

Shreveport Opera

Financial Statements

Year Ended June 30, 2022

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Independent Auditor's Report

The Board of Directors
Shreveport Opera
Shreveport, Louisiana

Opinion

I have audited the accompanying financial statements of the Shreveport Opera (a Louisiana not-for-profit corporation), which comprise the statements of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related summary of accounting policies and notes to financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Shreveport Opera as of June 30, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Shreveport Opera and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 accounting principles generally accepted in the United States of America, 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, that raise substantial doubt about the Shreveport 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

My 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 my 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 generally accepted auditing standards 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.

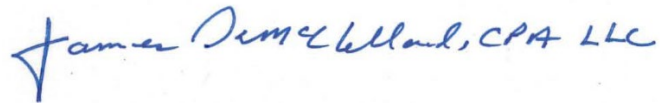
In performing an audit in accordance with generally accepted auditing standards, I:

- 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 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 Shreveport 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Shreveport Opera's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The Schedule of Compensation, Benefits and Other Payments to Agency Head on page 25 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Compensation, Benefits and Other payments to Agency Head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, The Schedule of Compensation, Benefits and Other Payments to Agency Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Certified Public Accountant

Shreveport, Louisiana
December 28, 2022

Shreveport Opera

Statement of Financial Position

<i>June 30, 2022</i>	General Fund	Opera Guild	Total
Assets			
Current assets:			
Cash and cash equivalents (Note 1)	\$ 428,632	\$51,756	\$ 480,388
Prepaid expenses	12,345	-	12,345
Total current assets	440,977	51,756	492,733
Operating lease right of use asset (Note 3)	25,198	-	25,198
Long-term investments (Notes 6, 7 and 9)	769,958	-	769,958
Property and equipment (Note 2)	435,046	-	435,046
	\$1,671,179	51,756	\$1,722,935
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued expenses	\$ 6,177	\$ -	\$ 6,177
Refundable advances	35,000	-	35,000
Operating lease liability (Note 3)	14,856	-	14,856
Total current liabilities	56,033	-	56,033
Operating lease liability (Note 3)	10,342	-	10,342
Total liabilities	66,375	-	66,375
Net assets:			
Without donor restrictions:			
Unrestricted and undesignated	834,846	51,756	886,602
Board designated (Note 9)	769,958	-	769,958
Total net assets	1,604,804	51,756	1,656,560
	\$1,671,179	\$51,756	\$1,722,935

See accompanying summary of accounting policies and notes to financial statements.

Shreveport Opera

Statement of Activities

<i>Year Ended June 30, 2022</i>	General Fund	Opera Guild	Total
Changes in net assets without donor restrictions			
Support and revenues:			
Governmental grants (Note 11)	\$ 260,212	\$ -	\$ 260,212
Contributions	214,629	-	214,629
Other grants	185,458	-	185,458
Fundraising revenues	-	116,041	116,041
Special events	63,401	-	63,401
Box office receipts	32,607	-	32,607
Season ticket sales	25,155	-	25,155
Miscellaneous	10,412	-	10,412
Performance fees	6,700	-	6,700
Return on investment, net	(108,055)	-	(108,055)
Total support and revenues without donor restrictions	690,519	116,041	806,560
Expenses:			
Program activities			
Stage productions program	208,549	-	208,549
Education and awareness program	133,325	-	133,325
Supporting activities			
General and administrative program	273,022	-	273,022
Fundraising program	44,247	40,861	85,108
Total expenses	659,143	40,861	700,004
Increase in net assets without donor restrictions	31,376	75,180	106,556
Interfund transfers	51,035	(51,035)	-
Net assets, beginning of year	1,522,393	27,611	1,550,004
Net assets, end of year	\$1,604,804	\$ 51,756	\$1,656,560

See accompanying summary of accounting policies and notes to financial statements.

