

The Minnesota Opera

2016 Return of Organization Exempt from Tax (Form 990)
2016 Exempt Organization Business Income Tax Return (Form 990-T)

Year-End June 30, 2017

Public Disclosure

STATEMENT THAT THIS IS A TAX RETURN NOT A FINANCIAL STATEMENT

The accompanying federal income tax return does **NOT** constitute a financial statement. We have not audited, reviewed or compiled the accompanying income tax return and, accordingly, do not express an opinion or any other form of assurance on it.

An income tax return is not intended to constitute financial statements prepared in accordance with generally accepted accounting principles. Accordingly, it does not necessarily include all financial information or disclosures required by generally accepted accounting principles. If the omitted financial information or disclosures were included with the tax return, they might influence the users' conclusions about the taxpayer's financial position, results of operations and cash flows. Accordingly, this income tax return is not designed to be used in lieu of financial statements.

RECORD RETENTION

Copies of your tax returns are enclosed for your files. It is your responsibility to retain copies of your tax information. We recommend the following guidelines:

- Tax returns – keep indefinitely.
- Supporting documentation – keep for 8 years.
- Records supporting your tax basis in personal, investment and business assets and gift documentation – keep indefinitely.

Please note: Eide Bailly retains copies of tax returns, workpapers and other tax information for a period of eight years. After that, we dispose of all records. If you have questions regarding retention of tax records, please contact us.

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.
▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public Inspection

A For the 2016 calendar year, or tax year beginning **JUL 1, 2016** and ending **JUN 30, 2017**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization The Minnesota Opera Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 620 North First Street City or town, state or province, country, and ZIP or foreign postal code Minneapolis, MN 55401	D Employer identification number 41-0946789 E Telephone number 612-342-9551
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		G Gross receipts \$ 9,024,189.
J Website: ▶ www.mnopera.org		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1963 M State of legal domicile: MN

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: MN Opera changes lives by bringing people together to advance the art of opera. 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. 3 Number of voting members of the governing body (Part VI, line 1a) 3 35 4 Number of independent voting members of the governing body (Part VI, line 1b) 4 32 5 Total number of individuals employed in calendar year 2016 (Part V, line 2a) 5 244 6 Total number of volunteers (estimate if necessary) 6 54 7a Total unrelated business revenue from Part VIII, column (C), line 12 7a 350. 7b Net unrelated business taxable income from Form 990-T, line 34 7b -4,683.	
Revenue	8 Contributions and grants (Part VIII, line 1h) 7,436,525. Prior Year 4,704,009. Current Year 9 Program service revenue (Part VIII, line 2g) 3,166,519. 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 540,704. 648,971. 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) -28,355. 23,158. 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 11,115,393. 8,929,896.	
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) 0. 0. 14 Benefits paid to or for members (Part IX, column (A), line 4) 0. 0. 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) 4,440,822. 5,091,853. 16a Professional fundraising fees (Part IX, column (A), line 11e) 45,000. 0. b Total fundraising expenses (Part IX, column (D), line 25) ▶ 1,038,504. 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 6,158,635. 6,098,435. 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 10,644,457. 11,190,288. 19 Revenue less expenses. Subtract line 18 from line 12 470,936. -2,260,392.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16) 28,063,648. Beginning of Current Year 26,938,068. End of Year 21 Total liabilities (Part X, line 26) 3,229,887. 3,492,997. 22 Net assets or fund balances. Subtract line 21 from line 20 24,833,761. 23,445,071.	

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer Ryan Taylor, President and General Director Type or print name and title	Date _____			
Paid Preparer Use Only	Print/Type preparer's name Deb Nelson, CPA	Preparer's signature Deb Nelson, CPA	Date 05/07/18	Check if self-employed <input type="checkbox"/>	PTIN P01264758
	Firm's name ▶ Eide Bailly LLP				Firm's EIN ▶ 45-0250958
	Firm's address ▶ 800 Nicollet Mall, Ste. 1300 Minneapolis, MN 55402-7033				Phone no. 612-253-6500

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission: The Minnesota Opera changes lives by bringing together artists, audiences, and community, advancing the art of opera for today and for future generations.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code:) (Expenses \$ 7,087,551. including grants of \$) (Revenue \$ 2,975,028.) Founded in 1963 and currently in its 55th season, the Minnesota Opera has produced 44 World Premieres, 12 American Premieres and countless revivals, and is one of the opera industry's most ambitious, creative and community-engaged organizations.

4b (Code:) (Expenses \$ 359,478. including grants of \$) (Revenue \$ 112,547.) Minnesota Opera's education and outreach efforts reached over 20,000 persons through efforts including: coOPERation! - a residency program that places Teaching Artists into schools, libraries and community centers; Music Out Loud - a high frequency afterschool program for underserved youth; Stories Sing - a library-based story time program for young children; Day at the Opera - audition master classes which provide opportunities for high school students to work with members of the Opera staff and guest artists; Project Opera - consisting of three groups, Ragazzi (grades 4 to 8), Giovani (grades 9 to 12) and the Apprentice program (grade 12); Summer Opera Camp - a week-long vocal training program for teens; Children's Chorus Summer Opera Camp - a four-day long day camp for children ages 7 to 12; Opera Artist+ - a

4c (Code:) (Expenses \$ 427,977. including grants of \$) (Revenue \$ 22,295.) Minnesota Opera's nationally acclaimed Resident Artist Program nurtures the next generation of opera artists, providing them a critical bridge between conservatory training and a professional career. During the 2016-17 season, 13 young professionals in voice, stage direction, and arts administration received nine months of intensive professional development, including master classes, audition training, and the chance to network with agents and other companies.

4d Other program services (Describe in Schedule O.) (Expenses \$ 271,069. including grants of \$) (Revenue \$ 443,888.)

4e Total program service expenses 8,146,075.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	X	
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	X	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>	X	
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	X	
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	X	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	X	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?		
Note. All Form 990 filers are required to complete Schedule O	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
	1a 208		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	2a 244		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b	If "Yes," has it filed a Form 990-T for this year? If "No," to line 3b, provide an explanation in Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
	1a 35		
b	Enter the number of voting members included in line 1a, above, who are independent		
	1b 32		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?		X
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	X	
b	Other officers or key employees of the organization		X
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **MN**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: **Steve Matheson - 612-342-9551**
620 North First Street, Minneapolis, MN 55401

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Margaret Wurtele Board Chair	4.00 0.50	X		X				0.	0.	0.
(2) H Bernt von Ohlen Board Vice Chair	4.00 0.00	X		X				0.	0.	0.
(3) Nadege Souvenir Board Secretary	4.00 0.00	X		X				0.	0.	0.
(4) John Junek Board Treasurer	4.00 0.00	X		X				0.	0.	0.
(5) Richard Allendorf Board Member	2.50 0.00	X						0.	0.	0.
(6) Patricia Beithon Board Member	2.50 0.00	X						0.	0.	0.
(7) Karen Brooks Board Member	2.50 0.00	X						0.	0.	0.
(8) Bernard Brunsman Board Member	2.50 0.00	X						0.	0.	0.
(9) Jane Confer Board Member	2.50 0.00	X						0.	0.	0.
(10) Jay Debertain Board Chair	2.50 0.00	X						0.	0.	0.
(11) Sara Donaldson Board Member	2.50 0.00	X						0.	0.	0.
(12) Sidney W Emery Board Member	2.50 0.00	X						0.	0.	0.
(13) Maureen Harms Board Member	2.50 0.00	X						0.	0.	0.
(14) Sharon Hawkins Board Member	2.50 0.00	X						0.	0.	0.
(15) Ruth Huss Board Member	2.50 0.00	X						0.	0.	0.
(16) Mary Ingebrand-Pohlrad Board Member	2.50 0.00	X						0.	0.	0.
(17) Phillip Isaacson Board Member	2.50 0.00	X						0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Patricia Johnson Board Member	2.50 0.00	X						0.	0.	0.
(19) J Jackson Board Member	2.50 0.00	X						0.	0.	0.
(20) James Johnson Board Member	2.50 0.00	X						0.	0.	0.
(21) Christine Larsen Board Member	2.50 0.00	X						0.	0.	0.
(22) Mary Lazarus Board Member	2.50 0.00	X						0.	0.	0.
(23) Cynthia Y Lee Board Member	2.50 0.00	X						0.	0.	0.
(24) Albin Nelson Board Member	2.50 0.00	X						0.	0.	0.
(25) Kay Ness Board Member	2.50 0.00	X						0.	0.	0.
(26) Jose Peris Board Member	2.50 0.20	X						0.	0.	0.
1b Sub-total								0.	0.	0.
c Total from continuation sheets to Part VII, Section A								495,495.	0.	69,487.
d Total (add lines 1b and 1c)								495,495.	0.	69,487.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **3**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
Michael Christie 1776 James Ave S, Minneapolis, MN 55403	Conducting	177,000.
Kelly Gregory 3950 Feagan Street, Houston, TX 77007	Singer	105,000.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **2**

