

**FLORIDA WEST COAST SYMPHONY, INC.
D/B/A SARASOTA ORCHESTRA AND
AFFILIATES AND FLORIDA WEST
COAST SYMPHONY, INC.
ENDOWMENT TRUST**

**INDEPENDENT AUDITOR'S REPORT
COMBINED FINANCIAL STATEMENTS
SUPPLEMENTARY INFORMATION**

JULY 31, 2021

**FLORIDA WEST COAST SYMPHONY, INC. D/B/A SARASOTA ORCHESTRA
AND AFFILIATES AND FLORIDA WEST COAST SYMPHONY, INC.
ENDOWMENT TRUST**

**COMBINED FINANCIAL REPORT
JULY 31, 2021**

TABLE OF CONTENTS

Page

INDEPENDENT AUDITOR'S REPORT..... 1 and 2

FINANCIAL STATEMENTS

Combined Statement of Financial Position 3

Combined Statement of Activities 4

Combined Statement of Functional Expenses 5

Combined Statement of Cash Flows 6

Notes to Combined Financial Statements 7-23

SUPPLEMENTARY INFORMATION

Combining Statement of Financial Position 24

Combining Statement of Activities 25



INDEPENDENT AUDITOR'S REPORT

Board of Directors

**Florida West Coast Symphony, Inc. d/b/a Sarasota Orchestra
and Affiliates and Florida West Coast Symphony, Inc. Endowment Trust
Sarasota, Florida**

We have audited the accompanying combined financial statements of Florida West Coast Symphony, Inc. d/b/a Sarasota Orchestra and Affiliates and Florida West Coast Symphony, Inc. Endowment Trust, (a non-profit organization) (the "Organization") which comprise the combined statement of financial position as of July 31, 2021, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of July 31, 2021, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statement of financial position and combining statement of activities as noted in the table of contents is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Organization's 2020 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated December 10, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2020, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Mauldin & Jenkins, LLC

Bradenton, Florida
December 15, 2021

**FLORIDA WEST COAST SYMPHONY, INC.
D/B/A SARASOTA ORCHESTRA AND AFFILIATES AND
FLORIDA WEST COAST SYMPHONY, INC. ENDOWMENT TRUST**

**COMBINED STATEMENT OF FINANCIAL POSITION
JULY 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JULY 31, 2020)**

ASSETS	Without Donor Restrictions	With Donor Restrictions	Total	Total 2020
Cash	\$ 4,275,241	\$ 3,170,121	\$ 7,445,362	\$ 2,684,812
Grants receivable	15,000	-	15,000	2,003
Promises to give	138,000	23,000	161,000	91,000
Assets held in charitable remainder trusts	-	215,585	215,585	571,296
Investments	2,861,626	55,896,764	58,758,390	35,685,636
Due from other funds	5,024	-	5,024	-
Prepaid expenses and other assets	95,269	12,846	108,115	151,127
Land lease value	-	268,698	268,698	272,316
Property and equipment	2,703,398	-	2,703,398	3,270,225
TOTAL ASSETS	\$ 10,093,558	\$ 59,587,014	\$ 69,680,572	\$ 42,728,415
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 62,269	\$ -	\$ 62,269	\$ 29,761
Accrued expenses	485,226	-	485,226	238,808
Due to other funds	-	5,024	5,024	-
Deferred ticket revenue	1,696,780	-	1,696,780	1,465,332
Notes payable	-	-	-	1,255,092
TOTAL LIABILITIES	2,244,275	5,024	2,249,299	2,988,993
NET ASSETS				
Without donor restrictions				
Undesignated	4,592,342	-	4,592,342	2,603,905
Designated by the Board for future projects	3,256,941	-	3,256,941	1,980,492
With donor restrictions				
Time or purpose	-	32,605,478	32,605,478	10,453,250
Perpetual	-	26,976,512	26,976,512	24,701,775
TOTAL NET ASSETS	7,849,283	59,581,990	67,431,273	39,739,422
TOTAL LIABILITIES AND NET ASSETS	\$ 10,093,558	\$ 59,587,014	\$ 69,680,572	\$ 42,728,415

See Notes to Combined Financial Statements.

