



**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER
FOR THE PERFORMING ARTS**

**Consolidated Financial Statements
and Supplementary Information**

**September 30, 2024 and 2023
(With Independent Auditors' Report Thereon)**

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

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Independent Auditors' Report

To the Board of Directors of the
Tampa Bay Performing Arts Center, Inc. and Affiliate
d/b/a David A. Straz, Jr. Center for the Performing Arts:

Opinion

We have audited the accompanying consolidated financial statements of Tampa Bay Performing Arts Center, Inc. and Affiliate, d/b/a David A. Straz, Jr. Center for the Performing Arts (the "Straz Center") (a nonprofit organization), which comprise the consolidated statements of financial position as of September 30, 2024 and 2023, and the related consolidated statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Straz Center as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Straz Center 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 the 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 Straz Center's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Straz Center'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 Straz Center's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information appearing on pages 34 through 38 and the accompanying schedule of expenditures of state financial assistance, as required by Chapter 10.650, *Rules of the State of Florida Auditor General*, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records



used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2025 on our consideration of the Straz Center's internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 Straz Center's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

January 13, 2025
St. Petersburg, Florida

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Consolidated Statements of Financial Position

September 30, 2024 and 2023

Assets	<u>2024</u>	<u>2023</u>
Current assets:		
Cash and cash equivalents	\$ 39,175,976	19,344,533
Receivables, net:		
Accounts receivable	460,259	459,620
Pledges receivable	4,906,967	2,819,226
Grants receivable	<u>1,788,628</u>	<u>1,487,329</u>
Total receivables	7,155,854	4,766,175
Inventory	114,690	110,785
Other current assets	<u>1,489,489</u>	<u>1,120,367</u>
Total current assets	47,936,009	25,341,860
Noncurrent assets:		
Pledges receivable, less current portion	9,312,467	7,618,513
Endowment investments	31,347,329	27,747,203
Investments	17,550,874	25,759,820
Other long-term investments	1,781,507	1,494,555
Beneficial interest in assets held by Community Foundation	973,473	865,405
Property and equipment:		
Furniture, equipment, and leasehold improvements, net	15,361,724	14,923,647
Construction in progress - Master Plan	7,812,851	4,911,205
Construction in progress - other	1,306,966	2,333,012
Operating lease right-of-use assets	483,758	304,932
Fine art collection	377,010	357,010
Other long-term assets	<u>52,273</u>	<u>52,273</u>
Total noncurrent assets	<u>86,360,232</u>	<u>86,367,575</u>
Total assets	<u>\$ 134,296,241</u>	<u>111,709,435</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,605,136	2,590,836
Operating lease liabilities, current	123,583	196,320
Contract liabilities - ticket sales	12,975,994	11,562,710
Contract liabilities - other	<u>2,541,662</u>	<u>2,324,494</u>
Total current liabilities	18,246,375	16,674,360
Noncurrent liabilities:		
Operating lease liabilities, less current portion	<u>360,175</u>	<u>108,612</u>
Total liabilities	18,606,550	16,782,972
Net assets:		
Without donor restrictions:		
Operations	13,382,996	17,790,506
Property and equipment:		
Furniture, equipment, and leasehold improvements, net	15,361,724	14,923,647
Construction in progress - Master Plan	7,812,851	4,911,205
Construction in progress - other	1,306,966	2,333,012
Board designated	<u>17,750,261</u>	<u>9,348,965</u>
	55,614,798	49,307,335
Total net assets with donor restrictions	<u>60,074,893</u>	<u>45,619,128</u>
Total net assets	<u>115,689,691</u>	<u>94,926,463</u>
Total liabilities and net assets	<u>\$ 134,296,241</u>	<u>111,709,435</u>

See accompanying independent auditors' report and notes to consolidated financial statements.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Consolidated Statement of Activities

Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:			
Ticket sales	\$ 24,359,696	-	24,359,696
Rent	647,444	-	647,444
Box office fees	5,625,464	-	5,625,464
Education program tuition, event sales, and fees	3,104,922	-	3,104,922
Concessions	4,953,903	-	4,953,903
Investment return, net	4,164,908	8,297,156	12,462,064
Change in value of beneficial interest	109,578	-	109,578
Change in value of split-interest agreement	(5,039)	-	(5,039)
Community support	5,691,574	9,306,883	14,998,457
In-kind donations	363,584	-	363,584
Fine art donation	-	20,000	20,000
Service fee and other income	385,047	-	385,047
Government funding and grants:			
Annual operating and program support	1,650,343	-	1,650,343
Capital and construction support	3,145,082	-	3,145,082
Net assets released from restrictions:			
Collection of pledges receivable and valuation change	99,038	(99,038)	-
Spending policy	1,735,008	(1,735,008)	-
Reimbursement for expenses	1,027,664	(1,027,664)	-
Satisfaction of donor restrictions	306,564	(306,564)	-
Total revenue and other support	57,364,780	14,455,765	71,820,545
Expenses:			
Program and essential services:			
Production costs	21,877,004	-	21,877,004
Education	4,612,782	-	4,612,782
Operating costs	12,955,710	-	12,955,710
Marketing and public information	3,408,056	-	3,408,056
Total program and essential services	42,853,552	-	42,853,552
Support services:			
General and administrative	6,169,444	-	6,169,444
Fundraising	1,864,809	-	1,864,809
Total support services	8,034,253	-	8,034,253
Total expenses	50,887,805	-	50,887,805
Other expense:			
Loss on impairment of furniture and equipment	(169,512)	-	(169,512)
Change in net assets	6,307,463	14,455,765	20,763,228
Net assets, beginning of year	49,307,335	45,619,128	94,926,463
Net assets, end of year	\$ 55,614,798	60,074,893	115,689,691

See accompanying independent auditors' report and notes to consolidated financial statements.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Consolidated Statement of Activities

Year Ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:			
Ticket sales	\$ 32,079,333	-	32,079,333
Rent	746,085	-	746,085
Box office fees	6,148,197	-	6,148,197
Education program tuition, event sales, and fees	2,846,578	-	2,846,578
Concessions	5,578,524	-	5,578,524
Investment return, net	3,184,720	4,357,914	7,542,634
Change in value of beneficial interest	65,311	-	65,311
Change in value of split-interest agreement	(24,188)	-	(24,188)
Community support	5,478,678	7,044,633	12,523,311
In-kind donations	420,500	-	420,500
Service fee and other income	346,878	-	346,878
Government funding and grants:			
Annual operating and program support	1,905,319	-	1,905,319
Capital and construction support	1,100,000	4,112,368	5,212,368
Net assets released from restrictions:			
Collection of pledges receivable and valuation change	36,978	(36,978)	-
Spending policy	1,758,000	(1,758,000)	-
Reimbursement for expenses	764,000	(764,000)	-
Satisfaction of donor restrictions	1,832,941	(1,832,941)	-
Total revenue and other support	64,267,854	11,122,996	75,390,850
Expenses:			
Program and essential services:			
Production costs	28,320,898	-	28,320,898
Education	3,850,309	-	3,850,309
Operating costs	12,757,404	-	12,757,404
Marketing and public information	3,754,146	-	3,754,146
Total program and essential services	48,682,757	-	48,682,757
Support services:			
General and administrative	5,935,087	-	5,935,087
Fundraising	1,819,796	-	1,819,796
Total support services	7,754,883	-	7,754,883
Total expenses	56,437,640	-	56,437,640
Change in net assets	7,830,214	11,122,996	18,953,210
Net assets, beginning of year	41,477,121	34,496,132	75,973,253
Net assets, end of year	\$ 49,307,335	45,619,128	94,926,463

See accompanying independent auditors' report and notes to consolidated financial statements.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Consolidated Statements of Cash Flows

Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 20,763,228	18,953,210
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Noncash gift of stock	(117,033)	(168,077)
Bad debt	8,283	16,267
Depreciation and amortization	2,032,052	1,684,392
Impairment loss on furniture and equipment	169,512	-
Non-cash lease expense	199,869	190,775
Change in value of beneficial interest in assets held by Community Foundation	(109,578)	(65,311)
Realized and unrealized gains on investments	(9,335,251)	(6,097,809)
Fine art donation	(20,000)	-
Change in operating assets and liabilities:		
Accounts receivable	(8,922)	(102,525)
Pledges receivable	(3,781,695)	(5,016,670)
Grants receivable	(301,299)	(747,002)
Inventory	(3,905)	(29,315)
Other current assets	(369,122)	(138,636)
Accounts payable and accrued expenses	(8,014)	(275,560)
Contract liabilities - ticket sales	1,413,284	(2,876,045)
Contract liabilities - other	217,168	336,598
Operating lease liabilities	(199,869)	(190,775)
Net cash flows from operating activities	9,948,708	5,473,517
Cash flows from investing activities:		
Purchases of furniture, equipment, and leasehold improvements	(4,492,927)	(4,448,072)
Purchases of investments	(25,536,835)	(17,208,403)
Sales and maturities of investments	40,315,269	24,844,029
Purchases of other long-term investments	(402,772)	(469,316)
Net cash flows from investing activities	9,882,735	2,718,238
Change in cash and cash equivalents	19,831,443	8,191,755
Cash and cash equivalents, beginning of year	19,344,533	11,152,778
Cash and cash equivalents, end of year	\$ 39,175,976	19,344,533
Supplemental cash flow information:		
Acquisition of furniture, equipment, and leasehold improvements in accounts payable and accrued expenses	\$ 76,530	54,216
Additions to right-of-use assets obtained from operating leases	\$ 444,440	42,910
Reduction of right-of-use asset and lease liability due to early lease termination	\$ (65,745)	-
Additions to operating lease right-of-use assets and operating lease liabilities recognized from the adoption of ASC 842	\$ -	452,797

