

Goodspeed Opera House Foundation, Inc. and Subsidiary
Consolidated Financial Statements
December 31, 2025 and 2024
With Independent Auditor's Report

Goodspeed Opera House Foundation, Inc. and Subsidiary
Table of Contents
December 31, 2025 and 2024

Independent Auditor's Report	1
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	5
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with Government Auditing Standards	23

Independent Auditor's Report

To the Board of Trustees of
Goodspeed Opera House Foundation, Inc. and Subsidiary:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Goodspeed Opera House Foundation, Inc. (the "Organization") and Goodspeed Restaurant, Inc. (the "Subsidiary"), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization and Subsidiary as of December 31, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2026 on our consideration of the Organization and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization and Subsidiary's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Withum Smith & Brown, PC".

May 29, 2026

Goodspeed Opera House Foundation, Inc. and Subsidiary
Consolidated Statements of Financial Position
December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Assets						
Cash and cash equivalents	\$ 348,649	\$ 72,976	\$ 421,625	\$ 65,709	\$ 541,044	\$ 606,753
Accounts receivable	114,946	-	114,946	105,068	-	105,068
Unconditional promises to give	61,135	336,333	397,468	284,736	279,854	564,590
Prepaid expenses	243,203	-	243,203	377,179	-	377,179
Inventory	44,886	-	44,886	93,332	-	93,332
Employee retention tax credit receivable	-	-	-	324,923	-	324,923
Total current assets	812,819	409,309	1,222,128	1,250,947	820,898	2,071,845
Investments	9,937,753	8,113,181	18,050,934	10,084,991	8,311,847	18,396,838
Restricted cash	179,682	-	179,682	214,673	-	214,673
Restricted investment	594,033	-	594,033	668,106	-	668,106
Unconditional promises to give, net of current portion	-	381,922	381,922	-	602,126	602,126
Property and equipment, at cost, net of accumulated depreciation	12,418,221	-	12,418,221	10,029,211	-	10,029,211
Total assets	<u>\$ 23,942,508</u>	<u>\$ 8,904,412</u>	<u>\$ 32,846,920</u>	<u>\$ 22,247,928</u>	<u>\$ 9,734,871</u>	<u>\$ 31,982,799</u>
Liabilities and Net Assets						
Current liabilities						
Accounts payable and accrued expenses	\$ 533,016	\$ -	\$ 533,016	\$ 794,683	\$ -	\$ 794,683
Loan payable, current portion	13,603	-	13,603	9,671	-	9,671
Advance subscriptions	1,922,144	-	1,922,144	1,511,427	-	1,511,427
Deferred revenue	-	-	-	35,072	-	35,072
Gift annuity obligations, current portion	-	5,479	5,479	-	8,158	8,158
Unredeemed gift certificates	784,001	-	784,001	660,080	-	660,080
Deferred compensation plan payable, current portion	111,981	-	111,981	273,975	-	273,975
Total current liabilities	3,364,745	5,479	3,370,224	3,284,908	8,158	3,293,066
Loan payable, net of current portion	134,604	-	134,604	138,536	-	138,536
Deferred compensation plan payable, net of current portion	482,052	-	482,052	394,131	-	394,131
Gift annuity obligations, net of current portion	-	19,003	19,003	-	25,969	25,969
Total liabilities	<u>3,981,401</u>	<u>24,482</u>	<u>4,005,883</u>	<u>3,817,575</u>	<u>34,127</u>	<u>3,851,702</u>
Net assets						
Without donor restrictions						
Property and equipment, net	12,418,221	-	12,418,221	10,029,211	-	10,029,211
Board designated - general fund	7,542,886	-	7,542,886	8,401,142	-	8,401,142
Total without donor restrictions	19,961,107	-	19,961,107	18,430,353	-	18,430,353
With donor restrictions	-	8,879,930	8,879,930	-	9,700,744	9,700,744
Total net assets	<u>19,961,107</u>	<u>8,879,930</u>	<u>28,841,037</u>	<u>18,430,353</u>	<u>9,700,744</u>	<u>28,131,097</u>
Total liabilities and net assets	<u>\$ 23,942,508</u>	<u>\$ 8,904,412</u>	<u>\$ 32,846,920</u>	<u>\$ 22,247,928</u>	<u>\$ 9,734,871</u>	<u>\$ 31,982,799</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Goodspeed Opera House Foundation, Inc. and Subsidiary
Consolidated Statements of Activities
Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities						
Public support and other revenue						
Membership	\$ 543,770	\$ 1,103,235	\$ 1,647,005	\$ 518,775	\$ 854,915	\$ 1,373,690
Contributions of financial assets	1,223,741	121,000	1,344,741	1,025,762	339,302	1,365,064
Government grants	89,351	-	89,351	36,094	-	36,094
Contributions of non-financial assets	169,581	-	169,581	95,623	-	95,623
Special events, net of direct costs of \$83,712 (2025) and \$102,369 (2024)	327,728	-	327,728	154,359	-	154,359
Spending appropriations	329,263	-	329,263	323,376	-	323,376
Allocation from board-designated general fund	2,830,000	-	2,830,000	3,406,000	-	3,406,000
Gift annuities	-	30,746	30,746	-	21,730	21,730
Net assets released from restriction						
Membership	854,915	(854,915)	-	839,584	(839,584)	-
Contributions	334,217	(334,217)	-	188,295	(188,295)	-
	<u>6,702,566</u>	<u>65,849</u>	<u>6,768,415</u>	<u>6,587,868</u>	<u>188,068</u>	<u>6,775,936</u>
Other revenue						
Admissions	7,342,566	-	7,342,566	6,441,353	-	6,441,353
Royalties	860,254	-	860,254	271,673	-	271,673
Rental income	322,312	-	322,312	318,486	-	318,486
Concession, net of cost of goods sold of \$114,003 (2025) and \$111,413 (2024)	208,589	-	208,589	183,690	-	183,690
Enhancement income	99,437	-	99,437	304,500	-	304,500
Theatre tours events, net of expenses \$350,017 (2025) and \$333,600 (2024)	54,332	-	54,332	117,076	-	117,076
Miscellaneous income	21,294	-	21,294	33,471	-	33,471
	<u>15,611,350</u>	<u>65,849</u>	<u>15,677,199</u>	<u>14,258,117</u>	<u>188,068</u>	<u>14,446,185</u>
Expenses						
Program services	13,627,349	-	13,627,349	13,532,442	-	13,532,442
Supporting services	2,363,520	-	2,363,520	1,955,373	-	1,955,373
	<u>15,990,869</u>	<u>-</u>	<u>15,990,869</u>	<u>15,487,815</u>	<u>-</u>	<u>15,487,815</u>
Changes in net assets before non-operating activities	(379,519) *	65,849	(313,670)	(1,229,698) *	188,068	(1,041,630)
* Includes depreciation expense of \$604,483 (2025) and \$498,057 (2024)						
Non-operating activities						
Investment return, net	1,784,637	915,813	2,700,450	1,488,419	532,455	2,020,874
Spending appropriations	-	(329,263)	(329,263)	-	(323,376)	(323,376)
Capital contributions	-	141,185	141,185	-	1,602,829	1,602,829
Government grants	1,509,878	-	1,509,878	43,325	119,888	163,213
Reimbursed damages (flood insurance)	-	-	-	34,973	-	34,973
Capital expenses	(168,640)	-	(168,640)	-	-	-
Allocation from board-designated general fund	(2,830,000)	-	(2,830,000)	(3,406,000)	-	(3,406,000)
Net assets released from restriction	1,614,398	(1,614,398)	-	-	-	-
	<u>1,910,273</u>	<u>(886,663)</u>	<u>1,023,610</u>	<u>(1,839,283)</u>	<u>1,931,796</u>	<u>92,513</u>
Changes in net assets	1,530,754	(820,814)	709,940	(3,068,981)	2,119,864	(949,117)
Net assets						
Beginning of year	<u>18,430,353</u>	<u>9,700,744</u>	<u>28,131,097</u>	<u>21,499,334</u>	<u>7,580,880</u>	<u>29,080,214</u>
End of year	<u>\$ 19,961,107</u>	<u>\$ 8,879,930</u>	<u>\$ 28,841,037</u>	<u>\$ 18,430,353</u>	<u>\$ 9,700,744</u>	<u>\$ 28,131,097</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Goodspeed Opera House Foundation, Inc. and Subsidiary
Consolidated Statement of Functional Expenses
Year Ended December 31, 2025