Shreveport Opera

Statement of Functional Expenses

Year ended June 30, 2022	Program Activities		Supporting Activities		Total Expenses
	Stage Productions Program	Education and Awareness Program	Management and General Program	Fundraising Program	
Expenses:					
Accounting and auditing	\$ -	\$ -	\$ 10,365	\$ -	\$ 10,365
Advertising and promotion	2,276	-	688	7,518	10,482
Artists and stage costs	170,699	44,497	6,675	-	221,871
Bank and credit card fees	-	-	5,911	-	5,911
Conferences and meetings	-	-	100	-	100
Contract services	-	1,650	5,944	-	7,594
Depreciation	7,907	10,116	-	-	18,023
Dues and subscriptions	-	-	2,007	-	2,007
Employee benefits	-	11,249	11,249	-	22,498
Equipment rental	3,417	-	-	-	3,417
Insurance	-	15,036	14,516	-	29,552
Meals	117	-	1,151	110	1,378
Miscellaneous	499	2,189	3,238	2,953	8,879
Occupancy	-	5,819	5,819	-	11,638
Office supplies	4,085	-	2,086	537	6,708
Opera Guild fundraising	-	-	-	24,437	24,437
Payroll taxes	506	2,065	14,172	-	16,743
Postage and delivery	77	-	554	-	631
Printing and reproduction	2,525	1,177	2,849	4,942	11,493
Production costs, other	-	-	587	-	587
Retirement	-	595	3,066	-	3,661
Salary and wages	324	26,433	177,989	-	204,746
SOX house utilities	-	10,846	-	-	10,846
Special events	-	-	859	43,365	44,224
Telephone	-	1,170	1,673	-	2,843
Travel and transportation	16,117	483	1,524	1,246	19,370
Total expenses	\$208,549	\$133,325	\$273,022	\$85,108	\$700,004

See accompanying summary of accounting policies and notes to financial statements.

Shreveport Opera

Statement of Cash Flows

<i>Year Ended June 30, 2022</i>	General Fund	Opera Guild	Total
Cash Flows from Operating Activities:			
Increase in net assets without donor restrictions	\$ 31,376	\$ 75,180	\$ 106,556
Adjustments to reconcile excess of support and revenues over expenses to net cash used by operating activities:			
Interfund transfers	51,035	(51,035)	-
Depreciation and amortization	18,023	-	18,023
Net realized and unrealized losses on investments	122,578	-	122,578
Change in operating assets and liabilities:			
Accounts payable and accrued expenses	(1,040)	-	(1,040)
Contract liabilities and refundable advances	33,000	(15,275)	17,725
Net cash provided by operating activities	254,972	8,870	263,842
Cash Flows from Investing Activities –			
Additions to plant and equipment	(112,421)	-	(112,421)
Purchase of investment securities	(123,998)	-	(123,998)
Proceeds from sale of securities	9,475	-	9,475
Net cash used by investing activities	(226,944)	-	(226,944)
Cash Flows from Financing Activities –			
Intermediary held for the benefit of others	(81,750)	-	(81,750)
Net cash used by financing activities	(81,750)	-	(81,750)
Net (decrease) increase in cash	(53,722)	8,870	(44,852)
Cash and restricted cash, at beginning of year	482,354	42,886	525,240
Cash and restricted cash, at end of year	\$ 428,632	\$ 51,756	\$ 480,388

The following provides a reconciliation of unrestricted cash and restricted cash reported within the statements of cash flows that sum to the total of the same such amounts shown in the statements of cash flows:

<i>Year Ended June 30, 2022</i>	General Funds	Opera Guild	Total
Cash, unrestricted	\$428,632	\$51,756	\$480,388
Cash, restricted	-	-	-
Total cash	\$428,632	\$51,756	\$480,388

See accompanying summary of accounting policies and notes to financial statements.

Shreveport Opera

Summary of Accounting Policies

Summary of Accounting Policies

This summary of accounting policies of the Shreveport Opera (the "Opera") is presented to assist in understanding the the Opera's financial statements. The financial statements and notes are representations of the Opera's management, who is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

Nature of Business

The Opera is a nonprofit corporation organized under the laws of the State of Louisiana. The Opera was organized to foster and promote the production of quality performances of opera and music drama, to aid in furthering the development of opera, and to further educational efforts which support the growth, development and appreciation of opera as viable art form within the Ark-La-Tex region.

Substantially all of the Opera's revenue is from the sale of admissions to Opera sponsored events, fundraising and sponsorships, rentals and grant income.

Method of Accounting

The Opera uses the accrual basis of accounting. The Opera recognizes revenues, expenses, assets, liabilities, and changes in net assets among two fund groups: General Fund and Opera Guild.

Financial Statement Presentation

The Opera adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. Under ASU 2016-14, the Opera is required to report information regarding the financial position and activities according to two classes of net assets; assets with donor restrictions and assets without donor restrictions.