**FLORIDA WEST COAST SYMPHONY, INC.
D/B/A SARASOTA ORCHESTRA AND AFFILIATES AND
FLORIDA WEST COAST SYMPHONY, INC. ENDOWMENT TRUST**

**COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JULY 31, 2020)**

	Without Donor Restrictions	With Donor Restrictions	Total	Total 2020
Support, revenue and releases				
Orchestra and chamber orchestras/ensembles	\$ 126,593	\$ -	\$ 126,593	\$ 2,345,019
Contributions	4,981,776	19,020,186	24,001,962	8,468,128
Fundraising projects	264,779	-	264,779	588,225
Grants, state and local	2,724,124	25,000	2,749,124	592,406
Music festival	18,417	-	18,417	43,015
Contract revenue	5,000	-	5,000	234,697
Music education programs	38,638	-	38,638	95,702
Rental income	550	-	550	9,953
Investment income, net	120,502	7,672,359	7,792,861	1,506,045
Other	103,002	-	103,002	103,711
Net assets released from restrictions	1,210,566	(1,210,566)	-	-
Total support and revenue	<u>9,593,947</u>	<u>25,506,979</u>	<u>35,100,926</u>	<u>13,986,901</u>
Functional expenses				
Program services				
Orchestra and chamber orchestras/ensembles	4,707,503	-	4,707,503	6,899,796
Music festival	458,694	-	458,694	375,776
Music education programs	586,646	-	586,646	821,528
Supporting services				
General and administrative	704,823	-	704,823	592,251
Fundraising	1,012,296	-	1,012,296	1,279,161
Other	19,586	-	19,586	26,118
Total functional expenses	<u>7,489,548</u>	<u>-</u>	<u>7,489,548</u>	<u>9,994,630</u>
Increase in net assets before other changes in net assets	<u>2,104,399</u>	<u>25,506,979</u>	<u>27,611,378</u>	<u>3,992,271</u>
Other changes in net assets				
Change in value of split interest agreements	-	80,473	80,473	(45,153)
Transfers	1,160,487	(1,160,487)	-	-
Total other changes in net assets	<u>1,160,487</u>	<u>(1,080,014)</u>	<u>80,473</u>	<u>(45,153)</u>
Change in net assets	3,264,886	24,426,965	27,691,851	3,947,118
Net assets, beginning of year	<u>4,584,397</u>	<u>35,155,025</u>	<u>39,739,422</u>	<u>35,792,304</u>
Net assets, end of year	<u>\$ 7,849,283</u>	<u>\$ 59,581,990</u>	<u>\$ 67,431,273</u>	<u>\$ 39,739,422</u>

See Notes to Combined Financial Statements.

**FLORIDA WEST COAST SYMPHONY, INC.
D/B/A SARASOTA ORCHESTRA AND AFFILIATES AND
FLORIDA WEST COAST SYMPHONY, INC. ENDOWMENT TRUST**