See accompanying independent auditors' report and notes to consolidated financial statements.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Consolidated Statement of Functional Expenses

Year Ended September 30, 2024

	Program and Essential Services				Total Program and Essential Services	Support Services		Total Support Services	Total Expenses
	Production Cost	Education	Operating Costs	Marketing and Public Information		General and Administrative	Fundraising		
Salaries	\$ 588,053	2,112,897	4,215,094	1,441,029	8,357,073	3,453,556	1,077,732	4,531,288	12,888,361
Pension plan accruals contributions	318,731	75,495	179,343	78,570	652,139	79,713	55,974	135,687	787,826
Payroll taxes	211,129	159,148	418,848	106,880	896,005	144,447	67,993	212,440	1,108,445
Employee benefits	163,393	224,458	392,393	160,930	941,174	230,796	129,651	360,447	1,301,621
Artist and professional fees	18,326,945	1,567,372	108,230	18,739	20,021,286	5,457	194,474	199,931	20,221,217
Meetings, travel, and training	99,924	56,002	41,950	70,945	268,821	101,943	20,915	122,858	391,679
Advertising and promotion	1,728,654	138,736	173,629	1,344,193	3,385,212	125,650	55,359	181,009	3,566,221
Professional services	600	15,249	50,074	102,323	168,246	507,766	155,429	663,195	831,441
Supplies	26,208	7,387	473,434	12,733	519,762	16,278	6,401	22,679	542,441
Telephone	6,428	7,700	12,064	3,180	29,372	120,261	2,380	122,641	152,013
Postage and mailings	1,799	725	9,882	800	13,206	1,698	20,374	22,072	35,278
Utilities	-	-	801,185	-	801,185	-	-	-	801,185
Rent and lease	178,853	20,061	12,673	-	211,587	94,397	-	94,397	305,984
Maintenance and repairs	77,657	27,561	964,717	9,000	1,078,935	692,829	-	692,829	1,771,764
Insurance	96,014	14,210	-	-	110,224	468,870	-	468,870	579,094
Depreciation	-	-	2,032,052	-	2,032,052	-	-	-	2,032,052
Credit card commissions	-	51,704	1,054,245	-	1,105,949	-	32,750	32,750	1,138,699
Bad debt expense	-	910	20	-	930	7,353	-	7,353	8,283
Employee recruiting and relations	26,592	8,917	110,102	3,807	149,418	89,888	2,161	92,049	241,467
Food and beverages operations	-	-	1,608,082	-	1,608,082	-	-	-	1,608,082
Other	26,024	124,250	297,693	54,927	502,894	28,542	43,216	71,758	574,652
Total expenses	\$ 21,877,004	4,612,782	12,955,710	3,408,056	42,853,552	6,169,444	1,864,809	8,034,253	50,887,805

See accompanying independent auditors' report and notes to consolidated financial statements.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Consolidated Statement of Functional Expenses

Year Ended September 30, 2023

	Program and Essential Services				Total Program and Essential Services	Support Services		Total Support Services	Total Expenses
	Production Cost	Education	Operating Costs	Marketing and Public Information		General and Administrative	Fundraising		
Salaries	\$ 594,597	1,889,784	4,232,617	1,470,511	8,187,509	3,400,329	1,057,792	4,458,121	12,645,630
Pension plan accruals contributions	305,997	69,277	162,486	72,131	609,891	85,253	49,494	134,747	744,638
Payroll taxes	204,748	145,284	423,191	116,113	889,336	166,438	67,463	233,901	1,123,237
Employee benefits	147,834	167,017	339,596	132,522	786,969	183,901	110,534	294,435	1,081,404
Artist and professional fees	24,446,970	1,112,548	77,015	11,006	25,647,539	27,531	176,290	203,821	25,851,360
Meetings, travel, and training	63,864	55,400	48,350	58,375	225,989	71,826	10,210	82,036	308,025
Advertising and promotion	2,092,504	177,558	132,185	1,678,423	4,080,670	143,656	57,663	201,319	4,281,989
Professional services	340	11,170	38,625	116,993	167,128	457,545	135,087	592,632	759,760
Supplies	44,222	7,250	513,089	6,844	571,405	24,001	6,668	30,669	602,074
Telephone	6,689	7,100	8,403	3,810	26,002	123,359	1,781	125,140	151,142
Postage and mailings	575	926	26,249	606	28,356	7,277	15,800	23,077	51,433
Utilities	-	-	896,525	-	896,525	-	-	-	896,525
Rent and lease	193,498	18,508	19,425	-	231,431	96,940	-	96,940	328,371
Maintenance and repairs	36,647	30,792	869,112	6,575	943,126	691,676	-	691,676	1,634,802
Insurance	113,493	64,457	-	-	177,950	352,800	-	352,800	530,750
Depreciation	-	-	1,684,392	-	1,684,392	-	-	-	1,684,392
Credit card commissions	-	53,198	1,161,693	-	1,214,891	-	42,355	42,355	1,257,246
Bad debt expense	-	809	6,315	-	7,124	9,143	-	9,143	16,267
Employee recruiting and relations	12,143	10,395	109,813	4,394	136,745	83,589	1,854	85,443	222,188
Food and beverages operations	-	-	1,899,273	-	1,899,273	-	-	-	1,899,273
Other	56,777	28,836	109,050	75,843	270,506	9,823	86,805	96,628	367,134
Total expenses	\$ 28,320,898	3,850,309	12,757,404	3,754,146	48,682,757	5,935,087	1,819,796	7,754,883	56,437,640

See accompanying independent auditors' report and notes to consolidated financial statements.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

(1) Nature of Organization and Summary of Significant Accounting Policies

(a) Organization

The Tampa Bay Performing Arts Center, Inc. (the “Straz Center”) was incorporated on September 15, 1980 to manage and operate the performing arts facility pursuant to the lease with the City of Tampa. The Straz Center’s purpose is to enhance the quality of life in the Tampa Bay region by educating and developing its audiences through performing arts, with an emphasis on diversity and quality.

The Straz Center established the Tampa Bay Performing Arts Center Foundation, Inc. (the “Foundation”) on April 28, 1997 to perform the fundraising efforts for the support of the Straz Center. The activities of the Foundation began in October 1999.

As two-thirds (the majority) of the Foundation’s Board of Directors (the “Board”) is required to be comprised of Straz Center Board Trustees and the assets of the Foundation revert to the Straz Center in the event the Foundation is dissolved, the financial activities of the Straz Center and the Foundation have been consolidated. All significant intercompany balances and transactions have been eliminated in consolidation.

In November 2009, a substantial endowment gift was made to the Foundation. In special recognition of the donor’s generosity, the Straz Center was renamed for branding purposes, and accordingly, the Straz Center began doing business as the David A. Straz, Jr. Center for the Performing Arts (Straz Center) effective November 11, 2009.

In its fiscal year ended September 30, 2010, the Straz Center established a limited liability company (“LLC”), Broadway Genesis, LLC, in support of its mission and long-term strategic initiative of creating and producing major theatrical productions for national and international touring purposes. This entity is considered a single-member LLC and is disregarded for tax purposes. Broadway Genesis, LLC continues to serve as the management company intended to own and potentially license the respective rights acquired for respective theatrical productions and manage and govern the corporate oversight of the specific production LLCs.

Collectively, the three entities are referred to as the “Organization”.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Notes to Consolidated Financial Statements - Continued

(1) Nature of Organization and Summary of Significant Accounting Policies - Continued

(b) Presentation

The consolidated financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Board. These net assets may be used at the discretion of the Board’s management and the Board. The Board has chosen to provide further classification information about net assets without donor restrictions on the consolidated financial position. The sub classifications are as follows:

- *Operations* - Represents the cumulative net assets without donor restrictions excluding those set aside by the Board or related to furniture, equipment, and leasehold improvements.
- *Furniture, Equipment, and Leasehold Improvements* - Represent cumulative net assets without donor restrictions related to the Organization’s furniture, equipment, and leasehold improvements.
- *Board Designated* - Represents resources set aside by the Board to be used for specific activities within guidelines established by the Board. These include expendable resources of approximately \$764,000 and \$1,269,000 which have been designated for sustainability capital expenditures by the Straz Center’s Board of Trustees and approximately \$16,986,000 and \$8,080,000 which have been designated for future Master Plan capital expenditure reimbursements to the Straz Center by the Foundation’s Board of Directors, as of September 30, 2024 and 2023, respectively.

Net Assets With Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Board or by the passage of time. For net assets with donor restrictions that are solely time restricted, the Organization’s policy is not to expend such net assets until they have been collected and thus released from restrictions. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent donor stipulations about how those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Generally, gains and related investment income on these gifts are available for operations without donor restrictions, unless the donor designates restrictions on the use of earnings for a specific purpose, in which case the earnings are then considered with donor restrictions.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Notes to Consolidated Financial Statements - Continued

(1) Nature of Organization and Summary of Significant Accounting Policies - Continued

(c) Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Organization considers all highly-liquid debt instruments with original maturities of three months or less to be cash equivalents, including those classified as short-term investments.

