



TAMPA BAY PERFORMING ARTS CENTER, INC.

Consolidated Financial Statements

September 30, 2008 and 2007

(With Independent Auditors' Report Thereon)

TAMPA BAY PERFORMING ARTS CENTER, INC.

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KPMG LLP
Suite 1700
100 North Tampa Street
Tampa, FL 33602

Independent Auditors' Report

The Board of Trustees
Tampa Bay Performing Arts Center, Inc.:

We have audited the accompanying consolidated statements of financial position of the Tampa Bay Performing Arts Center, Inc. as of September 30, 2008 and 2007, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Tampa Bay Performing Arts Center, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits. The 2006 summarized comparative information has been derived from the Organization's 2006 financial statements and, in our report dated December 6, 2006, we expressed an unqualified opinion on those financial statements.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Tampa Bay Performing Arts Center, Inc. as of September 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information in schedules 1, 2, and 3 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual organizations. The supplementary information included in schedules 4 and 5 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The consolidating and other supplementary information have been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, are fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

KPMG LLP

January 12, 2009
Certified Public Accountants

TAMPA BAY PERFORMING ARTS CENTER, INC.

Consolidated Statements of Financial Position

September 30, 2008 and 2007

| Assets | 2008 | 2007 |
|---|----------------------|-------------------|
| Current assets: | | |
| Cash | \$ 1,634,418 | 3,285,914 |
| Short-term investments | 10,440,770 | 9,301,806 |
| Cash and cash equivalents | <u>12,075,188</u> | <u>12,587,720</u> |
| Receivables: | | |
| Accounts receivable, net | 175,474 | 347,323 |
| Pledges receivable, net | 1,499,990 | 1,371,159 |
| Grants receivable | 350,164 | 313,037 |
| Interest receivable | 71,935 | 98,860 |
| | <u>2,097,563</u> | <u>2,130,379</u> |
| Inventory | 163,889 | 126,370 |
| Prepaid expenses | 878,386 | 1,158,863 |
| Total current assets | <u>15,215,026</u> | <u>16,003,332</u> |
| Noncurrent assets: | | |
| Pledges receivable, net | 2,564,480 | 3,282,012 |
| Endowment investments | 14,997,984 | 17,183,691 |
| Other long-term investments | 601,468 | 550,960 |
| Beneficial interest in assets held by Community Foundation | 676,294 | 876,859 |
| Furniture, equipment, and leasehold improvements, net | 10,874,154 | 9,537,865 |
| Other assets | 5,000 | 5,000 |
| Total assets | <u>\$ 44,934,406</u> | <u>47,439,719</u> |
| Liabilities and Net Assets | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ 2,163,680 | 1,661,714 |
| Deferred revenue – ticket sales | 7,225,645 | 8,871,322 |
| Deferred revenue – other | 695,624 | 976,586 |
| Total current liabilities | <u>10,084,949</u> | <u>11,509,622</u> |
| Other accrued expenses | 629,198 | 339,224 |
| Total liabilities | <u>10,714,147</u> | <u>11,848,846</u> |
| Net assets: | | |
| Unrestricted – operations | 6,020,731 | 7,862,451 |
| Unrestricted – furniture, equipment, and leasehold improvements | 10,874,154 | 9,537,865 |
| Unrestricted – board designated | 2,137,701 | 2,685,597 |
| Temporarily restricted | 3,878,315 | 4,738,756 |
| Permanently restricted | 11,309,358 | 10,766,204 |
| Total net assets | <u>34,220,259</u> | <u>35,590,873</u> |
| Total liabilities and net assets | <u>\$ 44,934,406</u> | <u>47,439,719</u> |

See accompanying notes to consolidated financial statements.

TAMPA BAY PERFORMING ARTS CENTER, INC.

Consolidated Statements of Activities

Years ended September 30, 2008 and 2007

| | September 30, 2008 | | | Total |
|---|---------------------------|-------------------------------|-------------------------------|-------------------|
| | Unrestricted | Temporarily restricted | Permanently restricted | |
| Revenue and other support: | | | | |
| Ticket sales | \$ 28,136,257 | — | — | 28,136,257 |
| Rent | 436,537 | — | — | 436,537 |
| Box office fees | 3,402,263 | — | — | 3,402,263 |
| Education program tuition and fees | 1,042,770 | — | — | 1,042,770 |
| Concessions | 3,295,237 | — | — | 3,295,237 |
| Investment return | (2,138,973) | — | — | (2,138,973) |
| Community support | 5,316,730 | 276,680 | 366,834 | 5,960,244 |
| Service fee income | 2,327,567 | — | — | 2,327,567 |
| Government funding and grants: | | | | |
| Annual operating and program support | 1,421,006 | — | — | 1,421,006 |
| Capital and construction support | 94,414 | — | — | 94,414 |
| Net assets released from restrictions | 960,801 | (1,137,121) | 176,320 | — |
| Total revenue and other support | 44,294,609 | (860,441) | 543,154 | 43,977,322 |
| Expenses: | | | | |
| Program and essential services: | | | | |
| Production costs | 25,874,028 | — | — | 25,874,028 |
| Education | 2,247,546 | — | — | 2,247,546 |
| Operating costs | 8,527,159 | — | — | 8,527,159 |
| Marketing and public information | 3,278,102 | — | — | 3,278,102 |
| Total program and essential services | 39,926,835 | — | — | 39,926,835 |
| Support services: | | | | |
| General and administrative | 4,238,471 | — | — | 4,238,471 |
| Fundraising | 1,182,630 | — | — | 1,182,630 |
| Total support services | 5,421,101 | — | — | 5,421,101 |
| Total expenses | 45,347,936 | — | — | 45,347,936 |
| Change in net assets | (1,053,327) | (860,441) | 543,154 | (1,370,614) |
| Net assets at beginning of year | 20,085,913 | 4,738,756 | 10,766,204 | 35,590,873 |
| Net assets at end of year | \$ 19,032,586 | 3,878,315 | 11,309,358 | 34,220,259 |

See accompanying notes to consolidated financial statements.

