

**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**

**As of and for the Years Ended  
September 30, 2022 and 2021  
(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 statement of financial position as of September 30, 2022, and the related consolidated statements of activities, cash flows, and functional expenses for the year 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, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Prior Period Consolidated Financial Statements**

The consolidated financial statements of the Straz Center as of September 30, 2021 were audited by other auditors whose report dated January 12, 2022 expressed an unmodified opinion on those consolidated financial statements.

### **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 Consolidating Statement of Financial Position, Consolidating Statement of Activities, Consolidating Statement of Cash Flows, the Straz Center Stand Alone - Statement of Financial Position, and the Straz Center Stand Alone - Statement of Activities, 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.

MAYER HOFFMAN MCCANN P.C.

January 23, 2023  
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, 2022 and 2021**

<b>Assets</b>	<u><b>2022</b></u>	<u><b>2021</b></u>
Current assets:		
Cash and cash equivalents	\$ 11,152,778	10,840,451
Receivables:		
Accounts receivable	373,362	818,121
Pledges receivable, net	1,018,165	622,218
Grants receivable	<u>740,327</u>	<u>1,052,907</u>
Total receivables	2,131,854	2,493,246
Inventory	81,470	96,671
Other current assets	<u>981,731</u>	<u>543,180</u>
Total current assets	14,347,833	13,973,548
Noncurrent assets:		
Pledges receivable, net	4,402,904	3,727,081
Endowment investments	26,736,995	34,588,074
Investments	28,130,764	31,950,872
Other long-term investments	1,032,812	1,123,115
Beneficial interest in assets held by Community Foundation	801,525	988,240
Furniture, equipment, and leasehold improvements, net	19,349,968	17,174,031
Fine art collection	357,010	207,990
Other long-term assets	<u>52,273</u>	<u>52,273</u>
Total noncurrent assets	<u>80,864,251</u>	<u>89,811,676</u>
Total assets	<u>\$ 95,212,084</u>	<u>103,785,224</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,812,180	2,539,640
Contract liabilities - ticket sales	14,438,755	9,666,941
Contract liabilities - other	1,987,896	1,610,130
Debt	<u>-</u>	<u>298,860</u>
Total current liabilities	19,238,831	14,115,571
Noncurrent liabilities:		
Debt	<u>-</u>	<u>1,569,015</u>
Total liabilities	19,238,831	15,684,586
Net assets:		
Without donor restrictions:		
Operations	13,016,271	18,890,683
Furniture, equipment, and leasehold improvements	19,349,968	17,174,031
Board designated	<u>9,110,882</u>	<u>9,886,340</u>
Total net assets without donor restrictions	41,477,121	45,951,054
With donor restrictions	<u>34,496,132</u>	<u>42,149,584</u>
Total net assets	<u>75,973,253</u>	<u>88,100,638</u>
Total liabilities and net assets	<u>\$ 95,212,084</u>	<u>103,785,224</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, 2022**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Revenue and other support:			
Ticket sales	\$ 12,167,361	-	12,167,361
Rent	579,038	-	579,038
Box office fees	4,006,401	-	4,006,401
Education program tuition, event sales, and fees	2,576,024	-	2,576,024
Concessions	2,639,654	-	2,639,654
Investment return, net	(2,589,607)	(9,292,605)	(11,882,212)
Change in value of beneficial interest	(186,714)	-	(186,714)
Community support	4,848,247	3,991,136	8,839,383
In-kind donations	375,615	-	375,615
Fine art donation	149,020	-	149,020
Service fee and other income	1,383,339	-	1,383,339
Government funding and grants:			
Annual operating and program support	1,377,059	-	1,377,059
Capital and construction support	515,103	-	515,103
Gain on Paycheck Protection Program loan forgiveness	1,867,875	-	1,867,875
Net assets released from restrictions:			
Collection of pledges receivable and valuation change	257,723	(257,723)	-
Satisfaction of donor restrictions	2,094,260	(2,094,260)	-
Total revenue and other support	32,060,398	(7,653,452)	24,406,946
Expenses:			
Program and essential services:			
Production costs	13,287,689	-	13,287,689
Education	3,235,229	-	3,235,229
Operating costs	10,145,983	-	10,145,983
Marketing and public information	3,044,381	-	3,044,381
Total program and essential services	29,713,282	-	29,713,282
Support services:			
General and administrative	5,201,522	-	5,201,522
Fundraising	1,619,527	-	1,619,527
Total support services	6,821,049	-	6,821,049
Total expenses	36,534,331	-	36,534,331
Change in net assets	(4,473,933)	(7,653,452)	(12,127,385)
Net assets, beginning of year	45,951,054	42,149,584	88,100,638
Net assets, end of year	\$ 41,477,121	34,496,132	75,973,253

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, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Revenue and other support:			
Ticket sales	\$ 434,307	-	434,307
Rent	214,130	-	214,130
Box office fees	806,925	-	806,925
Education program tuition, event sales, and fees	1,610,152	-	1,610,152
Concessions	623,825	-	623,825
Investment return, net	1,517,740	5,853,956	7,371,696
Change in value of beneficial interest	161,707	-	161,707
Community support	3,308,446	1,574,750	4,883,196
In-kind donations	320,993	-	320,993
Service fee and other income	180,509	-	180,509
Government funding and grants:			
Annual operating and program support	9,084,404	-	9,084,404
Capital and construction support	1,278,267	-	1,278,267
Gain on Paycheck Protection Program loan forgiveness	2,828,859	-	2,828,859
Net assets released from restrictions:			
Collection of pledges receivable and valuation change	4,999,346	(4,999,346)	-
Satisfaction of donor restrictions	761,454	(761,454)	-
Total revenue and other support	28,131,064	1,667,906	29,798,970
Expenses:			
Program and essential services:			
Production costs	1,576,810	-	1,576,810
Education	2,231,348	-	2,231,348
Operating costs	6,198,572	-	6,198,572
Marketing and public information	2,010,082	-	2,010,082
Total program and essential services	12,016,812	-	12,016,812
Support services:			
General and administrative	1,645,388	-	1,645,388
Fundraising	1,038,143	-	1,038,143
Total support services	2,683,531	-	2,683,531
Total expenses	14,700,343	-	14,700,343
Change in net assets	13,430,721	1,667,906	15,098,627
Net assets, beginning of year	32,520,333	40,481,678	73,002,011
Net assets, end of year	\$ 45,951,054	42,149,584	88,100,638