See Part VII, Section A Continuation sheets

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c	436,825.			
	d Related organizations	1d	387,220.			
	e Government grants (contributions)	1e	540,492.			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	3,339,472.			
	g Noncash contributions included in lines 1a-1f: \$		467,476.			
	h Total. Add lines 1a-1f		4,704,009.			
	Program Service Revenue	2 a Opera Season/Admission	Business Code 711190	2,975,028.	2,975,028.	
b Rental Income		711190	181,725.	181,725.		
c Co-Production Income		711190	169,489.	169,489.		
d Outreach and Education		711190	112,547.	112,547.		
e						
f All other program service revenue		711190	114,969.	114,969.		
g Total. Add lines 2a-2f			3,553,758.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		466,672.		466,322.	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross rents	(i) Real	20,047.			
		(ii) Personal				
		b Less: rental expenses	0.			
		c Rental income or (loss)	20,047.			
	d Net rental income or (loss)		20,047.		20,047.	
	7 a Gross amount from sales of assets other than inventory	(i) Securities	181,876.			
		(ii) Other	423.			
		b Less: cost or other basis and sales expenses	0.	0.		
		c Gain or (loss)	181,876.	423.		
	d Net gain or (loss)		182,299.		182,299.	
	8 a Gross income from fundraising events (not including \$ 436,825. of contributions reported on line 1c). See Part IV, line 18	a	97,404.			
		b Less: direct expenses	94,293.			
c Net income or (loss) from fundraising events			3,111.		3,111.	
9 a Gross income from gaming activities. See Part IV, line 19	a					
	b Less: direct expenses					
	c Net income or (loss) from gaming activities					
10 a Gross sales of inventory, less returns and allowances	a					
	b Less: cost of goods sold					
	c Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code				
11 a						
	b					
	c					
	d All other revenue					
	e Total. Add lines 11a-11d					
12 Total revenue. See instructions.		8,929,896.	3,553,758.	350.	671,779.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	357,070.		304,348.	52,722.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	49,195.	49,195.		
7 Other salaries and wages	3,780,819.	2,566,631.	734,302.	479,886.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	115,309.	62,950.	52,312.	47.
9 Other employee benefits	487,877.	329,535.	115,074.	43,268.
10 Payroll taxes	301,583.	190,049.	73,883.	37,651.
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	40,050.		40,050.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)				
12 Advertising and promotion	258,572.	257,314.	75.	1,183.
13 Office expenses	1,564,349.	646,501.	525,907.	391,941.
14 Information technology	21,904.	3,926.	16,907.	1,071.
15 Royalties	56,087.	56,087.		
16 Occupancy	10,630.	10,630.		
17 Travel	219,062.	163,775.	43,711.	11,576.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	9,240.	5,197.	1,840.	2,203.
20 Interest	28,748.		28,748.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	213,460.	188,399.	13,268.	11,793.
23 Insurance	50,809.		50,809.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a Fees for Production Ser	2,229,343.	2,226,754.	1,635.	954.
b Theater Rental	791,327.	791,327.		
c Production Materials	376,198.	369,149.	2,840.	4,209.
d Co-Production Expenses	228,656.	228,656.		
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	11,190,288.	8,146,075.	2,005,709.	1,038,504.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash - non-interest-bearing	1,199,925.	1	595,693.
	2 Savings and temporary cash investments	1,450,000.	2	1,450,000.
	3 Pledges and grants receivable, net	3,519,137.	3	3,084,617.
	4 Accounts receivable, net	726,893.	4	365,624.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	1,241,564.	9	1,063,987.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 6,705,207.		
	b Less: accumulated depreciation	10b 4,042,948.		
	11 Investments - publicly traded securities	2,755,865.	10c	2,662,259.
	12 Investments - other securities. See Part IV, line 11	1,011,267.	11	998,411.
	13 Investments - program-related. See Part IV, line 11	8,555,543.	12	8,830,801.
	14 Intangible assets		13	
	15 Other assets. See Part IV, line 11		14	
16 Total assets. Add lines 1 through 15 (must equal line 34)	7,603,454.	15	7,886,676.	
	28,063,648.	16	26,938,068.	
Liabilities	17 Accounts payable and accrued expenses	248,187.	17	429,623.
	18 Grants payable		18	
	19 Deferred revenue	1,981,700.	19	2,063,374.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	1,000,000.	22	1,000,000.
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	3,229,887.	26	3,492,997.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	69,574.	27	239,058.
	28 Temporarily restricted net assets	5,605,964.	28	3,750,290.
	29 Permanently restricted net assets	19,158,223.	29	19,455,723.
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	24,833,761.	33	23,445,071.
	34 Total liabilities and net assets/fund balances	28,063,648.	34	26,938,068.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	8,929,896.
2	Total expenses (must equal Part IX, column (A), line 25)	2	11,190,288.
3	Revenue less expenses. Subtract line 2 from line 1	3	-2,260,392.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	24,833,761.
5	Net unrealized gains (losses) on investments	5	588,480.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	283,222.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	23,445,071.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b	Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits _____		

Form 990 (2016)

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	4,748,172.	5,333,244.	6,832,644.	7,436,525.	4,704,009.	29,054,594.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
4 Total. Add lines 1 through 3	4,748,172.	5,333,244.	6,832,644.	7,436,525.	4,704,009.	29,054,594.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						4,756,696.
6 Public support. Subtract line 5 from line 4.						24,297,898.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
7 Amounts from line 4	4,748,172.	5,333,244.	6,832,644.	7,436,525.	4,704,009.	29,054,594.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ...	522,308.	485,306.	496,958.	457,787.	486,369.	2,448,728.
9 Net income from unrelated business activities, whether or not the business is regularly carried on ...						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						31,503,322.
12 Gross receipts from related activities, etc. (see instructions)					12	17,754,048.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f))	14	77.13 %
15 Public support percentage from 2015 Schedule A, Part II, line 14	15	73.49 %
16a 33 1/3% support test - 2016. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input checked="" type="checkbox"/>
b 33 1/3% support test - 2015. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2016. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2015. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2015 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2016 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2015 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2016. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2015. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI .		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2 Activities Test. Answer (a) and (b) below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.		
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.		
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI .		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI.) **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount		(A) Prior Year	Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions	
7 Total annual distributions. Add lines 1 through 6	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions	
9 Distributable amount for 2016 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2016	(iii) Distributable Amount for 2016
1 Distributable amount for 2016 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2016 (reasonable cause required- explain in Part VI). See instructions			
3 Excess distributions carryover, if any, to 2016:			
a			
b			
c From 2013			
d From 2014			
e From 2015			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2016 distributable amount			
i Carryover from 2011 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2016 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2016 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2016, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions			
6 Remaining underdistributions for 2016. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions			
7 Excess distributions carryover to 2017. Add lines 3j and 4c			
8 Breakdown of line 7:			
a			
b Excess from 2013			
c Excess from 2014			
d Excess from 2015			
e Excess from 2016			

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Name of the organization

The Minnesota Opera

Employer identification number

41-0946789

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2016)

Name of organization The Minnesota Opera	Employer identification number 41-0946789
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Part I Contributors (See instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
<u>6</u>	 <hr/> <hr/> <hr/>	\$ <u>387,220.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>1</u>	 <hr/> <hr/> <hr/>	\$ <u>130,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>2</u>	 <hr/> <hr/> <hr/>	\$ <u>235,535.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>3</u>	 <hr/> <hr/> <hr/>	\$ <u>540,492.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>5</u>	 <hr/> <hr/> <hr/>	\$ <u>173,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>4</u>	 <hr/> <hr/> <hr/>	\$ <u>408,950.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization The Minnesota Opera	Employer identification number 41-0946789
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Part II Noncash Property (See instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions)	(d) Date received
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____

Name of organization The Minnesota Opera	Employer identification number 41-0946789
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$ _____
 Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**
▶ **Attach to Form 990.**

▶ **Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.**

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization The Minnesota Opera **Employer identification number** 41-0946789

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
 Preservation of land for public use (e.g., recreation or education) Preservation of a historically important land area
 Protection of natural habitat Preservation of a certified historic structure
 Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1

(ii) Assets included in Form 990, Part X

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1

b Assets included in Form 990, Part X

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	19,862,925.	20,479,278.	20,266,583.	19,601,155.	18,998,004.
b Contributions	14,278.	418,959.	5,000.	45,800.	59,287.
c Net investment earnings, gains, and losses	1,095,004.	1,035,312.	1,001,640.	2,177,180.	543,864.
d Grants or scholarships					
e Other expenditures for facilities and programs	617,960.		793,945.	1,557,552.	
f Administrative expenses					
g End of year balance	20,354,247.	21,933,549.	20,479,278.	20,266,583.	19,601,155.

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment 3.16 %
- b Permanent endowment 95.58 %
- c Temporarily restricted endowment 1.26 %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)	X	
3a(ii)	X	
3b	X	

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,110,000.		1,110,000.
b Buildings		4,168,752.	2,725,254.	1,443,498.
c Leasehold improvements				
d Equipment		1,426,455.	1,317,694.	108,761.
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				2,662,259.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) The Minnesota Opera		
(B) Endowment	8,830,801.	End-of-Year Market Value
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.)	8,830,801.	

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.)		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) Oakleaf Endowment Trust for MN Opera	7,376,220.
(2) Phillips Charitable Remainder Trust	67,200.
(3) Walter S & Margaret L Meyers Charitable Foundation	443,256.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	7,886,676.

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	8,692,866.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	588,480.
b	Donated services and use of facilities	2b	973.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	589,453.
3	Subtract line 2e from line 1	3	8,103,413.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	826,483.
c	Add lines 4a and 4b	4c	826,483.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	8,929,896.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	11,190,838.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	973.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	-423.
e	Add lines 2a through 2d	2e	550.
3	Subtract line 2e from line 1	3	11,190,288.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	11,190,288.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Part V, line 4:

Minnesota Opera's endowment consists of pooled gifts restricted for the long-term support of Minnesota Opera and seven funds where the earnings are restricted to various purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments.

Part X, Line 2:

Minnesota Opera is a Minnesota nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable

Part XIII Supplemental Information (continued)

contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). Minnesota Opera is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, Minnesota Opera is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purpose. Minnesota Opera files an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS to report its unrelated business activity.

Minnesota Opera believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements.

Minnesota Opera would recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if such interest and penalties are incurred.

Part XI, Line 4b - Other Adjustments:

Contributions Recorded in Fund Balance for Financial Statements	14,278.
Investment Income Recorded in Fund Balance for Financial Statements	811,782.
Gain on Sale of Assets Recorded in Expenses for Financial Statements	423.
Total to Schedule D, Part XI, Line 4b	826,483.

Part XII, Line 2d - Other Adjustments:

Part II Fundraising Events. Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
		Gala (event type)	RAP Cabaret (event type)	None (total number)	
Revenue	1 Gross receipts	467,272.	66,957.		534,229.
	2 Less: Contributions	423,448.	13,377.		436,825.
	3 Gross income (line 1 minus line 2)	43,824.	53,580.		97,404.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages	37,256.	25,788.		63,044.
	8 Entertainment	4,512.			4,512.
	9 Other direct expenses	18,785.	7,952.		26,737.
	10 Direct expense summary. Add lines 4 through 9 in column (d)				94,293.
11 Net income summary. Subtract line 10 from line 3, column (d)				3,111.	