TAMPA BAY PERFORMING ARTS CENTER, INC.

Consolidated Statements of Activities

Years ended September 30, 2008 and 2007

| | September 30, 2007 | | | |
|---|---------------------------|-----------------------------------|-----------------------------------|-------------------|
| | Unrestricted | Temporarily restricted | Permanently restricted | Total |
| Revenue and other support: | | | | |
| Ticket sales | \$ 18,120,016 | — | — | 18,120,016 |
| Rent | 1,060,830 | — | — | 1,060,830 |
| Box office fees | 2,269,137 | — | — | 2,269,137 |
| Education program tuition and fees | 1,083,354 | — | — | 1,083,354 |
| Concessions | 2,631,363 | — | — | 2,631,363 |
| Investment return | 2,411,907 | — | — | 2,411,907 |
| Community support | 4,025,709 | 467,481 | 16,137 | 4,509,327 |
| Service fee income | 2,869,598 | — | — | 2,869,598 |
| Government funding and grants: | | | | |
| Annual operating and program support | 1,660,069 | — | — | 1,660,069 |
| Capital and construction support | 618,392 | — | — | 618,392 |
| Net assets released from restrictions | 1,101,253 | (1,101,253) | — | — |
| Total revenue and other support | 37,851,628 | (633,772) | 16,137 | 37,233,993 |
| Expenses: | | | | |
| Program and essential services: | | | | |
| Production costs | 19,720,486 | — | — | 19,720,486 |
| Education | 1,778,429 | — | — | 1,778,429 |
| Operating costs | 7,226,819 | — | — | 7,226,819 |
| Marketing and public information | 2,035,453 | — | — | 2,035,453 |
| Total program and essential services | 30,761,187 | — | — | 30,761,187 |
| Support services: | | | | |
| General and administrative | 3,780,883 | — | — | 3,780,883 |
| Fundraising | 1,000,738 | — | — | 1,000,738 |
| Total support services | 4,781,621 | — | — | 4,781,621 |
| Total expenses | 35,542,808 | — | — | 35,542,808 |
| Change in net assets | 2,308,820 | (633,772) | 16,137 | 1,691,185 |
| Net assets at beginning of year | 17,777,093 | 5,372,528 | 10,750,067 | 33,899,688 |
| Net assets at end of year | \$ 20,085,913 | 4,738,756 | 10,766,204 | 35,590,873 |

See accompanying notes to consolidated financial statements.

TAMPA BAY PERFORMING ARTS CENTER, INC.

Consolidated Statements of Functional Expenses

Year ended September 30, 2008
(with comparative totals for 2007)

| | Program and essential services | | | | Total program and essential services | Support services | | Total support services | Total expenses | |
|--------------------------------|--------------------------------|------------|--------------------|--|---|-------------------------------|-------------|------------------------------|----------------|------------|
| | Production costs | Education | Operating costs | Marketing and public information | | General and administrative | Fundraising | | 2008 | 2007 |
| | Salaries | \$ 535,077 | 904,262 | 2,710,423 | | 833,522 | 4,983,284 | | 2,152,168 | 665,640 |
| Employee benefits | 567,110 | 159,556 | 588,895 | 191,610 | 1,507,171 | 250,392 | 144,304 | 394,696 | 1,901,867 | 1,764,900 |
| Artist and professional fees | 21,021,498 | 387,051 | 52,423 | 8,654 | 21,469,626 | 5,746 | 170,447 | 176,193 | 21,645,819 | 15,482,219 |
| Meetings, travel, and training | 70,525 | 49,783 | 33,988 | 30,863 | 185,159 | 130,057 | 31,466 | 161,523 | 346,682 | 236,389 |
| Advertising and promotion | 3,053,942 | 356,775 | 33,182 | 2,120,474 | 5,564,373 | 54,952 | 3,288 | 58,240 | 5,622,613 | 3,001,233 |
| Professional services | 4,257 | 16,593 | 10,037 | 62,679 | 93,566 | 216,110 | 48,918 | 265,028 | 358,594 | 218,884 |
| Supplies | 37,157 | 10,018 | 273,614 | 15,172 | 335,961 | 53,673 | 7,797 | 61,470 | 397,431 | 313,068 |
| Telephone | 4,533 | 667 | 11,753 | 3,313 | 20,266 | 83,401 | 1,077 | 84,478 | 104,744 | 92,704 |
| Postage and mailings | 8,097 | 11,147 | 14,375 | 5,692 | 39,311 | 42,727 | 21,941 | 64,668 | 103,979 | 100,481 |
| Utilities | — | — | 1,005,455 | — | 1,005,455 | — | — | — | 1,005,455 | 984,853 |
| Rent and lease | 149,533 | 344 | 30,440 | — | 180,317 | 84,166 | — | 84,166 | 264,483 | 887,567 |
| Maintenance and repairs | 41,743 | 3,657 | 964,220 | — | 1,009,620 | 208,757 | — | 208,757 | 1,218,377 | 1,020,212 |
| Insurance | 142,991 | 33,024 | — | — | 176,015 | 223,371 | — | 223,371 | 399,386 | 438,828 |
| Depreciation | — | — | 875,293 | — | 875,293 | — | — | — | 875,293 | 697,829 |
| Credit card commissions | — | 15,704 | 740,922 | — | 756,626 | — | 30,633 | 30,633 | 787,259 | 642,821 |
| Bad debt expense | — | 2,768 | 3,285 | — | 6,053 | 289,780 | 4,971 | 294,751 | 300,804 | 348,776 |
| Other | 237,565 | 296,197 | 1,178,854 | 6,123 | 1,718,739 | 443,171 | 52,148 | 495,319 | 2,214,058 | 1,748,113 |
| Total expenses | \$ 25,874,028 | 2,247,546 | 8,527,159 | 3,278,102 | 39,926,835 | 4,238,471 | 1,182,630 | 5,421,101 | 45,347,936 | 35,542,808 |

See accompanying notes to consolidated financial statements.