		Supporting Services			Cost of Direct Benefit to Donors	Total Expenses
	Program Services	Management and General	Fundraising	Total		
Salaries	\$ 6,514,605	\$ 473,625	\$ 724,825	\$ 1,198,450	\$ 6,651	\$ 7,719,706
Benefits and payroll taxes	1,516,034	91,440	98,579	190,019	509	1,706,562
Artistic and professional fees	647,619	251,021	63,488	314,509	-	962,128
Dues and subscriptions	24,904	734	15,038	15,772	-	40,676
Conferences, meetings and events	221,899	1,601	306,835	308,436	31,875	562,210
Education and events	195,201	-	138,020	138,020	-	333,221
Advertising, promotion and public relations	786,048	-	51,755	51,755	-	837,803
Production expense	1,079,306	361	52,274	52,635	44,017	1,175,958
Insurance	376,479	28,224	46,359	74,583	-	451,062
Utilities	395,323	28,927	44,316	73,243	-	468,566
Maintenance	414,566	30,335	46,474	76,809	-	491,375
Security	6,933	-	-	-	-	6,933
Concessions cost of goods sold	114,003	-	-	-	-	114,003
Performance rights and royalties	415,328	-	-	-	-	415,328
Office supplies	56,227	1,943	10,681	12,624	-	68,851
Computer expense	107,554	17,434	20,624	38,058	-	145,612
Telephone, cable and internet	123,463	1,140	433	1,573	-	125,036
Postage, printing and reproduction	43,209	2,244	8,927	11,171	-	54,380
Real estate taxes	35,937	-	-	-	-	35,937
Bank fees and interest	91,297	-	-	-	-	91,297
Travel, meals and entertainment	12,437	-	212,873	212,873	-	225,310
Miscellaneous	50,303	8,265	11,576	19,841	660	70,804
Depreciation	512,677	36,258	55,548	91,806	-	604,483
Total expenses	13,741,352	973,552	1,908,625	2,882,177	83,712	16,707,241
Less: Expenses included with revenues on the consolidated statement of activities						
Capital campaign	-	-	(168,640)	(168,640)	-	(168,640)
Concession cost of goods sold	(114,003)	-	-	-	-	(114,003)
Theatre tours events expenses	-	-	(350,017)	(350,017)	-	(350,017)
Direct costs of special events	-	-	-	-	(83,712)	(83,712)
	<u>\$ 13,627,349</u>	<u>\$ 973,552</u>	<u>\$ 1,389,968</u>	<u>\$ 2,363,520</u>	<u>\$ -</u>	<u>\$ 15,990,869</u>

The Notes to Financial Statements are an integral part of this statement.

Goodspeed Opera House Foundation, Inc. and Subsidiary
Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

		Supporting Services			Cost of Direct	
	Program Services	Management and General	Fundraising	Total	Benefit to Donors	Total Expenses
Salaries	\$ 6,986,461	\$ 216,401	\$ 431,100	\$ 647,501	\$ 5,408	\$ 7,639,370
Benefits and payroll taxes	1,394,485	122,245	73,644	195,889	414	1,590,788
Artistic and professional fees	612,791	377,287	47,606	424,893	-	1,037,684
Dues and subscriptions	7,297	41,351	4,714	46,065	-	53,362
Conferences, meetings and events	304,217	48,155	182,436	230,591	3,428	538,236
Education and events	52,837	-	41,879	41,879	37,995	132,711
Advertising, promotion and public relations	804,747	-	52,368	52,368	-	857,115
Production expense	1,221,603	-	13,277	13,277	48,121	1,283,001
Insurance	390,486	27,253	39,048	66,301	-	456,787
Utilities	387,286	27,099	38,828	65,927	-	453,213
Maintenance	345,954	23,546	33,737	57,283	-	403,237
Security	5,532	-	-	-	-	5,532
Concessions cost of goods sold	111,413	-	-	-	-	111,413
Performance rights and royalties	221,462	-	-	-	-	221,462
Office supplies	31,865	1,474	6,875	8,349	-	40,214
Computer expense	95,737	2,660	12,505	15,165	-	110,902
Telephone, cable and internet	80,735	162	233	395	-	81,130
Postage, printing and reproduction	57,786	47,276	15,826	63,102	-	120,888
Real estate taxes	32,636	2,572	-	2,572	-	35,208
Bank fees and interest	2,041	79,575	-	79,575	-	81,616
Travel, meals and entertainment	23,874	968	188,735	189,703	1,611	215,188
Miscellaneous	44,267	-	18,424	18,424	5,392	68,083
Depreciation	428,343	28,656	41,058	69,714	-	498,057
Total expenses	13,643,855	1,046,680	1,242,293	2,288,973	102,369	16,035,197
Less: Expenses included with revenues on the consolidated statement of activities						
Concession cost of goods sold	(111,413)	-	-	-	-	(111,413)
Theatre tours events expenses	-	-	(333,600)	(333,600)	-	(333,600)
Direct costs of special events	-	-	-	-	(102,369)	(102,369)
	<u>\$ 13,532,442</u>	<u>\$ 1,046,680</u>	<u>\$ 908,693</u>	<u>\$ 1,955,373</u>	<u>\$ -</u>	<u>\$ 15,487,815</u>