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, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
Cash flows from operating activities:		
Change in net assets	\$ (12,127,385)	15,098,627
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Noncash gift of stock	(109,895)	(81,244)
Bad debt	8,955	7,040
Depreciation	1,658,887	1,619,577
Change in beneficial interest in assets held by Community Foundation	186,714	(161,707)
Recovery of uncollectible pledges receivable	-	(83,202)
Realized and unrealized losses (gains) on investments	13,121,314	(6,422,129)
Fine art donation	(149,020)	-
Gain recognized on forgiven Paycheck Protection Program loan	(1,867,875)	(2,828,859)
Change in operating assets and liabilities:		
Accounts receivable	435,804	(518,811)
Pledges receivable	(1,071,770)	846,780
Grants receivable	312,580	(70,840)
Inventory	15,201	40,729
Other current assets	(438,551)	(121,711)
Other long-term assets	-	(622)
Accounts payable and accrued expenses	(480,805)	(1,022,733)
Contract liabilities - ticket sales	4,771,814	3,542,768
Contract liabilities - other	377,766	199,252
Net cash flows from operating activities	4,643,734	17,663,937
Cash flows from investing activities:		
Purchases of furniture, equipment, and leasehold improvements	(3,081,479)	(2,204,550)
Purchases of investments	(26,813,611)	(33,378,680)
Sales and maturities of investments	25,814,376	14,008,688
Purchases of other long-term investments	(250,693)	(9,063)
Net cash flows from investing activities	(4,331,407)	(21,583,605)
Cash flows from financing activities:		
Proceeds from debt	-	1,867,875
Net cash flows from financing activities	-	1,867,875
Change in cash and cash equivalents	312,327	(2,051,793)
Cash and cash equivalents, beginning of year	10,840,451	12,892,244
Cash and cash equivalents, end of year	\$ 11,152,778	10,840,451
Supplemental cash flow information:		
Acquisition of furniture, equipment, and leasehold improvements in accounts payable and accrued expenses	\$ 753,345	-

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, 2022**

	<u>Program and Essential Services</u>				Total Program and Essential Services	<u>Support Services</u>		Total Support Services	Total Expenses
	<u>Production Cost</u>	<u>Education</u>	<u>Operating Costs</u>	<u>Marketing and Public Information</u>		<u>General and Administrative</u>	<u>Fundraising</u>		
Salaries	\$ 474,976	1,564,713	3,393,192	1,344,816	6,777,697	2,838,015	945,536	3,783,551	10,561,248
Payroll taxes	180,911	119,955	299,139	102,562	702,567	134,333	61,022	195,355	897,922
Employee benefits	378,899	194,121	446,723	189,519	1,209,262	264,277	134,666	398,943	1,608,205
Artist and professional fees	10,356,272	961,342	104,916	7,489	11,430,019	16,412	224,895	241,307	11,671,326
Meetings, travel, and training	29,145	48,548	16,823	31,403	125,919	96,508	7,832	104,340	230,259
Advertising and promotion	1,540,815	202,080	122,588	1,208,108	3,073,591	276,485	42,246	318,731	3,392,322
Professional services	10,759	176	24,735	13,799	49,469	385,871	120,810	506,681	556,150
Supplies	23,844	8,240	300,593	10,683	343,360	10,061	4,269	14,330	357,690
Telephone	6,436	5,610	7,536	3,960	23,542	125,020	1,440	126,460	150,002
Postage and mailings	1,139	627	13,870	672	16,308	2,498	12,855	15,353	31,661
Utilities	-	-	759,214	-	759,214	-	-	-	759,214
Rent and lease	131,154	22,112	23,912	-	177,178	102,163	-	102,163	279,341
Maintenance and repairs	21,012	22,417	920,402	14,567	978,398	547,515	-	547,515	1,525,913
Insurance	69,545	6,201	-	-	75,746	221,001	-	221,001	296,747
Depreciation	-	-	1,658,887	-	1,658,887	-	-	-	1,658,887
Credit card commissions	-	46,171	686,838	-	733,009	-	31,918	31,918	764,927
Bad debt expense	-	3,699	-	-	3,699	5,256	-	5,256	8,955
Employee recruiting and relations	13,537	7,941	70,955	4,754	97,187	91,032	1,863	92,895	190,082
Food and beverages operations	-	-	1,234,328	-	1,234,328	-	-	-	1,234,328
Other	49,245	21,276	61,332	112,049	243,902	85,075	30,175	115,250	359,152
<b>Total expenses</b>	<b>\$ 13,287,689</b>	<b>3,235,229</b>	<b>10,145,983</b>	<b>3,044,381</b>	<b>29,713,282</b>	<b>5,201,522</b>	<b>1,619,527</b>	<b>6,821,049</b>	<b>36,534,331</b>