(d) Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on pledges receivable made before September 30, 2008 are computed using a risk-free rate applicable to the year in which the promise was received. The discounts on pledges receivable made after October 1, 2008 are computed using a rate commensurate with the risk of the pledges receivable in accordance with U.S. GAAP. Amortization of the discount is included in community support in the accompanying consolidated statements of activities.

(e) Inventory

Inventory is stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method.

(f) Fair Value of Financial Instruments

The Organization records certain assets at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) as opposed to the price that would be paid to acquire the asset or received to assume the liability (an entry price). A fair value measure should reflect the assumptions that market participants would use in pricing the asset or liability, including the assumptions about the risk inherent in a particular valuation technique, the effect of a restriction on the sale or use of an asset, and the risk of nonperformance.

(g) Investments and Endowment Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated statements of financial position. The Organization also invests monies in other investments, which trade in various commodity pools and are recorded at fair value or measured at net asset value ("NAV") as a practical expedient (see Note 4). Investment income (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the consolidated statements of activities as increases or decreases in unrestricted net assets unless the income is restricted by donor or law.

(h) Other Long-Term Investments

Other long-term investments primarily consist of investments in theatrical show productions, investments in other theatrical production type companies, and the cash surrender value of a life insurance policy for which the Organization is the beneficiary.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
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Notes to Consolidated Financial Statements - Continued

(1) Nature of Organization and Summary of Significant Accounting Policies - Continued

(h) Other Long-Term Investments - Continued

The investments in theatrical show productions are recorded at cost, reduced by any investment returns, amounted to approximately \$845,000 and \$745,000 at September 30, 2024 and 2023, respectively. The cash surrender value of the life insurance policy amounted to approximately \$936,000 and \$750,000 at September 30, 2024 and 2023, respectively, and is intended to be held for investment.

(i) Beneficial Interest in Assets Held by Community Foundation

The Organization has established an endowment at the Community Foundation of Tampa Bay, Inc. (the “Community Foundation”), and has identified itself as the beneficiary. The value of the Organization’s endowment is reflected in the accompanying consolidated financial statements as beneficial interest in assets held by Community Foundation.

(j) Furniture, Equipment, and Leasehold Improvements

Furniture, equipment, and leasehold improvements are stated at cost if purchased or at estimated fair value at the date of receipt if acquired by gift. Depreciation is recognized over the estimated useful lives of the assets of 3 to 25 years using the straight-line method. An exception is given to leasehold improvements associated with the facility, which is leased from the City of Tampa, and are amortized over a useful life of 30 years. Maintenance, repairs, and minor renewals are expensed as incurred. The Straz Center has a policy of capitalizing expenditures for property in amounts in excess of \$5,000.

(k) Fine Art Collection

The Organization capitalizes its collections. Additions are capitalized at cost if purchased and at estimated fair value at date of contribution if received by donation. Since the economic benefit or service potential of the fine art collection is consumed at such a slow rate that its estimated useful life is extraordinarily long, the Organization does not depreciate fine art. Gains and losses on disposals of donated collections are recorded based on the presence or absence of donor restrictions placed on items at the date of donation. During the year ended September 30, 2024, approximately \$20,000 of fine art assets were donated. There were no donated fine art assets received during the year ended September 30, 2023.

(l) Self-Insured Claims Liability

The Organization is primarily self-insured, up to certain limits, for employee unemployment insurance claims. The Organization records claims as expenses when incurred and accrues a liability and associated expense for an estimate of the remaining portion of claims reported but not paid, and claims incurred but not reported, based on accepted actuarial methods. The self-insured claims accrual was approximately \$0 and \$53,000 as of September 30, 2024 and 2023, respectively, included in accounts payable and accrued expenses on the accompanying consolidated statements of financial position. The amount ultimately paid may differ from this estimate.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
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Notes to Consolidated Financial Statements - Continued

(1) Nature of Organization and Summary of Significant Accounting Policies - Continued

(m) Advertising Costs

Advertising costs related to specific events and classes are capitalized and amortized in the period of the event or class, which are reported under program, general and administrative, fundraising, and essential services expenses in the consolidated statements of activities. At September 30, 2024 and 2023, prepaid advertising costs of approximately \$273,000 and \$262,000, respectively, were included as a component of other current assets in the consolidated statements of financial position. Total advertising expense for the years ended September 30, 2024 and 2023 was approximately \$3,566,000 and \$4,282,000, respectively.

(n) Income Taxes

The Straz Center and the Foundation are exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Management believes the Straz Center and the Foundation continue to satisfy the requirements of a tax-exempt organization as of September 30, 2024. Management believes the unrelated business income generated by the Straz Center is not material to the consolidated financial statements.

(o) Other Gifts

The Organization is a beneficiary of several funds held and controlled by the Community Foundation. The total fair value of these funds held at the Community Foundation as of September 30, 2024 and 2023 were approximately \$7,884,000 and \$6,801,000, respectively. These funds are not included in the accompanying consolidated financial statements.

The annual net distributions allocated by the Community Foundation during the year ended September 30, 2024 of approximately \$170,000 and \$209,000 are available for distribution to the Foundation and Straz Center, respectively. The annual net distributions allocated by the Community Foundation during the year ended September 30, 2023 of approximately \$172,000 and \$186,000 are available for distribution to the Foundation and Straz Center, respectively. Accordingly, the amounts are recognized as income in the period earned.

(p) Contributed Services

Contributed services are recognized as in-kind revenue at their estimated fair value when they create or enhance nonfinancial assets, or they require specialized skills, which would need to be purchased if they were not donated. Contributed services amounted to approximately \$364,000 and \$421,000 for the years ended September 30, 2024 and 2023, respectively.

Community members volunteer as ushers, house managers, tour guides, administrative assistants, and advisors. The 100% volunteer usher program is unique in the industry. A dollar valuation of their effort is not reflected in the consolidated financial statements; however, volunteer hours for the years ended September 30, 2024 and 2023 totaled 63,811 and 142,459 respectively.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
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Notes to Consolidated Financial Statements - Continued

(1) Nature of Organization and Summary of Significant Accounting Policies - Continued

(q) Functional Allocation of Expenses

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the consolidated statement of functional expenses. The Organization has a cost allocation plan to allocate its expenses to functional categories in accordance with the requirements of ASC Topic 958, *Not-for-Profit Entities*. Expenses directly attributable to a specific functional area of the Organization are reported as direct expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the functional areas in accordance with the relative benefit received or specific cost driver. Expenses are allocated between program and essential services, general and administrative, and fundraising with the exception of depreciation and food and beverage operations which is only included in program and essential services operating costs.

(r) Right-of-Use Assets and Lease Liabilities

Effective October 1, 2022, the Organization adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 842, *Leases*. The Organization determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period and other facts and circumstances.

The Organization elected to adopt ASC Topic 842, using the modified retrospective transition method that allows the Organization to initially apply the new leases standard at the adoption date through a cumulative effect adjustment. The adoption of FASB ASC Topic 842 resulted in the recognition of operating lease right-of-use-assets and operating lease liabilities of approximately \$453,000 as of October 1, 2022. The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification and use the risk-free rate as the discount rate by class of underlying assets.

The Organization accounts for leases using a right-of-use model, which recognizes that, at the date of commencement, a lessee has a financial obligation to make lease payments to the lessor for the right to use the underlying asset during the lease term. The lessee recognizes a corresponding right-of-use asset related to this right. The Organization recognizes a right-of-use lease asset and lease liability for operating leases. The right-of-use asset is measured as the sum of the lease liability, prepaid or accrued lease payments, any initial direct costs incurred and any other applicable amounts. The Organization reviews its right-of-use assets for impairment whenever events, changes in circumstances or other evidence indicate that the carrying amount of the Organization's right-of-use assets may not be recoverable.

The calculation of the lease liability requires the Organization to make certain assumptions for each lease, including lease term and the risk-free discount rate, which could significantly impact the gross lease obligation, the duration and the present value of the lease liability. When calculating the lease term, the Organization considers the renewal, cancellation and termination rights available to the Organization and the lessor (see Note 18).

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Notes to Consolidated Financial Statements - Continued

(1) Nature of Organization and Summary of Significant Accounting Policies - Continued

(s) Use of Estimates

The preparation of the consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(t) Going Concern Evaluation

On an annual basis, as required by ASC Topic 205, *Presentation of Financial Statements - Going Concern*, the Organization performs an evaluation to determine whether there are conditions or events (known and reasonably knowable), considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued. Management's assessment did not indicate that substantial doubt is raised about the ability to remain a going concern for one year from the date the consolidated financial statements were available for issuance.

(u) Accounting Pronouncement Recently Adopted

Effective October 1, 2023, the Organization adopted FASB Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on the Organization's consolidated financial statements but did change how the allowance for credit losses is determined.

(v) Reclassification

Certain balances within the accompanying consolidated financial statements as of and for the year ended September 30, 2023 have been reclassified to conform to the 2024 presentation. The reclassifications had no impact on change in net assets or total net assets.

(2) Revenue Recognition

Revenue is recognized when the Organization transfers the promised goods or services to a customer in an amount that reflects consideration that is expected to be received for those goods or services.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
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Notes to Consolidated Financial Statements - Continued

(2) Revenue Recognition - Continued

(a) Contract Balances

Timing differences among revenue recognition may result in contract assets or liabilities. Contract liabilities on the accompanying consolidated statement of financial position totaled approximately \$15,518,000 and \$13,887,000 as of September 30, 2024 and 2023, respectively, and primarily represent cash received from advance ticket sales, box office fees, concession, education class tuition, subscriber memberships, and event sponsorships, which are recognized after related performances, classes, and events are completed and the associated cost settlements are calculated.

