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Form <b>990</b>  Department of the Treasury Internal Revenue Service	<b>Return of Organization Exempt From Income Tax</b>  <b>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)</b>	OMB No 1545-0047 <div> <div>2011</div> <div>Open to Public Inspection</div> </div>
	The organization may have to use a copy of this return to satisfy state reporting requirements	

<b>A For the 2011 calendar year, or tax year beginning 07-01-2011 and ending 06-30-2012</b>		<b>D Employer identification number</b>	
<b>B</b> Check if applicable <input checked="" type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending		91-1174712	
<b>C</b> Name of organization SEATTLE OPERA FOUNDATION		<b>E Telephone number</b>	
Doing Business As		(206) 389-7600	
Number and street (or P O box if mail is not delivered to street address) Room/suite 1020 JOHN ST		<b>G</b> Gross receipts \$ 766,013	
City or town, state or country, and ZIP + 4 SEATTLE, WA 98109			
<b>F</b> Name and address of principal officer JEFF HANNA 1020 JOHN ST SEATTLE, WA 98109		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>I</b> 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		<b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)	
<b>J Website:</b> WWW.SEATTLEOPERA.ORG		<b>H(c)</b> Group exemption number ▶	
<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation 1982	<b>M</b> State of legal domicile WA

Part I		Summary	
Activities & Governance	<b>1</b> Briefly describe the organization's mission or most significant activities SEATTLE OPERA FOUNDATION IS ORGANIZED AND OPERATED AS A SUPPORTING ORGANIZATION TO SEATTLE OPERA THE FOUNDATION RECEIVES CONTRIBUTIONS AND SUBSEQUENTLY MAKES DISBURSEMENTS SOLELY TO SEATTLE OPERA IN SUPPORT OF THE OPERA'S CHARITABLE PURPOSE		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) . . . . .	<b>3</b>	9
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	<b>4</b>	9
	<b>5</b> Total number of individuals employed in calendar year 2011 (Part V, line 2a) . . . . .	<b>5</b>	0
<b>6</b> Total number of volunteers (estimate if necessary) . . . . .	<b>6</b>	9	
<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .	<b>7a</b>	0	
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34 . . . . .	<b>7b</b>		
Revenue	<b>8</b> Contributions and grants (Part VIII, line 1h) . . . . .	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g) . . . . .	559,434	310,296
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d ) . . . . .	465,599	451,395
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	8,693	4,322
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	1,033,726	766,013
	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3 ) . . . . .	1,554,000	1,755,000
Expenses	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) . . . . .		0
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		0
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) . . . . .		0
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) . . . . .	30	5,000
	<b>18</b> Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,554,030	1,760,000
	<b>19</b> Revenue less expenses Subtract line 18 from line 12 . . . . .	-520,304	-993,987
	Net Assets or Fund Balances		<b>Beginning of Current Year</b>
<b>20</b> Total assets (Part X, line 16) . . . . .		23,203,392	21,863,347
<b>21</b> Total liabilities (Part X, line 26) . . . . .			0
<b>22</b> Net assets or fund balances Subtract line 21 from line 20 . . . . .		23,203,392	21,863,347

<b>Part II Signature Block</b>				
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.				
<b>Sign Here</b>	<div style="border-bottom: 1px solid black; height: 20px; width: 100%;"></div> Signature of officer			2013-05-13 Date
	RICHARD JOHNSON CHIEF FINANCIAL OFFICER Type or print name and title			
<b>Paid Preparer's Use Only</b>	Preparer's signature	Date 2013-05-13	Check if self-employed <input type="checkbox"/>	Preparer's taxpayer identification number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4			EIN
				Phone no
May the IRS discuss this return with the preparer shown above? (see instructions) <input type="checkbox"/> Yes <input type="checkbox"/> No				

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III ☐ Yes ☒ No

1

Briefly describe the organization's mission

SEATTLE OPERA FOUNDATION IS ORGANIZED AND OPERATED AS A SUPPORTING ORGANIZATION TO SEATTLE OPERA THE FOUNDATION RECEIVES CONTRIBUTIONS AND SUBSEQUENTLY MAKES DISBURSEMENTS SOLELY TO SEATTLE OPERA IN SUPPORT OF THE OPERA'S CHARITABLE PURPOSE

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 ☒ No

If "Yes," describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code ) (Expenses \$ 1,755,000 including grants of \$ 1,755,000 ) (Revenue \$ )

DISTRIBUTIONS TO SUPPORT THE MISSION OF SEATTLE OPERA, AN INTERNAL REVENUE CODE SECTION 501(C)(3) PUBLIC CHARITY

4b

(Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c

(Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d

Other program services (Describe in Schedule O )

(Expenses \$ including grants of \$ ) (Revenue \$ )

4e

Total program service expenses \$ 1,755,000

Form 990 (2011)

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)? If "Yes," complete Schedule A.	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I.		No
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II.		No
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? If "Yes," complete Schedule C, Part III.		No
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? If "Yes," complete Schedule D, Part I.		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II.		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III.		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV.		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V.	Yes	
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? If "Yes," complete Schedule D, Part VI.		No
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? If "Yes," complete Schedule D, Part VII.		No
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? If "Yes," complete Schedule D, Part VIII.		No
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? If "Yes," complete Schedule D, Part IX.		No
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.		No
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)? If "Yes," complete Schedule D, Part X.	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII.	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E.		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
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? If "Yes," complete Schedule F, Part I.		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U.S.? If "Yes," complete Schedule F, Part II and IV.		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U.S.? If "Yes," complete Schedule F, Part III and IV.		No
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? If "Yes," complete Schedule G, Part I.		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II.		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III.		No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H.		No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> All Form 990 filers that operated one or more hospitals must attach audited financial statements.		