Part III Gaming. Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7 Direct expense summary. Add lines 2 through 5 in column (d)				
	8 Net gaming income summary. Subtract line 7 from line 1, column (d)				

9 Enter the state(s) in which the organization conducts gaming activities: _____
a Is the organization licensed to conduct gaming activities in each of these states? Yes No
b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year? Yes No
b If "Yes," explain: _____

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2016

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization **The Minnesota Opera** Employer identification number **41-0946789**

Part I Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input checked="" type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (such as, maid, chauffeur, chef)		
b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	X
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?	2	X
3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. <input checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations <input checked="" type="checkbox"/> Written employment contract <input type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee		
4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a Receive a severance payment or change-of-control payment?	4a	X
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X
c Participate in, or receive payment from, an equity-based compensation arrangement?	4c	X
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.		
5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a The organization?	5a	X
b Any related organization?	5b	X
If "Yes" on line 5a or 5b, describe in Part III.		
6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a The organization?	6a	X
b Any related organization?	6b	X
If "Yes" on line 6a or 6b, describe in Part III.		
7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III	7	X
8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8	X
9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2016

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Dale Johnson Artistic Director	(i)	141,575.	0.	229.	4,414.	18,178.	164,396.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) Carley Stuber Chief Development Officer	(i)	137,426.	0.	50.	0.	24,327.	161,803.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
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	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Part I, Line 1a:

The Organization pays social club dues for the President. This is considered a business expense of the organization since the Organization requires the President to be active at the social club. The social club does not offer memberships at the business level; thus the membership must be held at the individual level.

Part I, Line 1b:

The Minneapolis Club bill is reviewed by the Director of Board Relations and compared to the President's calendar. Then the bill is verified by the Finance Director and submitted for payment.

SCHEDULE L
(Form 990 or 990-EZ)

Transactions With Interested Persons

OMB No. 1545-0047

2016

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**
▶ **Attach to Form 990 or Form 990-EZ.**
▶ **Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.**

Open To Public Inspection

Name of the organization **The Minnesota Opera** Employer identification number **41-0946789**

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 ▶ \$ _____
3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$ _____

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
AJ Huss	Spouse	Operatin	X		1,000,000.	1,000,000.		X	X		X	
Total						▶ \$ 1,000,000.						

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

See Part V for Continuations

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
Kristin Matejcek	Daughter of board d	49,195.	compensatio		X

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions).

Schedule L, Part II, Loans To and From Interested Persons:

(a) Name of Person: AJ Huss

(b) Relationship with Organization: Spouse of Board Member

(c) Purpose of Loan: Operating Reserve

Sch L, Part IV, Business Transactions Involving Interested Persons:

(a) Name of Person: Kristin Matejcek

(b) Relationship Between Interested Person and Organization:

Daughter of board director

(d) Description of Transaction: compensation

**SCHEDULE M
(Form 990)**

Noncash Contributions

OMB No. 1545-0047

2016

Open To Public Inspection

Department of the Treasury
Internal Revenue Service

- ▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
- ▶ Attach to Form 990.
- ▶ Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization **The Minnesota Opera** Employer identification number **41-0946789**

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded	X	67	462,676.	Hi Lo Method
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other				
18 Collectibles				
19 Food inventory	X	4	4,800.	Cost
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ()				
26 Other ()				
27 Other ()				
28 Other ()				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29** **0**

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which isn't required to be used for exempt purposes for the entire holding period?		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions?		X
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		X
b If "Yes," describe in Part II.		
33 If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) (2016)

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public
Inspection

Name of the organization

The Minnesota Opera

Employer identification number

41-0946789

Form 990, Part III, Line 4a, Program Service Accomplishments:

Das Rheingold (Wagner), Diana's Garden (Martin y Soler), the world premiere of a Minnesota Opera commission, Dinner at Eight (Bolcom), and La boheme (Puccini), which was the only other production in Minnesota Opera's history to gross more than \$1M. Minnesota Opera productions featured world-renowned artists showcased in productions which were conducted, directed and designed by acclaimed professionals of the field. Along with distinguished guest artists, Minnesota Opera's productions also featured the company's own professional chorus and orchestra. During the fiscal year 2017 season, Minnesota Opera produced 27 performances for the entertainment and enrichment of over 42,000 patrons.

Form 990, Part III, Line 4b, Program Service Accomplishments:

week long camp for college students to learn about the business of opera, www.mnop.co/learn - an education specific area of Minnesota Opera's website that provides resources for teachers and students to learn about the art form; Student Final Dress Rehearsals - open final dress rehearsals with an invited audience of primarily high school students; Opera Insights - a pre-performance lecture open to ticket holders one hour before each performance; Behind the Curtain - 90-minute evening classes designed to give ticket holders an in-depth look at each opera in the season, and Voices of Opera - an opera chorus for adults 55+.

Form 990, Part III, Line 4d, Other Program Services:

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2016)

Name of the organization The Minnesota Opera	Employer identification number 41-0946789
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Minnesota Opera provides rentals of sets and costumes to other opera companies throughout the country. There are also other miscellaneous program related activities throughout the year.

Expenses \$ 271,069. including grants of \$ 0. Revenue \$ 443,888.

Form 990, Part VI, Section A, line 8b:

The organization has no committees with the authority to act on behalf of the board.

Form 990, Part VI, Section B, line 11b:

The return is reviewed by the organization's Finance Director and Treasurer, then presented to the Finance Committee for review. The return is then made available to the Board of Directors prior to filing.

Form 990, Part VI, Section B, Line 12c:

Each officer, director, and key employee is required to fill out an annual conflict of interest form. The forms are reviewed initially by the Executive Assistant. Any conflicts are reviewed by the Governance and Nominating committee. A person with a conflict is restricted from voting on related matters.

Form 990, Part VI, Section B, Line 15a:

The salary of the President and General Director was decided at the hiring of Mr. Taylor as part of the hiring procedure in consultation with the search firm with access to salaries of like appointments. The Committee tasked with the search approved the compensation within parameters agreed to by the Board. Mr. Taylor's salary was reviewed during the fiscal year ending June 30, 2017. His salary increase was the same percentage as the

Name of the organization The Minnesota Opera	Employer identification number 41-0946789
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staff of the Opera.

Mr. Taylor set the other key employee salaries with access to surveys of other opera companies. This process occurs on an annual basis.

Form 990, Part VI, Section C, Line 19:

The Organization's governing documents and conflict of interest policy are available to the public upon request. Three years of the Form 990 and financial statements are also available on the organizations website: <http://www.mnopera.org/about/annual-report/>

Form 990, Part XI, line 9, Changes in Net Assets:

Change in value of beneficial interest in perpetual trusts	283,222.
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**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.

▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization **The Minnesota Opera** Employer identification number **41-0946789**

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
Oakleaf Endowment Trust for MN Opera - 41-6429970, 1800 IDS Center, Minneapolis, MN 55402	support The Minnesota Opera	Minnesota	501(c)(3)	Line 12a, I	The Minnesota Opera	X	
Arts Partnership - 26-2507419 345 Washington Street St Paul, MN 55102	support Arts Partners in Twin Cities	Minnesota	501(c)(3)	Line 12a, I	N/A		X

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
Sidney M. Phillips Minnesota Opera Charitable Remainder Trust - 41-6370497, 5120 France Ave S, #104, Minneapolis, MN	support The Minnesota Opera	MN	N/A	TRUST	2,164.	74,289.	100.00%		X

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)	X	
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
o Sharing of paid employees with related organization(s)		X
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses		X
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Oakleaf Endowment Trust for MN Opera	S	421,732.	cash value
(2) Arts Partnership	C	387,220.	general ledger
(3)			
(4)			
(5)			
(6)			

Part VII Supplemental Information.

Provide additional information for responses to questions on Schedule R. See instructions.

Part IV, Identification of Related Organizations Taxable as Corp or Trust:

Name, Address, and EIN of Related Organization:

Sidney M. Phillips Minnesota Opera Charitable Remainder
Trust

EIN: 41-6370497

5120 France Ave S, #104

Minneapolis, MN 55410

TAX RETURN FILING INSTRUCTIONS

FORM 990-T

FOR THE YEAR ENDING

June 30, 2017

Prepared for	The Minnesota Opera 620 North First Street Minneapolis, MN 55401
Prepared by	Eide Bailly LLP 800 Nicollet Mall, Ste. 1300 Minneapolis, MN 55402-7033
Amount due or refund	No amount is due.
Make check payable to	No amount is due.
Mail tax return and check (if applicable) to	Department of the Treasury Internal Revenue Service Center Ogden, UT 84201-0027
Return must be mailed on or before	May 15, 2018
Special Instructions	The return should be signed and dated.

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

For calendar year 2016 or other tax year beginning JUL 1, 2016, and ending JUN 30, 2017

2016

Department of the Treasury
Internal Revenue Service

▶ Information about Form 990-T and its instructions is available at www.irs.gov/form990t.
▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for
501(c)(3) Organizations Only

<p>A <input type="checkbox"/> Check box if address changed</p> <p>B Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)</p>	<p>Print or Type</p>	<p>Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) The Minnesota Opera</p> <p>Number, street, and room or suite no. If a P.O. box, see instructions. 620 North First Street</p> <p>City or town, state or province, country, and ZIP or foreign postal code Minneapolis, MN 55401</p>	<p>D Employer identification number (Employees' trust, see instructions.) 41-0946789</p> <p>E Unrelated business activity codes (See instructions.) 900000</p>
---	------------------------------	--	--

C Book value of all assets at end of year: **26,938,068.**

F Group exemption number (See instructions.)