Net Assets

Assets without donor restrictions – The part of net assets that are not restricted by donor/grantor-imposed stipulations.

Assets with donor restrictions – The part of net assets that are restricted by donor/grantor-imposed stipulations

Summary of Accounting Policies (Continued)

Revenue from Unconditional Contributions

Unconditional contributions received may be recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions.

Support and contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support and contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions

Contributed Nonfinancial Assets – The Association reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. The Association’s policy is to use contributed nonfinancial assets for in operationing activities unless otherwise stipulated by explicit donor restrictions.

Shreveport Opera

Summary of Accounting Policies (Continued)

Revenue from Conditional Contributions, Grants, and Non-exchange Contracts

The Opera adopted ASU 2018-08 – “Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.” The ASU introduces the concept of “barriers” and provides guidance on identifying conditions that would preclude the recognition of a contribution as revenue or effect the timing thereof. A barrier or condition represents a criteria the Opera must achieve before becoming entitled to the transferred asset.

Assets received as conditional contributions, grants, and non-exchange contracts are accounted for as refundable advances on the statement of financial position until the condition has been substantially met or explicitly waived by the donor. Revenue is recognized on the date the condition was met as an increase in net assets without donor restrictions on the statement of activities.

Refundable Advances

The Opera records refundable advances related to contributions, grants, and non-exchange contracts received with donor-imposed conditions where the condition has not been substantially met or explicitly waived. Refundable advances were \$35,000 as of June 30, 2022.

Summary of Accounting Policies (Continued)

Revenue from Contracts with Customers

The Opera adopted ASU 2014-09 – “Revenue from Contracts with Customers (Topic 606)” as amended. Under the ASU, entities are required to identify and segment contracts into performance obligations and to account for certain contract costs and revenues as contract assets or contract liabilities. Revenue is recognized upon completion of contractual performance obligations as an increase in net assets without donor restrictions.

Performance Obligations

Ticket Sales and Performance Fees – Revenue from ticket sales performance fees is recognized at a point in time directly associated with the performance date in an amount that reflects the consideration the Opera expects to be entitled to in exchange for those sales.

Season Ticket Sales – Revenue from season ticket sales is recognized over time throughout the show season in an amount the Opera expects to be entitled to in exchange for those sales.

Ticket Surcharges – Revenue from online ticket sales surcharges and processing fees charged to customers are recognized at a point in time directly associated with the performance date for the tickets sold in an amount that reflects the consideration the Opera expects to be entitled to in exchange for those sales.

Program Ad Sales – Revenue from program ad sales is recognized over time throughout the show season in an amount the Opera expects to be entitled to in exchange for the goods and services provided.

Sponsorships – Revenue from sponsorships may have elements of both an exchange transaction and conditional contribution. To the extent fundraising sponsorships constitutes an exchange transaction, revenue is recognized at a point in time directly associated with the sponsored event in an amount that reflects the consideration the Opera expects to receive in exchange for the goods or services provided.

(Continued)

Shreveport Opera

Summary of Accounting Policies (Continued)

Performance Obligations (continued)	<p><i>Concessionaire Booth Rentals</i> – Revenue from booth rentals to concessionaires is recognized at a point in time directly associated with the event in which the concessionaire participates in an amount the Opera expects to be entitled to in exchange for the services provided.</p> <p><i>Fund Raising Event Ticket Sales</i> – Revenue from fund raising event ticket sales is recognized at a point in time directly associated with the event in an amount that reflects the consideration the Opera expects to be entitled to in exchange for access to the event.</p>
Shipping and Handling	<p>The Opera treats shipping and handling activities as a part of the underlying promise to transfer goods to customers and to not treat them as a separate performance obligation. Thus, no portion of revenue received from customers is allocated to shipping and handling activities. All shipping and handling costs are classified as fulfillment costs</p>
Contract Assets and Contract Liabilities	<p>The Opera records contract assets and liabilities related to contracts with customers.</p> <p>Contract assets consist of the Opera’s right to payment from customers for goods or services that have been provided to those customers, with the right to collection conditional on something other than the passage of time. Contract assets were \$0 for the year ended June 30, 2022</p> <p>Contract liabilities consist of the Opera’s obligation to transfer goods or services to customers for which the Opera has received consideration from customers, including advance payments received from customers for future goods and services. Contract liabilities were \$0 for the year ended June 30, 2022.</p>
Refund Liability	<p>The Opera records a refund liability in the amount of advanced ticket sales and fees for performances that were cancelled. When a performance is cancelled, customers who purchased tickets in advance of the performance may received a refund, exchange their tickets for an alternative performance, or have their purchase converted to a contribution. The refund liability was \$0 for the year ended June 30, 2022.</p>