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, 2021**

	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	\$ 442,568	1,153,926	2,082,019	960,025	4,638,538	2,340,084	736,374	3,076,458	7,714,996
Payroll taxes	58,305	85,508	158,098	70,622	372,533	283,557	53,326	336,883	709,416
Employee benefits	137,288	164,591	301,336	156,522	759,737	250,634	101,087	351,721	1,111,458
Employee benefits retention credit	-	-	-	-	-	(2,647,814)	-	(2,647,814)	(2,647,814)
Artist and professional fees	643,223	643,380	20,790	-	1,307,393	2,337	45,088	47,425	1,354,818
Meetings, travel, and training	3,667	11,292	9,005	9,682	33,646	31,244	4,869	36,113	69,759
Advertising and promotion	143,067	61,478	49,715	759,480	1,013,740	102,843	-	102,843	1,116,583
Professional services	-	3,207	4,445	12,000	19,652	330,744	42,000	372,744	392,396
Supplies	12,371	5,071	247,730	2,161	267,333	7,524	2,600	10,124	277,457
Telephone	3,311	4,800	7,200	3,840	19,151	112,416	1,440	113,856	133,007
Postage and mailings	686	277	2,282	167	3,412	2,629	8,706	11,335	14,747
Utilities	-	-	533,213	-	533,213	-	-	-	533,213
Rent and lease	84,599	23,008	8,472	-	116,079	103,963	-	103,963	220,042
Maintenance and repairs	17,897	15,735	718,604	5,941	758,177	420,460	8,550	429,010	1,187,187
Insurance	5,538	1,545	-	-	7,083	197,130	-	197,130	204,213
Depreciation	-	-	1,619,577	-	1,619,577	-	-	-	1,619,577
Credit card commissions	-	35,254	180,383	-	215,637	-	17,085	17,085	232,722
Bad debt expense	-	1,252	-	-	1,252	5,788	-	5,788	7,040
Employee recruiting and relations	4,979	3,229	7,515	762	16,485	37,696	532	38,228	54,713
Food and beverages operations	-	922	219,463	-	220,385	-	-	-	220,385
Other	19,311	16,873	28,725	28,880	93,789	64,153	16,486	80,639	174,428
<b>Total expenses</b>	<b>\$ 1,576,810</b>	<b>2,231,348</b>	<b>6,198,572</b>	<b>2,010,082</b>	<b>12,016,812</b>	<b>1,645,388</b>	<b>1,038,143</b>	<b>2,683,531</b>	<b>14,700,343</b>

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, 2022 and 2021**

**(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 \$1,553,000 and \$1,336,000 which have been designated for capital expenditures by the Straz Center’s Board of Trustees and approximately \$7,557,000 and \$8,550,000 which have been designated for capital expenditures by the Foundation’s Board of Trustees, as of September 30, 2022 and 2021, 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) New Accounting Pronouncements**

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the consolidated statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activities. In June 2020, the FASB issued ASU No. 2020-05, which deferred the effective date for all entities that had not yet adopted Topic 842 to annual reporting periods beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements, with certain practical expedients available. The Organization is currently evaluating the full effect that the adoption of this standard will have on the consolidated financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind. The ASU requires enhanced disclosure, including disaggregation of nonfinancial assets recognized by category and qualitative information about each category. The Organization adopted this ASU on October 1, 2021. The adoption of this standard had no impact on the Organization’s consolidated financial statements.

**(d) 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.

**(e) 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. The discount rates applied ranged from 0.79% to 5.23% for both years ended September 30, 2022 and 2021.

**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**

**(f) Inventory**

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

**(g) 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.

**(h) 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.

**(i) 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.

The investments in theatrical show productions are recorded at cost, reduced by any investment returns, and amounted to approximately \$341,000 and \$307,000 at September 30, 2022 and 2021, respectively. The cash surrender value of the life insurance policy amounted to approximately \$692,000 and \$816,000 at September 30, 2022 and 2021, respectively, and is intended to be held for investment.

**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**

**(j) 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.

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

**(l) 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. 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, 2022, approximately \$149,000 of fine art assets were donated. There were no donated fine art assets received during the year ended September 30, 2021.

**(m) Other Accrued Expenses**

Other accrued expenses include the Organization’s obligation under a deferred compensation agreement with the Executive of the Organization which was (a) earned based on two specific vesting periods and (b) payable through a series of payments upon an agreed retirement age being reached.

**(n) 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 \$102,000 and \$202,000 as of September 30, 2022 and 2021, 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**

**(o) 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, 2022 and 2021, advertising costs of approximately \$336,000 and \$250,000, 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, 2022 and 2021 was approximately \$3,392,000 and \$1,117,000, respectively.

**(p) 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, 2022. Management believes the unrelated business income generated by the Straz Center is not material to the consolidated financial statements.

**(q) 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, 2022 and 2021 were approximately \$4,347,000 and \$5,473,000, 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, 2022 of approximately \$184,000 and \$128,000 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, 2021 of approximately \$166,000 and \$118,000 were available for distribution to the Foundation and Straz Center, respectively. Accordingly, the amounts are recognized as income in the period earned.

**(r) 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 \$376,000 and \$321,000 for the years ended September 30, 2022 and 2021, 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, 2022 and 2021 totaled 53,178 and 15,202, 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**

**(s) Functional Allocation of Expenses**

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. The remaining expenses are allocated based on management's estimated time and effort incurred with the exception of occupancy costs (utilities and rent and lease) which is allocated based on square footage utilized for certain functions. Employee benefits retention credit of \$2,647,814 represents Internal Revenue Service Employee Retention Tax Credits ("ERCs") for payroll tax liabilities and cash payment incentives for retention of employees for the year ended September 30, 2021. There were no ERCs for the year ended September 30, 2022. These credits were established through the "COVID-19" Cares Act/American Recovery for respective one-time credits due to the COVID-19 pandemic.