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 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> . . . . .	23		No
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 questions 24b-24d and complete Schedule K. If "No," go to line 25</i> . . . . .	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		
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? . . . . .	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> 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> . . . . .	25a		No
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> . . . . .	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> . . . . .	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
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> . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b		No
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 owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	29	Yes	
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> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
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> . . . . .	32		No
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> . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a		No
b	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> . . . . .	35b		No
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	36		No
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> . . . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance			Yes	No
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>				
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	1a0	1c	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			
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. .	2a0	2b	
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).			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		3a	No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.		3b	
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 or securities account)?		4a	No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c	
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?		6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b	
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?		7a	Yes
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	Yes
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c	No
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?		7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8	
9	Sponsoring organizations maintaining donor advised funds.			
a	Did the organization make any taxable distributions under section 4966?		9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b	
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. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.		13a	
b	Enter the aggregate 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 aggregate amount of reserves on hand.	13c		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a	No
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 lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.  
Check if Schedule O contains a response to any question 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 . . . . .		
1a	9		
b	Enter the number of voting members included in line 1a, above, who are independent . . . . .	1b	9
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? . . . . .	2	No
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? . . . . .	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .	5	No
6	Did the organization have members or stockholders? . . . . .	6	No
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? . . . . .	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body? . . . . .	8a	Yes
b	Each committee with authority to act on behalf of the governing body? . . . . .	8b	Yes
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 . . . . .	9	No

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? . . . . .	10a	No
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? . . . . .	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990 . . . . .		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	12a	Yes
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	12b	Yes
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done . . . . .	12c	Yes
13	Did the organization have a written whistleblower policy? . . . . .	13	Yes
14	Did the organization have a written document retention and destruction policy? . . . . .	14	Yes
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 . . . . .	15a	
b	Other officers or key employees of the organization . . . . .	15b	
	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? . . . . .	16a	No
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? . . . . .	16b	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed <input checked="" type="checkbox"/> WA
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input checked="" type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
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. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization. <input checked="" type="checkbox"/> RICHARD JOHNSON 1020 JOHN STREET SEATTLE, WA 98109 (206) 389-7600

Part VII

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

Check if Schedule O contains a response to any question 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, and **current** key employees 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, or 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 organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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) JEFF HANNA PRESIDENT	5 00	X		X				0	0	0
(2) JAMES D CULLEN VICE PRESIDE	5 00	X		X				0	0	0
(3) ANNE REDMAN SECRETARY	5 00	X		X				0	0	0
(4) SANDRA DUNN TRUSTEE	5 00	X						0	0	0
(5) EVERIL LOYD JR TRUSTEE	5 00	X						0	0	0
(6) EVERETT TROUT TRUSTEE	5 00	X						0	0	0
(7) STEVE PHELPS TRUSTEE	5 00	X						0	0	0
(8) JAY LAPIN TRUSTEE	5 00	X						0	0	0
(9) BILL WEYERHAEUSER TRUSTEE	5 00	X						0	0	0



## Part VII

<b>1b</b>	<b>Sub-Total . . . . .</b>	<b>▼</b>			
<b>c</b>	<b>Total from continuation sheets to Part VII, Section A . . . . .</b>	<b>▼</b>			
<b>d</b>	<b>Total (add lines 1b and 1c) . . . . .</b>	<b>▼</b>			

**2** Total number of individuals (including but not limited to those \$100,000 of reportable compensation from the organization) ▶

		Yes	No
<b>3</b>	Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	<b>3</b>	No
<b>4</b>	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> . . . . .	<b>4</b>	No
<b>5</b>	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> . . . . .	<b>5</b>	No

## **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

**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 ►

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a				
	b	Membership dues . . . . .	1b				
	c	Fundraising events . . . . .	1c				
	d	Related organizations . . . .	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	310,296			
	g	Noncash contributions included in lines 1a-1f \$ 25,063					
	h	Total. Add lines 1a-1f . . . . .			310,296		
Program Service Revenue	2a		Business Code				
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f . . . . .					
	Other Revenue	3	Investment income (including dividends, interest and other similar amounts) . . . . .		445,657		
4		Income from investment of tax-exempt bond proceeds . .					
5		Royalties . . . . .					
6a		Gross rents	(i) Real (ii) Personal				
b		Less rental expenses					
c		Rental income or (loss)					
d		Net rental income or (loss) . . . . .					
7a		Gross amount from sales of assets other than inventory	(i) Securities (ii) Other	5,738			
b		Less cost or other basis and sales expenses					
c		Gain or (loss)	5,738				
d		Net gain or (loss) . . . . .		5,738			5,738
8a		Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18 . . . . .	a				
b		Less direct expenses . . . .	b				
c		Net income or (loss) from fundraising events . .					
9a		Gross income from gaming activities See Part IV, line 19 . . . . .	a				
b		Less direct expenses . . . .	b				
c		Net income or (loss) from gaming activities . .					
10a		Gross sales of inventory, less returns and allowances . . . . .	a				
b		Less cost of goods sold . . .	b				
c		Net income or (loss) from sales of inventory . .					
Miscellaneous Revenue		Business Code					
11a	CLASS ACTION SETTLEMENTS	900099	4,322			4,322	
b							
c							
d	All other revenue . . . . .						
e	Total. Add lines 11a-11d . . . . .			4,322			
12	Total revenue. See Instructions . . . . .			766,013		455,717	

