Value Measurements

The Opera reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

Level 1: Quoted prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets in markets that are not active;
- Observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
- Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Unobservable inputs of the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

Opera Omaha, Inc.

Notes to Financial Statements

Note 6—Fair Value Measurements (Continued)

Regarding the determination of when transfers between levels of the fair value hierarchy are deemed to have occurred, the Opera evaluates the transfer as of the event or change in circumstances that caused the transfer.

When available, the Opera measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

The primary uses of fair value measures in the Opera's financial statements are:

- Initial measurement of noncash gifts, including gifts of investment assets and unconditional promises to give,
- Recurring measurement of investments, and
- Recurring measurement of beneficial interests in trusts.

The Opera used the following methods and significant assumptions to estimate fair value:

Money market funds: Determined by the published net asset value per unit at the end of the last trading day of the year, which is the basis for transactions at that date.

Equity securities traded on national securities exchanges: Determined by the closing price on the last business day of the fiscal year.

Exchange-traded and closed-ended mutual funds: Determined by the published net asset value per unit at the end of the last trading day of the fiscal year, which is the basis for transactions at that date.

Government securities: Determined by the published net asset value per unit at the end of the last trading day of the fiscal year, which is the basis for transactions at that date.

Assets and liabilities measured at fair value on a recurring basis are summarized below:

	Total	Fair Value Measurements at June 30, 2024		
		Level 1	Level 2	Level 3
Investments:				
Money market funds	\$ 128,074	\$ 128,074	\$ -	\$ -
Equity funds	2,905,769	2,905,769	-	-
Fixed income funds	1,839,643	1,839,643	-	-
Mutual funds	1,099,130	1,099,130	-	-
	<u>\$ 5,972,616</u>	<u>\$ 5,972,616</u>	<u>\$ -</u>	<u>\$ -</u>

Long-term investment returns consist of the following:

	2024
Interest and dividends	\$ 192,303
Realized gains (losses)	231,761
Unrealized gains (losses)	211,697
	<u>635,761</u>
Investment expenses	(23,915)
Total	<u><u>\$ 611,846</u></u>

Opera Omaha, Inc.**Notes to Financial Statements**

Note 7—Property and Equipment

Property and equipment at June 30, 2024 consists of the following:

Furniture and equipment	\$ 1,113,296
Leasehold improvements	75,816
	<hr/> 1,189,112
Less accumulated depreciation	(1,143,593)
Property and equipment, net of accumulated depreciation	<hr/> <hr/> \$ 45,519

Note 8—Line of Credit

The Opera has a \$500,000 revolving line of credit with a bank dated February 28, 2024. Interest payments are payable monthly at the U.S. prime rate. The outstanding principal is due on demand. There was an unused amount of the line of credit of \$500,000 at June 30, 2024. The line of credit is secured by inventory, equipment and receivables and matures on February 28, 2025.

Note 9—Deferred Revenue

The Opera received \$151,766 on advance ticket sales and \$302,065 for sponsorships and grants at June 30, 2024 for the 2024-2025 season. As each production is presented, that portion of the advance ticket collections and sponsorships which pertains to that production will be recognized as revenue. In the event that any of the scheduled productions for the 2024-2025 season are not presented, the advance ticket collections for that production will be available for refund to the ticket holders.

Note 10—Commitments

The Opera has non-cancelable operating leases for property and equipment that expire on various dates through June 30, 2029. The leases consist of the following:

	<hr/> 2024
Lease Assets	
Operating lease right-of-use assets	\$ 560,877
Lease Liabilities	
Current:	
Operating lease liabilities	146,638
Non-Current:	
Long-term operating lease liabilities	<hr/> 428,467
Total Lease Liabilities	<hr/> <hr/> \$ 575,105

Opera Omaha, Inc.