The Notes to Financial Statements are an integral part of this statement.

Goodspeed Opera House Foundation, Inc. and Subsidiary
Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating activities		
Changes in net assets	\$ 709,940	\$ (949,117)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation	604,483	498,057
Net loss on gift annuity obligations	2,022	1,391
Realized gain on sale of investments and donated securities	(806,004)	(898,672)
Unrealized gain on investments and donated securities	(1,041,628)	(315,987)
Net gain on deferred compensation plan	(76,055)	(49,869)
Endowment contributions	(27,500)	(22,525)
Contributions for capital	(26,663)	(1,602,829)
Change in present value and allowance for uncollectible promises to give	(22,693)	47,774
Changes in assets and liabilities:		
Accounts receivable	(9,878)	18,345
Employee retention tax credit receivable	324,923	-
Unconditional promises to give	192,342	(240,193)
Prepaid expenses	133,976	(72,085)
Inventory	48,446	(11,160)
Accounts payable and accrued expenses	(261,667)	1,060
Advance subscriptions	410,717	296,272
Deferred revenue	(35,072)	(52,861)
Unredeemed gift certificates	123,921	(10,910)
Deferred compensation plan payable	(74,073)	27,055
Net cash provided by (used in) operating activities	<u>169,537</u>	<u>(3,336,254)</u>
Investing activities		
Purchase of property and equipment	(2,993,493)	(499,036)
Purchase of investments	(3,457,687)	(2,337,551)
Proceeds from sales of investments	5,651,223	5,526,957
Contributions to deferred compensation plan	(19,875)	(41,250)
Disbursement from deferred compensation plan	170,003	64,064
Net cash (used in) provided by investing activities	<u>(649,829)</u>	<u>2,713,184</u>
Financing activities		
Annuity payments	(17,054)	(7,136)
Annuity contributions	5,387	20,000
Endowment contributions	27,500	22,525
Proceeds from contributions for capital	244,340	703,849
Principal payments on loans payable	-	(1,793)
Net cash provided by financing activities	<u>260,173</u>	<u>737,445</u>
Net change in cash, cash equivalents and restricted cash	(220,119)	114,375
Cash, cash equivalents and restricted cash		
Beginning of year	<u>821,426</u>	<u>707,051</u>
End of year	<u>\$ 601,307</u>	<u>\$ 821,426</u>
Supplemental disclosure		
Interest paid	<u>\$ 90,443</u>	<u>\$ 79,452</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Goodspeed Opera House Foundation, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

1. Organization and Summary of Significant Accounting Policies

a. Organization

The mission of Goodspeed Opera House Foundation, Inc. (the "Organization") is to share the joy of musical theatre; to delight, inspire, and challenge audiences; to nurture creators; and to build and support a broad, diverse, and inclusive community.

b. Principles of Consolidation

The accompanying consolidated financial statements include Goodspeed Opera House Foundation, Inc. and its wholly owned subsidiary, Goodspeed Restaurant, Inc. (the "Subsidiary"). The Subsidiary was formed in 1994 as a Connecticut corporation to provide restaurant and hotel services for the patrons of the Organization and the community. All intercompany transactions have been eliminated in consolidation.

c. Basis of Accounting

The consolidated financial statements of the Organization and Subsidiary have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The Organization and Subsidiary's resources are classified and reported as separate classes of net assets based on the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions: Include expendable resources that are used to carry out the Organization and Subsidiary's operations and are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by the Organization and Subsidiary or may be limited by contractual agreements. In addition, net assets without donor restrictions include board designated endowment funds and property and equipment used in operations.

Net Assets With Donor Restrictions: Net assets subject to donor-imposed restrictions that may or will be met either by the actions of the Organization and Subsidiary or through the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt. Also included in this category are net assets subject to donor-imposed restrictions to be maintained permanently by the Organization and Subsidiary, including gifts and promises to give wherein donors stipulate that the corpus of the gift to be held in perpetuity and that only the income may be made available for operations, subject to the Organization and Subsidiary's spending policy. Expirations of restrictions on net assets with donor restrictions are reported as net assets released from restrictions.

d. Measure of Operations

The Organization and Subsidiary include in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities, including an authorized investment return appropriated for operations. This measure of operations provides a presentation that depicts the manner in which the Organization and Subsidiary manage their financial activities. Investment return, net, including interest and dividends, net realized and unrealized gains and losses, in excess of (or less than) the Organization and Subsidiary's authorized investment return appropriated for operations, capital contributions and grants, certain government grants and other nonrecurring charges and expenses not chargeable to grants and contracts are recognized as nonoperating activities.

Goodspeed Opera House Foundation, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

e. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants.

In determining fair value, the Organization and Subsidiary use various valuation approaches, including market, income and/or cost approaches. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below.

Level 1 - Quoted prices of identical instruments in active markets.

Level 2 - Quoted prices of similar instruments in active markets; quoted prices of identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 - Significant inputs to the valuation model are unobservable.

The financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets and liabilities.

The Organization and Subsidiary's investments are valued based on the following:

Federal Money Market Funds, Mutual Funds, Index Funds and Investment Funds: Valued at the daily closing price as reported by the fund. Funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (“NAV”) and to transact at that price. The funds held by the Organization are deemed to be actively traded. This category includes equity funds, bond market index funds, and high-yield bond funds.