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) but are not required to complete columns (B), (C), and (D)  
Check if Schedule O contains a response to any question 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 governments and organizations in the United States See Part IV, line 21	1,755,000	1,755,000		
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
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	5,000		5,000	
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
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 (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O )				
a					
b					
c					
d					
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	1,760,000	1,755,000	5,000	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing . . . . .				1	
	2	Savings and temporary cash investments . . . . .				2	
	3	Pledges and grants receivable, net . . . . .			73,376	3	25,085
	4	Accounts receivable, net . . . . .				4	
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L . . . . .				6	
	7	Notes and loans receivable, net . . . . .				7	
	8	Inventories for sale or use . . . . .				8	
	9	Prepaid expenses and deferred charges . . . . .				9	
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .	10a				
	b	Less: accumulated depreciation . . . . .	10b			10c	
	11	Investments—publicly traded securities . . . . .			23,130,016	11	21,838,262
	12	Investments—other securities. See Part IV, line 11 . . . . .				12	
	13	Investments—program-related. See Part IV, line 11 . . . . .				13	
	14	Intangible assets . . . . .				14	
	15	Other assets. See Part IV, line 11 . . . . .				15	
16	Total assets. Add lines 1 through 15 (must equal line 34) . . . . .			23,203,392	16	21,863,347	
Liabilities	17	Accounts payable and accrued expenses . . . . .				17	
	18	Grants payable . . . . .				18	
	19	Deferred revenue . . . . .				19	
	20	Tax-exempt bond liabilities . . . . .				20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .				22	
	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 . . . . .			0	26	0
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets . . . . .			12,886,846	27	11,255,857
	28	Temporarily restricted net assets . . . . .			4,084,171	28	3,352,229
	29	Permanently restricted net assets . . . . .			6,232,375	29	7,255,261
	Organizations that do not follow SFAS 117, 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 . . . . .			23,203,392	33	21,863,347
34	Total liabilities and net assets/fund balances . . . . .			23,203,392	34	21,863,347	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	766,013
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,760,000
3	Revenue less expenses Subtract line 2 from line 1	3	-993,987
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	23,203,392
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-346,058
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	21,863,347

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question 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?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 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	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
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?		No
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		

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization SEATTLE OPERA FOUNDATION	Employer identification number 91-1174712
--	--

Part I

Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box )

1

☐

A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E )

3

☐

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II )

6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II )

8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )

9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III )

10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**

11

☒

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☒

Type III - Functionally integrated

d

☐

Type III - Other

e

☒

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		No
11g(ii)		No
11g(iii)		No

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
(A) SEATTLE OPERA SEATTLE OPERA	910760426	11	Yes		Yes		Yes		1,755,000
Total									1,755,000

Part II

Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
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						
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)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support							
Calendar year (or fiscal year beginning in)		(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7	Amounts from line 4						
8	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9	Net income from unrelated business activities, whether or not the business is regularly carried on						
10	Other income (Explain in Part IV ) Do not include gain or loss from the sale of capital assets						
11	Total support (Add lines 7 through 10)						
12	Gross receipts from related activities, etc (See instructions )					12	
13	First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage			
14	Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	14	
15	Public Support Percentage for 2010 Schedule A, Part II, line 14	15	
16a	<b>33 1/3% support test—2011.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization		
b	<b>33 1/3% support test—2010.</b> If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization		
17a	<b>10%-facts-and-circumstances test—2011.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		
b	<b>10%-facts-and-circumstances test—2010.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		
18	<b>Private Foundation</b> If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		

Part IIIPart III

Support Schedule for Organizations Described in IRC 509(a)(2)  
(Complete only if you checked the box on line 9 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 IV.)						
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 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage		
15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2011. 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—2010. 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** **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

# SEATTLE OPERA FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### Note 4 - Net Assets and Endowment Funds (continued)

Unrestricted net assets were comprised of the following at June 30:

	2012	2011
Unrestricted net assets	\$ 11,592,882	\$ 12,889,619
Accumulated loss on donor-restricted and endowment funds	<u>(337,025)</u>	<u>(2,773)</u>
Total unrestricted	<u><u>\$ 11,255,857</u></u>	<u><u>\$ 12,886,846</u></u>

Temporarily restricted net assets were comprised of the following at June 30:

2,306,462	\$ 3,039,303
<u>1,045,767</u>	<u>1,044,868</u>
<u><u>3,352,229</u></u>	<u><u>\$ 4,084,171</u></u>

June 30:

2,414,547	\$ 2,314,547
50,000	50,000
223,360	223,260
<u>456,534</u>	<u>-</u>
<u><u>3,144,441</u></u>	<u><u>2,587,807</u></u>

100,000	100,000
372,428	272,428
299,766	299,766
233,344	233,344
42,455	42,455
66,811	66,811
100,000	100,000
2,000,000	2,000,000
128,210	128,210
86,817	81,817
258,962	-
100,000	100,000
102,290	-
<u>219,737</u>	<u>219,737</u>
<u><u>4,110,820</u></u>	<u><u>3,644,568</u></u>
<u><u>7,255,261</u></u>	<u><u>6,232,375</u></u>
<u><u>21,863,347</u></u>	<u><u>\$ 23,203,392</u></u>

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SCHEDULE D  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization  
SEATTLE OPERA FOUNDATION

Employer identification number  
91-1174712

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate 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? <div><input type="checkbox"/> Yes<input checked="" type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may 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 <div><input type="checkbox"/> Yes<input checked="" type="checkbox"/> No</div>	

Part II Conservation Easements. Complete if the organization answered "Yes" to 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 pleasure)☐ Preservation of an historically importantly land area☐ Protection of natural habitat☐ Preservation of a certified historic structure☐ Preservation of open space

2

Complete lines 2a–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 Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable 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?