G Check organization type: 501(c) corporation 501(c) trust 401(a) trust Other trust

H Describe the organization's primary unrelated business activity. ▶ **See Statement 1**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
If "Yes," enter the name and identifying number of the parent corporation. ▶

J The books are in care of ▶ **Steve Matheson** Telephone number ▶ **612-342-9551**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales			
b Less returns and allowances			
c Balance	1c		
2 Cost of goods sold (Schedule A, line 7)	2		
3 Gross profit. Subtract line 2 from line 1c	3		
4 a Capital gain net income (attach Schedule D)	4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c Capital loss deduction for trusts	4c		
5 Income (loss) from partnerships and S corporations (attach statement)	5 350.		350.
6 Rent income (Schedule C)	6		
7 Unrelated debt-financed income (Schedule E)	7		
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10 Exploited exempt activity income (Schedule I)	10		
11 Advertising income (Schedule J)	11		
12 Other income (See instructions; attach schedule)	12		
13 Total. Combine lines 3 through 12	13 350.		350.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)
(Except for contributions, deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K)	14	
15 Salaries and wages	15	
16 Repairs and maintenance	16	
17 Bad debts	17	
18 Interest (attach schedule)	18	
19 Taxes and licenses	19	5,033.
20 Charitable contributions (See instructions for limitation rules)	20	
21 Depreciation (attach Form 4562)	21	
22 Less depreciation claimed on Schedule A and elsewhere on return	22a	
23 Depletion	23	
24 Contributions to deferred compensation plans	24	
25 Employee benefit programs	25	
26 Excess exempt expenses (Schedule I)	26	
27 Excess readership costs (Schedule J)	27	
28 Other deductions (attach schedule)	28	
29 Total deductions. Add lines 14 through 28	29	5,033.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	-4,683.
31 Net operating loss deduction (limited to the amount on line 30) See Statement 3	31	
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	-4,683.
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)	33	1,000.
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34	-4,683.

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> See instructions and:		
a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____		
b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____ (2) Additional 3% tax (not more than \$100,000) \$ _____		
c Income tax on the amount on line 34	35c	0.
36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	36	
37 Proxy tax. See instructions	37	
38 Alternative minimum tax	38	
39 Tax on Non-Compliant Facility Income. See instructions	39	
40 Total. Add lines 37, 38 and 39 to line 35c or 36, whichever applies	40	0.

Part IV Tax and Payments

41a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	41a	
b Other credits (see instructions)	41b	
c General business credit. Attach Form 3800	41c	
d Credit for prior year minimum tax (attach Form 8801 or 8827)	41d	
e Total credits. Add lines 41a through 41d	41e	
42 Subtract line 41e from line 40	42	0.
43 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	43	
44 Total tax. Add lines 42 and 43	44	0.
45a Payments: A 2015 overpayment credited to 2016	45a	
b 2016 estimated tax payments	45b	
c Tax deposited with Form 8868	45c	
d Foreign organizations: Tax paid or withheld at source (see instructions)	45d	
e Backup withholding (see instructions)	45e	
f Credit for small employer health insurance premiums (Attach Form 8941)	45f	
g Other credits and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other _____ Total	45g	
46 Total payments. Add lines 45a through 45g	46	
47 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	47	
48 Tax due. If line 46 is less than the total of lines 44 and 47, enter amount owed	48	0.
49 Overpayment. If line 46 is larger than the total of lines 44 and 47, enter amount overpaid	49	0.
50 Enter the amount of line 49 you want: Credited to 2017 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	50	

Part V Statements Regarding Certain Activities and Other Information (see instructions)

51 At any time during the 2016 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here	Yes	No
		X
52 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file.		X
53 Enter the amount of tax-exempt interest received or accrued during the tax year \$ _____		

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: _____ Date: _____ Title: **President and General Director**

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Deb Nelson, CPA	Deb Nelson, CPA	05/07/18		P01264758
	Firm's name Eide Bailly LLP	Firm's address 800 Nicollet Mall, Ste. 1300 Minneapolis, MN 55402-7033		Firm's EIN 45-0250958	Phone no. 612-253-6500

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ► **N/A**

1	Inventory at beginning of year	1		6	Inventory at end of year	6			
2	Purchases	2		7	Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7			
3	Cost of labor	3		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?			Yes	No
4a	Additional section 263A costs (attach schedule)	4a							
b	Other costs (attach schedule)	4b							
5	Total. Add lines 1 through 4b	5							

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1. Description of property

(1)	
(2)	
(3)	
(4)	

2. Rent received or accrued

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	0.	Total 0.

(c) **Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)

(b) **Total deductions.** Enter here and on page 1, Part I, line 6, column (B) ... 0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)	
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals			Enter here and on page 1, Part I, line 7, column (A). 0.	Enter here and on page 1, Part I, line 7, column (B). 0.
Total dividends-received deductions included in column 8				0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).
Totals			0.	0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
		Enter here and on page 1, Part I, line 9, column (A).		Enter here and on page 1, Part I, line 9, column (B).
Totals		0.		0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
	Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).				Enter here and on page 1, Part II, line 26.
Totals	0.	0.				0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))	0.	0.				0.

Part II **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.				Enter here and on page 1, Part II, line 27. 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			0.

Form 990-T	Description of Organization's Primary Unrelated Business Activity	Statement	1
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ownership interest in limited partnerships which report UBI

To Form 990-T, Page 1

Footnotes	Statement	2
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Section 1.263(a)-1(f) De Minimis Safe Harbor Election

The organization is making the de minimis safe harbor election under Reg. Sec. 1.263(a)-1(f).

Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**

▶ **Information about Form 8868 and its instructions is at www.irs.gov/form8868 .**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile, click on Charities & Non-Profits, and click on e-file for Charities and Non-Profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

	Enter filer's identifying number	
Type or print	Name of exempt organization or other filer, see instructions. The Minnesota Opera	Employer identification number (EIN) or 41-0946789
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 620 North First Street	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Minneapolis, MN 55401	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

Steve Matheson

• The books are in the care of ▶ **620 North First Street - Minneapolis, MN 55401**
Telephone No. ▶ **612-342-9551** Fax No. ▶ _____

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **May 15, 2018**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶ calendar year _____ or
- ▶ tax year beginning **JUL 1, 2016**, and ending **JUN 30, 2017**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

**Mail to: Department of the Treasury
Internal Revenue Service Center
Ogden, UT 84201-0045**

Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**

▶ **Information about Form 8868 and its instructions is at www.irs.gov/form8868 .**

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Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

	Enter filer's identifying number	
Type or print	Name of exempt organization or other filer, see instructions. The Minnesota Opera	Employer identification number (EIN) or 41-0946789
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 620 North First Street	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Minneapolis, MN 55401	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 7

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

Steve Matheson

• The books are in the care of ▶ **620 North First Street - Minneapolis, MN 55401**
Telephone No. ▶ **612-342-9551** Fax No. ▶ _____

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **May 15, 2018**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶ calendar year _____ or
- ▶ tax year beginning **JUL 1, 2016**, and ending **JUN 30, 2017**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

**Mail to: Department of the Treasury
Internal Revenue Service Center
Ogden, UT 84201-0045**

Mail To:

Minnesota Attorney General's Office
Charities Division
445 Minnesota Street, Suite 1200
St. Paul, MN 55101-2130

**STATE OF MINNESOTA
CHARITABLE ORGANIZATION
ANNUAL REPORT FORM**

C2

Website Address:

www.ag.state.mn.us/charity

(Pursuant to Minn. Stat. ch. 309)

SECTION A: Organization Information

Legal Name of Organization The Minnesota Opera

Federal EIN: 41-0946789

Fiscal Year-End: 06/30/2017

mm/dd/yyyy

Did the organization's fiscal year-end change? Yes No

Mailing Address: Steve Matheson Contact Person 620 North First Street Street Address Minneapolis, MN 55401 City, State, and ZIP Code 612-342-9594 Phone Number smatheson@mnopera.org Email Address	Physical Address: Steve Matheson Contact Person 620 North First Street Street Address Minneapolis, MN 55401 City, State, and ZIP Code 612-342-9594 Phone Number smatheson@mnopera.org Email Address
---	--

1. Organization's website: www.mnopera.org

2. List all of the organization's alternate and former names (attach list if more space is needed).

Alternate Former
 Alternate Former

3. List all names under which the organization solicits contributions (attach list if more space is needed).

The Minnesota Opera

4. Is the organization incorporated pursuant to Minn. Stat. ch. 317A? Yes No

5. Total amount of contributions the organization received from Minnesota donors: \$ 3,469,211.

6. Has the organization's tax-exempt status with the IRS changed?

Yes No If yes, attach explanation.

7. Has the organization significantly changed its purpose(s) or program(s)?

Yes No If yes, attach explanation.

CHARITABLE ORGANIZATION ANNUAL REPORT FORM
(Continued)

8. Has the organization been denied the right to solicit contributions by any court or government agency?
 Yes No If yes, attach explanation.

9. Does the organization use the services of a professional fundraiser (outside solicitor or consultant) to solicit contributions in Minnesota? Yes No
If yes, provide the following information for each (attach list if more space is needed):

Name of Professional Fundraiser	Compensation
Street Address	City, State, and ZIP Code

10. Is the organization a food shelf? Yes No
If yes, is the organization required to file an audit? Yes, audit attached No

Note: An organization that has total revenue of more than \$750,000 is required to file an audit prepared in accordance with generally accepted accounting principles by an independent CPA or LPA. The value of donated food to a nonprofit food shelf may be excluded from the total revenue if the food is donated for subsequent distribution at no charge and is not resold.

11. Do any directors, officers, or employees of the organization or its related organization(s) receive total compensation* of more than \$100,000? Yes No
If yes, provide the following information for the five highest paid individuals:

Name and title	Compensation*	Other compensation
Dale Johnson Artistic Director	141,804.	18,178.
Carley Stuber Chief Development Officer	137,476.	24,327.
Ryan Taylor/President & General Director	129,259.	7,182.

*Compensation is defined as the total amount reported on Form W-2 (Box 5) or Form 1099-MISC (Box 7) issued by the organization and its related organizations to the individual. See Minn. Stat. § 309.53, subd. 3(i) and Minn. Stat. § 317A.011 for definitions.

CHARITABLE ORGANIZATION ANNUAL REPORT FORM
(Continued)

SECTION B: Financial Information

This section must be completed by organizations that file an IRS Form 990-EZ, 990-PF, or 990-N.
Organizations that file an IRS Form 990 may skip Section B and go directly to Section C.