TAMPA BAY PERFORMING ARTS CENTER, INC.

Consolidated Statements of Functional Expenses

Year ended September 30, 2007
(with comparative totals for 2006)

| | Program and essential services | | | | Total program and essential services | Support services | | Total support services | Total expenses | |
|--------------------------------|--------------------------------|--------------|--------------------|--|---|-------------------------------|-------------|------------------------------|----------------|------------|
| | Production costs | Education | Operating costs | Marketing and public information | | General and administrative | Fundraising | | 2007 | 2006 |
| | Salaries | \$ 1,200,526 | 974,611 | 2,246,200 | | 793,152 | 5,214,489 | | 1,796,296 | 553,146 |
| Employee benefits | 475,539 | 168,056 | 520,339 | 179,383 | 1,343,317 | 284,759 | 136,824 | 421,583 | 1,764,900 | 1,330,818 |
| Artist and professional fees | 15,005,843 | 290,334 | 44,088 | 1,419 | 15,341,684 | 3,884 | 136,651 | 140,535 | 15,482,219 | 14,022,492 |
| Meetings, travel, and training | 46,811 | 51,650 | 18,413 | 16,039 | 132,913 | 77,010 | 26,466 | 103,476 | 236,389 | 164,664 |
| Advertising and promotion | 1,779,610 | 149,033 | 22,995 | 1,005,137 | 2,956,775 | 33,498 | 10,960 | 44,458 | 3,001,233 | 2,657,027 |
| Professional services | 400 | 225 | 2,725 | 24,463 | 27,813 | 175,863 | 15,208 | 191,071 | 218,884 | 224,013 |
| Supplies | 28,666 | 13,640 | 204,945 | 12,974 | 260,225 | 47,530 | 5,313 | 52,843 | 313,068 | 244,274 |
| Telephone | — | — | — | — | — | 92,704 | — | 92,704 | 92,704 | 110,521 |
| Postage and mailings | 7,967 | 3,857 | 14,739 | 735 | 27,298 | 45,847 | 27,336 | 73,183 | 100,481 | 87,657 |
| Utilities | — | — | 984,853 | — | 984,853 | — | — | — | 984,853 | 991,412 |
| Rent and lease | 772,622 | 16,406 | 26,404 | — | 815,432 | 72,135 | — | 72,135 | 887,567 | 683,513 |
| Maintenance and repairs | 43,753 | 5,153 | 733,509 | — | 782,415 | 237,797 | — | 237,797 | 1,020,212 | 834,128 |
| Insurance | 107,186 | 32,371 | — | — | 139,557 | 299,271 | — | 299,271 | 438,828 | 507,270 |
| Depreciation | — | — | 697,829 | — | 697,829 | — | — | — | 697,829 | 696,976 |
| Credit card commissions | — | 27,094 | 580,112 | — | 607,206 | — | 35,615 | 35,615 | 642,821 | 444,292 |
| Bad debt expense | — | 5,761 | 4,509 | — | 10,270 | 338,506 | — | 338,506 | 348,776 | 3,386 |
| Other | 251,563 | 40,238 | 1,125,159 | 2,151 | 1,419,111 | 275,783 | 53,219 | 329,002 | 1,748,113 | 1,196,086 |
| Total expenses | \$ 19,720,486 | 1,778,429 | 7,226,819 | 2,035,453 | 30,761,187 | 3,780,883 | 1,000,738 | 4,781,621 | 35,542,808 | 30,616,179 |

See accompanying notes to consolidated financial statements.

TAMPA BAY PERFORMING ARTS CENTER, INC.

Consolidated Statements of Cash Flows

Years ended September 30, 2008 and 2007

| | 2008 | 2007 |
|---|----------------|-------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ (1,370,614) | 1,691,185 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 875,293 | 697,829 |
| Provision for uncollectible pledges receivable | 219,288 | 348,776 |
| Funding for capital acquisitions | (94,414) | (628,392) |
| Realized and unrealized losses (gains) on investments | 2,896,862 | (1,217,098) |
| Changes in operating assets and liabilities: | | |
| Decrease (increase) in accounts receivable | 171,849 | (228,564) |
| Decrease in pledges receivable | 369,413 | 543,343 |
| Increase in grants receivable | (37,127) | (19,701) |
| Decrease (increase) in interest receivable | 26,925 | (9,024) |
| Increase in inventory | (37,519) | (46,058) |
| Decrease (increase) in prepaid expenses | 280,477 | (361,966) |
| Increase in accounts payable and accrued expenses | 501,966 | 302,217 |
| (Decrease) increase in deferred revenue – ticket sales | (1,645,677) | 2,307,606 |
| (Decrease) increase in deferred revenue – other | (280,962) | 532,672 |
| Increase in noncurrent other accrued expenses | 289,974 | 339,224 |
| Net cash provided by operating activities | 2,165,734 | 4,252,049 |
| Cash flows from investing activities: | | |
| Additions to furniture, equipment, and leasehold improvements | (2,211,582) | (1,822,584) |
| (Increase) decrease in beneficial interest in assets held by Community Foundation | 200,565 | (62,799) |
| Purchases of investments | (7,305,202) | (8,461,545) |
| Sales and maturities of investments | 6,759,169 | 6,341,471 |
| Purchase of other long-term investments | (215,630) | (306,922) |
| Net cash used in investing activities | (2,772,680) | (4,312,379) |
| Cash flows from financing activity: | | |
| Funding for capital acquisitions | 94,414 | 628,392 |
| Net cash provided by financing activity | 94,414 | 628,392 |
| (Decrease) increase in cash and cash equivalents | (512,532) | 568,062 |
| Cash and cash equivalents, beginning of year | 12,587,720 | 12,019,658 |
| Cash and cash equivalents, end of year | \$ 12,075,188 | 12,587,720 |

See accompanying notes to consolidated financial statements.