☐ Yes☒ No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ \_\_\_\_\_

7

Amount of expenses incurred in monitoring, inspecting, 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 170(h)(4)(B)(ii)?

☐ Yes☒ No

9

In Part XIV, 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" to Form 990, Part IV, line 8.

1a

If the organization elected, as permitted under SFAS 116, 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 XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, 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) Revenues included in 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 relating to these items

a

Revenues included in Form 990, Part VIII, line 1▶ \$ \_\_\_\_\_

b

Assets included in Form 990, Part X▶ \$ \_\_\_\_\_

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2011

Part III

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

3

Using the organization's 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

d

☐ Loan or exchange programs

b

☐ Scholarly research

e

☐ Other

c

☐ Preservation for future generations

4

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

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" to 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 XIV and complete the following table

	Amount
1c	
1d	
1e	
1f	

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes☒ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if the organization answered "Yes" to 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 . . . . .	6,232,374	5,709,983	5,393,349	
b	Contributions . . . . .	1,022,887	522,391	316,634	
c	Investment earnings or losses . . . . .				
d	Grants or scholarships . . . . .				
e	Other expenditures for facilities and programs . . . . .				
f	Administrative expenses . . . . .				
g	End of year balance . . . . .	7,255,261	6,232,374	5,709,983	

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶ 100 000 %

c

Term endowment ▶

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 . . . . .

b

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

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

4

Describe in Part XIV the intended uses of the organization's endowment funds

Part VI

Land, Buildings, and Equipment. 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 . . . . .				
b Buildings . . . . .				
c Leasehold improvements . . . . .				
d Equipment . . . . .				
e Other . . . . .				
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . .				



Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements			
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	766,013
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1,760,000
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-993,987
4	Net unrealized gains (losses) on investments	4	-346,058
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	-346,058
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-1,340,045

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return			
1	Total revenue, gains, and other support per audited financial statements . . . . .	1	440,425
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments . . . . .	2a	-346,058
b	Donated services and use of facilities . . . . .	2b	20,470
c	Recoveries of prior year grants . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	
e	Add lines 2a through 2d . . . . .	2e	-325,588
3	Subtract line 2e from line 1 . . . . .	3	766,013
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 XIV) . . . . .	4b	
c	Add lines 4a and 4b . . . . .	4c	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . .	5	766,013

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements . . . . .	1	1,780,470
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities . . . . .	2a	20,470
b	Prior year adjustments . . . . .	2b	
c	Other losses . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	
e	Add lines 2a through 2d . . . . .	2e	20,470
3	Subtract line 2e from line 1 . . . . .	3	1,760,000
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 XIV) . . . . .	4b	
c	Add lines 4a and 4b . . . . .	4c	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 ) . . . . .	5	1,760,000

Part XIV Supplemental Information		
Complete this part to 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, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.		
IDENTENDED USES FOR ENDOWMENT FUNDS	SCHEDULE D, PAGE 2, PART V, LINE 4	SEATTLE OPERA FOUNDATION'S ENDOWMENT FUNDS HAVE BEEN ESTABLISHED BY DONORS TO BE HELD BY THE FOUNDATION IN PERPETUITY. INCOME FROM THE INVESTMENT OF THESE FUNDS IS TO BE USED TO SUPPORT EITHER THE GENERAL OPERATIONS OR SPECIFIC PROGRAMS OF SEATTLE OPERA, IN ACCORDANCE WITH DONOR STIPULATIONS.
LIABILITY UNDER FIN 48 FOOTNOTE	SCHEDULE D, PAGE 3, PART X	THE IRS HAS DETERMINED THAT THE FOUNDATION IS EXEMPT FROM FEDERAL INCOME TAXES UNDER INTERNAL REVENUE CODE SECTION 501(C)(3) EXCEPT TO THE EXTENT OF UNRELATED BUSINESS TAXABLE INCOME AS DEFINED UNDER IRC SECTIONS 511 THROUGH 515. EFFECTIVE JULY 1, 2009, THE FOUNDATION ADOPTED ACCOUNTING FOR UNCERTAIN TAX POSITIONS. THE ACCOUNTING STANDARD PRESCRIBES A RECOGNITION THRESHOLD AND MEASUREMENT PROCESS FOR UNCERTAIN TAX POSITIONS. AS OF JUNE 30, 2012, THE FOUNDATION HAD NO UNCERTAIN TAX POSITIONS REQUIRING ACCRUAL.



**Part III**

**Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.  
Use Schedule I-1 (Form 990) if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

**Part IV**

**Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS INSIDE THE UNITED STATES	SCHEDULE I, PAGE 1, PART I, LINE 2	THE SEATTLE OPERA FOUNDATION HAS AN INDEPENDENT BOARD THAT MONITORS, INVESTS AND DISTRIBUTES CONTRIBUTED FUNDS FOR SEATTLE OPERA'S GENERAL OPERATIONS



SCHEDULE M  
(Form 990)

NonCash Contributions

OMB No 1545-0047

2011

Open to Public Inspection

►Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.  
► Attach to Form 990.