INCOME

1. Contributions Received	\$ _____	1
2. Government Grants	\$ _____	2
3. Program Service Revenue	\$ _____	3
4. Other Revenue	\$ _____	4
5. TOTAL INCOME	\$ _____	5

EXPENSES

6. Program Expenses	\$ _____	6
7. Management & General Expenses	\$ _____	7
8. Fund-raising Expenses	\$ _____	8
9. TOTAL EXPENSES	\$ _____	9
10. EXCESS or DEFICIT	\$ _____	10
(Line 5 minus Line 9)		

ASSETS

11. Cash	\$ _____	11
12. Land, Buildings & Equipment	\$ _____	12
13. Other Assets	\$ _____	13
14. TOTAL ASSETS	\$ _____	14

LIABILITIES

15. Accounts Payable	\$ _____	15
16. Grants Payable	\$ _____	16
17. Other Liabilities	\$ _____	17
18. TOTAL LIABILITIES	\$ _____	18

FUND BALANCE/NET WORTH

\$ _____

(Line 14 minus Line 18)

**CHARITABLE ORGANIZATION ANNUAL REPORT FORM
(Continued)**

Section B (continued): Statement of Functional Expenses

This expense statement must be prepared in accordance with generally accepted accounting principles. Each column must be completed, and Columns B, C, and D must equal Column A. The amount on Line 25, Column A must match Line 17 of IRS Form 990-EZ or Line 26 of IRS Form 990-PF.

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1. Grants and other assistance to governments and organizations in the U.S.				
2. Grants and other assistance to individuals in the U.S.				
3. Grants and other assistance to governments, organizations, and individuals outside the U.S.				
4. Benefits paid to or for members				
5. Compensation of current officers, directors, trustees, and key employees				
6. Compensation not included above, to disqualified persons (as defined under section 4958(f)(1) and persons described in section 4958(c)(3)(B)				
7. Other salaries and wages				
8. Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9. Other employee benefits				
10. Payroll taxes				
11. Fees for services (non-employees):				
a. Management				
b. Legal				
c. Accounting				
d. Lobbying				
e. Professional fundraising services				
f. Investment management fees				
g. Other				
12. Advertising and promotion				
13. Office expenses				
14. Information technology				
15. Royalties				
16. Occupancy				
17. Travel				
18. Payments of travel or entertainment expenses for any federal, state, or local public officials				
19. Conferences, conventions, and meetings				
20. Interest				
21. Payments to affiliates				
22. Depreciation, depletion, and amortization				
23. Insurance				
24. Other expenses. Itemize expenses not covered above. Expenses labeled miscellaneous may not exceed 5% of total expenses (Line 25).				
a.				
b.				
c.				
d.				
25. Total functional expenses. Add lines 1 through 24d				
26. Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in Column B joint costs from a combined educational campaign and fundraising solicitation				

CHARITABLE ORGANIZATION ANNUAL REPORT FORM
(Continued)

Section C: Board of Directors Signatures and Acknowledgment

The form must be executed pursuant to a resolution of the board of directors, trustees, or managing group and must be signed by two officers of the organization. See Minn. Stat. § 309.52, subd. 3.

We, the undersigned, state and acknowledge that we are duly constituted officers of this organization, being the

Pres. & General Director (Title) and Board Treasurer (Title) respectively, and

that we execute this document on behalf of the organization pursuant to the resolution of the

Board of Directors (Board of Directors, Trustees, or Managing Group) adopted on the _____

day of _____, 20 ____, approving the contents of the document, and do hereby certify that the

Board of Directors (Board of Directors, Trustees, or Managing Group) has assumed, and will continue

to assume, responsibility for determining matters of policy, and have supervised, and will continue to supervise, the operations and finances of the organization. We further state that the information supplied is true, correct and complete to the best of our knowledge.

Ryan Taylor
Name (Print)

John Junek
Name (Print)

Signature

Signature

Pres. & General Director
Title

Board Treasurer
Title

Date

Date



Financial Statements
June 30, 2017 and 2016

The Minnesota Opera

Independent Auditor's Report.....	1
Financial Statements	
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Cash Flows	6
Notes to Financial Statements.....	7



Independent Auditor's Report

The Board of Directors
The Minnesota Opera
Minneapolis, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of The Minnesota Opera (Minnesota Opera), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of The Minnesota Opera as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Minneapolis, Minnesota
January 3, 2018

The Minnesota Opera
Statements of Financial Position
June 30, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	\$ 595,693	\$ 1,199,925
Reserved cash and cash equivalents	1,450,000	1,450,000
Contributions and grants receivable, net (Note 2)	3,084,617	3,519,137
Accounts receivable, net	365,624	726,893
Deferred production expenses (Note 3)	679,484	1,126,920
Prepaid expenses	384,503	114,644
Property and equipment, net (Note 4)	2,662,259	2,755,865
Operating investments (Note 5)	998,411	1,011,267
Endowment investments (Note 5)	8,830,801	8,555,543
Beneficial interest in perpetual trusts	7,886,676	7,603,454
Total assets	\$ 26,938,068	\$ 28,063,648
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 429,623	\$ 248,187
Deferred revenue	2,063,374	1,981,700
Bonds and notes payable (Note 7)	1,000,000	1,000,000
Total liabilities	3,492,997	3,229,887
 Net Assets		
Unrestricted		
Board designated	500,000	500,000
Unrestricted	(260,942)	(430,426)
	239,058	69,574
Temporarily restricted (Note 8)	3,750,290	5,605,964
Permanently restricted (Note 8)	19,455,723	19,158,223
Total net assets	23,445,071	24,833,761
Total liabilities and net assets	\$ 26,938,068	\$ 28,063,648

The Minnesota Opera
Statements of Activities
Year Ended June 30, 2017

	Unrestricted		Temporarily Restricted	Permanently Restricted	Total
	Operating Fund	Endowment/ Capital Fund			
Revenue and Public Support					
Revenue					
Opera season/admissions	\$ 2,975,028	\$ -	\$ -	\$ -	\$ 2,975,028
Outreach and education	112,547	-	-	-	112,547
Rental and other	201,772	-	-	-	201,772
Co-production income	169,489	-	-	-	169,489
Trust distribution	421,732	-	-	-	421,732
Interest earnings	3,514	-	-	-	3,514
Other	114,969	-	-	-	114,969
Total revenue	<u>3,999,051</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,999,051</u>
Public Support					
Annual fund drive	1,322,574	-	147,084	-	1,469,658
Grants	1,653,368	-	1,125,080	-	2,778,448
Special event revenue	534,229	-	-	-	534,229
Less cost of direct benefits to donors	<u>(94,293)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(94,293)</u>
Net special events revenue	439,936	-	-	-	439,936
In-kind contributions	5,773	-	-	-	5,773
Transfers to operating fund from endowment/capital fund	612,467	(532,467)	(80,000)	-	-
Total public support	<u>4,034,118</u>	<u>(532,467)</u>	<u>1,192,164</u>	<u>-</u>	<u>4,693,815</u>
Total revenue and public support	<u>8,033,169</u>	<u>(532,467)</u>	<u>1,192,164</u>	<u>-</u>	<u>8,692,866</u>
Net assets released from restrictions	<u>3,047,838</u>	<u>-</u>	<u>(3,047,838)</u>	<u>-</u>	<u>-</u>
Expenses					
Program services					
Production expenses	7,677,771	-	-	-	7,677,771
Outreach and education	468,304	-	-	-	468,304
Administrative and general	1,865,264	140,995	-	-	2,006,259
Fundraising expenses	<u>1,038,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,038,504</u>
Total expenses	<u>11,049,843</u>	<u>140,995</u>	<u>-</u>	<u>-</u>	<u>11,190,838</u>
Change in Net Assets - Operating	<u>31,164</u>	<u>(673,462)</u>	<u>(1,855,674)</u>	<u>-</u>	<u>(2,497,972)</u>
Change in Net Assets - Nonoperating					
Nonoperating contributions	-	-	-	14,278	14,278
Investment income (loss)	12,843	798,939	-	-	811,782
Change in value of beneficial interest in perpetual trusts	-	-	-	283,222	283,222
	<u>12,843</u>	<u>798,939</u>	<u>-</u>	<u>297,500</u>	<u>1,109,282</u>
Total Change in Net Assets	44,007	125,477	(1,855,674)	297,500	(1,388,690)
Net Assets, Beginning of Year	<u>(178,844)</u>	<u>248,418</u>	<u>5,605,964</u>	<u>19,158,223</u>	<u>24,833,761</u>
Net Assets, End of Year	<u>\$ (134,837)</u>	<u>\$ 373,895</u>	<u>\$ 3,750,290</u>	<u>\$ 19,455,723</u>	<u>\$ 23,445,071</u>

The Minnesota Opera
Statements of Activities
Year Ended June 30, 2016

	Unrestricted		Temporarily Restricted	Permanently Restricted	Total
	Operating Fund	Endowment/ Capital Fund			
Revenue and Public Support					
Revenue					
Opera season/admissions	\$ 2,886,943	\$ -	\$ -	\$ -	\$ 2,886,943
Outreach and education	122,227	-	-	-	122,227
Rental and other	80,899	-	-	-	80,899
Co-production income	-	-	-	-	-
Trust distribution	408,217	-	-	-	408,217
Interest earnings	1,800	-	-	-	1,800
Other	82,321	6,289	-	-	88,610
Total revenue	<u>3,582,407</u>	<u>6,289</u>	<u>-</u>	<u>-</u>	<u>3,588,696</u>
Public Support					
Annual fund drive	1,589,561	10,638	205,000	-	1,805,199
Grants	1,912,829	-	2,840,856	-	4,753,685
Special event revenue	544,926	-	-	-	544,926
Less cost of direct benefits to donors	(126,759)	-	-	-	(126,759)
Net special events revenue	418,167	-	-	-	418,167
In-kind contributions	33,191	-	-	-	33,191
Transfers to operating fund from endowment/capital fund	579,387	(579,387)	-	-	-
Total public support	<u>4,533,135</u>	<u>(568,749)</u>	<u>3,045,856</u>	<u>-</u>	<u>7,010,242</u>
Total revenue and public support	<u>8,115,542</u>	<u>(562,460)</u>	<u>3,045,856</u>	<u>-</u>	<u>10,598,938</u>
Net assets released from restrictions	2,406,550	-	(2,406,550)	-	-
Expenses					
Program services					
Production expenses	7,705,356	-	-	-	7,705,356
Outreach and education	405,673	-	-	-	405,673
Administrative and general	1,634,421	150,313	-	-	1,784,734
Fundraising expenses	781,885	-	-	-	781,885
Total expenses	<u>10,527,335</u>	<u>150,313</u>	<u>-</u>	<u>-</u>	<u>10,677,648</u>
Change in Net Assets - Operating	<u>(5,243)</u>	<u>(712,773)</u>	<u>639,306</u>	<u>-</u>	<u>(78,710)</u>
Change in Net Assets - Nonoperating					
Nonoperating contributions	-	-	-	418,959	418,959
Investment income (loss)	11,267	(504,495)	(158,377)	-	(651,605)
Change in value of beneficial interest in perpetual trusts	-	-	-	(949,622)	(949,622)
Total change in Net Assets - Nonoperating	<u>11,267</u>	<u>(504,495)</u>	<u>(158,377)</u>	<u>(530,663)</u>	<u>(1,182,268)</u>
Total Change in Net Assets	6,024	(1,217,268)	480,929	(530,663)	(1,260,978)
Net Assets, Beginning of Year	<u>(184,868)</u>	<u>1,465,686</u>	<u>5,125,035</u>	<u>19,688,886</u>	<u>26,094,739</u>
Net Assets, End of Year	<u>\$ (178,844)</u>	<u>\$ 248,418</u>	<u>\$ 5,605,964</u>	<u>\$ 19,158,223</u>	<u>\$ 24,833,761</u>