(b) Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to a customer and is the unit of account under ASC Topic 606, *Revenue from Contracts with Customers*. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Organization's revenue within the scope of ASC Topic 606 consists of revenue from ticket sales, box office fees, education program tuition, event sales and fees, and concessions. The contract performance obligations for ticket sales, box office fees, event sales and fees, and concessions is generally satisfied at the time these services are provided to the customer. The contract performance obligation for tuition is satisfied over the class term.

(c) Contributions

The Organization recognizes contributions when cash or other assets or an unconditional promise to give is received. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Conditional contributions are recorded as revenue when such amounts become unconditional which generally involves the meeting of a barrier to entitlement. This can include items like meeting a matching provision, incurring specified allowable expenses in accordance with a framework of allowable costs or other barriers.

A portion of the Organization's revenue is derived from cost-reimbursable federal, state, and local government contracts and grants, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures, if any, are reported as refundable advances in the consolidated statement of financial position.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
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Notes to Consolidated Financial Statements - Continued

(2) Revenue Recognition - Continued

(d) Practical Expedients and Exemptions

The Organization has elected to treat similar contracts as a portfolio of contracts. The contracts have the same provision terms and management has the expectation that the result will not be materially different from the consideration of each individual contract.

(3) Investments

Investments must meet risk criteria established by the Board of Trustees. At September 30, 2024 and 2023, investments and endowment investments are classified as follows:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	\$ 1,109,922	1,109,922	3,569,257	3,569,257
Government bonds	7,003,004	6,989,306	5,419,770	4,907,406
Corporate bonds	2,014,848	1,992,512	2,436,310	2,184,504
Common and preferred stocks	15,196,588	19,226,982	21,316,182	22,750,412
Mutual funds	14,056,753	15,726,793	16,344,451	15,563,291
	39,381,115	45,045,515	49,085,970	48,974,870
Alternative investments measured at NAV	4,035,343	3,852,688	4,829,445	4,532,153
Total cost and fair value	\$ 43,416,458	48,898,203	53,915,415	53,507,023

Investment return consisted of the following for the years ended September 30, 2024 and 2023:

	2024	2023
Dividends and interest	\$ 2,792,482	1,736,018
Net unrealized gains	5,413,204	6,391,106
Net realized gains (losses), net of investment expense	4,224,465	(661,552)
Net traded investment returns	12,430,151	7,465,572
Other production return	31,913	77,062
Total investment returns	\$ 12,462,064	7,542,634

(4) Fair Value of Financial Instruments

The Organization has adopted ASC Topic 820, *Fair Value Measurement*, for its financial assets and liabilities. Management uses the fair value hierarchy, which gives the highest priority to quoted prices in active markets. The fair value of financial instruments is estimated based on market trading information, where available. Absent published market values for an instrument or other assets, management uses observable market data to arrive at its estimates of fair value.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
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Notes to Consolidated Financial Statements - Continued

(4) Fair Value of Financial Instruments - Continued

ASC Topic 820 defines fair value as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, ASC Topic 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data; and

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. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The following tables set forth by level, within the fair value hierarchy, assets and liabilities at fair value as of September 30, 2024 and 2023:

Description	Assets Measured at Fair Value at September 30, 2024	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Cash and cash equivalents	\$ 1,109,922	1,109,922	-	-
Government bonds	6,989,306	5,969,098	1,020,208	-
Corporate bonds	1,992,512	-	1,992,512	-
Common and preferred stocks	19,226,982	19,226,982	-	-
Mutual funds	15,726,793	15,726,793	-	-
	45,045,515	42,032,795	3,012,720	-
Beneficial interest in assets held by Community Foundation	973,473	-	973,473	-
Total assets in fair value hierarchy	46,018,988	42,032,795	3,986,193	-
Alternative investments measured at NAV	3,852,688			
Endowment investments, investments, and beneficial interest in assets held by Community Foundation	\$ 49,871,676			

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Notes to Consolidated Financial Statements - Continued

(4) Fair Value of Financial Instruments - Continued

Description	Assets Measured at Fair Value at September 30, 2023	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Cash and cash equivalents	\$ 3,569,257	3,569,257	-	-
Government bonds	4,907,406	3,534,348	1,373,058	-
Corporate bonds	2,184,504	-	2,184,504	-
Common and preferred stocks	22,750,412	22,331,708	418,704	-
Mutual funds	15,563,291	15,563,291	-	-
	48,974,870	44,998,604	3,976,266	-
Beneficial interest in assets held by Community Foundation	865,405	-	865,405	-
	49,840,275	44,998,604	4,841,671	-
Alternative investments measured at NAV	4,532,153			
Endowment investments, investments, and beneficial interest in assets held by Community Foundation	\$ 54,372,428			

In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value (or its equivalent) practical expedient have not been classified in the fair value hierarchy above. The following table reconciles the Organization's assets at fair value, within the fair value hierarchy, to total assets at fair value, as reported in the accompanying consolidated statements of financial position, as of September 30, 2024 and 2023, respectively:

	2024	2023
Investments at fair value within the fair value hierarchy	\$ 46,018,988	49,840,275
Alternative investments measured at NAV	3,852,688	4,532,153
Total investments at fair value	\$ 49,871,676	54,372,428

The carrying amounts shown in the preceding tables are included in the consolidated statements of financial position under the captions investments, endowment investments, and beneficial interests in assets held by Community Foundation.

The Organization's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no significant transfers into or out of Level 1, Level 2, or Level 3 for the year ended September 30, 2024.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
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Notes to Consolidated Financial Statements - Continued

(4) Fair Value of Financial Instruments - Continued

A 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 and does not necessarily correspond to management's perceived risk of that investment. Level 1 financial instruments are based on quoted prices in active markets. The following are descriptions of the valuation methodologies used for Level 2 financial instruments:

Government Bonds - When U.S. treasury securities are no longer traded in active markets, they are valued using the income approach and present value techniques. U.S. bonds that are not listed are valued using broker quotes for identical securities in an inactive market or quotes for similarly-rated securities in active markets.

Corporate Bonds - Consists of corporate bonds structured as a commingled fund. The fair value has been estimated using NAV per share of the fund at year-end based on the current market value of each investment and reinvested investment income.

Beneficial Interest in Assets Held by the Community Foundation - The investments held by the Community Foundation are pooled by the Community Foundation into a larger investment fund. The fair value of the Organization's investments held by the Community Foundation is based on valuation information provided by the Community Foundation which is primarily derived from or corroborated by observable market data as it relates to the Community Foundation's underlying investments. The investments held by the Community Foundation are pooled by the Community Foundation into a larger investment fund.

The following are descriptions of investments measured at NAV as a practical expedient:

Alternative Investments - Alternative investments consist of marketable alternatives (hedge funds, including absolute return and long/short equity strategies). Alternative investments include ownership interests in a wide variety of vehicles including partnerships and corporations that may be domiciled in the United States or offshore. The underlying investments may be leveraged to enhance the total investment return and may include financial assets such as marketable securities, nonmarketable securities, derivatives, and other synthetic and structured instruments as well as tangible and intangible assets. Generally, these alternative investments do not have a ready market and ownership interests in these investment vehicles may not be traded without the approval of the general partner or fund management. These investments are subject to the risk generally associated with equities and fixed-income instruments, with additional risks to leverage and the lack of a ready market for acquisition or disposition of ownership interests. The investment risk of these investments without readily determinable values with respect to each underlying investment will be limited to the capital committed to it by the Organization.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
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Notes to Consolidated Financial Statements - Continued

(5) Pledges Receivable

Pledges receivable at September 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Total gross pledges receivable	\$ 15,922,632	11,460,161
Less unamortized discount	(1,542,880)	(906,374)
Less allowance for doubtful pledges	<u>(160,318)</u>	<u>(116,048)</u>
Net pledges receivable	<u>\$ 14,219,434</u>	<u>10,437,739</u>

The discount rates applied ranged from 0.79% to 5.33% and 0.79% to 5.23% for the years ended September 30, 2024 and 2023, respectively.

Gross pledges receivable expected to be collected after September 30, 2024 are as follows:

<u>Years Ending September 30,</u>	
2025	\$ 4,957,635
2026	2,950,997
2027	2,448,000
2028	1,968,000
2029	848,000
Thereafter	<u>2,750,000</u>
	<u>\$ 15,922,632</u>

(6) Contributed Nonfinancial Assets

For the years ended September 30, 2024 and 2023, contributed nonfinancial assets recognized within the consolidated statements of activities included the following:

	<u>2024</u>	<u>2023</u>
Artwork - print	\$ 20,000	-
Parking	202,332	154,830
Hotel rooms	16,800	122,500
Professional services	-	21,410
Advertising	142,289	116,264
Other	<u>2,163</u>	<u>5,496</u>
	<u>\$ 383,584</u>	<u>420,500</u>

The Organization recognized contributed nonfinancial assets within revenue, including artwork, parking, hotel rooms, professional services, advertising, and other miscellaneous items.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
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Notes to Consolidated Financial Statements - Continued

(6) Contributed Nonfinancial Assets - Continued

Artwork, including a print, is utilized by the Organization for display for the cultural enrichment of its guests, employees and community. This artwork was restricted by the donors for the Organization's permanent art collection, for the purpose just described. The fair value of the print was based on current values estimated by a fine arts appraiser.