Notes to Financial Statements

Note 10—Commitments (Continued)

Future payments of lease liabilities as of June 30, 2024 are as follows:

	Amount
2025	155,881
2026	155,811
2027	124,621
2028	80,502
2029	81,710
	<hr/>
Total Lease Payments	598,524
Less: interest	<hr/> (23,419)
Present Value of Lease Liabilities	<hr/> \$ 575,105 <hr/>

The components of the operating lease expenses that are included in the statement of activities for the year ended June 30, 2024 are as follows:

	2024
Operating leases cost	<hr/> \$ 149,495
	<hr/> 2024 <hr/>

Lease Term

Weighted-average remaining lease term (years):

Operating leases 4.13

Discount Rate

Weighted-average discount rate:

Operating leases 1.84%

Weighted-average remaining lease term and weighted-average discount rate as of June 30, 2024 were as follows:

The following summarizes the cash flow information related to the operating leases for the year ended June 30, 2024:

	2024
Cash paid for amounts included in the measurement of lease liabilities:	<hr/>
Operating cash flows used by operating lease	\$ 149,495
Lease assets obtained in exchange for lease liabilities:	
Operating lease	\$ 138,396

As of June 30, 2024, the Opera had entered into commitments for productions for the upcoming 2024-2025 season totaling \$473,850.

Opera Omaha, Inc.

Notes to Financial Statements

Note 11—Net Assets

The detail of the Opera's net asset categories at June 30, 2024, is as follows:

Without Donor Restrictions:

Undesignated	\$ 2,151,565
Total Without Donor Restrictions	2,151,565

With Donor Restrictions:

Subject to expenditure for specified purpose:

Artistic initiatives	33
Other	35,000
Total With Donor Restrictions	35,033

Endowments:

Subject to appropriation and expenditure when a specified event occurs

Endowment - Crescendo campaign	1,734,921
Endowment - Hearst	2,023
Endowment - Rice	120,888
Endowment - Fellowship	15,269
Total Endowments	1,873,101

Subject to NFP endowment spending policy and appropriation:

Endowment - Hearst	100,000
Endowment - Rice	383,007
Endowment - Fellowship	2,949,270
Unconditional promises to give, net - perpetually restricted	508,600
Total Subject to NFP Endowment Spending Policy and Appropriation	3,940,877

Total endowments	5,813,978
Total with donor restrictions	5,849,011
Total Net Assets	\$ 8,000,576

The Crescendo Campaign began in the year ended June 30, 1997. Until December 31, 2003, all of the income of the fund was disbursed to support the activities of the Opera. After December 31, 2003, all of the income and up to five percent of the value of the fund can be disbursed to support the activities of the Opera. Any income which is not disbursed in one year may be carried forward and disbursed in future years.

The Opera was awarded a \$100,000 grant from the William Randolph Hearst Endowed Fund in December 2001. The grant funds are to be used for establishing an endowment with the principal remaining intact and the income to be used for scholarships and programs.

The Opera received a gift of \$383,007 from an estate in 2014. The gift required the principal to be retained and invested, and the income only to be used for general purposes.

The Opera started the Holland Community Opera Fellowship fund in 2019. Gifts to this fund require the principal to be retained and invested, and the income only to be used for operating the Holland Community Opera Fellowship.

Opera Omaha, Inc.

Notes to Financial Statements

Note 11—Net Assets (Continued)

Net assets were released from donor restriction by incurring expenses satisfying the restricted purpose of the passage of time or other events specified by the donors as follows for the year ended June 30, 2024:

Satisfaction of purpose restrictions:

Production sponsorships	362,500
Productions	188,772
Hearst campaign	12,500
Crescendo campaign	65,000
Various programs	509,300

Total Net Assets Released from Restrictions	\$ 1,138,072
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Note 12—In-Kind Contributions

The Opera's financial statements include the following in-kind contributions in revenue, gains, and support for the year ended June 30, 2024:

Donated materials	\$ 57,227
Total	\$ 57,227

Volunteers donate significant amounts of their time to the Opera's program and supporting services; however, the financial statements do not reflect the value of these services because they do not meet recognition criteria prescribed by GAAP. The Opera generally receives donated services from members of the Craftsmen's Guild. The donated services were \$11,078 for the year ended June 30, 2024.

Donated materials are recorded at fair value at the date of the donation. Unless otherwise noted, in-kind contributions did not have any donor-restrictions.

Note 13—Retirement Plan

The Opera established a 403(b) plan during the year ended July 1, 1999. All full-time salaried employees are eligible to participate after one month of service. The Opera made a discretionary contribution of 3% of employee wages. Total pension expense was \$37,564 for the year ended June 30, 2024.