U.S. and Other Bond Obligations: Bond obligations and fixed income securities held by the Organization are valued based on quoted prices in active markets, when available, or through pricing models that incorporate observable market inputs such as yield curves, credit spreads, and benchmark interest rates. These securities are typically traded in markets that are considered active, and pricing is obtained from third-party pricing services that use standardized methodologies. The fair value of these investments reflects the market's assessment of credit risk, interest rate risk, and other relevant factors.

f. Investments

Investments in marketable securities and all debt securities are reported at their fair market value in the accompanying consolidated statements of financial position. Net investment income (loss) is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external investment expenses. Investments received by gift are initially recorded at fair value at the date of receipt. The amount of gain or loss associated with these investments is reflected in the accompanying consolidated statements of activities. Gains and losses on sales of investments are determined using the average cost method.

g. Cash Equivalents

Cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less, except those included within the investment portfolio.

Goodspeed Opera House Foundation, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

h. Unconditional Promises to Give

When estimating the fair value of unconditional promises to give, the relationships with the donor, the donor's past history of making timely payments, and the donor's overall creditworthiness are considered and incorporated into present value techniques. The interest element resulting from amortization of the discount for the time value of money, computed using the effective interest rate method, is reported as contribution revenue. Uncollectible promises are expected to be insignificant. Unconditional promises to give to be received after one year are discounted at a rate of 5%.

i. Advertising Costs

Advertising costs are charged to operations at the time the advertising occurs, except for direct response marketing and other expenses incurred related to the subsequent season's performances that are deferred and recognized in the season when the related revenue is recognized. Advertising expense for the years ended December 31, 2025 and 2024 was \$371,708 and \$520,018, respectively, which are included in advertising, promotion and public relations within the consolidated statements of functional expenses.

j. Property and Equipment

Property and equipment acquired are recorded at cost. It is the Organization and Subsidiary's policy to capitalize expenditures on a per project basis exceeding \$10,000. Lesser amounts are expensed. Property and equipment are being depreciated over the useful life of the related asset using the straight-line method. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization and Subsidiary report the expiration of donor restrictions when the donated or acquired assets are placed in service. The Organization and Subsidiary reclassify net assets with donor restrictions to net assets without donor restrictions at that time.

Depreciation with respect to property and equipment has been made by the Organization and Subsidiary on the straight-line method based on the estimated useful lives of the underlying assets as follows:

	<u>Estimated Life (Years)</u>
Land	n/a
Building and improvements	4-40
Furniture, fixtures, and equipment	3-30
Vehicles	5

k. Inventory

The Organization and Subsidiary measure its inventory at the lower of cost or net realizable value. Inventory consists of all finished goods gift shop and concessions inventory. The Organization and Subsidiary also maintain scenery and costume inventories of past productions. The Organization and Subsidiary are unable to determine the future use of the scenery and costumes and therefore they are expensed over the run of the public performances of the original show.

l. Production Costs

Production costs are capitalized at cost and are amortized over the estimated life of the theatrical production. Since all productions closed prior to the fiscal year end of the consolidated financial statements, all production costs have been expensed.

Goodspeed Opera House Foundation, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

m. 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 period. Significant estimates include the fair value of investments, net realizable value of receivables, depreciation and allocation of functional expenses. Actual results could differ from those estimates.

n. Tax Status and Uncertain Tax Positions

The Organization is a not-for-profit corporation, exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code, the states of Connecticut and New York, and has been designated as an organization which is not a private foundation. The Organization is obligated for unrelated business income tax on net income from certain activities (i.e. wardrobe rental income). As of December 31, 2025 and 2024, the Organization had approximately \$2,500,000 and \$2,250,000, respectively, in unrelated business net operating losses carried forward, which begin to expire in 2027. The carried forward losses have been fully reserved for since management is unable to determine the actual utilization of these losses.

The Subsidiary is a for-profit corporation subject to federal and state income taxes on net income, if any. As of December 31, 2025 and 2024, the Subsidiary had approximately \$57,000 and \$65,000, respectively, in net operating losses carried forward, which begin to expire in 2027. The carried forward losses have been fully reserved for since management is unable to determine the actual utilization of these losses. The Subsidiary uses the asset and liability method of accounting for deferred income taxes. Under this method, deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities at currently enacted tax rates. These temporary differences primarily relate to net operating loss carryforwards available to offset future taxable income. Valuation allowances are established, if necessary, to reduce a deferred tax asset to the amount that will more likely than not be realized.

The Organization and Subsidiary believe that they have the appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the consolidated financial statements. There are no income tax-related penalties and interest included in the accompanying consolidated financial statements.

o. Revenue and Support Recognition

Contributions and Promises to Give

Grants and contributions, including memberships, are recognized when cash is received or when the donor makes a promise to give to the Organization and Subsidiary that is, in substance, unconditional. Conditional grants and promises to give, that is, those with a measurable performance or other measurable barrier, and a right of return or release, are not recognized in revenue until the conditions on which they depend have been substantially met. Grants and contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions and grants are recognized. All other donor-restricted grants and contributions are reported as increases in net assets with donor restrictions. When a restriction expires, donor restricted net assets are reclassified to net assets without donor restrictions.

Conditional Government Grant

At December 31, 2025, contributions approximating \$1.7 million have not been recognized in the accompanying consolidated statement of activities because the conditions on which they depend have not yet been met.

Goodspeed Opera House Foundation, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

Special Events

Special event revenue comprises an exchange element, based on the benefits received, and a contribution element for the difference and is treated as revenue without donor restrictions. The Organization does not have any significant financing components as payment is received at or shortly after the point of sale. The contribution portion is recognized as a conditional contribution when received and reported as a refundable advance on the consolidated statements of financial position and is recognized as revenue when the condition is met, which is when the event takes place. For the exchange portion, funds received in advance of the event date are recorded as contract liabilities in the consolidated statements of financial position. Revenue from the exchange portion is recognized at a point in time, at the date the event is held.

Revenue from Contracts with Customers

The Organization and Subsidiary accounts for admissions, royalties, enhancements, concessions and theatre tours events as exchange transactions in the consolidated statements of activities. Revenue from contracts with customers are treated as revenues without donor restrictions. Funds received in advance from customers for services that have not been performed have been recorded as contract liabilities in the consolidated statements of financial position.

In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, the Organization and Subsidiary perform the following steps (i) identify contracts with customers; (ii) identify performance obligations; (iii) determine the transaction price; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Organization and Subsidiary satisfies each performance obligation.