Contributed parking was valued at actual parking rates, for the purpose of providing employee parking for the Organization. Parking was not restricted by the donors.

Contributed hotel rooms were valued at actual room rates, for the purpose of providing the Organization with hotel rooms to be used at its discretion. The Organization used these hotel rooms in its multi-week summer ballet intensive program. Hotel rooms were not restricted by the donor.

Professional services recognized were comprised of fees for accounting and tax services from the Organization's independent accounting firm, and consulting fees from the Organization's employee health benefits broker and advisor. These contracted services were valued and reported at the estimated fair value in the consolidated financial statements based on current rates for similar services.

Contributed advertising is used for promoting sales of the Organization's shows and programs. This advertising was valued at actual ad rates. Each advertising piece is based on specific show or program parameters, but beyond this the advertising was not restricted by the donor.

Other contributed nonfinancial assets are comprised of miscellaneous items, reported at estimated fair value, and not restricted by its donors.

(7) Conditional Revocable Gifts

The Organization has received indications of gifts in the form of bequests, wills, and life insurance policies which are revocable during the donors' lifetime. Due to the uncertain nature of these intentions, the Organization has not recognized an asset or contribution revenue for these gifts. The estimated total intentions to give aggregate approximated \$15,307,000 and \$14,007,000 as of September 30, 2024 and 2023, respectively.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
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Notes to Consolidated Financial Statements - Continued

(8) Furniture, Equipment, and Leasehold Improvements

Furniture, equipment, and leasehold improvements at September 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 31,246,332	28,923,241
Leasehold improvements	11,605,951	11,605,951
Construction in progress - Master Plan	7,812,851	4,911,205
Construction in progress - other	<u>1,306,966</u>	<u>2,333,012</u>
	51,972,100	47,773,409
Less accumulated depreciation	<u>(27,490,559)</u>	<u>(25,605,545)</u>
	<u>\$ 24,481,541</u>	<u>22,167,864</u>

Depreciation and amortization expense for the years ended September 30, 2024 and 2023 was approximately \$2,032,000 and \$1,684,000 respectively.

The Organization is leasing its operating facility from the City of Tampa for \$100 per year for a period of 99 years unless sooner terminated and provides further that the lease shall automatically be renewed for successive 10-year terms unless either party gives 180-days' notice of termination of the lease agreement prior to the expiration of any term. According to information provided by the City of Tampa, the estimated insured value of the operating and education facility (excluding contents) is approximately \$150,000,000. The value of this below-market lease is not readily determinable.

The Organization reviews for impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If this review indicates that the carrying value of the long-lived assets will not be recoverable, as determined based on the expected undiscounted future cash flows of the long-lived assets, the carrying value of the long-lived assets is reduced by the amount by which the carrying value exceeds fair value and a loss on impairment would be recognized. For the years ended September 30, 2024 and 2023, the Organization recognized impairment of furniture and equipment of approximately \$170,000 and \$0, respectively.

(9) Lines of Credit

The Foundation obtained a secured but uncommitted revolving line of credit (the "Line") in May 2010 to meet working capital and capital expenditure business continuity contingencies. The Line is payable upon demand. Investments without donor restrictions are being used as the secured assets. The total borrowing availability based on the Foundation's underlying secured assets was approximately \$4,551,000 and \$3,936,000 at September 30, 2024 and 2023, respectively. There was no outstanding balance as of September 30, 2024 and 2023, respectively. The interest rate was approximately 5.68% and 6.15% for years ended September 30, 2024 and 2023, respectively.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Notes to Consolidated Financial Statements - Continued

(9) Lines of Credit - Continued

The Straz Center obtained a secured but uncommitted revolving line of credit (the “LOC”) in February 2017 to meet working capital and capital expenditure business continuity contingencies. The LOC is payable upon demand. Unrestricted investments are being used as the secured assets. The total borrowing availability based on the Center’s underlying secured assets was approximately \$2,500,000 and \$2,431,000 amount available at September 30, 2024 and 2023, respectively. There was no balance outstanding as of September 30, 2024 or 2023. The interest rate was approximately 5.68% and 6.15% for the years ended September 30, 2024 and 2023, respectively.

(10) Restrictions and Limitations on Net Assets

Net assets with donor restrictions consist of the following at September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Net assets with donor restrictions:		
Cash restricted for specific purposes	\$ 9,793,499	6,566,849
Pledges receivable, net	14,123,247	10,410,339
Grant receivables, net	939,697	-
Investments restricted for specific purposes	3,494,111	537,727
Invested in fine art collection, held in perpetuity	377,010	357,010
Donor endowments	31,347,329	27,747,203
	<u>\$ 60,074,893</u>	<u>45,619,128</u>

(11) Liquidity and Availability of Financial Assets

The Organization monitors its liquidity so that it is able to cover operating expenses and other obligations as they come due. Management is projecting a minimum budget of approximately \$52,925,000 in operating expenses to be paid within 12 months of the consolidated statement of financial position date. Budgeted operating expenses represents business essential expenditures based on projected staffing levels, current and projected cost trends, and prior year actual and anticipated future expenditures as applicable. The Organization strives to maintain cash on hand of \$1,000,000 to meet normal operating expenses. The cash reserve amount may be higher or lower depending on actual expenses incurred throughout the year.

The Organization has a policy to structure its financial assets to be available as its general and capital expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization may invest cash in excess of daily requirements in various short-term investments. As more fully described in Note 9, the Organization also has lines of credit available to draw upon in the event of a liquidity need.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Notes to Consolidated Financial Statements - Continued

(11) Liquidity and Availability of Financial Assets - Continued

The Organization additionally relies on public support (community support, in-kind and fine art donations, government funding, and grants) and revenues from operations including ticket sales, rent, box office fees, education programming, concessions, and service fee and other income to pay expenditures. Such revenues totaled approximately \$59,254,000 during the year ended September 30, 2024.

The Straz Center's financial assets available to meet cash needs for general expenditures within one year of September 30, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Financial assets as of year-end:		
Cash and cash equivalents	\$ 39,175,976	19,344,533
Accounts receivable	460,259	459,620
Current portion of pledges receivable, net	4,906,967	2,819,226
Grants receivable	1,788,628	1,487,329
Investments and endowment investments	48,898,203	53,507,023
Beneficial interest in assets held by Community Foundation	973,473	865,405
Life insurance policies	<u>936,146</u>	<u>749,737</u>
	97,139,652	79,232,873
Less those unavailable for general expenditures within one year due to:		
Restricted by donor with time or purpose restrictions (excluding non-current pledges receivable)	(50,762,426)	(38,000,615)
Investments held in annuity trust	(936,146)	(749,737)
Foundation investments without donor restrictions, not transferred to the Straz Center	<u>(6,503,032)</u>	<u>(19,337,684)</u>
	(58,201,604)	(58,088,036)
Board designations:		
Cash and general investments	(16,986,171)	(8,080,399)
Capital expenditures	<u>(764,090)</u>	<u>(1,268,566)</u>
	<u>(17,750,261)</u>	<u>(9,348,965)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 21,187,787</u>	<u>11,795,872</u>

(12) Endowments

In July 2012, Florida passed a version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). UPMIFA removes the historic dollar value measurement of endowments established by the Uniform Management of Institutional Funds Act. Accounting Standards require organizations functioning under an enacted version of UPMIFA to recognize endowment earnings as net assets with donor restrictions until appropriated.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Notes to Consolidated Financial Statements - Continued

(12) Endowments - Continued

The Organization follows all applicable Florida law with respect to donor-restricted endowment funds. The Organization complies with any donor-imposed restrictions on the use of the investment income or net appreciation resulting from the endowment funds with donor restrictions. However, when there is an absence of donor restrictions on the use of the investment income or net appreciation, the Organization follows applicable law. The Organization interprets Florida law as requiring the Organization to maintain the historic dollar value of donor-restricted endowments as with donor restrictions, absent explicit donor stipulations to the contrary. Therefore, the Straz Center classifies as net assets with donor restrictions: (a) the original value of gifts donated to the endowment; (b) the original value of subsequent gifts to the endowment; and (c) accumulations of the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulations are made to the fund. The remaining portion of the donor-restricted endowment fund is also classified as with donor restriction until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by Florida law. In accordance with Florida law, the Straz Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of the Organization and 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.
7. The investment policies of the Organization.

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level the donor or the applicable state law requires the Organization to retain as a fund of perpetual duration. The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no underwater endowments as of September 30, 2024 or 2023.

(a) Return Objective and Risk Parameters

The investment objectives for the Organization are stated below in order of importance:

- *Growth of Capital* - Emphasis on long-term growth of the investment assets of the Organization. The returns should meet or exceed appropriate benchmark indices while incurring less risk than such benchmarks/indices.
- *Preservation of Purchasing Power After Spending* - Asset growth that exceeds spending plus inflation over a three-year period.
- The investment goal of the equity portfolio is that the annual return will match and/or exceed appropriate performance benchmark(s) by investment style for the asset managers selected.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Notes to Consolidated Financial Statements - Continued

(12) Endowments - Continued

(a) Return Objective and Risk Parameters - Continued

The Foundation's Investment Committee and the Board recognize that risk (i.e., the uncertainty of future events), volatility (i.e., the potential for variability of asset values), and the possibility of loss in purchasing power (due to inflation and U.S. dollar depreciation) are present to some degree in all types of investment vehicles.