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JULY 31, 2020)**

	Orchestra and Chamber Orchestras/ Ensembles	Music Festival	Music Education Programs	Total Program Services
Artistic personnel				
Artistic personnel salaries	\$ 1,947,350	\$ 84,000	\$ 4,061	\$ 2,035,411
Per service musicians	263,944	-	10,640	274,584
Soloists	52,477	-	-	52,477
Employee benefits	384,474	15,934	1,378	401,786
Coaches/faculty/honorariums	-	17,800	49,065	66,865
Artistic payroll taxes	187,744	-	7,547	195,291
Total artistic personnel	<u>2,835,989</u>	<u>117,734</u>	<u>72,691</u>	<u>3,026,414</u>
Production				
Salaries	419,379	83,759	103,401	606,539
Payroll taxes	33,395	6,670	8,234	48,299
Employee benefits	90,672	18,109	22,356	131,137
Hall rental	-	-	3,363	3,363
Music purchase and instrumental rental	22,102	200	1,754	24,056
Stage hands	-	-	-	-
Transport and transportation	530	6	-	536
Other production expenses	57,320	380	5,735	63,435
Faculty housing and travel	-	10,057	-	10,057
Licensing fees	28,634	-	-	28,634
Total production	<u>652,032</u>	<u>119,181</u>	<u>144,843</u>	<u>916,056</u>
General				
Salaries	455,384	119,576	212,938	787,898
Payroll taxes	35,932	9,435	16,802	62,169
Employee benefits	98,456	25,853	46,038	170,347
Printing	23,875	352	2,805	27,032
Office	2,041	524	933	3,498
Postage	13,661	161	1,533	15,355
Telephone	10,011	564	650	11,225
Professional services	69,338	4,172	4,806	78,316
Travel and meetings	501	-	-	501
Miscellaneous	11,534	919	2,425	14,878
Occupancy	178,874	16,654	19,188	214,716
Depreciation	163,280	15,203	17,515	195,998
Scholarships	-	-	13,675	13,675
Dues and subscriptions	353	250	-	603
Information technology	33,933	-	-	33,933
Credit card expense	31,412	-	-	31,412
Advertising and promotion	44,348	2,500	3,194	50,042
Interest	150	-	-	150
General fundraising	-	-	-	-
Amortization of land lease receivable	-	-	-	-
Pledges receivable paid by other revenue sources	-	-	-	-
Total general	<u>1,173,083</u>	<u>196,163</u>	<u>342,502</u>	<u>1,711,748</u>
Total operating expenses	<u>4,661,104</u>	<u>433,078</u>	<u>560,036</u>	<u>5,654,218</u>
Music center planning/campaign				
Salaries	22,401	21,565	22,401	66,367
Payroll taxes	1,520	1,463	1,520	4,503
Employee benefits	2,689	2,588	2,689	7,966
Professional services	18,375	-	-	18,375
Travel and meetings	-	-	-	-
Miscellaneous	1,414	-	-	1,414
Total music center planning/campaign	<u>46,399</u>	<u>25,616</u>	<u>26,610</u>	<u>98,625</u>
Auxiliaries				
Fundraising expense	-	-	-	-
Total auxiliaries	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>\$ 4,707,503</u>	<u>\$ 458,694</u>	<u>\$ 586,646</u>	<u>\$ 5,752,843</u>

See Notes to Combined Financial Statements.