Name of the organization  
SEATTLE OPERA FOUNDATION

Employer identification number  
91-1174712

Part I

Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining 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	3	25,063	FAIR MARKET VALUE
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 . . . . .				
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	
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? . . . . .				Yes No
b If "Yes," describe the arrangement in Part II				
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?				Yes
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions? . . . . .				No
b If "Yes," describe in Part II				
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II				

**Part III**

**Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
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**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 to provide any additional information.**  
▶ **Attach to Form 990 or 990-EZ.**

OMB No 1545-0047

**2011****Open to Public  
Inspection**Name of the organization  
SEATTLE OPERA FOUNDATION**Employer identification number**

91-1174712

Identifier	Return Reference	Explanation
ORGANIZATION'S MISSION	FORM 990 - ORGANIZATION'S MISSION	SEATTLE OPERA FOUNDATION IS ORGANIZED AND OPERATED AS A SUPPORTING ORGANIZATION TO SEATTLE OPERA THE FOUNDATION RECEIVES CONTRIBUTIONS AND SUBSEQUENTLY MAKES DISBURSEMENTS SOLELY TO SEATTLE OPERA IN SUPPORT OF THE OPERA'S CHARITABLE PURPOSE
ORGANIZATION'S PROCESS USED TO REVIEW FORM 990	FORM 990, PAGE 6, PART VI, LINE 11B	A PDF OF THE FINAL DRAFT OF THE 990 AND SUPPORTING SCHEDULES WAS PROVIDED TO BOARD MEMBERS FOR REVIEW AND COMMENT FOLLOWING PREPARATION OF THE RETURN BY SEATTLE OPERA STAFF AND REVIEW BY A PUBLIC ACCOUNTING FIRM AND MANAGEMENT
ENFORCEMENT OF CONFLICTS POLICY	FORM 990, PAGE 6, PART VI, LINE 12C	BOARD MEMBERS REVIEW ALL REAL AND POTENTIAL CONFLICTS OF INTEREST AND TAKE APPROPRIATE ACTION TO MITIGATE OR ELIMINATE THEM
COMPENSATION PROCESS FOR TOP OFFICIAL	FORM 990, PAGE 6, PART VI, LINE 15A	SEATTLE OPERA FOUNDATION HAS NO EMPLOYEES, THEREFORE A COMPENSATION PROCESS IN NOT APPLICABLE
COMPENSATION PROCESS FOR OFFICERS	FORM 990, PAGE 6, PART VI, LINE 15B	SEATTLE OPERA FOUNDATION HAS NO EMPLOYEES, THEREFORE A COMPENSATION PROCESS IN NOT APPLICABLE
GOVERNING DOCUMENTS DISCLOSURE EXPLANATION	FORM 990, PAGE 6, PART VI, LINE 19	DOCUMENTS ARE AVAILABLE TO THE PUBLIC ON REQUEST

SCHEDULE R  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization  
SEATTLE OPERA FOUNDATION

Employer identification number  
91-1174712

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

(a) Name, address, and EIN 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 organization	
						Yes	No
(1) SEATTLE OPERA  1020 JOHN STREET  SEATTLE, WA 98109 91-0760426	OPERA PERF	WA	501C3	9	N/A		No

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

Part V

Transactions With Related Organizations

(Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

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

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 (iv) rent from a controlled entity

b Gift, grant, or capital contribution to related organization(s)

c Gift, grant, or capital contribution from related organization(s)

d Loans or loan guarantees to or for related organization(s)

e Loans or loan guarantees by related organization(s)

f Sale of assets to related organization(s)

g Purchase of assets from related organization(s)

h Exchange of assets with related organization(s)

i Lease of facilities, equipment, or other assets to related organization(s)

j Lease of facilities, equipment, or other assets from related organization(s)

k Performance of services or membership or fundraising solicitations for related organization(s)

l Performance of services or membership or fundraising solicitations by related organization(s)

m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

n Sharing of paid employees with related organization(s)

o Reimbursement paid to related organization(s) for expenses

p Reimbursement paid by related organization(s) for expenses

q Other transfer of cash or property to related organization(s)

r Other transfer of cash or property from related organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

No

No

No

No

No

No

Yes

No

No

No

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 other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) SEATTLE OPERA	B	1,755,000	CALCULATION
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2011

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII

Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation	
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Report of Independent Auditors  
and Financial Statements for

Seattle Opera Foundation

June 30, 2012 (with comparative totals for 2011)

MOSS ADAMS<sub>LLP</sub>

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**REPORT OF INDEPENDENT AUDITORS**

To the Board of Directors  
Seattle Opera Foundation

We have audited the accompanying balance sheets of Seattle Opera Foundation as of June 30, 2012, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Seattle Opera Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The summarized comparative information as of and for the year ended June 30, 2011, has been derived from the Seattle Opera Foundation's 2011 financial statements and in our report dated October 4, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Seattle Opera Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Seattle Opera Foundation as of June 30, 2012, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Seattle, Washington  
October 2, 2012