While high levels of risk are to be avoided, as evidenced by high volatility and low-quality rated securities, the assumption of risk is warranted and encouraged in order to allow the asset manager the opportunity to achieve satisfactory long-term results consistent with the goals, objectives, and character of the Foundation. All assets selected for the portfolio must have a readily ascertainable market value and must be readily marketable.

(b) Strategies Employed for Achieving Objectives

To meet the needs of the Foundation, the Foundation's investment strategy emphasizes a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends) by following the strategies outlined above.

(c) Spending Policy and How the Investment Objective Relates to Spending Policy

The Foundation's Board, on the recommendation of the Investment Committee, has adopted a spending policy that governs the annual distributions from the pooled endowment funds that may be expended for current operations of the Straz Center. This policy authorizes the Foundation to distribute from its pooled endowment funds a specified percentage, to be determined by the Board from time to time, of the market at budget time or fiscal year-end of those pooled endowment funds. The policy also allows the Board to base the distribution formula on the average market value over a period of several years if it chooses to do so. For the fiscal year ended September 30, 2024, the Foundation's Board of Trustees authorized the distribution and expenditure of 5% of the current market value of the endowment as of September 30, 2023. Distributions cannot exceed the accumulated unspent earnings of the endowment without the Foundation's Board approval. Income earned in excess of the spending rate may be reinvested in endowment principal. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through investment return.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Notes to Consolidated Financial Statements - Continued

(12) Endowments - Continued

(c) Spending Policy and How the Investment Objective Relates to Spending Policy - Continued

Changes in endowment funds consist of the following for the year ended September 30, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Total endowment funds, October 1, 2023	\$ -	27,747,203	27,747,203
Investment return:			
Investment income	-	894,024	894,024
Net appreciation (realized and unrealized)	-	6,969,073	6,969,073
New contributions	-	818,926	818,926
Approved spending	-	(2,762,672)	(2,762,672)
Funds used for charitable gift annuity payments	-	(7,399)	(7,399)
Life insurance repurposed	-	-	-
Reclassification of market value for line-of-credit collateralization	-	(2,311,826)	(2,311,826)
Total endowment funds, September 30, 2024	\$ -	31,347,329	31,347,329

Changes in endowment funds consist of the following for the year ended September 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Total endowment funds, October 1, 2022	\$ -	26,736,995	26,736,995
Investment return:			
Investment income	-	896,472	896,472
Net appreciation (realized and unrealized)	-	3,299,469	3,299,469
New contributions	-	338,814	338,814
Approved spending	-	(2,522,000)	(2,522,000)
Funds used for charitable gift annuity payments	-	(7,396)	(7,396)
Life insurance repurposed	-	(27,096)	(27,096)
Reclassification of market value for line-of-credit collateralization	-	(968,055)	(968,055)
Total endowment funds, September 30, 2023	\$ -	27,747,203	27,747,203

Endowment funds consists of the following as of September 30, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor restricted, endowment funds	\$ -	31,347,329	31,347,329
	\$ -	31,347,329	31,347,329

Endowment funds consists of the following as of September 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor restricted, endowment funds	\$ -	27,747,203	27,747,203
	\$ -	27,747,203	27,747,203

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Notes to Consolidated Financial Statements - Continued

(13) Government Funding and Grant Revenue

The Straz Center receives city, county, state, and federal grants for annual operations, program support, and capital projects. Government funding and grant revenue for the years ended September 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
City of Tampa	\$ 565,000	492,075
Hillsborough County:		
Tourist Development Council	518,471	962,956
Children's Board of Hillsborough County	26,400	21,772
Department of Education Field Trips Grant	399,755	-
Cultural Services to Support Educational Programs	-	223,516
State of Florida:		
General Program Support (formerly Cultural and Museum Grants)	140,717	180,000
Federal:		
National Endowment for the Arts	-	25,000
	<u>1,650,343</u>	<u>1,905,319</u>
Annual operating and program support	1,650,343	1,905,319
City of Tampa:		
Capital Improvements Budget	50,000	100,000
Hillsborough County:		
Capital Improvements Budget	500,000	500,000
Straz Center Master Plan Capital Grant	720,000	3,612,368
State of Florida:		
Master Plan Capital Grant	1,875,082	-
Cultural Facilities Program	-	1,000,000
	<u>3,145,082</u>	<u>5,212,368</u>
Capital and construction support	3,145,082	5,212,368
Total government funding and grant revenue	<u>\$ 4,795,425</u>	<u>7,117,687</u>

(14) Retirement Plan

The Straz Center has a defined contribution retirement plan for full-time employees. The Straz Center contributes up to 8% of eligible gross salaries and employees are fully vested upon meeting eligibility requirements. Additionally, employees may voluntarily elect to contribute up to the maximum as allowed under Section 403(b) of the Internal Revenue Code. The monies are invested and administered by an independent agent. Retirement contribution expenses were approximately \$510,000 and \$478,000 for the years ended September 30, 2024 and 2023, respectively.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Notes to Consolidated Financial Statements - Continued

(15) Contingencies and Uncertainties

(a) Grant Funding

The Straz Center is subject to audit and examination by funding sources to determine compliance with grant conditions. In the event expenditures would be disallowed, repayment could be required. Management believes the Straz Center is materially in compliance with the terms of its grant agreements.

(b) Risks and Uncertainties

Investment securities are exposed to various risks, such as interest rate, market and credit risk. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such change could materially affect the amounts reported in the consolidated statements of financial position.

(16) Related Party Transactions

Related party contributions for the years ended September 30, 2024 and 2023 include the following:

	<u>2024</u>	<u>2023</u>
Board of Directors and Trustees	\$ 4,899,089	5,980,168

The following related party gross pledges receivable were outstanding at September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Board of Directors and Trustees	\$ 11,553,656	9,487,122

(17) Concentrations of Credit Risk

The Organization maintains its cash and cash equivalents with large financial institutions in the United States. All accounts at each financial institution are guaranteed by the Federal Deposit Insurance Corporation up to \$250,000. The Straz Center from time to time may have amounts of deposits in excess of the insured limits. Management does not anticipate nonperformance by these financial institutions. The Straz Center and the Foundation had aggregate bank statement balances of approximately \$16,023,000 and \$22,658,000, respectively, which exceeded these insured amounts at September 30, 2024 and \$14,224,000 and \$4,675,000 respectively, which exceeded these insured amounts at September 30, 2023.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Notes to Consolidated Financial Statements - Continued

(18) Leases

The Organization leases office space, warehouse space, and certain office equipment. The leases have remaining lease terms ranging from 1 to 5 years. Leases with initial terms of 12 months or less are not recorded on the consolidated statement of financial position. Expense under these short-term leases is recognized on a straight-line basis over the lease term.

The weighted average lease terms and discount rates as of September 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Weighted average remaining lease terms:		
Operating leases	4.28	1.79
Weighted average discount rates:		
Operating leases	4.32%	1.91%

The components of lease costs under operating leases for the years ended September 30, 2024 and 2023 include the following:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 210,564	196,812
Variable lease costs	<u>18,351</u>	<u>75,216</u>
Total lease costs	<u>\$ 228,915</u>	<u>272,028</u>

The maturities of operating lease liabilities as of September 30, 2024 were as follows:

<u>Year Ending September 30,</u>	
2025	\$ 143,582
2026	118,951
2027	103,796
2028	91,500
2029	<u>76,250</u>
Total payments	534,079
Less interest	<u>(50,321)</u>
Present value of lease liabilities	<u>\$ 483,758</u>

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Notes to Consolidated Financial Statements - Continued

(18) Leases - Continued

The following summarizes the line items in the accompanying consolidated statement of financial position as of September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Operating leases:		
Operating lease right-of-use assets	\$ <u>483,758</u>	<u>304,932</u>
Operating lease liabilities, current	\$ 123,583	196,320
Operating lease liabilities, less current portion	<u>360,175</u>	<u>108,612</u>
	\$ <u>483,758</u>	<u>304,932</u>

Operating cash flows from operating leases was \$214,931 and \$190,610 for the years ended September 30, 2024 and 2023, respectively.

(19) Subsequent Events

Management has evaluated subsequent events from the consolidated statements of financial position date through January 13, 2025, in connection with the preparation of these consolidated financial statements, which is the date the consolidated financial statements were available to be issued.

Effective December 2024, the Organization entered into a new borrowing agreement with a financial institution, which provides the Organization the ability to draw up to \$21.5 million through December 2026 (the “draw period”) to serve as bridge financing for the fundraising of capital campaign pledges for its current Master Plan construction project. Amounts drawn under this agreement will bear interest at the Term SOFR Daily Floating Rate plus 1.85%, with interest accruing and payable monthly during the draw period. At the conclusion of the draw period, any amounts drawn will be converted into a term loan, with principal and interest payable quarterly through the maturity date of December 2030. As of the date the consolidated financial statements were available for issuance, no amounts had been drawn on the loan.