**(t) 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.

**(u) Going Concern Evaluation**

On an annual basis, as required by Accounting Standards Codification ("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.

**(v) Reclassification**

Certain balances within the accompanying consolidated statement of financial position and consolidated statement of cash flows as of and for the year ended September 30, 2021 have been reclassified to conform to the 2022 presentation. The reclassifications had no impact on change in net assets or total net assets.

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

**(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.

**(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 \$16,427,000 and \$11,277,000 as of September 30, 2022 and 2021, 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.

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

**(2) Revenue Recognition - Continued**

**(c) Contributions - Continued**

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.

**(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, 2022 and 2021, investments and endowment investments are classified as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 2,748,174	2,748,174	4,219,269	4,219,269
Government bonds	4,223,759	3,756,259	5,226,696	5,468,866
Corporate bonds	3,651,668	3,242,965	3,575,601	3,699,173
Mutual funds	18,300,891	15,195,398	18,015,180	19,064,865
Common and preferred stocks	27,296,824	25,052,596	26,602,654	32,686,773
Alternative investments	4,802,965	4,872,367	1,400,000	1,400,000
Total cost and fair value	\$ <u>61,024,281</u>	<u>54,867,759</u>	<u>59,039,400</u>	<u>66,538,946</u>

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

**(3) Investments - Continued**

Investment return consisted of the following for the years ended September 30, 2022 and 2021:

	<b>2022</b>	<b>2021</b>
Dividends and interest	\$ 1,611,096	1,247,779
Net unrealized gains (losses)	(14,484,447)	3,060,157
Net realized gains, net of investment expense	1,082,644	3,086,134
Net traded investment returns (losses)	(11,790,707)	7,394,070
Interest on short-term cash investments	-	92
Other production losses	(91,505)	(22,466)
Total investment returns (losses)	\$ (11,882,212)	7,371,696

**(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.

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.

**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**

The following table sets forth by level, within the fair value hierarchy, assets and liabilities at fair value as of September 30, 2022 and 2021:

<u>Description</u>	Assets Measured at Fair Value at September 30, 2022	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Cash and cash equivalents	\$ 2,749,090	2,749,090	-	-
Government bonds	3,756,258	2,189,214	1,567,044	-
Corporate bonds	3,242,965	-	3,242,965	-
Common and preferred stocks	25,051,681	25,051,681	-	-
Mutual funds	15,195,398	15,195,398	-	-
Alternative investments	4,872,367	-	511,737	4,360,630
Total assets in fair value hierarchy	54,867,759	45,185,383	5,321,746	4,360,630

Beneficial interest in assets held by Community Foundation measured by NAV	801,525
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Endowment investments, investments, and beneficial interest in assets held by community foundation	\$ 55,669,284
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<u>Description</u>	Assets Measured at Fair Value at September 30, 2021	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Cash and cash equivalents	\$ 4,219,269	4,219,269	-	-
Government bonds	5,468,866	4,613,264	855,602	-
Corporate bonds	3,699,173	-	3,699,173	-
Common and preferred stocks	32,686,773	32,686,773	-	-
Mutual funds	19,064,865	19,064,865	-	-
Alternative investments	1,400,000	-	-	1,400,000
Total assets in fair value hierarchy	66,538,946	60,584,171	4,554,775	1,400,000

Beneficial interest in assets held by Community Foundation measured by NAV	988,240
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Endowment investments, investments, and beneficial interest in assets held by community foundation	\$ 67,527,186
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**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**

Changes in Level 3 assets consist of the following for the years ended September 30, 2022 and 2021:

Alternative investments, October 1, 2020	\$	-
Purchase of alternative investments		1,400,000
Alternative investments, September 30, 2021		1,400,000
Purchase of alternative investments		2,892,965
Change in fair value		67,665
Alternative investments, September 30, 2022	\$	4,360,630

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 interest 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, 2022.

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:

*Cash Equivalents* - Money market accounts are valued and calculated using the amortized cost of the securities held in the fund.

*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.

**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**

The following are descriptions of the valuation methodologies used for Level 3 financial instruments:

*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.

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

*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, wherein the Organization's investment is valued based on a calculated NAV per share of the Community Foundation's total investment fund.

**(5) Pledges Receivable**

Pledges receivable at September 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Total gross pledges receivable	\$ 5,818,715	4,671,120
Less unamortized discount	(338,202)	(274,499)
Less allowance for doubtful pledges	<u>(59,444)</u>	<u>(47,322)</u>
Net pledges receivable	<u>\$ 5,421,069</u>	<u>4,349,299</u>

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

**(5) Pledges Receivable - Continued**

Gross pledges receivable expected to be collected after September 30, 2022 are as follows:

<u>Years Ending September 30,</u>	
2023	\$ 1,029,715
2024	1,128,000
2025	798,000
2026	523,000
2027	210,000
Thereafter	<u>2,130,000</u>
	<u>\$ 5,818,715</u>

**(6) Contributed Nonfinancial Assets**

For the years ended September 30, 2022 and 2021, contributed nonfinancial assets recognized within the consolidated statements of activities included the following:

	<u>2022</u>	<u>2021</u>
Artwork - prints and sculpture	\$ 149,020	-
Musical instrument	5,200	-
Parking	133,351	58,115
Hotel rooms	35,700	37,100
Professional services	29,308	25,875
Advertising	152,217	198,038
Other	<u>19,839</u>	<u>1,865</u>
	<u>\$ 524,635</u>	<u>320,993</u>

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

Artwork, including prints and a sculpture, 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 musical instrument was restricted by the donor for use in the Organization's Patel Conservatory music program. The fair value of the prints was based on current values estimated by a fine arts appraiser. The fair value of the sculpture was based on the current selling price of the piece as set by the sculptor. The fair value of the musical instrument was based on an estimate by a musical instrument 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.