TAMPA BAY PERFORMING ARTS CENTER, INC.

Notes to Consolidated Financial Statements

September 30, 2008 and 2007

(1) Summary of Significant Accounting Policies

(a) Organization

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

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

In accordance with the requirements of Financial Accounting Standards Board Statement of Position 94-3, *Reporting of Related Entities by Not-for-Profit Organizations*, the financial activities of the Center and the Foundation have been consolidated. All significant intercompany balances and transactions have been eliminated in consolidation.

(b) Basis of Accounting

The financial statements of the Center have been prepared using the accrual basis of accounting, which recognizes revenue when earned and expenses as incurred.

All financial transactions have been recorded and reported as either unrestricted, temporarily restricted, or permanently restricted net assets.

- Unrestricted net assets consist of unrestricted amounts that are available for use in carrying out the operations of the Center. These include those expendable resources, which have been designated for special use by the board of trustees for capital expenditures and business continuity purposes.
- Temporarily restricted net assets represent those amounts that are not available until future periods and/or are donor restricted for specific purposes. When a donor restriction expires, that is, when a stipulated time restriction ends and/or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions. Temporarily restricted gifts that are received and expended in the same fiscal year are classified as temporarily restricted revenue. Additionally, for temporarily restricted net assets that are solely time restricted, the Center's policy is not to expend such net assets until they have been collected and thus released from restriction. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.
- Permanently restricted net assets result from gifts from donors who place restrictions on the use of the funds, which mandate that the original principal be invested in perpetuity.

TAMPA BAY PERFORMING ARTS CENTER, INC.

Notes to Consolidated Financial Statements

September 30, 2008 and 2007

Generally, gains and related investment income on these gifts are available for unrestricted purposes.

(c) Liquidity

Assets are presented in the accompanying consolidated financial statements according to their nearness to cash and liabilities according to their nearness of their maturity and resulting use of cash.

(d) Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Center 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.

(e) Inventory

Inventory is stated at the lower of cost or market. Cost is determined using the first in, first out method.

(f) Endowment Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. Investment income (including gains and losses on investments, interest, and dividends) is included in the statements of activities as increases or decreases in unrestricted net assets unless the income is restricted by donor or law.

(g) Other Long-Term Investments

Other long-term investments include investments in Broadway show productions, investments in affiliated organizations, and the cash surrender value of a life insurance policy on the President. The investments in Broadway show productions are recorded at cost, reduced by any investment returns, and amounted to \$285,921 and \$216,922 at September 30, 2008 and 2007, respectively. The cash surrender value of the life insurance policy amounted to \$315,547 and \$334,038 at September 30, 2008 and 2007, respectively, and is intended to finance the future obligation under a deferred compensation agreement as discussed in note 1(j).

(h) Beneficial Interest in Assets Held by Community Foundation

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

(i) Furniture, Equipment, and Leasehold Improvements

Furniture, equipment, and leasehold improvements are stated at cost, if purchased, or at estimated fair value at date of receipt if acquired by gift. Depreciation is recognized over the estimated useful lives of the assets of 3 – 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

TAMPA BAY PERFORMING ARTS CENTER, INC.

Notes to Consolidated Financial Statements

September 30, 2008 and 2007

depreciated over a useful life of 30 years. Maintenance, repairs, and minor renewals are expensed as incurred.

(j) Other Accrued Expenses

Other accrued expenses includes the Center's obligation under a deferred compensation agreement with the President which is payable upon her reaching an agreed upon retirement age.

(k) Advertising Costs

Advertising costs related to specific events and classes are deferred and amortized in the period of the event or class, which are reported under program and essential services expenses. Advertising costs are included as a component of prepaid expenses on the consolidated statements of financial position.

(l) Tax Status

The Center and the Foundation are both exempt from federal income taxes on related income under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3).

(m) Revenue Recognition

In the absence of donor restrictions, contributions are considered to be available for unrestricted use. All income is recognized in the period when the contribution, pledge, or unconditional promise to give is received.

Government funding and grants are recorded as unrestricted revenue as funds have been reimbursed for expenditures made for specific needs of the Center.

Deferred revenue represents cash received from advance ticket sales, concession, education class tuition and event sponsorships. Ticket sales, concessions, education class tuition, and sponsorship revenue is recorded after related performances, classes, and events are completed and the associated cost settlements are calculated. Rent income is recorded as earned.

(n) Other Gifts

The Center 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, 2008 and 2007 were approximately \$4,870,000 and \$6,322,000, respectively. These funds are not included in the accompanying consolidated financial statements.

The annual net earnings allocated by the Community Foundation are available for distribution to the Center and accordingly are recognized as income in the period earned.

(o) 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, and amounted to approximately \$1,594,000 for fiscal 2008 and \$515,000

TAMPA BAY PERFORMING ARTS CENTER, INC.

Notes to Consolidated Financial Statements

September 30, 2008 and 2007

for fiscal 2007. Contributed services are included as a component of community support on the consolidated statements of activities.

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, 2008 and 2007 were as follows:

| | 2008 | 2007 |
|-----------------------|-------------|-------------|
| Total volunteer hours | 72,078 | 67,920 |

(p) Use of Estimates

The preparation of the consolidated financial statements in accordance with generally accepted accounting principles requires management of the Center to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

(q) Functional Allocation of Expenses

Expenses are allocated between program and essential services, general and administrative, and fundraising. These expenses are based on management's estimate of the benefit derived by each activity. Salaries and benefits exclude related costs for stagehands, which are included in artist and professional fees expenses. Such expenses are directly associated with the production of events.

(r) Reclassifications

Certain reclassifications have been made to the 2007 financial statements to conform with 2008 presentation.