Shreveport Opera

Summary of Accounting Policies (Continued)

Sales Taxes	Under Louisiana law, the Opera is exempt from collecting local and state sales taxes on ticket sales to qualified performances.
Contributed Services	The Opera receives donated services from many unpaid volunteers who donate their time and perform a variety of tasks that assist the the Opera. The value of contributed services meeting the requirements for recognition in the financial statements for 2022 was not material and has not been recorded.
Functional Expenses	Expenses are charged directly to program services, general and administrative, and Opera Guild expenses in general categories based on specific identification. For the year ended June 30, 2022, management had not allocated any supporting activity expenses to program activities.
Use of Estimates	The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Significant estimates in the financial statements are depreciation and amortization of property, as well as the value of investments and refund liability.
Property and Equipment	The Opera capitalizes property and equipment with useful lives over three years. Property and equipment are stated at cost, or if donated, at the fair market value at the date of donation. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets, which range from 5 to 39 years. Maintenance and repairs which do not improve or extend the life of the respective assets are expensed as incurred.
Concentrations of Credit Risk	The Opera serves a limited geographic area. Due to the nature of its operations, the Opera is dependent upon the local community and the health of the local economy in which it operates.

Shreveport Opera

Summary of Accounting Policies (Continued)

Income Taxes

The Opera is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and exempt from state income tax under appropriate provisions in the laws of the State of Louisiana. The Opera is not a private foundation within the meaning of Section 509(a) and there was no unrelated net business taxable income for the year ended June 30, 2022. Accordingly, no provision for income taxes has been made in the financial statements.

The Opera has adopted ASC 740, Accounting for Uncertainty in Income Taxes. Management has evaluated the Opera's tax positions and concluded that the Opera has taken no uncertain tax positions that require adjustment to the financial statements in order to comply with the provisions of ASC 740. In addition, Management is not aware of any matters that would cause the Opera to lose its tax-exempt status. The income tax filings for the Opera's years ending in 2020 through 2022 are subject to examination by taxing authorities.

Statements of Cash Flows

For purposes of the statements of cash flows, the Opera considers all cash in bank accounts and highly liquid debt instruments purchased with original maturities of three months or less, including restricted funds not pledged as collateral or for long-term purposes, to be cash equivalents.

The Opera has adopted Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The Opera considers cash received with donor restrictions and cash maintained as intermediary funds as restricted cash.

Collective Bargaining Agreement

Certain wages paid by the Opera were covered by a collective bargaining agreement. The agreement sets wage rates for various job classifications along with other terms and conditions. The signed agreement ended August 31, 2020 but continues to remain in effect per terms of the contract.

Advertising

The Opera expenses advertising as it is incurred. The Opera expended \$10,482 in the year ended June 30, 2022 for advertising.

Summary of Accounting Policies (Concluded)

Leases

The Opera determines if an arrangement is a lease at inception. Operating leases are included in lease right-of-use (“ROU”) assets and lease liabilities in the statement of financial position. Finance leases are included in property and equipment lease liabilities in the statement of financial position.

ROU assets represent the Opera’s right to use an underlying asset for the lease term and lease liabilities represent the Opera’s obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term using the implicit rate in the lease, when available, or, when the implicit rate is not available, the Opera’s incremental borrowing rate based on the information available at commencement date. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Subsequent Events

Management evaluated events subsequent to the Opera’s most recent year end through December 28, 2022, the date the financial statements became available for issuance.

Shreveport Opera

Notes to Financial Statements

- 1. Cash and cash equivalents** Cash and cash equivalents include interest and non-interest bearing demand deposits and time deposits with maturities of less than three months.

At June 30, 2022, \$181,955 of demand deposits exceeded Federal Depository Insurance Corporation limits.

- 2. Property and Equipment** Major classes of property and equipment consist of the following at June 30, 2022:

Buildings	\$371,444
Furniture, fixtures and equipment	148,785
Vehicles	30,000
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	550,229
Less accumulated depreciation and amortization	115,183
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Net property and equipment	\$435,046

- 3. Leases** The Opera adopted FASB ASC 842, *Leases*. Under this Statement, a lessee is required to recognize a lease liability and an intangible lease right-of-use asset ("ROU").