The following summarizes the Organization and Subsidiary's performance obligations:

Admissions

Admissions represents the sums actually paid for individual tickets of admission to a production of the Organization including handling and other fees. Tickets are non-refundable at the time of receipt unless a performance is cancelled. The Organization estimates the number of cancellations and records a reserve if deemed material. Fees are non-refundable at the time of receipt. The Organization allows for exchanges under certain circumstances for tickets of equal or lesser value. The total yearly adjustment for exchanged tickets is immaterial to the Organization. Tickets purchased in advance are recorded as contract liabilities by the Organization. Advanced ticket sales are recorded as revenue when the performance related to the ticket sale is complete. Admission revenue is recognized at a specific point in time, which is when the performance related to the ticket is complete.

Enhancement Income

Enhancement income represents income received for the Organization's participation in the development of a production. The Organization receives a fixed amount of income as a reimbursement for production costs spent to develop the production. Payments received in advance for enhancement expenses are recorded as contract liabilities by the Organization. Enhancement income is recognized at a point in time, which is when the related production begins.

Royalty Income

Royalty income is earned from licensing arrangements under which third parties are granted rights to perform productions. Revenue is based on a share of royalty receipts from these performances, net of applicable commissions. Royalty income is recognized at a point in time when the underlying performances occur, as this is when the earnings process is complete. Amounts are recorded based on periodic royalty statements received.

Other Exchange Transactions

Concession income is recognized when the sale occurs. Theatre tour events are recognized when the related tour begins.

The timing of revenue recognition, billings and cash collections results in accounts receivable and contract liabilities, which are shown as advance subscriptions, deferred revenue and unredeemed gift certificates on the consolidated statements of financial position. Accounts receivable as of December 31, 2025 and 2024 were \$114,946 and \$105,068, respectively. Contract liabilities as of December 31, 2025 and 2024 were \$2,706,145 and \$2,206,579, respectively. Accounts receivable and contract liabilities as of January 1, 2024 were \$123,413 and \$1,974,078, respectively.

Goodspeed Opera House Foundation, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

Other revenues are obtained from rental income, miscellaneous, and investment income. These revenues are used to offset program, management and general and fundraising expenses. Revenue from these sources are recognized when earned. Certain investment income has been classified as with donor restrictions based on donor stipulations.

p. Functional Allocation of Expenses

The cost of providing the various programs and supporting services has been summarized on the consolidated statements of activities and detailed within the consolidated statements of functional expenses. Certain costs have been allocated among the programs and supporting services based on analysis of personnel time and utilization of related activities if there is not a direct association to one of the functional categories. Management and general expense includes those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of the Organization and Subsidiary. The expenses that are allocated include salaries, employee benefits, payroll taxes, office supplies, depreciation, maintenance, utilities, insurance, and miscellaneous, which are allocated on the basis of estimates of time and effort.

q. Accounts Receivable and Allowance for Credit Losses

Accounts receivable are unsecured, non-interest-bearing, and due within normal payment terms. Management continually monitors accounts receivable for collectability issues and if applicable, accounts receivable are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. Management separates receivables into risk pools based on their aging.

In accordance with Accounting Standards Update ("ASU") 2025-05, the Organization and Subsidiary elected the practical expedient for estimating expected credit losses on current accounts receivable and contract assets arising from revenue transactions under Topic 606. This expedient allows for the assumption that conditions at December 31, 2025 and 2024, will remain consistent throughout the assets' lives. The Organization and Subsidiary also elected the accounting policy to consider cash collection activity after December 31, 2025 and 2024, when estimating expected credit losses. Subsequent cash collections were evaluated through the date financial statements were available to be issued, resulting in no allowance for credit losses on the collected portion of receivables as of December 31, 2025 and 2024. Remaining receivables were assessed using historical loss rates and known customer information, noting no allowance for credit loss was necessary as of December 31, 2025 and 2024.

2. Restrictions and Designations on Net Assets

Net Assets Without Donor Restrictions

The Board of Trustees has designated net assets without restrictions as a general endowment fund to support the mission of the Organization and Subsidiary. The Organization and Subsidiary have a spending policy of appropriating for distribution each year a set amount based on the Organization and Subsidiary's current operating budget. In establishing this policy, the Organization and Subsidiary considered the long-term expected investment return on its board-designated endowment. Accordingly, over the long-term, the Organization and Subsidiary expect the current spending policy to allow its general endowment fund to grow. This is consistent with the Organization and Subsidiary's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return. During the years ended December 31, 2025 and 2024, the board approved the release of \$2,830,000 and \$3,406,000, respectively, of investment funds towards operations. During the years ended December 31, 2025 and 2024, net investment earnings of the board designated net assets were \$1,784,637 and \$1,488,419, respectively. During the years ended December 31, 2025 and 2024, the additions (reductions) in the general endowment fund totaled \$187,107 and (\$1,152,379), respectively.

Goodspeed Opera House Foundation, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

Net Assets With Donor Restrictions

The following net assets are restricted for the following purposes:

	2025	2024
Grants and contributions (subject to expenditure for specific purpose)		
Future periods and programs		
Membership revenue	\$ 1,103,235	\$ 854,915
Capital campaign	1,044,633	2,540,965
Future programs and periods	165,797	384,718
Gift annuity funds	251,927	221,182
	<u>2,565,592</u>	<u>4,001,780</u>
Less: Discount to present value	(24,081)	(46,774)
Less: Reserve for uncollectible	(21,369)	-
	<u>2,520,142</u>	<u>3,955,006</u>
Accumulated endowment earnings	1,063,396	605,560
	<u>3,583,538</u>	<u>4,560,566</u>
 Donor-designated endowments (to be held in perpetuity)		
Unrestricted use of investment income	1,400,000	1,400,000
Donor directed use of investment income		
Michael Price Endowment Fund	1,640,937	1,618,437
Musical theater education and related programs	1,816,687	1,705,932
Library	280,723	257,764
Opera House	71,000	71,000
Internships	50,000	50,000
New Works Fund	37,045	37,045
	<u>5,296,392</u>	<u>5,140,178</u>
Total net assets with donor restrictions	<u><u>\$ 8,879,930</u></u>	<u><u>\$ 9,700,744</u></u>

Endowment Policy

At the donors' request, 5% of the balances of the Musical Theater Education and Related Programs and Library funds (the "Funds") are to be distributed annually to the Organization. Any excess investment income is to be added to the Funds, with any losses reducing net assets with donor restrictions. The remaining endowments are to be distributed annually to the Organization in accordance with the board-approved spending policy, with any excess investment income to be added to net assets with donor restrictions. During the years ended December 31, 2025 and 2024, investment income on the endowments was \$915,813 and \$532,455, respectively. During the years ended December 31, 2025 and 2024, the distributions were \$329,263 and \$323,376, respectively.