**SEATTLE OPERA FOUNDATION**  
**BALANCE SHEETS (with comparative totals for 2011)**

---

ASSETS					
	Unrestricted	Temporarily Restricted	Permanently Restricted	2012 Total	2011 Total
CURRENT ASSETS					
Promises to give, current portion	\$ 6,395	\$ -	\$ 18,690	\$ 25,085	\$ 50,750
Total current assets	6,395	-	18,690	25,085	50,750
Long-term promises to give	-	-	-	-	22,626
Long-term investments	11,249,462	3,352,229	7,236,571	21,838,262	23,130,016
Total long-term assets	11,249,462	3,352,229	7,236,571	21,838,262	23,152,642
Total assets	<u>\$ 11,255,857</u>	<u>\$ 3,352,229</u>	<u>\$ 7,255,261</u>	<u>\$ 21,863,347</u>	<u>\$ 23,203,392</u>
LIABILITIES AND NET ASSETS					
NET ASSETS	<u>\$ 11,255,857</u>	<u>\$ 3,352,229</u>	<u>\$ 7,255,261</u>	<u>\$ 21,863,347</u>	<u>\$ 23,203,392</u>
Total liabilities and net assets	<u>\$ 11,255,857</u>	<u>\$ 3,352,229</u>	<u>\$ 7,255,261</u>	<u>\$ 21,863,347</u>	<u>\$ 23,203,392</u>

**SEATTLE OPERA FOUNDATION**  
**STATEMENTS OF ACTIVITIES (with comparative totals for 2011)**

	Unrestricted	Temporarily Restricted	Permanently Restricted	2012 Total	2011 Total
<b>REVENUE AND SUPPORT</b>					
Contributions, net	\$ 102,906	\$ -	\$ 207,390	\$ 310,296	\$ 559,433
Contributions, in-kind	20,470	-	-	20,470	37,773
Dividend and interest income	245,215	200,444	-	445,659	460,936
Realized/unrealized gain (loss) on investments	(193,192)	(147,129)	-	(340,321)	3,497,983
Other income	2,665	1,656	-	4,321	8,693
Total revenue and support	178,064	54,971	207,390	440,425	4,564,818
<b>RELEASE OF TEMPORARILY RESTRICTED FUNDS</b>	1,123,938	(1,123,938)	-	-	-
<b>EXPENSES</b>					
Program expenses - support of Seattle Opera	1,755,000	-	-	1,755,000	1,554,000
Management and general	25,470	-	-	25,470	37,802
Total expenses	1,780,470	-	-	1,780,470	1,591,802
<b>OTHER</b>					
Transfer of net assets from unrestricted to permanent	(815,496)	-	815,496	-	-
Transfer of net loss on donor- restricted funds to unrestricted	(337,025)	337,025	-	-	-
Total other	(1,152,521)	337,025	815,496	-	-
<b>CHANGE IN NET ASSETS</b>	(1,630,989)	(731,942)	1,022,886	(1,340,045)	2,973,016
<b>NET ASSETS</b>					
Beginning of year	12,886,846	4,084,171	6,232,375	23,203,392	20,230,376
End of year	\$ 11,255,857	\$ 3,352,229	\$ 7,255,261	\$ 21,863,347	\$ 23,203,392

**SEATTLE OPERA FOUNDATION**  
**STATEMENTS OF CASH FLOWS**

	Years Ended June 30,	
	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (1,340,045)	\$ 2,973,016
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Contributions restricted to endowment	(207,390)	(522,391)
Realized/unrealized (gain)/loss on investments	340,321	(3,497,983)
Change in assets and liabilities		
Related party receivable	-	100,225
Promises to give	48,291	167,294
Related party payable	-	-
Net cash from operating activities	<u>(1,158,823)</u>	<u>(779,839)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(808,567)	(1,621,151)
Proceeds from sales of investments	<u>1,760,000</u>	<u>1,881,099</u>
Net cash from investing activities	<u>951,433</u>	<u>259,948</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts of contributions restricted to endowment	<u>207,390</u>	<u>519,891</u>
<b>NET CHANGE IN CASH</b>	-	-
<b>CASH</b>		
Beginning of year	<u>-</u>	<u>-</u>
End of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

# SEATTLE OPERA FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### Note 1 - Operations and Summary of Significant Accounting Policies

**Nature of operations** - Seattle Opera Foundation (the Foundation) was established in 1982 under authority of the bylaws of Seattle Opera (the Opera) to receive and invest donations for the benefit of the Opera. The Foundation is reported separately from the Opera because it is not under the control of the Opera, but the two entities have an economic interest in each other.

The Foundation accepts donations and invests the funds received. On an annual basis the Foundation trustees determine an amount to be distributed to the Opera for general operations and, in the case of income on restricted funds, for the purposes designated by the donors at the time of the gifts.

**Basis of presentation** - The net assets of the Foundation and changes therein are classified and reported as follows:

**Unrestricted net assets** - Net assets that are not subject to donor-imposed stipulations.

**Temporarily restricted net assets** - Net assets subject to donor-imposed stipulations that will be met either by actions of the Foundation or the passage of time, and accumulated net revenue (undistributed net earnings) on permanently restricted funds.

**Permanently restricted net assets** - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as releases between the applicable classes of net assets.

**Fair value** - Certain financial assets are reported at fair value at each reporting period in accordance with U.S. Generally Accepted Accounting Principles (GAAP). GAAP describes three levels of inputs that may be used to measure fair value:

**Level 1** - Quoted prices in active markets for identical assets or liabilities.

**Level 2** - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3** - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

## SEATTLE OPERA FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 1 - Operations and Summary of Significant Accounting Policies (continued)**

**Investments** - Investments in marketable securities are carried at fair value measured using quoted market prices in active markets for identical assets. Realized and unrealized gains and losses are reflected in the statement of activities. Donated investments are recorded at fair value on the date acquired and carried at fair value. The Foundation invests in stock, bond, and money market funds and FDIC-insured certificates of deposit. Certificates of deposit are carried at cost at June 30, 2012 and 2011, which approximate fair value (Note 3).