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

**(6) Contributed Nonfinancial Assets - Continued**

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 \$15,677,000 and \$12,761,000 as of September 30, 2022 and 2021, respectively.

**(8) Furniture, Equipment, and Leasehold Improvements**

Furniture, equipment, and leasehold improvements at September 30, 2022 and 2021 are as follows:

	<b>2022</b>	<b>2021</b>
Furniture and equipment	\$ 26,934,696	26,605,148
Leasehold improvements	11,605,951	11,605,951
Construction in progress	4,730,474	1,225,198
	43,271,121	39,436,297
Less accumulated depreciation	(23,921,153)	(22,262,266)
	\$ 19,349,968	17,174,031

Depreciation expense for the years ended September 30, 2022 and 2021 was approximately \$1,659,000 and \$1,620,000, 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 - Continued**

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.

**(9) Debt**

**(a) Line 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 loan value is committed at 80% of certain Foundation investment accounts held with Merrill Lynch, resulting in approximately \$4,382,000 and \$6,356,000 committed amount available at September 30, 2022, and 2021, respectively. There was no outstanding balance as of September 30, 2022, and 2021, respectively. The interest rate was approximately 4.43% and 1.4% for years ended September 30, 2022, and 2021, respectively.

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 loan value is committed at 80% of certain Straz Center investment accounts held at Merrill Lynch, resulting in approximately \$6,649,000 and \$7,185,000 committed amount available at September 30, 2022 and 2021, respectively. There was no balance outstanding as of September 30, 2022 or 2021. The interest rate was approximately 4.43% and 1.4% for the years ended September 30, 2022 and 2021, respectively.

**(b) Paycheck Protection Program Loans**

The Straz Center received two Paycheck Protection Program ("PPP") loans issued by the Small Business Administration ("SBA") under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act as follows:

- A first PPP loan totaling approximately \$2,829,000 issued in April 2020. This loan was fully forgiven by the SBA in July 2021 based on the Straz Center qualifying and meeting the issued guidelines of the program which allow for the loan proceeds to be forgiven if certain requirements are met. Upon receipt of this loan forgiveness, the Straz Center has recognized a gain on forgiveness of PPP loan in the consolidated statement of activities for the year ended September 30, 2021.

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

**(9) Debt - Continued**

**(b) Paycheck Protection Program Loans - Continued**

- A second PPP loan totaling approximately \$1,867,875 issued in March 2021. This note bears interest at 1% per annum, matures in March 2025. This loan was fully forgiven by the SBA in March 2022 based on the Straz Center qualifying and meeting the issued guidelines of the program which allow for the loan proceeds to be forgiven if certain requirements are met. Upon receipt of this loan forgiveness, the Straz Center has recognized a gain on forgiveness of PPP loan in the consolidated statement of activities for the year ended September 30, 2022.

Interest expense incurred on these debt instruments for each of the years ended September 30, 2022 and 2021 totaled approximately \$0 and \$0, respectively. No interest was capitalized during the years ended September 30, 2022 or 2021.

**(10) Restrictions and Limitations on Net Assets**

Net assets with donor restrictions consist of the following at September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Net assets with donor restrictions:		
Cash restricted for specific purposes	\$ 1,625,115	2,289,009
Pledges receivable, net	5,297,863	4,289,402
Investments restricted for specific purposes	479,149	775,109
Invested in fine art collection, held in perpetuity	357,010	207,990
Donor endowments	<u>26,736,995</u>	<u>34,588,074</u>
	<u>\$ 34,496,132</u>	<u>42,149,584</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 \$52,899,000 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  
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**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 \$34,608,000 during the year ended September 30, 2022.

The Straz Center's financial assets available to meet cash needs for general expenditures within one year of September 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Financial assets as of year-end:		
Cash and cash equivalents	\$ 11,152,778	10,840,451
Accounts receivable	373,362	818,121
Current portion of pledges receivable, net	1,018,165	622,218
Grants receivable	740,327	1,052,907
Investments and endowment investments	54,867,759	66,538,946
Beneficial interest in assets held by Community Foundation	801,525	988,240
Life insurance policies	<u>692,275</u>	<u>816,112</u>
	69,646,191	81,676,995
Less those unavailable for general expenditures within one year due to:		
Restricted by donor with time or purpose restrictions (excluding non-current pledges receivable)	(30,093,228)	(38,422,503)
Investments held in annuity trust	(692,275)	(816,112)
Foundation investments without donor restrictions, not transferred to the Straz Center	<u>(17,389,410)</u>	<u>(20,319,387)</u>
	(48,174,913)	(59,558,002)
Board designations:		
Capital expenditures	(1,553,449)	(1,336,171)
Current portion of debt	<u>-</u>	<u>(298,860)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 19,917,829</u>	<u>20,483,962</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  
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**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, 2022 or 2021.