Note 14—Endowments

The Opera's endowments include donor-restricted endowment funds and funds designated by the Opera to function as endowments. As required by GAAP, net assets associated with endowment funds, including the funds designated by the Opera to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Opera has the following endowments:

Crescendo Endowment – The Crescendo endowment is to fund the Opera's need for equipment and other resources which will directly enhance the Opera's ability to earn or raise revenue, provide resources for outreach programs, special projects or productions of unusual merit and supplement any required operating expenses.

Opera Omaha, Inc.

Notes to Financial Statements

Note 14—Endowments (Continued)

William Randolph Hearst Endowed Funds – The Hearst endowment is to provide funding for education and outreach activities.

David M. Rice Endowed Funds – The Rice endowment is to provide funding for general operations.

Opera Omaha Fellowship Endowment – The Holland Community Opera Fellowship Program is a resident-artist program brings community-minded professional opera singers to live and work in Omaha. This groundbreaking program has dramatically increased the Company's relevance in the community.

Interpretation of Relevant Law

This Policy Regarding Donor Restricted Funds was adopted by the Executive Committee of the Board of Directors of the Opera on July 21, 2009. The Nebraska Legislature adopted LB 136, the Uniform Prudent Management of Institutional Funds Act ("NUPMIFA") in 2007. In order to comply with the portions of the NUPMIFA pertaining to donor restricted funds, the Board adopted the following policy:

Subject to the intent of a donor expressed in the gift instrument, the Opera may appropriate for expenditure or accumulate so much of an endowment fund as the Opera determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established. Unless stated otherwise in the gift instrument, the assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the Opera.

In accordance with NUPMIFA, the Opera, in addition to acting in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, shall consider, if relevant, the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the endowment fund.
- The purposes of the institution and the endowment fund.
- General economic conditions.
- The possible effect of inflation or deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Opera.

Terms in a gift instrument designating a gift as an "endowment," or a direction or authorization in the gift instrument to use only income, interest, dividends, rents, issues, or profits, or to preserve the principal intact, or words of similar import:

- Create an endowment fund of permanent duration unless other language in the gift instrument limits the duration or purpose of the fund.
- Do not otherwise limit the authority to appropriate for expenditure or accumulate as described below.

Opera Omaha, Inc.

Notes to Financial Statements

Note 14—Endowments (Continued)

Endowment Activity

The Opera's endowment had the following activity as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions
Changes in Endowment Net Assets for the Year Ended June 30, 2024		
Endowment net assets, beginning of year	\$ -	\$ 5,691,873
Investment return:		
Investment return (net)	-	590,625
Total Investment Return	-	590,625
Contributions	-	270,400
Appropriations of endowment assets for expenditures	-	(716,285)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 5,836,613</u>

Endowment Net Asset Composition by Type of Fund as of June 30, 2024

Donor-restricted endowment funds	\$ -	\$ 5,836,613
Unrestricted endowment funds	-	-
Total	<u>\$ -</u>	<u>\$ 5,836,613</u>

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 NUPMIFA requires the Opera to retain as a fund of perpetual duration. There were no endowment funds at a deficiency at June 30, 2024.

Investment Policy

At the beginning of each fiscal year, the Board of Directors, based on recommendation of the Finance Committee, shall determine the investment policy to be followed by the endowments for that year. Asset allocation policy – the general range for fixed income investments is 20% to 60%, equity investments 40% to 70%, cash and short-term investments up to 30%. The investment policy of the endowment shall be to maximize the return on the endowment's assets commensurate with preservation of those assets.

Distribution Policy

The Opera may disburse any or all of the income of the Crescendo endowment to support the activities of the Opera. The Opera may annually disburse any or all of the income and up to five percent of the value of the Crescendo endowment on the first day of the year. Any income which is not disbursed in one year may be carried forward and disbursed in future years. The Opera may disburse only the Hearst endowment's income of the Opera's education and outreach activities.

Opera Omaha, Inc.

Notes to Financial Statements

Note 15—Subsequent Events

Management evaluated all activity of the Opera through January 29, 2025, the date the financial statements were available to be issued. There were no significant transactions or events subsequent to June 30, 2024 that would require recognition or disclosure in the financial statements.