(2) Investments

Investments must meet risk criteria established by the board of trustees. At September 30, investments are classified as follows:

| | 2008 | | 2007 | |
|-------------------------------|---------------|---------------|-------------|---------------|
| | Cost | Market | Cost | Market |
| Cash and cash equivalents | \$ 885,169 | 885,169 | 1,152,732 | 1,152,732 |
| Government bonds | 3,328,330 | 3,355,999 | 3,291,639 | 3,309,874 |
| Corporate bonds | 1,327,550 | 1,269,191 | 1,191,710 | 1,164,145 |
| Real estate investment trusts | 221,980 | 306,000 | 168,675 | 286,454 |
| Common stocks | 9,439,643 | 9,181,625 | 9,262,599 | 11,270,486 |
| Total endowment investments | \$ 15,202,672 | 14,997,984 | 15,067,355 | 17,183,691 |

TAMPA BAY PERFORMING ARTS CENTER, INC.

Notes to Consolidated Financial Statements

September 30, 2008 and 2007

Investment return consisted of the following:

| | 2008 | 2007 |
|---|----------------|-------------|
| Interest on cash equivalents and short-term investments | \$ 463,162 | 534,709 |
| Dividends and interest on long-term investments | 583,924 | 501,144 |
| Net unrealized (losses) gains | (2,738,498) | 693,869 |
| Net realized (losses) gains | (364,028) | 770,462 |
| | (2,055,440) | 2,500,184 |
| Less investment expense | (83,533) | (88,277) |
| | \$ (2,138,973) | 2,411,907 |

(3) Pledges Receivable

Pledges receivable at September 30, 2008 and 2007 are as follows:

| | 2008 | 2007 |
|--------------------------------------|--------------|-------------|
| Total unconditional promises to give | \$ 5,391,460 | 5,833,928 |
| Less unamortized discount | (492,417) | (565,472) |
| Less allowance for doubtful pledges | (834,573) | (615,285) |
| Net unconditional promises to give | \$ 4,064,470 | 4,653,171 |

Amounts due in more than one year are recorded at the present value of the estimated future cash flows, discounted at risk free rates applicable to the year in which the promises were received. The discount rates applied range from 2.96% to 5.10% at September 30, 2008 and 4.03% at September 30, 2007.

Pledges receivable expected to be collected after September 30, 2008 are as follows:

| | |
|--------------------------|--------------|
| Year ended September 30: | |
| 2009 | \$ 1,709,778 |
| 2010 | 1,118,152 |
| 2011 | 730,552 |
| 2012 | 715,285 |
| 2013 | 495,000 |
| Beyond 2013 | 622,693 |
| | \$ 5,391,460 |

TAMPA BAY PERFORMING ARTS CENTER, INC.

Notes to Consolidated Financial Statements

September 30, 2008 and 2007

(4) Furniture, Equipment, and Leasehold Improvements

Furniture, equipment, and leasehold improvements at September 30, 2008 and 2007 are as follows:

| | 2008 | 2007 |
|-------------------------------|---------------|-------------|
| Furniture and equipment | \$ 7,415,186 | 5,733,850 |
| Leasehold improvements | 10,050,726 | 8,959,068 |
| Construction in progress | 831,687 | 1,393,099 |
| | 18,297,599 | 16,086,017 |
| Less accumulated depreciation | (7,423,445) | (6,548,152) |
| | \$ 10,874,154 | 9,537,865 |

The Center is leasing its operating facility from the City of Tampa for \$100 per year for a period of 99 years; however, a termination option is available to the City of Tampa. According to information provided by the City of Tampa, the estimated insured value of the operating and education facility (excluding contents) is approximately \$88,792,000.

(5) Line of Credit

The Center has a \$2,000,000 revolving line of credit available to meet working capital and capital expenditure business continuity contingencies. There were no borrowings against the line of credit during the years ended September 30, 2008 and 2007 and thus no outstanding balance at September 30, 2008 and 2007. Management believes all restrictive covenants were complied with at September 30, 2008 and 2007.

(6) Restrictions and Limitations on Net Assets

Temporarily restricted net assets consist of the following assets at September 30, 2008 and 2007:

| | 2008 | 2007 |
|--------------------|--------------|-------------|
| Pledges receivable | \$ 3,528,151 | 4,425,719 |
| Grants receivable | 350,164 | 313,037 |
| | \$ 3,878,315 | 4,738,756 |

At September 30, 2008, pledges receivable of \$547,131 remained uncollected for the construction and maintenance of the education facility completed in 2004. All other pledge receivables, and government grants receivable include those with time restrictions only and are otherwise unrestricted as to their use.

TAMPA BAY PERFORMING ARTS CENTER, INC.

Notes to Consolidated Financial Statements

September 30, 2008 and 2007

Permanently restricted net assets are composed of the following donor categories:

| | 2008 | 2007 |
|--|---------------|-------------|
| General endowment | \$ 8,296,745 | 7,861,893 |
| Florida fine arts endowment | 1,800,000 | 1,800,000 |
| Beneficial interest in assets held by Community Foundation | 676,294 | 876,859 |
| Pledges receivable | 536,319 | 227,452 |
| | \$ 11,309,358 | 10,766,204 |

(7) Net Assets Released from Restrictions

Net assets released from time restrictions during the year ended September 30, 2008 and 2007 were as follows:

| | 2008 | 2007 |
|--|--------------|-------------|
| Collection of pledges receivable and investment valuation change | \$ 960,801 | 1,101,253 |
| Change in donor classification | 176,320 | — |
| | \$ 1,137,121 | 1,101,253 |

(8) Government Funding and Grants

Government funding and grant revenue for the years ended September 30 is as follows:

| | 2008 | 2007 |
|--|--------------|-------------|
| City of Tampa | \$ 675,000 | 750,000 |
| Hillsborough County: | | |
| Tourist Development Council | 506,109 | 619,255 |
| Arts Council | 42,314 | 69,875 |
| State of Florida: | | |
| Cultural Institutions Program | 144,339 | 150,353 |
| Commission on Tourism | — | 5,000 |
| Florida Humanities Council | 2,500 | 22,500 |
| Arts in Education | 12,744 | 8,886 |
| Challenge Program | 38,000 | 34,200 |
| Center annual operating and program support | 1,421,006 | 1,660,069 |
| City of Tampa – Poe Garage Trust Fund | 84,414 | 290,197 |
| State of Florida – Cultural Facilities Program | — | 328,195 |
| State of Florida – Challenge Program (capital component) | 10,000 | — |
| Capital and construction support | 94,414 | 618,392 |
| Total government funding and grant revenue | \$ 1,515,420 | 2,278,461 |

TAMPA BAY PERFORMING ARTS CENTER, INC.