**Receivables and contributions** - Contributions are recognized when the donor makes a promise to give (pledge) to the Foundation that is, in substance, unconditional. Pledges are recorded based on written commitments from donors. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows (Note 2).

**Federal income taxes** - The Internal Revenue Service (IRS) has determined that the Foundation is exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(c)(3) except to the extent of unrelated business taxable income as defined under IRC sections 511 through 515. Effective July 1, 2009, the Foundation adopted accounting for uncertain tax positions. The accounting standard prescribes a recognition threshold and measurement process for uncertain tax positions. As of June 30, 2012 and 2011, the Foundation had no uncertain tax positions.

**Use of estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Subsequent events** - Subsequent events are events that occur after the balance sheet date but before financial statements are issued. The Foundation recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheets, including the estimates inherent in the process of preparing the financial statements. The Foundation has evaluated subsequent events through October 2, 2012. This is the date that the financial statements were available to be issued, and has recognized the effects of those subsequent events, if any, as required by GAAP.

**Comparative financial information** - The financial statements include certain prior-year summarized comparative information in total but not by asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2011, from which the summarized information was derived.



# SEATTLE OPERA FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### Note 2 - Promises to Give

Unconditional promises to give at June 30 were as follows:

	2012	2011
Receivable in less than one year	\$ 25,085	\$ 50,750
Receivable in one to five years	-	24,004
Total unconditional promises to give	25,085	74,754
Less present value discount	-	(1,378)
Net unconditional promises to give	\$ 25,085	\$ 73,376

Promises to give that are receivable in more than one year are discounted at an annual rate of 3% for each additional year through the term of the pledge.

In the opinion of management, all promises to give are fully collectible. Therefore, no allowance has been established for uncollectible promises to give.

### Note 3 - Investments

Investments at June 30 consisted of the following:

		Fair Value at Reporting Date Using			
June 30, 2012	Description	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	US equity funds	\$ 10,033,018	\$ 10,033,018	\$ -	\$ -
	International equity funds	3,199,251	3,199,251	-	-
	US bond funds	2,960,759	2,960,759	-	-
	International bond funds	494,592	494,592	-	-
	Commodity funds	963,430	963,430	-	-
	US money market funds	3,157,200	3,157,200	-	-
	US certificates of deposit	1,030,012	1,030,012	-	-
		<u>\$ 21,838,262</u>	<u>\$ 21,838,262</u>	<u>\$ -</u>	<u>\$ -</u>
June 30, 2011					
	US equity funds	\$ 9,786,308	\$ 9,786,308	\$ -	\$ -
	International equity funds	3,852,458	3,852,458	-	-
	US bond funds	2,802,741	2,802,741	-	-
	International bond funds	520,128	520,128	-	-
	Commodity funds	1,007,783	1,007,783	-	-
	US money market funds	2,894,897	2,894,897	-	-
	US certificates of deposit	2,265,701	2,265,701	-	-
		<u>\$ 23,130,016</u>	<u>\$ 23,130,016</u>	<u>\$ -</u>	<u>\$ -</u>

**Note 4 - Net Assets and Endowment Funds**

The Foundation holds eighteen donor-restricted funds and endowments established for a variety of purposes. There were no board-designated endowment funds as of June 30, 2012 and 2011. As required by generally accepted accounting principles, net assets are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of relevant law** - The Foundation has interpreted the Washington State 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 funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original fair value of gifts donated with donor restrictions, (b) the original fair value of subsequent gifts to the funds, and (c) accumulations 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 funds not classified as permanently restricted net assets are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standards 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 funds and endowments:

1. The duration and preservation of the fund;
2. The purposes of the Foundation and the donor-restricted or endowed fund;
3. General economic conditions;
4. The possible effects of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Foundation;
7. The investment policies of the Foundation.

**SEATTLE OPERA FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 4 - Net Assets and Endowment Funds (continued)**

Net assets consist of the following at June 30, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted funds	\$ -	\$ 2,306,462	\$ 3,144,441	\$ 5,450,903
Accumulated net revenue (loss) on donor-restricted funds	(144,147)	1,045,767	-	901,620
Endowed-restricted funds	-	-	4,110,820	4,110,820
Accumulated net revenue (loss) on endowed-restricted funds	(192,878)	-	-	(192,878)
Unrestricted funds	11,592,882	-	-	11,592,882
Foundation net assets	<u>\$ 11,255,857</u>	<u>\$ 3,352,229</u>	<u>\$ 7,255,261</u>	<u>\$ 21,863,347</u>

Changes to net assets for the year ended June 30, 2012, are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, June 30, 2011	\$ 12,886,846	\$ 4,084,171	\$ 6,232,375	\$ 23,203,392
Investment return				
Interest and dividends	245,215	200,444	-	445,659
Realized and unrealized gains and losses	(193,192)	(147,129)	-	(340,321)
Total investment return	52,023	53,315	-	105,338
Contributions	121,998	-	207,390	329,388
Pledge discount	1,378	-	-	1,378
Other income	2,665	1,656	-	4,321
Distributions to Seattle Opera	(1,755,000)	-	-	(1,755,000)
Management and general	(25,470)	-	-	(25,470)
Net assets released from restrictions	1,123,938	(1,123,938)	-	-
Transfer of net loss on donor-restricted funds to unrestricted	(337,025)	337,025	-	-
Transfer of net assets from unrestricted to permanently restricted	(815,496)	-	815,496	-
Net assets, June 30, 2012	<u>\$ 11,255,857</u>	<u>\$ 3,352,229</u>	<u>\$ 7,255,261</u>	<u>\$ 21,863,347</u>