**(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 to the asset managers selected.

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE  
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**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, 2022, 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, 2021. 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  
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**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, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Total endowment funds, October 1, 2021	\$ -	34,588,074	34,588,074
Investment return:			
Investment income	-	751,781	751,781
Net depreciation (realized and unrealized)	-	(7,399,290)	(7,399,290)
New contributions	-	69,939	69,939
Approved spending	-	(1,273,509)	(1,273,509)
Total endowment funds, September 30, 2022	<u>\$ -</u>	<u>26,736,995</u>	<u>26,736,995</u>

Changes in endowment funds consist of the following for the year ended September 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Total endowment funds, October 1, 2020	\$ -	24,498,458	24,498,458
Investment return:			
Investment income	-	659,721	659,721
Net appreciation (realized and unrealized)	-	5,093,986	5,093,986
New contributions	-	78,310	78,310
Pledges collected and invested	-	9,002,000	9,002,000
Approved spending	-	(4,744,401)	(4,744,401)
Total endowment funds, September 30, 2021	<u>\$ -</u>	<u>34,588,074</u>	<u>34,588,074</u>

Endowment funds consists of the following as of September 30, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor restricted, endowment funds	\$ -	26,736,995	26,736,995
	<u>\$ -</u>	<u>26,736,995</u>	<u>26,736,995</u>

Endowment funds consists of the following as of September 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor restricted, endowment funds	\$ -	34,588,074	34,588,074
	<u>\$ -</u>	<u>34,588,074</u>	<u>34,588,074</u>

**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE  
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**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, 2022 and 2021 is as follows:

	2022	2021
City of Tampa	\$ 492,075	492,075
Hillsborough County:		
Tourist Development Council	497,466	94,788
Children's Board of Hillsborough County	18,225	5,124
Cultural Services to Support Educational Programs	220,000	221,758
CARES Act COVID-9 Mitigation Grant	-	39,376
State of Florida:		
General Program Support (formerly Cultural and Museum Grants)	109,293	79,159
Federal:		
National Endowment for the Arts	40,000	20,000
Shuttered Venue Operators Grant (SVOG) - SBA	-	8,132,124
Annual operating and program support	1,377,059	9,084,404
City of Tampa:		
Capital Improvements Budget	50,000	-
Community Redevelopment Agency COVID-19 Mitigation Grant	-	677,737
Hillsborough County:		
Capital Improvements Budget	465,103	-
CARES Act COVID-19 Mitigation Grant	-	460,624
State of Florida Cultural Facilities Program	-	139,906
Capital and construction support	515,103	1,278,267
Total government funding and grant revenue	\$ 1,892,162	10,362,671

**(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 \$501,000 and \$459,000 for the years ended September 30, 2022 and 2021, respectively.



**TAMPA BAY PERFORMING ARTS CENTER, INC. AND AFFILIATE  
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**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) Sabbatical Leave**

During the year ended September 30, 2016, the Straz Center entered into Addendum D to the employment agreement with the Executive that extended the term of the original employment agreement, effective October 1, 2008 to September 30, 2021. No other significant changes were made as a result of this addendum. The Straz Center recorded approximately \$126,000 for the sabbatical leave accrual, included in accounts payable and accrued expenses on the accompanying consolidated statement of financial position, for the year ended September 30, 2021. The sabbatical leave accrual was paid off during the year ended September 30, 2022. There was no sabbatical leave accrual as of September 30, 2022.

**(c) Deepwater Horizon Oil Spill**

During 2010, the Deepwater Horizon Oil Spill in the Gulf of Mexico greatly impacted the Organization's operations and revenues were negatively impacted. As a result, the Organization filed a claim for business economic loss (the "Claim") with the Deepwater Horizon Court Supervised Settlement Program. In July 2020, the Organization received a settlement of approximately \$10,607,000, net of attorneys' fees of approximately \$680,000 and other consulting fees of approximately \$1,465,000. As of September 30, 2020, the Organization owed fees to a consulting firm who assisted with the Claim. The amount was under dispute as of September 30, 2020; however, an agreement was reached during the year ended September 30, 2021 and the Organization paid approximately \$1,465,000 as settlement. There was no related settlement activity during the year ended September 30, 2022.

**(d) 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.

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

**(16) Related Party Transactions**

Related party contributions for the years ended September 30, 2022 and 2021 include the following:

	<b>2022</b>	<b>2021</b>
Board of Directors and Trustees	\$ 899,874	731,954

The following related party gross pledges receivable were outstanding at September 30, 2022 and 2021:

	<b>2022</b>	<b>2021</b>
Board of Directors and Trustees	\$ 4,124,661	3,505,250

**(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 \$9,437,000 and \$1,439,000, respectively, which exceeded these insured amounts at September 30, 2022 and \$9,352,000 and \$866,000, respectively, which exceeded these insured amounts at September 30, 2021.

**(18) Operating Leases**

The Straz Center has entered into noncancelable operating lease agreements for office equipment and building space which expire through 2083. Total rent expense related to leases for the years ended September 30, 2022 and 2021 was approximately \$279,000 and \$208,000, respectively.

The total annual minimum future lease commitments for current contract agreements are due as follows:

<u>Years Ending September 30,</u>		
2023	\$	205,200
2024		125,600
2025		47,700
2026		10,900
2027		6,100
Thereafter		5,500
	\$	401,000

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

**(19) Subsequent Events**

Management has evaluated subsequent events from the consolidated statements of financial position date through January 23, 2023, in connection with the preparation of these consolidated financial statements, which is the date the consolidated financial statements were available to be issued.

The Straz Center entered into a funding agreement with Hillsborough County to reimburse a not-to-exceed amount of \$2,500,000 during 2022 and \$2,000,000 during 2023 for costs associated with the planning, design, and pre-construction for the Straz Center Master Plan. Subsequent to fiscal year end, the Straz Center received \$1,400,000 from this funding agreement.

The Straz Center entered into a funding agreement with the Florida Department of Education in the amount of \$5,000,000 for costs associated with the planning, design, and pre-construction for the Straz Center Master Plan.