Notes to Consolidated Financial Statements

September 30, 2008 and 2007

The Center receives city, county, and state grants for annual operations, program support, and capital projects. A grant from the City of Tampa was received for general operating support. Additionally, the City of Tampa maintains the Poe Garage Trust Fund, which is funded by a specified portion of Poe Garage parking receipts, to be used for major capital repairs and reconstruction projects for the Center facility. Accordingly, during 2008 funds were received from the Poe Garage Trust Fund as reimbursement for capital expenditures incurred relating to backstage renovations. Two grants from Hillsborough County were received: (1) the Tourist Development Council Grant, which is used to help promote the Center in the tourism markets; and (2) the Arts Council of Hillsborough County Grant, which helps cover the cost of artistic fees and salaries for educational performing arts programs and activities. Four grants from the State of Florida were received: (1) a Cultural Institutions Program Grant, which is applied to annual activities and performances that demonstrate sustained commitment to cultural excellence; (2) a Florida Humanities Council Grant that funded study guides for the Center's production of Cigar City Chronicles; (3) an Arts in Education Grant, which is applied to artist residencies and arts education partnerships; and (4) a Challenge Program Grant, which is applied to launching new initiatives and helped fund a distance learning project. The prior year State Cultural Facilities Program funding related to major exterior capital renovations.

(9) Retirement Plan

The Center has a defined contribution retirement plan for full-time employees. The 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 moneys are invested and administered by an independent agent. Retirement contribution expenses were \$247,740 and \$266,980 for the years ended September 30, 2008 and 2007, respectively.

(10) Commitments and Contingencies

Grant Funding

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

Litigation

The Center is involved as defendant in certain litigation and claims arising from the ordinary course of operations. In the opinion of the Center and legal counsel, the range of potential liabilities will not materially affect the financial position of the Center.

(11) Related-Party Transactions

Contributions for the years ended September 30, 2008 and 2007 include the following:

| | <u>2008</u> | <u>2007</u> |
|---------------------------------|-------------------|----------------|
| Board of directors and trustees | \$ <u>534,918</u> | <u>190,975</u> |

TAMPA BAY PERFORMING ARTS CENTER, INC.

Consolidating Schedule – Statement of Financial Position Information

September 30, 2008

| Assets | Tampa Bay Performing Arts Center | Foundation | Eliminations | Consolidated total |
|--|---|-------------------|---------------------|-------------------------------|
| Current assets: | | | | |
| Cash | \$ 1,628,814 | 5,604 | — | 1,634,418 |
| Short-term investments | 9,082,603 | 1,358,167 | — | 10,440,770 |
| Cash and cash equivalents | <u>10,711,417</u> | <u>1,363,771</u> | <u>—</u> | <u>12,075,188</u> |
| Receivables: | | | | |
| Accounts receivable, net | 300,778 | — | (125,304) | 175,474 |
| Pledges receivable, net | 273,390 | 1,226,600 | — | 1,499,990 |
| Grants receivable | 350,164 | — | — | 350,164 |
| Interest receivable | 39,370 | 32,565 | — | 71,935 |
| | <u>963,702</u> | <u>1,259,165</u> | <u>(125,304)</u> | <u>2,097,563</u> |
| Inventory | 163,889 | — | — | 163,889 |
| Prepaid expenses | 878,386 | — | — | 878,386 |
| Total current assets | <u>12,717,394</u> | <u>2,622,936</u> | <u>(125,304)</u> | <u>15,215,026</u> |
| Noncurrent assets: | | | | |
| Pledges receivable, net | 257,312 | 2,307,168 | — | 2,564,480 |
| Endowment investments | 2,641,880 | 12,356,104 | — | 14,997,984 |
| Other long-term investments | 601,468 | — | — | 601,468 |
| Beneficial interest in assets held by Community Foundation | — | 676,294 | — | 676,294 |
| Furniture, equipment, and leasehold improvements, net | 10,874,154 | — | — | 10,874,154 |
| Other assets | 5,000 | — | — | 5,000 |
| Total assets | <u>\$ 27,097,208</u> | <u>17,962,502</u> | <u>(125,304)</u> | <u>44,934,406</u> |
| Liabilities and Net Assets | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued expenses | \$ 2,139,461 | 149,523 | (125,304) | 2,163,680 |
| Deferred revenue: | | | | |
| Ticket sales | 7,225,645 | — | — | 7,225,645 |
| Other | 695,624 | — | — | 695,624 |
| Total current liabilities | <u>10,060,730</u> | <u>149,523</u> | <u>(125,304)</u> | <u>10,084,949</u> |
| Other accrued expenses | 629,198 | — | — | 629,198 |
| Total liabilities | <u>10,689,928</u> | <u>149,523</u> | <u>(125,304)</u> | <u>10,714,147</u> |
| Net assets: | | | | |
| Unrestricted – operations | 714,559 | 5,306,172 | — | 6,020,731 |
| Unrestricted – furniture, equipment, and leasehold improvements | 10,874,154 | — | — | 10,874,154 |
| Unrestricted – board designated | 2,137,701 | — | — | 2,137,701 |
| Temporarily restricted | 880,866 | 2,997,449 | — | 3,878,315 |
| Permanently restricted | 1,800,000 | 9,509,358 | — | 11,309,358 |
| Total net assets | <u>16,407,280</u> | <u>17,812,979</u> | <u>—</u> | <u>34,220,259</u> |
| Total liabilities and net assets | <u>\$ 27,097,208</u> | <u>17,962,502</u> | <u>(125,304)</u> | <u>44,934,406</u> |

See accompanying independent auditors' report.