SUPPLEMENTAL INFORMATION

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Consolidating Statement of Financial Position

September 30, 2024

Assets	Tampa Bay Performing Arts Center, Inc.	Foundation	Eliminations	Consolidated Total
Current assets:				
Cash and cash equivalents	\$ 16,099,014	23,076,962	-	39,175,976
Receivables:				
Accounts receivable	460,259	-	-	460,259
Pledges receivables, net	106,967	4,800,000	-	4,906,967
Due from Foundation/Center	871,551	-	(871,551)	-
Grants receivable	1,788,628	-	-	1,788,628
Total receivables	3,227,405	4,800,000	(871,551)	7,155,854
Inventory	114,690	-	-	114,690
Other current assets	1,484,282	5,207	-	1,489,489
Total current assets	20,925,391	27,882,169	(871,551)	47,936,009
Noncurrent assets:				
Pledges receivable, less current portion	-	9,312,467	-	9,312,467
Endowment investments	2,760,000	28,587,329	-	31,347,329
Investments	8,102,744	9,448,130	-	17,550,874
Other long-term investments	1,781,507	-	-	1,781,507
Beneficial interest in assets held by Community Foundation	38,705	934,768	-	973,473
Property and equipment:				
Furniture, equipment, and leasehold improvements, net	15,361,724	-	-	15,361,724
Construction in progress - Master Plan	7,812,851	-	-	7,812,851
Construction in progress - other	1,306,966	-	-	1,306,966
Operating lease right-of-use assets	483,758	-	-	483,758
Fine art collection	377,010	-	-	377,010
Other long-term assets	52,273	-	-	52,273
Total noncurrent assets	38,077,538	48,282,694	-	86,360,232
Total assets	\$ 59,002,929	76,164,863	(871,551)	134,296,241
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued expenses	\$ 2,554,302	50,834	-	2,605,136
Due to Foundation/Center	-	871,551	(871,551)	-
Operating lease liabilities, current	123,583	-	-	123,583
Contract liabilities - ticket sales	12,975,994	-	-	12,975,994
Contract liabilities - other	2,541,662	-	-	2,541,662
Total current liabilities	18,195,541	922,385	(871,551)	18,246,375
Noncurrent liabilities:				
Operating lease liabilities, less current portion	360,175	-	-	360,175
Total liabilities	18,555,716	922,385	(871,551)	18,606,550
Net assets:				
Without donor restrictions:				
Operations	11,504,780	1,878,216	-	13,382,996
Property and equipment:				
Furniture, equipment, and leasehold improvements, net	15,361,724	-	-	15,361,724
Construction in progress - Master Plan	7,812,851	-	-	7,812,851
Construction in progress - other	1,306,966	-	-	1,306,966
Board designated	764,090	16,986,171	-	17,750,261
Total net assets without donor restrictions	36,750,411	18,864,387	-	55,614,798
Total net assets with donor restrictions	3,696,802	56,378,091	-	60,074,893
Total net assets	40,447,213	75,242,478	-	115,689,691
Total liabilities and net assets	\$ 59,002,929	76,164,863	(871,551)	134,296,241

See accompanying independent auditors' report.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Consolidating Statement of Activities

Year Ended September 30, 2024

	Tampa Bay Performing Arts Center, Inc.	Foundation	Eliminations	Consolidated Total
Revenue and other support:				
Ticket sales	\$ 24,359,696	-	-	24,359,696
Rent	647,444	-	-	647,444
Box office fees	5,625,464	-	-	5,625,464
Education program tuition, event sales, and fees	3,104,922	-	-	3,104,922
Concessions	4,953,903	-	-	4,953,903
Investment return, net	2,807,828	9,654,236	-	12,462,064
Change in value of beneficial interest	6,094	103,484	-	109,578
Change in value of split-interest agreement	-	(5,039)	-	(5,039)
Community support	5,539,366	9,459,091	-	14,998,457
In-kind donations	363,584	-	-	363,584
Fine art donation	20,000	-	-	20,000
Service fee and other income	738,315	-	(353,268)	385,047
Government funding and grants:				
Annual operating and program support	1,650,343	-	-	1,650,343
Capital and construction support	2,425,082	720,000	-	3,145,082
Intercompany	1,966,261	(1,966,261)	-	-
Total revenue and other support	54,208,302	17,965,511	(353,268)	71,820,545
Expenses:				
Program and essential services:				
Production costs	21,877,004	-	-	21,877,004
Education	4,612,782	-	-	4,612,782
Operating costs	12,955,710	-	-	12,955,710
Marketing and public information	3,408,056	-	-	3,408,056
Total program and essential services	42,853,552	-	-	42,853,552
Support services:				
General and administrative	6,123,031	399,681	(353,268)	6,169,444
Fundraising	1,596,889	267,920	-	1,864,809
Total support services	7,719,920	667,601	(353,268)	8,034,253
Total expenses	50,573,472	667,601	(353,268)	50,887,805
Other income (expense):				
Loss on impairment of furniture and equipment	(169,512)	-	-	(169,512)
Foundation distributed endowment support for Straz Center	1,904,864	(1,904,864)	-	-
Total other income (expense)	1,735,352	(1,904,864)	-	(169,512)
Change in net assets	5,370,182	15,393,046	-	20,763,228
Net assets, beginning of year	35,077,031	59,849,432	-	94,926,463
Net assets, end of year	\$ 40,447,213	75,242,478	-	115,689,691

See accompanying independent auditors' report.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Consolidating Statement of Cash Flows

Year Ended September 30, 2024

	<u>Tampa Bay Performing Arts Center, Inc.</u>	<u>Foundation</u>	<u>Consolidated Total</u>
Cash flows from operating activities:			
Change in net assets	\$ 5,370,182	15,393,046	20,763,228
Adjustments to reconcile change in net assets to net cash from operating activities:			
Noncash gift of stock	(975)	(116,058)	(117,033)
Bad debt	8,283	-	8,283
Depreciation and amortization	2,032,052	-	2,032,052
Impairment loss on furniture and equipment	169,512	-	169,512
Change in operating lease right-of-use assets	199,869	-	199,869
Change in beneficial interest in assets held by Community Foundation	(6,094)	(103,484)	(109,578)
Realized and unrealized gains on investments	(1,905,518)	(8,029,733)	(9,935,251)
Fine art donation	(20,000)	-	(20,000)
Change in operating assets and liabilities:			
Accounts receivable	(8,922)	-	(8,922)
Pledges receivable	34,804	(3,816,499)	(3,781,695)
Grants receivable	(394,110)	92,811	(301,299)
Due to/from the Center	(282,540)	282,540	-
Inventory	(3,905)	-	(3,905)
Other current assets	(368,113)	(1,009)	(369,122)
Accounts payable and accrued expenses	(23,305)	15,291	(8,014)
Contract liabilities - ticket sales	1,413,284	-	1,413,284
Contract liabilities - other	217,168	-	217,168
Operating lease liabilities	(199,869)	-	(199,869)
Net cash flows from operating activities	6,231,803	3,716,905	9,948,708
Cash flows from investing activities:			
Purchases of furniture, equipment, and leasehold improvements	(4,492,927)	-	(4,492,927)
Purchases of investments	(5,108,595)	(20,428,240)	(25,536,835)
Sales and maturities of investments	5,451,810	34,863,459	40,315,269
Purchases of other long-term investments	(402,772)	-	(402,772)
Net cash flows from investing activities	(4,552,484)	14,435,219	9,882,735
Change in cash and cash equivalents	1,679,319	18,152,124	19,831,443
Cash and cash equivalents, beginning of year	14,419,695	4,924,838	19,344,533
Cash and cash equivalents, end of year	\$ 16,099,014	23,076,962	39,175,976
Supplemental cash flow information:			
Acquisition of furniture, equipment, and leasehold improvements in accounts payable and accrued expenses	\$ 76,530	-	76,530
Additions to right-of-use assets obtained from operating leases	\$ 444,440	-	444,440
Reduction of right-of-use asset and lease liability due to early lease termination	\$ (65,745)	-	(65,745)

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Straz Center Stand Alone - Statement of Financial Position

**September 30, 2024
(With Comparative Financial Information for 2023)**

Assets	2024	2023
Current assets:		
Cash and cash equivalents	\$ 16,099,014	14,419,695
Receivables:		
Accounts receivable	460,259	459,620
Pledges receivables, net	106,967	141,771
Due from Foundation	871,551	589,011
Grants receivable	1,788,628	1,394,518
Total receivables	3,227,405	2,584,920
Inventory	114,690	110,785
Other current assets	1,484,282	1,116,169
Total current assets	20,925,391	18,231,569
Noncurrent assets:		
Endowment investments	2,760,000	2,760,000
Investments	8,102,744	6,422,136
Other long-term investments	1,781,507	1,494,555
Beneficial interest in assets held by Community Foundation	38,705	34,121
Property and equipment:		
Furniture, equipment, and leasehold improvements, net	15,361,724	14,923,647
Construction in progress - Master Plan	7,812,851	4,911,205
Construction in progress - other	1,306,966	2,333,012
Operating lease right-of-use assets	483,758	304,932
Fine art collection	377,010	357,010
Other long-term assets	52,273	52,273
Total noncurrent assets	38,077,538	33,592,891
Total assets	\$ 59,002,929	51,824,460
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,554,302	2,555,293
Operating lease liabilities, current	123,583	196,320
Contract liabilities - ticket sales	12,975,994	11,562,710
Contract liabilities - other	2,541,662	2,324,494
Total current liabilities	18,195,541	16,638,817
Noncurrent liabilities:		
Operating lease liabilities, less current portion	360,175	108,612
Total liabilities	18,555,716	16,747,429
Net assets:		
Without donor restrictions:		
Operations	11,504,780	7,964,304
Property and equipment:		
Furniture, equipment, and leasehold improvements, net	15,361,724	14,923,647
Construction in progress - Master Plan	7,812,851	4,911,205
Construction in progress - other	1,306,966	2,333,012
Board designated	764,090	1,268,566
	36,750,411	31,400,734
Total net assets with donor restrictions	3,696,802	3,676,297
Total net assets	40,447,213	35,077,031
Total liabilities and net assets	\$ 59,002,929	51,824,460