The Opera has the following lease obligations as of June 30, 2022:

Office equipment with an initial present value of \$9,772, a stated annual interest rate of 4.0% included in 60 monthly payments of \$180 beginning February 2022 with an option to purchase the equipment at fair market value at the end of the lease term.

Office space with an initial present value of \$55,726, an imputed interest rate of 5.25% included in 60 monthly payments of \$1,058 beginning November 2018 with no option to purchase the facility at the end of the lease term.

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Shreveport Opera

Notes to Financial Statements (Continued)

3. Leases (Continued)

The following schedule summarizes lease information for 2022:

Operating lease expense	\$14,831
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Cash paid for amounts included in the measurement of lease and liabilities for operating leases:

Operating cash flows	\$14,831
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ROU assets obtained in exchange for lease liabilities:

Operating leases	\$ 9,772
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Weighted average remaining term (in years):

Operating lease	2.9
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Weighted average discount rate:

Operating leases	4.63%
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	Operating Leases
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Maturity Analysis	
2023	14,856
2024	6,163
2025	2,160
2026	2,160
2027	1,257
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Total	26,596
Lease: Present value discount	(1,398)
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Lease liability	\$25,198
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4. Supplemental Cash Flows Information

There was no cash paid for interest or income taxes for the year ended June 30, 2022.

Shreveport Opera

Notes to Financial Statements (Continued)

5. **Employee Benefit Plans** The Opera uses hourly employees who belong to the International Alliance of Theatrical Stage Employees Union and are covered under the IATSE National Benefit Funds pension plan. Benefits paid to union employees was \$2,782 for the year ended June 30, 2022.

The Opera maintains a Savings Incentive Match Plan for Employees Individual Retirement Account (SIMPLE IRA). The Opera matches employee contributions up to a maximum of 3% of wages. Employer contribution to the SIMPLE IRA plan was \$5,892 for the year ending June 30, 2022.

6. **Investments** Investments are stated at fair market value and consist of the following:

June 30, 2022	Cost	Market
Money Market Funds	\$ 58,365	\$ 58,365
Exchange Traded Funds	589,735	621,023
Mutual Funds	92,500	90,570
Total	\$740,600	\$769,958

Interest, dividends, and net realized and unrealized losses for the year ended June 30, 2022 were \$(108,055).

7. **Fair Value of Financial Instruments** The Opera has adopted the provisions of FASB ASC 820-10 and subsections. Under FASB ASC 820-10, fair value is defined as the 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.

FASB ASC 820-10 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

(Continued)

Shreveport Opera

Notes to Financial Statements (Continued)

7. Fair Value of Financial Instruments (Continued)

Level 1 – Valuations based on adjusted quoted prices in active markets for identical assets or liabilities as of the reporting date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, as of the reporting date.

Level 3 – Valuations based on inputs are unobservable and include situations where there is little, if any, market activity of the investment. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Assets measured at fair value on a recurring basis at June 30, 2020 consist of the following:

	Level 1	Level 2	Level 3	Fair Market Value
Money Market	\$ 58,365	\$ -	\$ -	\$ 58,365
Mutual Funds	90,570	-	-	90,570
Exchange Traded Funds	621,023	-	-	621,023
Total	\$769,958	\$ -	\$ -	\$769,958

8. Related Party Transactions

The spouse of a member of management is a part-time employee. Wages and benefits paid were \$6,397.

Shreveport Opera

Notes to Financial Statements (Continued)

9. **Board Restricted Net Assets** Board designated net assets without donor restrictions consist of quasi-endowment long-term investments subject to spending policy and appropriation to support the following purposes as of June 30, 2022:

General activities	\$769,958
Total	\$769,958

10. **Liquidity and Availability of Financial Assets** The following reflects the Opera's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position date. Amounts not available also include amounts set aside by the board of directors that could be drawn upon if the board approves that action.

Year ended June 30, 2022

Financial assets at year end: \$ 1,250,346

Less those designated by the board of directors as quasi-endowments subject to spending policy and appropriation to support general activities (769,958)

Financial assets available to meet cash needs for general expenditures within one year \$ 480,388

Financial assets available to meet cash needs for general expenditures within one year consist of the following:

Year ended June 30, 2022

Cash and cash equivalents \$480,388

Total \$480,388

The Opera manages liquidity by structuring financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management believes the Opera has sufficient financial assets available for general operations that may be drawn upon in the event of unanticipated financial distress or an immediate liquidity need.