General and Administrative	Fundraising	Other	Total Supporting Services	Total Expenses	Total 2020
\$ 6,250	\$ 14,090	\$ -	\$ 20,340	\$ 2,055,751	\$ 2,229,634
-	2,035	-	2,035	276,619	596,099
-	-	-	-	52,477	555,182
1,186	2,789	-	3,975	405,761	389,034
-	-	-	-	66,865	108,377
(688)	1,340	-	652	195,943	238,655
<u>6,748</u>	<u>20,254</u>	<u>-</u>	<u>27,002</u>	<u>3,053,416</u>	<u>4,116,981</u>
87,687	8,036	-	95,723	702,262	748,598
6,982	640	-	7,622	55,921	57,049
18,958	1,737	-	20,695	151,832	125,655
-	-	-	-	3,363	395,718
-	-	-	-	24,056	93,562
-	-	-	-	-	56,906
-	-	-	-	536	29,776
16	660	-	676	64,111	237,536
-	-	-	-	10,057	-
-	-	-	-	28,634	52,112
<u>113,643</u>	<u>11,073</u>	<u>-</u>	<u>124,716</u>	<u>1,040,772</u>	<u>1,796,912</u>
293,025	514,342	-	807,367	1,595,265	1,511,188
23,121	40,584	-	63,705	125,874	116,500
63,353	111,203	-	174,556	344,903	253,659
863	21,415	-	22,278	49,310	132,225
4,175	2,254	-	6,429	9,927	14,560
355	10,913	-	11,268	26,623	78,727
759	1,057	-	1,816	13,041	15,887
6,831	24,865	-	31,696	110,012	114,048
750	-	-	750	1,251	14,382
15,587	3,899	-	19,486	34,364	69,838
22,429	31,213	-	53,642	268,358	257,769
20,474	28,492	-	48,966	244,964	252,372
1,000	-	-	1,000	14,675	29,424
15,040	1,000	-	16,040	16,643	18,582
114,184	-	-	114,184	148,117	89,746
(82)	7,315	-	7,233	38,645	63,955
-	-	-	-	50,042	225,012
-	-	-	-	150	1,464
2,568	33,621	-	36,189	36,189	178,350
-	-	3,618	3,618	3,618	3,618
-	-	15,968	15,968	15,968	22,500
<u>584,432</u>	<u>832,173</u>	<u>19,586</u>	<u>1,436,191</u>	<u>3,147,939</u>	<u>3,463,806</u>
<u>704,823</u>	<u>863,500</u>	<u>19,586</u>	<u>1,587,909</u>	<u>7,242,127</u>	<u>9,377,699</u>
-	106,471	-	106,471	172,838	383,607
-	7,225	-	7,225	11,728	26,694
-	12,780	-	12,780	20,746	37,786
-	1,471	-	1,471	19,846	46,969
-	-	-	-	-	11,997
-	2,218	-	2,218	3,632	3,924
<u>-</u>	<u>130,165</u>	<u>-</u>	<u>130,165</u>	<u>228,790</u>	<u>510,977</u>
-	18,631	-	18,631	18,631	105,954
<u>-</u>	<u>18,631</u>	<u>-</u>	<u>18,631</u>	<u>18,631</u>	<u>105,954</u>
<u>\$ 704,823</u>	<u>\$ 1,012,296</u>	<u>\$ 19,586</u>	<u>\$ 1,736,705</u>	<u>\$ 7,489,548</u>	<u>\$ 9,994,630</u>

**FLORIDA WEST COAST SYMPHONY, INC.
D/B/A SARASOTA ORCHESTRA AND AFFILIATES AND
FLORIDA WEST COAST SYMPHONY, INC. ENDOWMENT TRUST**

**COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JULY 31, 2020)**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 27,691,851	\$ 3,947,118
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	248,582	255,990
Realized and unrealized gain on investments	7,164,489	298,171
Change in value of split interest agreements	80,473	45,153
Promises to give paid by other revenue sources	15,968	22,500
Proceeds from (forgiveness) of PPP loan	(1,239,700)	1,239,700
Contributions restricted for endowment	(2,274,737)	(9,049)
Gain on disposal of property and equipment	(81,192)	-
(Increase) decrease in operating assets:		
Grants receivable	(12,997)	17,997
Promises to give	(85,968)	145,240
Prepaid expenses and other assets	43,012	27,738
Increase (decrease) in operating liabilities:		
Accounts payable	32,508	15,523
Deferred ticket revenue	231,448	(405,806)
Accrued expenses	246,418	(149,683)
Net cash provided by operating activities	32,060,155	5,450,592
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(139,791)	(176,644)
Proceeds from the disposal of property and equipment	542,846	-
Proceeds from the sale of investments	15,830,144	4,655,732
Purchase of investments	(45,792,149)	(7,873,589)
Net cash (used in) investing activities	(29,558,950)	(3,394,501)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on mortgage payable	(15,392)	(38,363)
Proceeds from contributions restricted for endowment	2,274,737	9,049
Net cash provided by (used in) financing activities	2,259,345	(29,314)
Net increase in cash	4,760,550	2,026,777
Cash, beginning of year	2,684,812	658,035
Cash, end of year	\$ 7,445,362	\$ 2,684,812
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest	\$ 150	\$ 1,464

See Notes to Combined Financial Statements.

**FLORIDA WEST COAST SYMPHONY, INC. D/B/A SARASOTA ORCHESTRA
AND AFFILIATES AND FLORIDA WEST COAST SYMPHONY, INC.
ENDOWMENT TRUST**

**NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2021**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Florida West Coast Symphony, Inc. d/b/a Sarasota Orchestra and Affiliates (the "Orchestra") is a not-for-profit organization that was founded in 1949 and is the oldest continuing orchestra in the State of Florida. It acts as the umbrella organization for the Sarasota Orchestra, the Sarasota Music Festival, four resident chamber ensembles and an extensive educational program.