The Organization and Subsidiary's endowment consists of funds established for the purposes described above. Its endowment includes six donor-restricted endowment funds.

The Board of Trustees of the Organization and Subsidiary has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result, the Organization and Subsidiary classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations and decrements to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization and Subsidiary in a manner consistent with the standard of prudence prescribed by UPMIFA.

Goodspeed Opera House Foundation, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

In accordance with UPMIFA, the Organization and Subsidiary consider the following facts in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purposes of the Organization and Subsidiary and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Organization and Subsidiary;
7. The investment policy of the Organization and Subsidiary; and
8. Funds with deficiencies.

Return Objectives and Risk Parameters

The Organization and Subsidiary have adopted an investment policy for endowment assets with the primary goal of maintaining the original value of the endowment principal, while providing funding to programs supported by its endowment. Under this policy, the endowment assets are invested in a manner that is intended to produce income and preserve principal while assuming a very low level of investment risk.

Spending Policy and Appropriations from Endowment

The Organization and Subsidiary have adopted a spending policy designed to provide a predictable and sustainable stream of funding for operations while preserving the long-term purchasing power of the endowment. The spending rate is reviewed periodically and adjusted as necessary to reflect market conditions and the Organization and Subsidiary's financial needs. During the years ended December 31, 2025 and 2024, the Organization and Subsidiary appropriated \$329,263 and \$323,376, respectively, for spending. These appropriations are reflected in the consolidated statements of activities as net assets released from restrictions and used to support programmatic and operational expenses.

Funds With Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the UPMIFA requires the Organization and Subsidiary to retain as a fund of perpetual duration. The Organization and Subsidiary have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no deficiencies as of December 31, 2025 and 2024.

In 2014, the Organization and Subsidiary created the Michael Price Endowment Fund (the "Fund"). The Fund supports the Organization's core mission by helping to produce one mainstage musical each season. As of December 31, 2025 and 2024, the Fund balance was \$1,640,937 and \$1,618,437, respectively.

Changes in endowment assets are as follows for the year ended December 31, 2025:

Endowment net assets, December 31, 2024	\$ 5,745,738
Contributions	27,500
Net investment income	915,813
Appropriation for spending	(329,263)
Endowment net assets, December 31, 2025	\$ 6,359,788

Changes in endowment assets are as follows for the year ended December 31, 2024:

Endowment net assets, December 31, 2023	\$ 5,514,134
Contributions	22,525
Net investment income	532,455
Appropriation for spending	(323,376)
Endowment net assets, December 31, 2024	\$ 5,745,738

Goodspeed Opera House Foundation, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

3. Financial Assets and Liquidity Resources

As of December 31, 2025 and 2024, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, were as follows:

	2025	2024
Financial assets		
Cash and cash equivalents	\$ 348,649	\$ 65,709
Accounts receivable	114,946	105,068
Unconditional promises to give	61,135	284,736
Investments	9,916,384	10,084,991
Employee retention tax credit receivable	-	324,923
	<u>10,441,114</u>	<u>10,865,427</u>
Liquidity resources		
Unused line of credit	2,500,000	2,500,000
Less: Board designated net assets - general fund	(7,521,517)	(8,401,142)
Total financial assets and liquidity resources available within one year	<u><u>\$ 5,419,597</u></u>	<u><u>\$ 4,964,285</u></u>

The Organization and Subsidiary's cash flows have seasonal variations due to subscription series renewals and single tickets sales. To manage liquidity, the Organization and Subsidiary have pledge campaigns to fund operations and other projects. The Board of Trustees has designated remaining net assets without restrictions as a board designated fund to support the mission of the Organization and Subsidiary (see Note 2). The Organization and Subsidiary have a spending policy to fund any losses through the board designated fund. In addition, transfers from the Organization and Subsidiary board designated net assets can occur through Board approval.

4. Concentration of Credit Risk and Restricted Cash

The Organization and Subsidiary maintain cash, cash equivalents and investment balances at several financial institutions, which at times exceed the insured limit. Financial instruments which potentially subject the Organization and Subsidiary to concentrations of credit risk include cash and cash equivalents, money market funds, investments, and unconditional promises to give. The Organization and Subsidiary have significant cash balances at financial institutions which throughout the year regularly exceed the federally insured limit of \$250,000. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Organization and Subsidiary's financial condition, results of operations, and cash flows.

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

As of December 31, 2025 and 2024, restricted cash consisted of a restricted certificate of deposit of \$177,974, which is pledged as collateral to meet the requirements of the Actors' Equity Association Union Agreement. As of December 31, 2025 and 2024, restricted cash also included \$1,708 and \$36,699, respectively, which are pledged as collateral to meet the bond requirements of the Town of East Haddam's planning and zoning commission. The bonds are to be released upon processing of final documentation.

Goodspeed Opera House Foundation, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

5. Investments

Fair Values Measured on Recurring Basis

There were no purchases, issuances or transfers into or out of Level 3 investments during the years ended December 31, 2025 and 2024. There were no changes in investment leveling methodologies for the years ended December 31, 2025 and 2024. The following table set forth by level, within the fair value hierarchy, the Organization and Subsidiary's assets at fair value as of December 31, 2025:

	Fair Value			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 11,020,967	\$ -	\$ -	\$ 11,020,967
Intermediate investment funds	492,003	-	-	492,003
Long-term investment funds	534,445	-	-	534,445
Short-term investment funds	1,208,792	-	-	1,208,792
Bond market index funds	2,232,374	-	-	2,232,374
US and other bond obligations	1,100,000	2,015,236	-	3,115,236
High-yield funds	31,580	-	-	31,580
Federal money market fund	9,570	-	-	9,570
	<u>\$ 16,629,731</u>	<u>\$ 2,015,236</u>	<u>\$ -</u>	<u>\$ 18,644,967</u>

The following table set forth by level, within the fair value hierarchy, the Organization and Subsidiary's assets at fair value as of December 31, 2024:

	Fair Value			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 11,418,018	\$ -	\$ -	\$ 11,418,018
Intermediate investment funds	518,930	-	-	518,930
Long-term investment funds	563,170	-	-	563,170
Short-term investment funds	1,275,850	-	-	1,275,850
Bond market index funds	2,356,763	-	-	2,356,763
US and other bond obligations	1,650,000	981,930	-	2,631,930
High-yield funds	21,631	-	-	21,631
Federal money market fund	278,652	-	-	278,652
	<u>\$ 18,083,014</u>	<u>\$ 981,930</u>	<u>\$ -</u>	<u>\$ 19,064,944</u>

Investment Return, Net

Investment return, net consists of the following for the years ended December 31, 2025 and 2024:

	2025	2024
Unrealized gain on investments	\$ 1,041,628	\$ 315,987
Interest and dividend income	887,805	863,859
Realized gain on sale of investments	806,004	898,672
Administrative fees	(34,987)	(57,644)
	<u>\$ 2,700,450</u>	<u>\$ 2,020,874</u>

Goodspeed Opera House Foundation, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

6. Unconditional Promises to Give

Unconditional promises to give consist of the following at December 31, 2025:

	Less Than One Year	Two to Five Years	Total
Without donor restrictions	\$ 61,135	\$ -	\$ 61,135
With donor restrictions	353,333	427,372	780,705
	414,468	427,372	841,840
Less: Discount for present value	-	(24,081)	(24,081)
Less: Reserve for uncollectible	(17,000)	(21,369)	(38,369)
	<u>\$ 397,468</u>	<u>\$ 381,922</u>	<u>\$ 779,390</u>

Unconditional promises to give consist of the following at December 31, 2024:

	Less Than One Year	Two to Five Years	Total
Without donor restrictions	\$ 284,736	\$ -	\$ 284,736
With donor restrictions	296,854	648,900	945,754
	581,590	648,900	1,230,490
Less: Discount for present value	-	(46,774)	(46,774)
Less: Reserve for uncollectible	(17,000)	-	(17,000)
	<u>\$ 564,590</u>	<u>\$ 602,126</u>	<u>\$ 1,166,716</u>

7. Property and Equipment

Property and equipment consist of the following at December 31, 2025 and 2024:

	2025	2024
Land	\$ 657,478	\$ 657,478
Building and improvements	22,269,118	19,176,026
Furniture, fixtures, and equipment	2,936,412	2,655,072
Vehicles	226,717	241,672
	26,089,725	22,730,248
Less: Accumulated depreciation	(14,182,528)	(13,593,002)
Construction in process (Note 8)	511,024	891,965
	<u>\$ 12,418,221</u>	<u>\$ 10,029,211</u>

Depreciation expense for the years ended December 31, 2025 and 2024 was \$604,483 and \$498,057, respectively.

Goodspeed Opera House Foundation, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

8. Capital Campaign

The Organization launched a capital campaign (the "Campaign") for multiple projects costing under \$10 million. The Organization was awarded a \$2.9 million grant from the Department of Economic and Community Development. The grant funds are received upon incurring expenses related to the Campaign. The remaining amounts will be raised from donors and board members. The following reflects the cumulative status of the Campaign as of December 31, 2025 and 2024.

	Cumulative 2025	Cumulative 2024
Funds raised, including promises to give		
Department of Economic and Community Development	\$ 1,733,333	\$ 254,636
Contributions raised	2,428,475	2,286,329
	<u>\$ 4,161,808</u>	<u>\$ 2,540,965</u>
Funds used		
Property and equipment	\$ 3,093,095	\$ -
Construction in progress	438,362	753,917
Capital expenses	168,640	-
	<u>\$ 3,700,097</u>	<u>\$ 753,917</u>
Promises to give		
Unconditional promises to give	\$ 687,555	\$ 945,754
Less: Discount for present value	(24,081)	(46,774)
Less: Reserve for uncollectible	(21,369)	-
	<u>\$ 642,105</u>	<u>\$ 898,980</u>

9. Gift Annuity Obligations

Gift annuities are reflected at fair value on the date of the gift less the estimated obligation under future benefits. During the years ended December 31, 2025 and 2024, the Organization received an additional \$10,000 and \$20,000, respectively, in gift annuities. Grantors are paid annually over joint lives as provided for within the grant instruments. The estimated obligation of the gifts as of December 31, 2025 and 2024 was \$24,482 and \$34,127, respectively.

10. Restricted Investment and Deferred Compensation Plan Payable

The Organization has a non-qualified deferred compensation plan under Section 457(b) of the Internal Revenue Service Code which covers certain qualified positions within the Organization, as defined within the plan document. The plan provides for funding under the annual Internal Revenue Service qualified threshold under employer contributory plans, including investment results over the term of the agreement. The Organization has title to and beneficial ownership of the invested funds until the earlier of termination (except for cause as defined in the agreement) or death or disability. The Organization reflects the annual commitment under the non-qualified deferred compensation plan as current salary expense. During the years ended December 31, 2025 and 2024, the Organization contributed \$19,875 and \$41,250 to the plan, respectively. During the years ended December 31, 2025 and 2024, the Organization disbursed \$170,003 and \$64,064 from the plan, respectively. As of December 31, 2025 and 2024, the balance of the deferred compensation payable is \$594,033 and \$668,106, respectively.

Goodspeed Opera House Foundation, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

11. Statements of Cash Flows

The following comprises the cash, cash equivalents and restricted cash reported within the consolidated statements of financial position that sum to the total reported in the consolidated statements of cash flows for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 421,625	\$ 606,753
Restricted cash	179,682	214,673
	<u>\$ 601,307</u>	<u>\$ 821,426</u>

12. Commitments and Contingencies

a) Government-supported programs are subject to audit by the granting agency.

b) The Organization has two employment agreements which extend through December 31, 2027. The aggregated commitment under these agreements is approximately \$1.2 million at December 31, 2025.

c) The Subsidiary entered into a lease to rent the Gelston House to an unrelated party for a period of sixteen years (with provisions for termination), ending December 31, 2021. The lease agreement has a renewal option for another five years. In 2025 and 2024, the agreement continued on a month-to-month basis. The lease provides for rent at an annual rate of \$100,000 for the first two renewal years, and then the greater of \$100,000 or certain percentages of gross sales for the remaining three years. Rental income for each of the years ended December 31, 2025 and 2024 was \$100,000.

d) The Organization has a line of credit with a financial institution with a maximum availability of \$2,500,000. The line of credit is due on demand and bears an annual interest rate of the Prime rate less .50% on December 31, 2025 and 2024, respectively (6.25% and 7.00% as of December 31, 2025 and 2024, respectively). The line of credit swaps daily with the operating account at the same financial institution if operating cash balances fall below a certain amount. Interest expense for the years ended December 31, 2025 and 2024 was \$90,443 and \$79,452, respectively. As of December 31, 2025 and 2024, there was no amount outstanding. The line of credit currently expires on July 31, 2026 and is expected to be extended for another two year period. The line of credit agreement contains certain financial operating and reporting restrictive covenants.