TAMPA BAY PERFORMING ARTS CENTER, INC.

Consolidating Schedule – Statement of Activities Information

Year ended September 30, 2008

| | Tampa Bay Performing Arts Center | Foundation | Consolidated total |
|---|---|--------------------|-------------------------------|
| Revenue and other support: | | | |
| Ticket sales | \$ 28,136,257 | — | 28,136,257 |
| Rent | 436,537 | — | 436,537 |
| Box office fees | 3,402,263 | — | 3,402,263 |
| Education program tuition and fees | 1,042,770 | — | 1,042,770 |
| Concessions | 3,295,237 | — | 3,295,237 |
| Investment return | 430,518 | (2,569,491) | (2,138,973) |
| Community support | 4,868,746 | 1,091,498 | 5,960,244 |
| Service fee income | 2,327,567 | — | 2,327,567 |
| Government funding and grants: | | | |
| Annual operating and program support | 1,421,006 | — | 1,421,006 |
| Capital and construction support | 94,414 | — | 94,414 |
| Total revenue and other support | <u>45,455,315</u> | <u>(1,477,993)</u> | <u>43,977,322</u> |
| Expenses: | | | |
| Program and essential services: | | | |
| Production costs | 25,874,028 | — | 25,874,028 |
| Education | 2,247,546 | — | 2,247,546 |
| Operating costs | 8,527,159 | — | 8,527,159 |
| Marketing and public information | 3,278,102 | — | 3,278,102 |
| Total program and essential services | <u>39,926,835</u> | <u>—</u> | <u>39,926,835</u> |
| Support services: | | | |
| General and administrative | 3,766,746 | 471,725 | 4,238,471 |
| Fundraising | 917,351 | 265,279 | 1,182,630 |
| Total support services | <u>4,684,097</u> | <u>737,004</u> | <u>5,421,101</u> |
| Total expenses | 44,610,932 | 737,004 | 45,347,936 |
| Foundation distributed endowment support for Center | 250,000 | (250,000) | — |
| Change in net assets | 1,094,383 | (2,464,997) | (1,370,614) |
| Net assets at beginning of year | <u>15,312,897</u> | <u>20,277,976</u> | <u>35,590,873</u> |
| Net assets at end of year | <u>\$ 16,407,280</u> | <u>17,812,979</u> | <u>34,220,259</u> |

See accompanying independent auditors' report.

TAMPA BAY PERFORMING ARTS CENTER, INC.

Consolidating Schedule – Statement of Cash Flows Information

September 30, 2008

| | Tampa Bay Performing Arts Center | Foundation | Consolidated total |
|--|---|-------------------|-------------------------------|
| Cash flows from operating activities: | | | |
| Change in net assets | \$ 1,094,383 | (2,464,997) | (1,370,614) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | | |
| Depreciation | 875,293 | — | 875,293 |
| Provision for uncollectible pledges receivable | 3,642 | 215,646 | 219,288 |
| Funding for capital acquisitions | (94,414) | — | (94,414) |
| Realized and unrealized losses on investments | 141,358 | 2,755,504 | 2,896,862 |
| Changes in operating assets and liabilities: | | | |
| Decrease in accounts receivable | 171,849 | — | 171,849 |
| (Increase) decrease in pledges receivable | (44,623) | 414,036 | 369,413 |
| Increase in grants receivable | (37,127) | — | (37,127) |
| Decrease in interest receivable | 24,714 | 2,211 | 26,925 |
| (Decrease) increase in/due to Foundation and decrease (increase) in due from Center | (98,655) | 98,655 | — |
| Increase in inventory | (37,519) | — | (37,519) |
| Decrease in prepaid expenses | 280,477 | — | 280,477 |
| Increase in accounts payable and accrued expenses | 379,347 | 122,619 | 501,966 |
| Decrease in deferred revenue – ticket sales | (1,645,677) | — | (1,645,677) |
| Decrease in deferred revenue – other | (280,962) | — | (280,962) |
| Increase in noncurrent other accrued expenses | 289,974 | — | 289,974 |
| Net cash provided by operating activities | <u>1,022,060</u> | <u>1,143,674</u> | <u>2,165,734</u> |
| Cash flows from investing activities: | | | |
| Additions to furniture, equipment, and leasehold improvements | (2,211,582) | — | (2,211,582) |
| Decrease in beneficial interest in assets held by Community Foundation | — | 200,565 | 200,565 |
| Purchases of investments | (1,591,312) | (5,713,890) | (7,305,202) |
| Sales and maturities of investments | 1,473,574 | 5,285,595 | 6,759,169 |
| Purchase of other long-term investments | (215,630) | — | (215,630) |
| Net cash used in investing activities | <u>(2,544,950)</u> | <u>(227,730)</u> | <u>(2,772,680)</u> |
| Cash flows from financing activity: | | | |
| Funding for capital acquisitions | 94,414 | — | 94,414 |
| Net cash provided by financing activity | <u>94,414</u> | <u>—</u> | <u>94,414</u> |
| (Decrease) increase in cash and cash equivalents | (1,428,476) | 915,944 | (512,532) |
| Cash and cash equivalents, beginning of year | <u>12,139,893</u> | <u>447,827</u> | <u>12,587,720</u> |
| Cash and cash equivalents, end of year | <u>\$ 10,711,417</u> | <u>1,363,771</u> | <u>12,075,188</u> |

See accompanying independent auditors' report.