See accompanying independent auditors' report.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Straz Center Stand Alone - Statement of Activities

**Year Ended September 30, 2024
(With Comparative Financial Information for 2023)**

	2024			
	Without Donor Restrictions	With Donor Restrictions	Total	2023
Revenue and other support:				
Ticket sales	\$ 24,359,696	-	24,359,696	32,079,333
Rent	647,444	-	647,444	746,085
Box office fees	5,625,464	-	5,625,464	6,148,197
Education program tuition, event sales, and fees	3,104,922	-	3,104,922	2,846,578
Concessions	4,953,903	-	4,953,903	5,578,524
Investment return	2,715,682	92,146	2,807,828	2,203,423
Change in value of beneficial interest	6,094	-	6,094	4,178
Community support	5,539,366	-	5,539,366	5,329,162
In-kind donations	363,584	-	363,584	420,500
Fine art donation	-	20,000	20,000	-
Service fee income	738,315	-	738,315	775,117
Government funding and grants:				
Annual operating and program support	1,650,343	-	1,650,343	1,905,319
Capital and construction support	2,425,082	-	2,425,082	1,100,000
Intercompany	1,966,261	-	1,966,261	1,832,941
Net assets released from purpose restrictions	91,640	(91,640)	-	-
Total revenue and other support	54,187,796	20,506	54,208,302	60,969,357
Expenses:				
Program and essential services:				
Production costs	21,877,004	-	21,877,004	28,320,898
Education	4,612,782	-	4,612,782	3,850,309
Operating costs	12,955,710	-	12,955,710	12,757,404
Marketing and public information	3,408,056	-	3,408,056	3,754,146
Total program and essential services	42,853,552	-	42,853,552	48,682,757
Support services:				
General and administrative	6,123,031	-	6,123,031	5,891,929
Fundraising	1,596,889	-	1,596,889	1,524,007
Total support services	7,719,920	-	7,719,920	7,415,936
Total expenses	50,573,472	-	50,573,472	56,098,693
Other income (expense):				
Loss on impairment of furniture and equipment	(169,512)	-	(169,512)	-
Foundation distributed endowment support for Straz Center	1,904,864	-	1,904,864	1,956,660
Total other income (expense)	1,735,352	-	1,735,352	1,956,660
Change in net assets	5,349,676	20,506	5,370,182	6,827,324
Net assets, beginning of year	31,400,734	3,676,297	35,077,031	28,249,707
Net assets, end of year	\$ 36,750,410	3,696,803	40,447,213	35,077,031

See accompanying independent auditors' report.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Schedule of Expenditures of State Financial Assistance

Year Ended September 30, 2024

<u>Grantor/Project Title</u>	<u>Contract/ Grant Number</u>	<u>State CSFA Number</u>	<u>Current Year Expenditures</u>	<u>Transfers to Subrecipients</u>
Department of Education:				
K-15--FCO Facility--Repairs Maintenance and Construction	88D-96730-3D001	48.152	\$ 1,875,082	-
Subtotal - Department of Education			1,875,082	-
Department of State and Secretary of State:				
General Program Support (Cultural and Museum Grants)	24.c.ps.180.199	45.061	105,717	-
Total General Program Support (Cultural and Museum Grants)			105,717	-
Subtotal - Secretary of State			105,717	-
Total Expenditures of State Financial Assistance			\$ 1,980,799	-

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Notes to Schedule of Expenditures of State Financial Assistance

Year Ended September 30, 2024

(1) Basis of Presentation

The accompanying schedule of expenditures of state financial assistance (the “Schedule”) includes the state grant activity of Tampa Bay Performing Arts Center, Inc. and Affiliate, d/b/a David A. Straz, Jr. Center for the Performing Arts (the “Straz Center”) under projects of the State of Florida for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the State of Florida Auditor General*. Because the Schedule presents only a selected portion of the operations of the Straz Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Straz Center.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Department of Financial Services’ State Projects Compliance Supplement, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Contingencies

These State projects are subject to financial and compliance audits by grantor agencies, which, if instances of material noncompliance are found, may result in disallowed expenditures, and affect the Straz Center’s continued participation in specific projects. The amount of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Straz Center expects such amounts, if any, to be immaterial.

INTERNAL CONTROL AND COMPLIANCE

**Independent Auditors' 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**

To the Board of Directors of the
Tampa Bay Performing Arts Center, Inc. and Affiliate
d/b/a David A. Straz, Jr. Center for the Performing Arts:

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, the consolidated financial statements of the Tampa Bay Performing Arts Center, Inc. and Affiliate, d/b/a David A. Straz, Jr. Center for the Performing Arts (the "Straz Center") which comprise the consolidated statement of financial position as of September 30, 2024, 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 January 13, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Straz Center'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 Straz Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Straz Center'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 entity'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 may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Straz Center'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 Straz Center'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's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBIZ CPAs P.C.

January 13, 2025
St. Petersburg, Florida

**Independent Auditors' Report on Compliance for Each Major State Project
and on Internal Control Over Compliance Required by Chapter 10.650,
Rules of the State of Florida Auditor General**

To the Board of Directors of the
Tampa Bay Performing Arts Center, Inc. and Affiliate
d/b/a David A. Straz, Jr. Center for the Performing Arts:

Opinion on Each Major State Project

We have audited Tampa Bay Performing Arts Center, Inc. and Affiliate, d/b/a David A. Straz, Jr. Center for the Performing Arts (the "Straz Center") compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on the Straz Center's major state project for the year ended September 30, 2024. The Straz Center's major state project is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Straz Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state project for the year ended September 30, 2024.

Basis for Opinion on Each Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Chapter 10.650, *Rules of the State of Florida Auditor General* ("Chapter 10.650"). Our responsibilities under those standards and Chapter 10.650, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the Straz Center and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state project. Our audit does not provide a legal determination of the Straz Center's compliance with the compliance requirements referred to above.

Management's Responsibility

Management is responsible for compliance with State statutes, regulations and the terms and conditions of its State projects applicable to its major State project.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Straz Center's state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether to do with fraud or error, and express an opinion on the Straz Center's compliance based on our audit. 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, *Government Auditing Standards*, and Chapter 10.650, will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Straz Center's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.650, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Straz Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Straz Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of the Straz Center's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

CBIZ CPAs P.C.

January 13, 2025
St. Petersburg, Florida

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE
D/B/A DAVID A. STRAZ, JR. CENTER FOR THE PERFORMING ARTS**

Schedule of Findings and Questioned Costs

Year Ended September 30, 2024

(A) Summary of Auditors' Results

1. The auditors' report expresses an unmodified opinion on the consolidated financial statements of the Tampa Bay Performing Arts Center, Inc. and Affiliate, d/b/a David A. Straz, Jr. Center for the Performing Arts (the "Straz Center").
2. No significant deficiencies or material weaknesses relating to the audit of the consolidated financial statements were reported in the Independent Auditors' 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*.
3. No instances of noncompliance material to the consolidated financial statements of the Straz Center which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major state project are reported in the independent auditors' report on compliance for each major state project and on internal control over compliance required by Chapter 10.650, *Rules of the State of Florida Auditor General* ("Chapter 10.650").
5. The auditors' report on compliance for the major state project of the Straz Center expresses an unmodified opinion.
6. Audit findings, if any, that are required to be reported in accordance with Chapter 10.650, are reported in Part C, of this schedule.
7. The project tested as a major state project was:

K-15--FCO Facility--Repairs Maintenance and Construction (CSFA No. 48.152)
8. The threshold for distinguishing Types A and B projects was \$594,240 for major projects.

(B) Findings - Audit of Consolidated Financial Statements

None.

(C) Findings and Questioned Costs - Major State Project

None.

(D) Other Issues

No Corrective Action Plan is required because there were no findings required to be reported under Chapter 10.650 or the Florida Single Audit Act. A Summary Schedule of Prior Audit Findings is not required because the audit of the Straz Center was not subject to audit requirements under Chapter 10.650 for the year ended September 30, 2023.



Management Letter

To the Board of Directors of the
Tampa Bay Performing Arts Center, Inc. and Affiliate
d/b/a David A. Straz, Jr. Center for the Performing Arts:

Report on the Consolidated Financial Statements

We have audited the consolidated financial statements of Tampa Bay Performing Arts Center, Inc. and Affiliate, d/b/a David A. Straz, Jr. Center for the Performing Arts (the "Straz Center") as of and for the year ended September 30, 2024, and have issued our report thereon dated January 13, 2025.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Chapter 10.650, *Rules of the State of Florida Auditor General* ("Chapter 10.650").

Other Reports and Schedule

We have issued our Independent Auditors' 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*, our Independent Auditors' Report on Compliance for Each Major State Project and on Internal Control Over Compliance Required by Chapter 10.650, and the Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated January 13, 2025, should be considered in conjunction with this management letter.

Other Matter

Section 10.654(1)(e), *Rules of the State of Florida Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the consolidated financial statements or State project amounts that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not identify any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

CBIZ CPAs P.C.

January 13, 2025
St. Petersburg, Florida