The Minnesota Opera
Statements of Cash Flows
Years Ended June 30, 2017 and 2016

	2017	2016
Cash Flows from Operating Activities		
Change in net assets	\$ (1,388,690)	\$ (1,260,978)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation	213,460	240,688
Change in value of beneficial interest in perpetual trust	(283,222)	949,622
Endowment net investment (return) loss	(766,088)	698,313
Net realized and unrealized (gain) on operating investments	(4,268)	(10,885)
Contributions restricted to endowment	(14,278)	(418,959)
Changes in operating assets and liabilities		
Contributions and grants receivable	434,520	(1,185,169)
Accounts receivable	361,269	(393,560)
Deferred production expenses	447,436	156,811
Prepaid expenses	(269,859)	(1,702)
Accounts payable and accrued expenses	181,436	67,595
Deferred revenue	(81,674)	108,061
	(1,169,958)	(1,050,163)
Net Cash (used for) Operating Activities		
Cash Flows from Investing Activities		
Purchases of operating investments	(63,300)	(1,406,568)
Proceeds from sale of operating investments	17,124	406,186
Purchase of property and equipment	(119,854)	(82,470)
(Addition to) withdrawal from endowment	731,756	1,190,048
(Addition to) withdrawal from perpetual trusts	(14,278)	(418,959)
	551,448	(311,763)
Net Cash from (used for) Investing Activities		
Cash Flows from Financing Activities		
Collections of contributions restricted to endowment	14,278	418,959
Proceeds from new note payable	-	1,000,000
Principal payments on mortgage payable	-	(628,280)
	14,278	790,679
Net Cash from Financing Activities		
Net Change in Cash and Cash Equivalents	(604,232)	(571,247)
Cash and Cash Equivalents, Beginning of Year	1,199,925	1,771,172
Cash and Cash Equivalents, End of Year	\$ 595,693	\$ 1,199,925

Note 1 - Nature of Organization and Significant Accounting Policies

Mission Statement

The Minnesota Opera (Minnesota Opera) changes lives by bringing together artists, audiences, and community, advancing the art of opera for today and for future generations.

Nature of Organization

Minnesota Opera was formed as a 501(c)(3) corporation organized for charitable, artistic and educational purposes, primarily in the St. Paul/Minneapolis area.

Program Accomplishments

Minnesota Opera, having completed its 54th anniversary season, is regarded by the opera field in the United States as one of the industry's most ambitious companies, offering five fully staged operas, including both standard repertoire and less well-known works. Minnesota Opera has been a resident company of the Ordway Center for the Performing Arts since 1985. Minnesota Opera regularly receives national and international acclaim as a producer and creator of opera.

In June of 2017, Minnesota Opera completed a new strategic plan resulting in the creation of a new mission and added vision and values. The vision statement is Minnesota Opera will sing every story. The values of Minnesota Opera include innovation, inclusivity, collaboration, and purpose. This work also resulted in a new brand and visual identity to better serve the new mission and direction of the organization.

Minnesota Opera's 2016 – 17 season included *Romeo and Juliet* (Gounod), *Das Rheingold* (Wagner), *Diana's Garden* (Martín y Soler), the world premiere of a Minnesota Opera commission, *Dinner at Eight* (Bolcom), and *La bohème* (Puccini), which was the only other production in Minnesota Opera's history to gross more than \$1M. Minnesota Opera productions featured world-renowned artists showcased in productions which were conducted, directed and designed by acclaimed professionals of the field. Along with distinguished guest artists, Minnesota Opera's productions also featured the company's own professional chorus and orchestra. During the fiscal year 2017 season, Minnesota Opera produced 27 performances for the entertainment and enrichment of over 35,000 patrons.

Minnesota Opera's education and outreach efforts reached over 20,000 persons through efforts including: coOPERATION! – an residency program that places Teaching Artists into schools, libraries and community centers; Music Out Loud - a high frequency afterschool program for underserved youth; Stories Sing – a library-based story time program for young children; Day at the Opera – audition master classes which provide opportunities for high school students to work with members of the Opera staff and guest artists; Project Opera – consisting of three groups, Ragazzi (grades 4 to 8), Giovani (grades 9 to 12) and the Apprentice program (grade 12); Summer Opera Camp – a week-long vocal training program for teens; Children's Chorus Summer Opera Camp – a four-day long day camp for children ages 7 to 12; Opera Artist+ – a week long camp for college students to learn about the business of opera; www.mnop.co/learn – an education specific area of Minnesota Opera's website that provides resources for teachers and students to learn about the art form; Student Final Dress Rehearsals – open final dress rehearsals with an invited audience of primarily high school students; Opera Insights – a pre-performance lecture open to ticket holders one hour before each performance; Behind the Curtain – 90-minute evening classes designed to give ticket holders an in-depth look at each opera in the season, and Voices of Opera – an opera chorus for adults 55+.

Minnesota Opera's nationally acclaimed Resident Artist Program nurtures the next generation of opera artists, providing them a critical bridge between conservatory training and a professional career. During the 2016-17 season, 13 young professionals in voice, stage direction, and arts administration received nine months of intensive professional development, including master classes, audition training, and the chance to network with agents and other companies. In addition to appearing in Minnesota Opera's productions, these artists were an integral part of the company's outreach and education efforts, serving as operatic ambassadors throughout the community both in schools and at special events.

Cash and Cash Equivalents

Minnesota Opera considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to permanent endowment or other long-term purposes of Minnesota Opera are excluded from this definition.

Minnesota Opera maintains funds in bank deposit and investment accounts, which, at times, may exceed insured limits. Minnesota Opera has not experienced any losses in these accounts.

Receivables and Credit Policies

Accounts receivable consists primarily of non-interest bearing amounts due for various purposes. Management determines the allowance for uncollectible accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible. There was no allowance determined to be necessary as of June 30, 2017 and 2016.

Contributions and Grants Receivable

Unconditional contributions and grants receivable expected to be collected within one year are recorded at net realizable value. Unconditional contributions and grants receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Management determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions and grants receivable are written off when deemed uncollectible. At June 30, 2017 and 2016, the allowance was \$40,032 and \$26,950, respectively.

Deferred Production Expenses

Expenses related to production incurred in years prior to a scheduled performance are deferred until the year of performance. These expenses may include construction of sets, props and costumes as well as certain licensing costs or commissioning fees paid to composers and librettists.

Property and Equipment

Property and equipment acquisitions in excess of \$1,000 with a life greater than two years are recorded at cost, if purchased, or at fair value at the date received, if donated. Depreciation is computed using the straight-line method over the estimated useful property and equipment lives (3 to 40 years). Minnesota Opera monitors the addition of production equipment in accordance with the terms of the Strategic Initiative. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Minnesota Opera reviews the carrying value of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2017 and 2016.

Investments

Minnesota Opera has invested in four limited partnerships (the partnerships). The investment manager revalues the partnerships monthly and independent audits are performed on an annual basis. Minnesota Opera's investment in the partnerships is reported at the estimated fair value of Minnesota Opera's share of the partnerships, which is evaluated and determined by Minnesota Opera with assistance from the investment manager.

Minnesota Opera's investment in a private equity limited partnership is reported at the estimated fair value of Minnesota Opera's share of the partnership, which is evaluated and determined by Minnesota Opera with assistance from its custodian.

Realized and unrealized gains and losses are included in the change in unrestricted net assets, unless their use is temporarily or permanently restricted by donor stipulations or law. Realized gains and losses are reported at date of disposition based on the difference between the net proceeds received and the purchased value of the investment sold, using the specific identification method. Unrealized gains and losses are reported for the change in fair value between reporting periods. Interest and dividend income is reported when earned.

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that the changes in the values of investment securities will occur in the near term and that those changes could materially affect the balance of investments in the financial statements.

Beneficial Interest in Perpetual Trusts

Minnesota Opera has been named as an irrevocable beneficiary of perpetual trusts (the trusts) held and administered by a third-party. These perpetual trusts provide for the distribution of net income of the trusts to Minnesota Opera; however, Minnesota Opera does not select the investments held by the perpetual trusts. After the twentieth anniversary of the trust, the Trustees may vote to unanimously terminate the trust and distribute the proceeds to Minnesota Opera's endowment. At the date Minnesota Opera receives notice of a beneficial interest, a permanently restricted contribution is recorded in the statements of activities, and a beneficial interest in a perpetual trust is recorded in the statements of financial position at the fair value of the underlying trust assets. Thereafter, beneficial interests in the trusts are reported at fair value of the trusts' assets in the statements of financial position, with trust distributions and changes in fair value recognized in the statements of activities.

Minnesota Opera also has a beneficial interest in another trust held by a third-party consisting of the right to receive the residual value upon trust termination. The beneficial interest in this trust is recorded at the present value of the expected future cash flows.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets available for use in general operations. Unrestricted Board designated net assets consist of net assets designated by the Board of Directors in the amount of \$500,000 for operating reserve as of June 30, 2017 and 2016.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or actions of Minnesota Opera and/or the passage of time, and certain income earned on permanently restricted net assets that has not been appropriated for expenditure by Minnesota Opera's Board of Directors.