TAMPA BAY PERFORMING ARTS CENTER, INC.

Center Stand Alone – Statement of Financial Position Information

September 30, 2008

(with comparative financial information for September 30, 2007)

| Assets | 2008 | 2007 |
|---|----------------------|-------------------|
| Current assets: | | |
| Cash | \$ 1,628,814 | 3,210,761 |
| Short-term investments | 9,082,603 | 8,929,132 |
| Cash and cash equivalents | <u>10,711,417</u> | <u>12,139,893</u> |
| Receivables: | | |
| Accounts receivable, net | 300,778 | 347,323 |
| Pledges receivable, net | 273,390 | 184,986 |
| Grants receivable | 350,164 | 313,037 |
| Interest receivable | 39,370 | 64,084 |
| | <u>963,702</u> | <u>909,430</u> |
| Inventory | 163,889 | 126,370 |
| Prepaid expenses | 878,386 | 1,158,863 |
| Total current assets | <u>12,717,394</u> | <u>14,334,556</u> |
| Noncurrent assets: | | |
| Pledges receivable, net | 257,312 | 304,735 |
| Endowment investments | 2,641,880 | 2,500,378 |
| Other long-term investments | 601,468 | 550,960 |
| Furniture, equipment, and leasehold improvements, net | 10,874,154 | 9,537,865 |
| Other assets | 5,000 | 5,000 |
| Total assets | <u>\$ 27,097,208</u> | <u>27,233,494</u> |
| Liabilities and Net Assets | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ 2,139,461 | 1,634,810 |
| Due to Foundation | — | 98,655 |
| Deferred revenue: | | |
| Ticket sales | 7,225,645 | 8,871,322 |
| Other | 695,624 | 976,586 |
| Total current liabilities | <u>10,060,730</u> | <u>11,581,373</u> |
| Other accrued expenses | 629,198 | 339,224 |
| Total liabilities | <u>10,689,928</u> | <u>11,920,597</u> |
| Net assets: | | |
| Unrestricted – operations | 714,559 | 486,676 |
| Unrestricted – furniture, equipment, and leasehold improvements | 10,874,154 | 9,537,865 |
| Unrestricted – board designated | 2,137,701 | 2,685,597 |
| Temporarily restricted | 880,866 | 802,759 |
| Permanently restricted | 1,800,000 | 1,800,000 |
| Total net assets | <u>16,407,280</u> | <u>15,312,897</u> |
| Total liabilities and net assets | <u>\$ 27,097,208</u> | <u>27,233,494</u> |

See accompanying independent auditors' report.

TAMPA BAY PERFORMING ARTS CENTER, INC.

Center Stand Alone – Statement of Activities Information

Year ended September 30, 2008

(with summarized financial information for the year ended September 30, 2007)

| | Unrestricted | Temporarily restricted | Permanently restricted | Totals | |
|--|----------------------|---------------------------|---------------------------|-------------------|-------------------|
| | | | | 2008 | 2007 |
| Revenue and other support: | | | | | |
| Ticket sales | \$ 28,136,257 | — | — | 28,136,257 | 18,120,016 |
| Rent | 436,537 | — | — | 436,537 | 1,060,830 |
| Box office fees | 3,402,263 | — | — | 3,402,263 | 2,269,137 |
| Education program tuition and fees | 1,042,770 | — | — | 1,042,770 | 1,083,354 |
| Concessions | 3,295,237 | — | — | 3,295,237 | 2,631,363 |
| Investment return | 430,518 | — | — | 430,518 | 512,528 |
| Community support | 4,596,718 | 272,028 | — | 4,868,746 | 4,138,971 |
| Service fee income | 2,327,567 | — | — | 2,327,567 | 2,869,598 |
| Government funding and grants: | | | | | |
| Annual operating and program support | 1,421,006 | — | — | 1,421,006 | 1,660,069 |
| Capital and construction support | 94,414 | — | — | 94,414 | 618,392 |
| Net assets released from restrictions | 193,921 | (193,921) | — | — | — |
| Total revenue and other support | <u>45,377,208</u> | <u>78,107</u> | <u>—</u> | <u>45,455,315</u> | <u>34,964,258</u> |
| Expenses: | | | | | |
| Program and essential services: | | | | | |
| Production costs | 25,874,028 | — | — | 25,874,028 | 19,720,486 |
| Education | 2,247,546 | — | — | 2,247,546 | 1,778,429 |
| Operating costs | 8,527,159 | — | — | 8,527,159 | 7,226,819 |
| Marketing and public information | 3,278,102 | — | — | 3,278,102 | 2,035,453 |
| Total program and essential services | <u>39,926,835</u> | <u>—</u> | <u>—</u> | <u>39,926,835</u> | <u>30,761,187</u> |
| Support services: | | | | | |
| General and administrative | 3,766,746 | — | — | 3,766,746 | 3,325,741 |
| Fundraising | 917,351 | — | — | 917,351 | 819,883 |
| Total support services | <u>4,684,097</u> | <u>—</u> | <u>—</u> | <u>4,684,097</u> | <u>4,145,624</u> |
| Total expenses | <u>44,610,932</u> | <u>—</u> | <u>—</u> | <u>44,610,932</u> | <u>34,906,811</u> |
| Foundation distributed endowment support for Center | <u>250,000</u> | <u>—</u> | <u>—</u> | <u>250,000</u> | <u>1,010,000</u> |
| Change in net assets | 1,016,276 | 78,107 | — | 1,094,383 | 1,067,447 |
| Net assets at beginning of year | <u>12,710,138</u> | <u>802,759</u> | <u>1,800,000</u> | <u>15,312,897</u> | <u>14,245,450</u> |
| Net assets at end of year | <u>\$ 13,726,414</u> | <u>880,866</u> | <u>1,800,000</u> | <u>16,407,280</u> | <u>15,312,897</u> |

See accompanying independent auditors' report.