Shreveport Opera

Notes to Financial Statements (Continued)

11. Government Grants

The Opera received grants from the following governmental entities to support general operations:

Year ended June 30, 2022

Small Business Administration	117,850
National Endowment for the Arts	65,500
Employee Retention Credit	52,862
Caddo Parish School Board	10,000
Louisiana Division of the Arts	10,000
Caddo Parish Commission	4,000
	<u>260,212</u>

Government grants include \$52,862 Employee Retention Credit (ERC). The ERC was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Under the ERC program, an eligible entity may take a credit against employer's portion of Social Security taxes withheld on qualified wages paid to employees after March 12, 2020, and before January 1, 2021.

Management believes the Opera has met the requirements to claim the ERC and has recorded the credit amount as a conditional governmental grant under the provisions of ASC 958-605. However, laws and regulations concerning the ERC are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Opera's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the Opera.

Governmental grants include \$117,850 awarded under the Shuttered Venue Operators Grant (SVOG) program. The SVOG program was established by Section 324 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and amended by the American Rescue Plan Act. Recipients must expend SVOG funds for purposes approved under the grant provisions.

(Continued)

Shreveport Opera

Notes to Financial Statements (Continued)

11. Governmental Grants (Continued)

Management believes the Opera has met the requirements for permissible SVOG expenditures and has recorded the grant amount as a conditional governmental grant under the provisions of ASC 958-605. Laws and regulations concerning the SVOG are complex and subject to varying interpretations. Claims made under the SVOG program may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Opera's claim to the SVOG, and it is not possible to determine the impact (if any) this would have upon the Opera.

12. Disaggregation of Revenue

Revenue, disaggregated by timing of transfer of goods and services is summarized as follows:

Year ended June 30, 2022

Revenue recognized based on goods and services transferred to customers at a point in time:

Booth rentals	\$53,225
Ticket sales and surcharges	32,607
Sponsorships	30,300
Fundraising event ticket sales	24,225
Performance fees	6,700

Total revenue recognized at a point in time	\$147,057
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Revenue recognized based on goods and services transferred to customers over time:

Season ticket sales	\$25,155
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Total revenue recognized over time	\$25,155
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13. Subsequent Events

Subsequent to June 30, 2022, the Opera received two separate amounts from an estate and a Trust totaling approximately \$1,058,000. Since the Opera was informed of these donations only after June 30, 2022, these amounts have not been recorded in the accompanying statements.

Shreveport Opera

Notes to Financial Statements (Concluded)

- 14. Adoption of new Accounting Standard** For the year ended June 30, 2022, the Association adopted ASU 2020-07, "Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets." The goal of the ASU is to bring more transparency and consistency to the presentation and disclosure of contributed nonfinancial assets, also known as gifts-in-kind. The standard requires not-for-profit entities to disclose qualitative information about whether contributed nonfinancial assets were utilize or monetized. Additionally, entities must provide a description of donor-imposed restrictions (if any) and a description of valuation techniques used to arrive at a fair value measurement at initial recognition. The standard is effective for fiscal years beginning after June 15, 2021. The ASU was adopted on a retrospective basis with no material impact on the financial statements for the year ended June 30, 2022.

Supplementary Information



Shreveport Opera

Schedule of Compensation, Benefits and Other Payments to Agency Head

Louisiana Revised Statute 24:513 (A) (3) requires reporting of the total compensation, reimbursements, and benefits paid to the agency head or chief executive officer. This law was further amended by Act 462 of the 2015 Regular Session of the Louisiana Legislature to clarify that nongovernmental or not-for-profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer from public funds.

Year Ended June 30, 2022

Steven P. Aiken, General and Artistic Director

Salary	\$97,447
Benefits – insurance	-
Benefits – retirement	2,917
Deferred compensation contributions	-
Car allowance	-
Vehicle provided by organization	-
Parking	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	711
Travel	693
Registration fees	-
Conference travel	-
Education expenses	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<hr/> \$101,768 <hr/>

Shreveport Opera

Schedule of Findings

Current Findings:

There were no findings for the year ended June 30, 2022.

Past Findings:

There were no findings for the year ended June 30, 2021.