Minnesota Opera reports contributions restricted by donors as increases in unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets (unless the restriction is in perpetuity), depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets from a prior period are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of Minnesota Opera. The restrictions stipulate that resources be maintained permanently but permit Minnesota Opera to expend the income not recognized until the conditions on which they depend have been substantially met.

In addition to net asset reporting, to ensure observance of limitations and restrictions placed on the use of resources available to Minnesota Opera, internally, the accounts are maintained in accordance with the principles of fund accounting, whereby resources for various purposes are classified into funds established according to their natures and purposes.

The two self-balancing funds utilized are as follows:

Operating Fund – This fund consists of resources that are available for the current or future-year support of operations that are not accounted for in the Endowment/Capital Fund.

Endowment/Capital Fund – This fund consists of donor contributions or gift instruments, which are subject to capital restrictions. Also included in this fund are endowment contributions and related earnings. This fund is also used to account for resources obtained and expended for property acquisitions.

Performance Revenue

Revenue from ticket sales that relate to a specific production are recognized during the time period of the performance. Revenues received prior to a performance are deferred. The deferred amounts are included in deferred revenue in the accompanying financial statements.

During each year ended June 30, 2017 and 2016, five productions were performed by Minnesota Opera. Ticket sales for these productions for the years ended June 30, 2017 and 2016, were \$2,975,028 and \$2,886,943, respectively. Related production expenses for the years ended June 30, 2017 and 2016, were \$6,051,567 and \$6,518,117, respectively.

Contributions and Donations

Contributions and donations are recognized when cash, securities or other assets, an unconditional promise to give, or notification or a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor stipulations, Minnesota Opera presents these assets as unrestricted support. 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 restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, Minnesota Opera reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated services are recorded when there is an objective basis to measure the value of such services and the service involves specialized skills that would be purchased, if not provided by donation. The services of most volunteers have not been reflected in the statements as donated services, since there is no objective measurement basis and they do not meet generally accepted accounting principles' criteria for recognition. Nevertheless, volunteers have given significant amounts of their time to Minnesota Opera.

Advertising Costs

Advertising costs are expensed as incurred. Such costs were \$258,575 and \$342,648 for the years ended June 30, 2017 and 2016, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

Minnesota Opera is a Minnesota nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). Minnesota Opera is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, Minnesota Opera is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purpose. Minnesota Opera files an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS to report its unrelated business activity.

Minnesota Opera believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements.

Minnesota Opera would recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if such interest and penalties were incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Subsequent Events

Minnesota Opera has evaluated subsequent events through January 3, 2018, the date which the financial statements were available to be issued. There were no events that required recognition or additional disclosure.

Note 2 - Contributions and Grants Receivable

Contributions and grants receivable are estimated to be collected as follows at June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Within one year	\$ 621,901	\$ 1,792,990
In one to five years	<u>2,623,061</u>	<u>1,855,814</u>
	3,244,962	3,648,804
Less discount to net present value (3%)	(120,313)	(102,717)
Less allowance for uncollectible contributions and grants	<u>(40,032)</u>	<u>(26,950)</u>
	<u>\$ 3,084,617</u>	<u>\$ 3,519,137</u>

At June 30, 2017 and 2016, three donors accounted for approximately 61% of total grants receivable, and as of June 30, 2016, four donors accounted for approximately 81% of total grants receivable, respectively.

Note 3 - Deferred Production Expenses

Deferred production expenses are estimated as follows at June 30, 2017 and 2016:

	2017	2016
Current deferred production expenses	\$ 33,070	\$ 569,141
Noncurrent deferred production expenses	646,414	557,779
	\$ 679,484	\$ 1,126,920

Note 4 - Property and Equipment

Property and equipment consists of the following at June 30, 2017 and 2016:

	2017	2016
Land	\$ 1,110,000	\$ 1,110,000
Equipment	1,426,455	1,386,792
Buildings	4,168,752	4,089,068
	6,705,207	6,585,860
Less accumulated depreciation	(4,042,948)	(3,829,995)
	\$ 2,662,259	\$ 2,755,865

Depreciation expense totaled \$213,460 and \$240,688 for the years ended June 30, 2017 and 2016, respectively.

Note 5 - Investments

A summary of the underlying investments held with Okabena Advisors, as described below, stated at fair value as of June 30, 2017 and 2016, and consists of the following:

	2017	2016
Operating		
Money market and cash funds	\$ 9,984	\$ 30,337
Fixed income funds	700,244	685,640
Equities funds	288,183	-
Marketable alternatives	-	295,290
	\$ 998,411	\$ 1,011,267

The Minnesota Opera
Notes to Financial Statements
June 30, 2017 and 2016

	2017	2016
Endowment		
Money market and cash funds	\$ 147,854	\$ 633,110
Fixed income funds	873,508	992,442
Equities funds	5,276,155	3,285,329
Opportunistic multistrategy funds	1,278,322	778,555
Venture capital limited partnerships	-	25,667
Marketable alternatives	1,165,304	2,617,996
Real assets	89,658	222,444
	\$ 8,830,801	\$ 8,555,543

Minnesota Opera has invested in four limited partnerships with Okabena Advisors. Okabena Advisors provides a highly strategic investment management program that provides access, diversification, and integrated risk management. Those limited partnerships (the partnerships) are Okabena Fixed Income Fund (OFIF), Okabena Diversified Equity Fund (ODEF), Okabena Marketable Alternatives Fund (OMAF) and Okabena Special Opportunities Fund (OSOF). The fair market value of each partnership is estimated monthly and calculated quarterly. Okabena Advisors provides monthly liquidity for these positions. Minnesota Opera may discontinue the relationship with Okabena Advisors upon six-month's notice. Minnesota Opera retains control of the asset allocation between the four partnerships, but is obligated to allow Okabena Advisors to have discretion within the four asset classes.

Minnesota Opera also has an investment in a private equity limited partnership which is not tradable. The fair value of Minnesota Opera's partnership interest is calculated quarterly. Minnesota Opera must retain its interest in the partnership for a ten-year period, with options for subsequent one-year extensions. The partnership invests in venture capital and leveraged buyout interests. Minnesota Opera initially invested \$390,000 in the fund.

Investment income consists of the following for the years ended June 30, 2017 and 2016:

	2017	2016
Operating		
Investment income	\$ 8,575	\$ 382
Realized gains	5,458	1,816
Unrealized gains	(1,190)	9,069
	\$ 12,843	\$ 11,267
Endowment		
Investment income	\$ 32,851	\$ 35,441
Realized gains	176,418	93,048
Unrealized gains	589,670	(791,361)
	\$ 798,939	\$ (662,872)

Note 6 - Fair Value of Assets and Liabilities

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that Minnesota Opera can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, Minnesota Opera develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to Minnesota Opera's assessment of the quality, risk or liquidity profile of the asset or liability.

The fair values of beneficial interests in perpetual trusts are determined by management using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets, and are based on the fair values of trust investments as reported by the trustees.

Minnesota Opera uses Net Asset Value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, to estimate the fair values of certain hedge funds, private equity funds, funds of funds, and limited partnerships which do not have readily determinable fair values. Investments valued at NAV are classified within Level 2 if Minnesota Opera has the ability to redeem the investment at NAV per share, or its equivalent, at the measurement date or within the near term; otherwise, the investment is classified within Level 3. As described in Note 5, Okabena Advisors manages the partnerships in which Minnesota Opera invests, tracks the investments' underlying NAVs, and assists management with evaluation and determination of estimated fair value.

Assets measured at fair value on a recurring basis at June 30, 2017 and 2016, are as follows:

	<u>Fair Value Measurements at Report Date Using</u>			
	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>June 30, 2017</u>				
Funds invested in limited partnerships (Note 5)	\$ 9,829,212	\$ -	\$ -	\$ 9,829,212
Beneficial interest in perpetual trusts	<u>7,886,676</u>	<u>-</u>	<u>-</u>	<u>7,886,676</u>
	<u>\$ 17,715,888</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,715,888</u>
<u>June 30, 2016</u>				
Funds invested in limited partnerships (Note 5)	\$ 9,566,810	\$ -	\$ -	\$ 9,566,810
Beneficial interest in perpetual trusts	<u>7,603,454</u>	<u>-</u>	<u>-</u>	<u>7,603,454</u>
	<u>\$ 17,170,264</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,170,264</u>

Below is a reconciliation of beginning and ending balances of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2017 and 2016:

	<u>Funds Invested in Limited Partnerships</u>	<u>Beneficial Interest in Perpetual Trusts</u>
<u>Year Ended June 30, 2017</u>		
Balance, June 30, 2016	\$ 9,566,810	\$ 7,603,454
Total gains or losses included in change in net assets	866,601	283,222
Purchases, issuances, sales and settlements		
Purchases	63,300	-
Sales	<u>(667,499)</u>	<u>-</u>
Balance, June 30, 2017	<u>\$ 9,829,212</u>	<u>\$ 7,886,676</u>
<u>Year Ended June 30, 2016</u>		
Balance, June 30, 2015	\$ 10,443,904	\$ 8,134,117
Total gains or losses included in change in net assets	(687,428)	(530,663)
Purchases, issuances, sales and settlements		
Purchases	3,497,287	-
Sales	<u>(3,686,953)</u>	<u>-</u>
Balance, June 30, 2016	<u>\$ 9,566,810</u>	<u>\$ 7,603,454</u>

Investments in certain entities that calculate NAV per share are as follows at June 30, 2017 and 2016:

	<u>Number of Investments</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
<u>June 30, 2017</u>					
Funds invested in limited partnerships	4	\$ 9,829,212	\$ -	Quarterly	180 days
<u>June 30, 2016</u>					
Funds invested in limited partnerships	4	\$ 9,566,810	\$ -	Quarterly	180 days

Funds invested in limited partnerships – each investment within this category focuses on a different sector of the market including bonds, marketable alternatives, U.S. equities, non-U.S. equities and natural resources.