**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, 2022**

Assets	Tampa Bay Performing Arts Center, Inc.	Foundation	Eliminations	Consolidated Total
<b>Current assets:</b>				
Cash and cash equivalents	\$ 9,462,068	1,690,710	-	11,152,778
<b>Receivables:</b>				
Accounts receivable	373,362	-	-	373,362
Pledges receivables, net	123,204	894,961	-	1,018,165
Due from Foundation/Center	1,409,264	4,000	(1,413,264)	-
Grants receivable	740,327	-	-	740,327
Total receivables	2,646,157	898,961	(1,413,264)	2,131,854
Inventory	81,470	-	-	81,470
Other current assets	978,637	3,094	-	981,731
Total current assets	13,168,332	2,592,765	(1,413,264)	14,347,833
<b>Noncurrent assets:</b>				
Pledges receivable, net	-	4,402,904	-	4,402,904
Endowment investments	2,760,000	23,976,995	-	26,736,995
Investments	10,741,354	17,389,410	-	28,130,764
Other long-term investments	1,013,627	19,185	-	1,032,812
Beneficial interest in assets held by Community Foundation	31,374	770,151	-	801,525
Furniture, equipment, and leasehold improvements, net	19,349,968	-	-	19,349,968
Fine art collection	357,010	-	-	357,010
Other long-term assets	52,273	-	-	52,273
Total noncurrent assets	34,305,606	46,558,645	-	80,864,251
Total assets	\$ 47,473,938	49,151,410	(1,413,264)	95,212,084
<b>Liabilities and Net Assets</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued expenses	\$ 2,793,580	18,600	-	2,812,180
Due to Foundation/Center	4,000	1,409,264	(1,413,264)	-
Contract liabilities - ticket sales	14,438,755	-	-	14,438,755
Contract liabilities - other	1,987,896	-	-	1,987,896
Total liabilities	19,224,231	1,427,864	(1,413,264)	19,238,831
<b>Net assets:</b>				
<b>Without donor restrictions:</b>				
Operations	3,750,131	9,266,140	-	13,016,271
Furniture, equipment, and leasehold improvements	19,349,968	-	-	19,349,968
Board designated	1,553,449	7,557,433	-	9,110,882
Total net assets	24,653,548	16,823,573	-	41,477,121
With donor restrictions	3,596,159	30,899,973	-	34,496,132
Total net assets	28,249,707	47,723,546	-	75,973,253
Total liabilities and net assets	\$ 47,473,938	49,151,410	(1,413,264)	95,212,084

**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, 2022**

	<b>Tampa Bay Performing Arts Center, Inc.</b>	<b>Foundation</b>	<b>Eliminations</b>	<b>Consolidated Total</b>
Revenue and other support:				
Ticket sales	\$ 12,167,361	-	-	12,167,361
Rent	579,038	-	-	579,038
Box office fees	4,006,401	-	-	4,006,401
Education program tuition, event sales, and fees	2,576,024	-	-	2,576,024
Concessions	2,639,654	-	-	2,639,654
Investment return, net	(3,156,214)	(8,725,998)	-	(11,882,212)
Change in value of beneficial interest	(6,740)	(179,974)	-	(186,714)
Community support	4,887,682	3,951,701	-	8,839,383
In-kind donations	375,615	-	-	375,615
Fine Art donation	149,020	-	-	149,020
Service fee and other income	1,771,419	-	(388,080)	1,383,339
Government funding and grants:				
Annual operating and program support	1,377,059	-	-	1,377,059
Capital and construction support	515,103	-	-	515,103
Gain on Paycheck Protection Program loan forgiveness	1,867,875	-	-	1,867,875
Intercompany	2,096,969	(2,096,969)	-	-
Total revenue and other support	31,846,266	(7,051,240)	(388,080)	24,406,946
Expenses:				
Program and essential services:				
Production costs	13,287,689	-	-	13,287,689
Education	3,235,229	-	-	3,235,229
Operating costs	10,145,983	-	-	10,145,983
Marketing and public information	3,044,381	-	-	3,044,381
Total program and essential services	29,713,282	-	-	29,713,282
Support services:				
General and administrative	5,167,931	421,671	(388,080)	5,201,522
Fundraising	1,252,891	366,636	-	1,619,527
Total support services	6,420,822	788,307	(388,080)	6,821,049
Total expenses	36,134,104	788,307	(388,080)	36,534,331
Foundation distributed endowment support for Straz Center	1,899,061	(1,899,061)	-	-
Change in net assets	(2,388,777)	(9,738,608)	-	(12,127,385)
Net assets, beginning of year	30,638,484	57,462,154	-	88,100,638
Net assets, end of year	\$ 28,249,707	47,723,546	-	75,973,253