Net assets consisted of the following at June 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted funds	\$ -	\$ 3,039,303	\$ 2,587,807	\$ 5,627,110
Accumulated net revenue (loss) on donor-restricted funds	-	1,044,868	-	1,044,868
Endowed-restricted funds	-	-	3,644,568	3,644,568
Accumulated net revenue (loss) on endowed-restricted funds	(2,773)	-	-	(2,773)
Unrestricted funds	12,889,619	-	-	12,889,619
Foundation net assets	<u>\$ 12,886,846</u>	<u>\$ 4,084,171</u>	<u>\$ 6,232,375</u>	<u>\$ 23,203,392</u>

# SEATTLE OPERA FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### Note 4 - Net Assets and Endowment Funds (continued)

Changes to net assets for the year ended June 30, 2011, were as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, June 30, 2010	\$ 10,679,896	\$ 3,840,496	\$ 5,709,984	\$ 20,230,376
Investment return				
Interest and dividends	257,653	203,283	-	460,936
Realized and unrealized gains and losses	2,272,675	1,225,308	-	3,497,983
Total investment return	2,530,328	1,428,591	-	3,958,919
Contributions	70,611	-	522,391	593,002
Pledge discount	4,204	-	-	4,204
Other income	5,666	3,027	-	8,693
Distributions to Seattle Opera	(1,554,000)	-	-	(1,554,000)
Management and general	(37,802)	-	-	(37,802)
Net assets released from restriction	1,017,245	(1,017,245)	-	-
Transfer of net loss on donor-restricted funds to unrestricted	170,698	(170,698)	-	-
Net assets, June 30, 2011	\$ 12,886,846	\$ 4,084,171	\$ 6,232,375	\$ 23,203,392

**Funds with deficiencies** - From time to time, the fair value of assets associated with donor-restricted and endowment funds may fall below the level to be held in perpetuity. These deficiencies may result from unfavorable market fluctuations and/or from distributions to the Opera that were deemed prudent by the board and consistent with the donor's intent. In accordance with generally accepted accounting principles, deficiencies of this nature do not reduce permanently restricted net assets, but are reported in unrestricted net assets. These donor-restricted and endowment fund deficiencies totaled \$337,025 and \$2,773 as of June 30, 2012 and 2011, respectively.

### Investment policies

**Responsibilities** - Responsibilities for the oversight and administration of the Foundation assets are delineated as follows:

The Board of Directors (the Board) has delegated primary fiduciary responsibility to the investment committee (the Committee). In carrying out its responsibilities, the Committee establishes investment policy, makes asset allocation decisions, determines asset class strategies and retains investment managers, and/or selects investment funds to implement asset allocation and asset class strategy decisions.

Moreover, the Committee is responsible for assigning administrative duties to the Executive Director and the Chief Financial Officer of Seattle Opera in order to ensure effective implementation, consistent with this investment policy.

**Note 4 - Net Assets and Endowment Funds (continued)**

The Committee is responsible for reporting to the Board of Directors on all cash flows associated with the Foundation and its portfolio and the performance of the Foundation's investments on a quarterly basis.

With oversight of the Foundation's Treasurer, Seattle Opera staff is responsible for keeping accurate records of all contributions and other cash flows associated with the Foundation and its portfolio, and for keeping copies of all investment statements for the Foundation.

**Objectives** - The investment portfolio has been established for the exclusive benefit of Seattle Opera Foundation. The fund is intended to operate in perpetuity. Assets will be invested in a prudent manner for the purposes of the Foundation, as set forth in its Articles of Incorporation, including support to the Seattle Opera.

Other objectives are to:

Generate a total return that, over the long term, provides sufficient assets to fund the Foundation's spending policy, and to maintain the real value of the fund's assets.

Maximize the return on assets, over the long term, by investing primarily in equities and equity related assets.

Reduce the impact of losses in single investments by diversifying investments within asset classes.

**Spending policy** - The spending policy of the Foundation is based on thoughtful evaluation of the expected returns to various asset classes and the policy asset mix. Each year, up to 5% of the fair value of the Foundation's assets will be paid to Seattle Opera. For purposes of this calculation, the fair value of the Foundation portfolio at June 30 will be used. At the discretion of the Board, the payout calculation may be based on a rolling average of the Foundation's portfolio values in order to dampen the impact of market fluctuations on payouts.

**Asset mix** - The policy asset mix of the Foundation and the associated benchmarks for each asset class are as follows:

<u>Asset Class</u>	<u>Policy Weight</u>
Equities	70%
Bonds	20%
Commodities	5%
Cash	5%

## SEATTLE OPERA FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 4 - Net Assets and Endowment Funds (continued)**

**Investment management** - The assets of the Foundation will be invested using broad market mutual funds (including index funds) and exchange traded funds. The Committee will select funds appropriate to the implementation of the Foundation's asset mix. The assets will be held in an account with a major brokerage firm.

**Performance measurement** - Performance of the investment portfolio will be reviewed at least quarterly. A full presentation of investment performance will be made to the Foundation board at least annually.

**Rebalancing** - The Investment Committee will monitor the fair values of the Foundation's asset class proportions at least quarterly for the purpose of rebalancing the portfolio back to target weights. Some rebalancing may also occur whenever contributions or annual withdrawals are made.