The financial institution has filed a secured interest in the Organization's investments (which were valued at approximately \$3.1 and \$2.6 million as of December 31, 2025 and 2024), as collateral towards the line of credit.

e) On May 31, 2020, the Organization was approved for an Economic Injury Disaster Loan ("EIDL") in the amount of \$150,000. The EIDL is a 30-year term loan. The loan bears an annual rate of 2.75% and is collateralized by all tangible and intangible assets of the Organization. Monthly installments on the loan begin 30 months from the date of the loan. As of December 31, 2025, no amounts were repaid. As of December 31, 2024, \$1,794 has been repaid. The loan is due as follows:

Due during the year ending December 31, 2026	\$ 13,602
Due during the year ending December 31, 2027	4,041
Due during the year ending December 31, 2028	4,154
Due during the year ending December 31, 2029	4,269
Thereafter, through May 31, 2051	122,140
	<u>\$ 148,206</u>

Goodspeed Opera House Foundation, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

f) The Organization contributes to six multiemployer pension plans under collective bargaining agreements covering union-represented employees, entirely in the entertainment industry. The vast majority of employers participating in these multiemployer plans are primarily engaged in the entertainment industry. These plans generally provide retirement benefits to vested participants based on their service to contributing employers, of which the Organization is one. In general, these plans are managed by a Board of Trustees with the unions appointing certain trustees and contributing employers of the plan appointing certain members. The Organization does not participate in any plan where it considers its contributions to be individually significant to the overall plan.

Based on information available to the Organization, four of the six multiemployer plans to which the Organization contributes are adequately funded under the applicable provisions in the Pension Protection Act enacted in 2006 ("PPA"). Two funds are in either "critical" or "endangered" status as those terms are defined in the PPA. The PPA requires all underfunded pension plans to improve their funding ratios within prescribed intervals based on their level of underfunding. Until the plan trustees develop the funding improvement plans or rehabilitation plans as required by the PPA, the Organization is unable to determine the amount of assessments the Organization may be subject to, if any.

Under applicable law upon the Organization ceasing to make contributions to, or other "withdrawal" from an underfunded multiemployer pension plan, the affected funds could seek contributions from the Organization for the Organization's proportionate share of the plan's unfunded vested liabilities. The Organization believes that under such circumstances, if a fund were to seek to access such contribution obligation upon the Organization's alleged "withdrawal", the Organization would have significant defenses against such assessment under applicable law. The Organization cannot determine at this time the impact that the alleged withdrawal from the affected plans may have on the Organization and Subsidiary's financial position, results of changes in net assets or cash flows.

Approximately 55% and 22% of the Organization's employees and contractors are participants in multiemployer plans for the years ended December 31, 2025 and 2024, respectively. Pension and welfare expense associated with multiemployer plans amounted to \$487,844 and \$397,516 for the years ended December 31, 2025 and 2024, respectively.

g) The Organization has entered into various contracts with licensors in order to develop, produce, promote and present works on the stage in the presence of an audience. If a work produced by the Organization generates royalties to the author or composer, then the Organization will generally be entitled to a certain percentage of the net proceeds received by the author and/or composer.

h) The Organization has elected to use a collective Trust, 501(c) Agencies Trust (the "Trust"), for calculating and paying Connecticut unemployment benefits. As of December 31, 2025 and 2024, the Organization has advanced the Trust \$70,529 and \$91,471, respectively, which is reflected in prepaid expenses on the consolidated statements of financial position. Unemployment benefits charges paid for the years ended December 31, 2025 and 2024 were \$128,519 and \$131,911, respectively. The Trust is a collective of more than 1,500 not-for-profit organizations. Members of the Trust are responsible only for their own claims. The Trust is responsible for monitoring each member's activity to ensure sufficient funds are available. Any money held in the Organization's account earns interest based on the Trust's investments. The Trust has a conservative investment policy where 70% is in cash and bonds.

13. Employee Benefit Plan

The Organization has a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers full-time employees of the Organization. The Organization matches the employee's contribution amount up to a maximum of 3% of the annual salary at the Organization's discretion. Employees may make contributions to the plan up to the maximum amounts allowed by the Internal Revenue Code if they wish. During the years ended December 31, 2025 and 2024, the Organization did not contribute to the plan.

Goodspeed Opera House Foundation, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

14. Contributions of Non-Financial Assets

Contributed non-financial assets are recorded as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. Contributed non-financial assets do not have donor-imposed restrictions and are not sold, and goods are only distributed for program use. The Organization and Subsidiary received contributed non-financial assets comprised of services and materials during the years ended December 31, 2025 and 2024 in support of its programs and operations, which are recognized in the consolidated statements of activities and included:

Category	Type of Contributions	Valuation	2025	2024
Media	Advertising	Third party estimates using billing rates in like circumstances	\$ 119,542	\$ 48,477
Non-food items	Furniture, clothing and production materials	U.S. wholesales prices of identical or similar products	50,039	47,146
			<u>\$ 169,581</u>	<u>\$ 95,623</u>

15. Evaluation of Subsequent Events

The Organization and Subsidiary have evaluated subsequent events through May 29, 2026, the date the consolidated financial statements were available to be issued. Based on this evaluation, the Organization and Subsidiary have determined that no subsequent events have occurred which require adjustment to or disclosure in these consolidated financial statements.

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with Government Auditing Standards

Independent Auditor's Report

To the Board of Trustees of
Goodspeed Opera House Foundation, Inc. and Subsidiary:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of Goodspeed Opera House Foundation, Inc. (the "Organization") and Goodspeed Restaurant, Inc. (the "Subsidiary"), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 29, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization and Subsidiary's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization and Subsidiary's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization and Subsidiary's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization and Subsidiary's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization and Subsidiary's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization and Subsidiary's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

WithumSmith+Brown, PC

May 29, 2026