**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, 2022**

	<b>Tampa Bay Performing Arts Center, Inc.</b>	<b>Foundation</b>	<b>Consolidated Total</b>
Cash flows from operating activities:			
Change in net assets	\$ (2,388,777)	(9,738,608)	(12,127,385)
Adjustments to reconcile change in net assets to net cash from operating activities:			
Noncash gift of stock	(19,984)	(89,911)	(109,895)
Bad debt	8,955	-	8,955
Depreciation	1,658,887	-	1,658,887
Change in beneficial interest in assets held by Community Foundation	6,740	179,974	186,714
Realized and unrealized losses on investments	3,431,204	9,690,110	13,121,314
Fine arts donation	(149,020)	-	(149,020)
Gain recognized on forgiven Paycheck Protection Program loan	(1,867,875)	-	(1,867,875)
Change in operating assets and liabilities:			
Accounts receivable	435,804	-	435,804
Pledges receivable	(63,306)	(1,008,464)	(1,071,770)
Grants receivable	312,580	-	312,580
Due to/from the Center	(199,810)	199,810	-
Inventory	15,201	-	15,201
Other current assets	(442,957)	4,406	(438,551)
Other long-term assets	-	-	-
Accounts payable and accrued expenses	(473,563)	(7,242)	(480,805)
Contract liabilities - ticket sales	4,771,814	-	4,771,814
Contract liabilities - other	377,766	-	377,766
	5,413,659	(769,925)	4,643,734
Net cash flows from operating activities			
Cash flows from investing activities:			
Additions to furniture, equipment, and leasehold improvements	(3,081,479)	-	(3,081,479)
Purchases of investments	(8,286,683)	(18,526,928)	(26,813,611)
Sales and maturities of investments	5,943,178	19,871,198	25,814,376
Purchases of other long-term investments	(250,693)	-	(250,693)
	(5,675,677)	1,344,270	(4,331,407)
Net cash flows from investing activities			
Change in cash and cash equivalents	(262,018)	574,345	312,327
Cash and cash equivalents, beginning of year	9,724,086	1,116,365	10,840,451
Cash and cash equivalents, end of year	\$ 9,462,068	1,690,710	11,152,778
Supplemental cash flow information:			
Acquisition of furniture, equipment, and leasehold improvements in accounts payable and accrued expenses	\$ 753,345	-	753,345

**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, 2022  
(With Comparative Financial Information for 2021)**

Assets	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents	\$ 9,462,068	9,724,086
Receivables:		
Accounts receivable	373,362	818,121
Pledges receivables, net	123,204	59,898
Due from Foundation	1,409,264	1,205,454
Grants receivable	<u>740,327</u>	<u>1,052,907</u>
Total receivables	2,646,157	3,136,380
Inventory	81,470	96,671
Other current assets	<u>978,637</u>	<u>535,680</u>
Total current assets	13,168,332	13,492,817
Noncurrent assets:		
Endowment investments	2,760,000	2,760,000
Investments	10,741,354	11,468,073
Other long-term investments	1,013,627	1,103,930
Beneficial interest in assets held by Community Foundation	31,374	38,114
Furniture, equipment, and leasehold improvements, net	19,349,968	17,174,031
Fine art collection	357,010	207,990
Other long-term assets	<u>52,273</u>	<u>52,273</u>
Total noncurrent assets	<u>34,305,606</u>	<u>32,804,411</u>
Total assets	<u>\$ 47,473,938</u>	<u>46,297,228</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,793,580	2,513,798
Due to Foundation	4,000	-
Contract liabilities - ticket sales	14,438,755	9,666,941
Contract liabilities - other	1,987,896	1,610,130
Debt	<u>-</u>	<u>298,860</u>
Total current liabilities	19,224,231	14,089,729
Noncurrent liabilities:		
Debt	<u>-</u>	<u>1,569,015</u>
Total liabilities	19,224,231	15,658,744
Net assets:		
Without donor restrictions:		
Operations	3,750,131	8,384,530
Furniture, equipment, and leasehold improvements	19,349,968	17,174,031
Board designated	<u>1,553,449</u>	<u>1,336,171</u>
Total net assets	24,653,548	26,894,732
With donor restrictions	<u>3,596,159</u>	<u>3,743,752</u>
Total net assets	<u>28,249,707</u>	<u>30,638,484</u>
Total liabilities and net assets	<u>\$ 47,473,938</u>	<u>46,297,228</u>

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, 2022  
(With Comparative Financial Information for 2021)**

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenue and other support:				
Ticket sales	\$ 12,167,361	-	12,167,361	434,307
Rent	579,038	-	579,038	214,130
Box office fees	4,006,401	-	4,006,401	806,925
Education program tuition, event sales, and fees	2,576,024	-	2,576,024	1,610,152
Concessions	2,639,654	-	2,639,654	623,825
Investment return	(3,042,851)	(113,363)	(3,156,214)	1,426,771
Change in value of beneficial interest	(6,740)	-	(6,740)	6,321
Community support	4,744,782	142,900	4,887,682	3,650,917
In-kind donations	375,615	-	375,615	-
Fine Art donation	149,020	-	149,020	-
Service fee income	1,771,419	-	1,771,419	554,535
Government funding and grants:				
Annual operating and program support	1,377,059	-	1,377,059	9,084,404
Capital and construction support	515,103	-	515,103	1,278,267
Gain on Paycheck Protection Program loan forgiveness	1,867,875	-	1,867,875	2,828,859
Intercompany	2,096,969	-	2,096,969	-
Net assets released from purpose restrictions	177,130	(177,130)	-	-
Total revenue and other support	31,993,859	(147,593)	31,846,266	22,519,413
Expenses:				
Program and essential services:				
Production costs	13,287,689	-	13,287,689	1,576,810
Education	3,235,229	-	3,235,229	2,231,348
Operating costs	10,145,983	-	10,145,983	6,198,572
Marketing and public information	3,044,381	-	3,044,381	2,010,082
Total program and essential services	29,713,282	-	29,713,282	12,016,812
Support services:				
General and administrative	5,167,931	-	5,167,931	1,588,036
Fundraising	1,252,891	-	1,252,891	861,266
Total support services	6,420,822	-	6,420,822	2,449,302
Total expenses	36,134,104	-	36,134,104	14,466,114
Foundation distributed endowment support for the Straz Center	1,899,061	-	1,899,061	2,434,097
Change in net assets	(2,241,184)	(147,593)	(2,388,777)	10,487,396
Net assets, beginning of year	26,894,732	3,743,752	30,638,484	20,151,088
Net assets, end of year	\$ 24,653,548	3,596,159	28,249,707	30,638,484