Note 7 - Bonds and Notes Payable and Line of Credit

Long-term debt consists of:

	2017	2016
2.75% note payable, due in annual interest installments of \$25,700 through November 2025, at which time the outstanding principal amount is also due, unsecured.	\$ 1,000,000	\$ 1,000,000
\$1,400,000 Minnesota Community Development Agency (MCDA) Revenue Bonds, Series 2005, with semiannual payments of \$65,426 including principal and interest at a rate of 4.67%, due each June and December through December 2015, at which time the outstanding principal amount was due and paid.	-	-
	\$ 1,000,000	\$ 1,000,000

Minnesota Opera also maintains a revolving line of credit with a bank that bears interest at the LIBOR rate plus 2.6%, and whose draws are not to exceed \$1,000,000, that expires on December 31, 2017. The line of credit is collateralized by substantially all unrestricted assets of Minnesota Opera and requires that pledge receipts be utilized to pay down outstanding line of credit balances. There was no balance due on the note as of June 30, 2017 and 2016.

Note 8 - Restricted Net Assets

Temporarily restricted net assets at June 30, 2017 and 2016, consist of:

	2017	2016
Program and, in many cases, also time restrictions		
New Works Initiative	\$ 458,890	\$ 1,588,868
Opera Innovate	1,801,440	1,884,932
Future seasons	201,760	133,221
Education	15,000	7,502
Capital	101,429	101,428
Technology	-	80,000
	2,578,519	3,795,951
Time restrictions, without program restrictions		
Future seasons	1,171,771	1,810,013
	\$ 3,750,290	\$ 5,605,964

Net assets were released from released from restrictions as follows during the years ended June 30, 2017 and 2016:

	2017	2016
Expirations of time restrictions	\$ 767,730	\$ 672,050
Satisfaction of purpose restrictions		
New Works Initiative	1,439,630	1,490,000
Future seasons	832,978	242,000
Education	7,500	2,500
	\$ 3,047,838	\$ 2,406,550

Earnings from permanently restricted net assets that are restricted for a particular purpose by a donor are recorded as temporarily restricted net assets until those restrictions are met. Unrestricted earnings from permanently restricted net assets are available for the general operational expenses of Minnesota Opera, as approved by the Board of Directors. Permanently restricted net assets are detailed below based upon the purposes for which earnings have been designated at June 30, 2017 and 2016:

	2017	2016
Future seasons	\$ 928,000	\$ 928,000
Education	350,000	350,000
Cash reserve	1,450,000	1,450,000
Capital funds	630,000	630,000
Unrestricted	8,211,047	8,196,769
Beneficial interest in perpetual trusts	7,886,676	7,603,454
	\$ 19,455,723	\$ 19,158,223

Certain donors have stipulated particular gifts may be used for short-term cash flow which has been identified as cash reserve. Because the donors intend that these funds not be expended on a permanent basis, these reserves are classified as permanently restricted.

Note 9 - Endowments

Minnesota Opera's endowment consists of pooled gifts restricted for the long-term support of Minnesota Opera and seven funds where the earnings are restricted to various purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of Minnesota Opera has interpreted the Minnesota Uniform Prudent Management of Institutional Funds Act (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, Minnesota Opera classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment (including pledges net of discount and allowance for doubtful accounts) and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the organization 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 purposes of the organization 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 resources of the organization, and
- (7) The investment policies of the organization.

As of June 30, 2017 and 2016, Minnesota Opera has the following endowment net asset composition by type of fund:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>June 30, 2017</u>				
Donor-restricted endowment funds	<u>\$ 642,533</u>	<u>\$ 255,991</u>	<u>\$ 19,455,723</u>	<u>\$ 20,354,247</u>
<u>June 30, 2016</u>				
Donor-restricted endowment funds	<u>\$ 448,711</u>	<u>\$ 255,991</u>	<u>\$ 19,158,223</u>	<u>\$ 19,862,925</u>

Included in the balance of donor-restricted endowment funds within permanently restricted net assets as of June 30, 2017 and 2016, are \$7,886,676 and \$7,603,454, respectively, held in trust for the benefit of Minnesota Opera, but not under the control of Minnesota Opera for investment decision purposes.

Changes in endowment net assets for the years ending June 30, 2017 and 2016, are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>June 30, 2017</u>				
Endowment net assets, beginning of year	\$ 448,711	\$ 255,991	\$ 19,158,223	\$ 19,862,925
Investment return				
Investment income	41,426	-	-	41,426
Net realized and unrealized appreciation (depreciation)	770,356	-	-	770,356
Change in value of beneficial interest in perpetual trust	-	-	283,222	283,222
Contributions	-	-	14,278	14,278
Appropriation of endowment assets for expenditure	(617,960)	-	-	(617,960)
Endowment net assets, end of year	\$ 642,533	\$ 255,991	\$ 19,455,723	\$ 20,354,247

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>June 30, 2016</u>				
Endowment net assets, beginning of year	\$ 376,024	\$ 414,368	\$ 19,688,886	\$ 20,479,278
Investment return				
Investment income	35,823	-	-	35,823
Net realized and unrealized appreciation (depreciation)	(529,051)	(158,377)	-	(687,428)
Change in value of beneficial interest in perpetual trust	-	-	(949,622)	(949,622)
Contributions	-	-	418,959	418,959
Appropriation of endowment assets for expenditure	<u>565,915</u>	<u>-</u>	<u>-</u>	<u>565,915</u>
Endowment net assets, end of year	<u>\$ 448,711</u>	<u>\$ 255,991</u>	<u>\$ 19,158,223</u>	<u>\$ 19,862,925</u>

Return Objectives and Risk Parameters

Minnesota Opera has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that Minnesota Opera must hold in perpetuity or for a donor-specified period(s) as well as Board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to preserve purchasing power, net of spending and inflation, and to produce results that provide a long-term estimated spending of 5%. Based on continued current moderate inflation, the Board has adopted a long term return objective of 6% to 8%, net of fees, and has determined that volatility in the range of 10% to 15% is acceptable.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Minnesota Opera relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Minnesota Opera targets a diversified asset allocation of bonds, equities (U.S. and foreign), marketable alternatives, real assets and long-term equity to achieve its long-term return objectives within prudent risk constraints. Notes 5 and 6 describe and disclose in more detail investment balances, investment activity and related fair market values.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Minnesota Opera has a policy of appropriating for distribution each year the sum of 70% of the previous year's draw adjusted for inflation as measured by the Consumer Price Index, not seasonally adjusted plus 30% of a target spending rate, currently 5% times the market value on March 31 of each year. In establishing this policy, Minnesota Opera considered the long-term expected return on its endowment. Accordingly, over the long-term, Minnesota Opera expects the current spending policy to allow preservation and growth of purchasing power, while recognizing there will be periods of time where meeting short-term objectives may not be feasible without assuming undue risk. This is consistent with Minnesota Opera's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Note 10 - Employee Retirement Plan

Minnesota Opera has a defined contribution retirement plan (the plan) under Internal Revenue Code (IRC) Section 403(b) for its non-union employees who meet certain service and age requirements. Minnesota Opera, at the discretion of its Board, may contribute to the plan. During the years ending June 30, 2017 and 2016, Minnesota Opera contributed \$54,504 and \$51,317, respectively, to the plan.

In addition, the Minnesota Opera pays into retirement accounts for both unions with which the Minnesota Opera has collective bargaining agreements. One of the union retirement plans is a multiemployer defined benefit pension plan with retirement expense for this union plan of \$51,664 and \$47,966 for the years ending June 30, 2017 and 2016, respectively. The other union retirement plan is a defined contribution plan. Retirement expense for this union plan was \$11,832 and \$12,358 for the years ending June 30, 2017 and 2016, respectively.

The multiemployer defined benefit pension plan (the Plan) is the American Federation of Musicians and Employer's Pension Fund (the Plan) with EIN/Plan Number 51-6120204/001 with a plan year end of March 31. As of the most recent Plan year end March 31, 2017, the Plan is 69.0% funded and is in "critical" status which is red Pension Protection Act Zone Status. The Plan's Board of Trustees adopted a rehabilitation plan on April 15, 2010, which was intended to help the Plan improve its funded status through various benefit reductions and employer contribution increases. The total number of employers obligated to contribute to the Plan are approximately 5,600. No employer contributed more than 5% of the total contributions to the Plan during the year.

Note 11 - Arts Partnership Program

In 2007, the Arts Partnership, a separate 501(c)(3) organization, was formed for the purpose of collaborating on activities related to the Ordway Center for the Arts. The Arts Partnership is exempt from income taxes as a nonprofit organization under the applicable federal and Minnesota income tax regulations and is governed by a Board of Directors. The Board of Directors consists of the CEOs and Board representatives of Minnesota Opera, Ordway Center for the Performing Arts (Ordway), The Saint Paul Chamber Orchestra (SPCO) and The Schubert Club. The Ordway has three representatives and the other organizations each have two representatives. The Arts Partnership is considered a related party.

The partnership is built on a Master Agreement, which addresses scheduling, rental rates and other operating and financial issues with respect to the Ordway building on a long-term basis. Minnesota Opera, Ordway, SPCO and The Schubert Club are “Arts Partners” as defined in the Master Agreement. Minnesota Opera can withdraw from the agreement upon notice specifying as a withdrawal effective date June 30 of a year that is at least five years in the future. Under the terms of the agreement, Minnesota Opera has committed to a rental rate structure based on utilization. Minnesota Opera pays the Ordway a fixed base license fee in addition to a variable facility fee and an operating fee. Base rental fees for the year ending June 30, 2017, are expected to be \$645,400. Payments to the Ordway in the years ended June 30, 2017 and 2016, included base license fees of \$791,327 and \$710,491, respectively.

One of the initiatives of the Arts Partnership is to seek funding for renovations and enhancements to the Ordway building as well as to support partner utilization of the Ordway building through a subsidy of annual rental charges. On February 28, 2015, the Concert Hall at the Ordway, a major project of the Arts Partnership, opened to the public. The completion of the Concert Hall provides additional time in the Music Theater for the Opera’s rehearsals and performances. For the years ended June 30, 2017 and 2016, Minnesota Opera received a contribution of \$387,220 and \$378,134, respectively, from the Arts Partnership. This contribution is reflected as an unrestricted contribution in the statement of activities and changes in net assets and Minnesota Opera’s participation is reflected in fundraising expenses.