The Florida West Coast Symphony, Inc. Endowment Trust (the "Trust") was established in November 2000 to obtain, manage and invest endowment funds which will be used solely for the Organization as defined in the Endowment Trust Agreement dated November 21, 2002.

The Orchestra has a Florida Cultural Endowment which consists of individual contributions and matching grants from the State of Florida. The contributions and matching grants are perpetual in nature in accordance with the trust agreements with the state; however, investment income can be used by the Orchestra for operating purposes. The value of this endowment at July 31, 2021 was \$1,927,635, consisting of \$1,800,000 of corpus and \$127,635 of accumulated earnings.

The Orchestra also has two auxiliaries: the Sarasota Orchestra Friends and the Debutante Committee. These fundraising and association support organizations contribute to the general operations of the Orchestra. Their activities are classified in the combined financial statements as net assets without donor restrictions.

Significant accounting policies are as follows:

Principles of Combination

The combined financial statements include the accounts of the Orchestra and the Trust. The Orchestra and the Trust, collectively referred to as the Organization, are related through an economic interest and the Orchestra's direct and indirect ability to determine the activities of management. All significant inter-company balances and transactions are eliminated from the accompanying combined financial statements.

Basis of Accounting

The combined financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables and other liabilities.

The accompanying combined financial statements have been prepared in conformity with the disclosure and display requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Accordingly, net assets are reported in each of the following two classes: (1) net assets without donor restrictions and (2) net assets with donor restrictions.

NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2021

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Basis of Accounting (Continued)

Net assets with donor restrictions are created only by donor-imposed restrictions on their use. All other net assets, including Board-designated or appropriated amounts, are legally unrestricted and are reported as part of net assets without donor restrictions. From time to time the Board designates certain recurring and/or non-recurring items for use on specific future projects.

Additionally, the Endowment Trust Agreement, dated November 21, 2002, restricts the use of income earned on those assets for operating purposes in any given year to no more than 5% of the greater of the moving three year average or the market value of the endowment at the end of the fiscal year, or the market value at the end of the most recent fiscal year.

Management Estimates

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

Grants Receivable

Grants receivable are recorded at their net realizable value. Grants receivable are based on services performed prior to year-end, but not collected as of the statement of financial position date. Management considers all such amounts to be fully collectible.

Allowance for Doubtful Accounts

The Orchestra uses the allowance method to account for uncollectible grants and promises to give. As of July 31, 2021, all receivables are considered fully collectible.

Cash and Cash Equivalents

The Orchestra considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Orchestra maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Orchestra has not experienced any losses in such accounts. The Orchestra believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2021

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Net Assets

Net assets, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. From time to time the Board designates certain recurring and/or non-recurring items for use on specific future projects. The Board has designated \$3,256,941 of net assets for future projects and capital needs.

Net Assets With Donor Restrictions – Net Assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition

The Organization recognizes revenue from orchestra and chamber ensembles, music festivals and education programs when the events take place. The Organization recognizes revenue from contracts in accordance with the terms of the contract. The Organization recognizes rental revenue over the life of the lease.

Contributions

Unconditional promises to give cash and other assets are reported at estimated fair value at the date the promise is received. Conditional promises to give are recognized when the conditions are substantially met, and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the combined statement of activities as net assets released from restrictions. Contributions with donor-imposed restrictions that are met in the same reporting period are reported as net assets without donor restrictions. All promises to give that are due within the next twelve months are considered fully collectible by management.

NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment acquisitions in excess of \$5,000 are recorded at cost, estimated cost, or if donated, at fair value on the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method.

	<u>Years</u>
Buildings and improvements	5-40
Vehicles	5
Furniture and equipment	3-20
Instruments and electronic equipment	3-20

Maintenance and repairs of property and equipment are charged to operations and major improvements are capitalized. The construction in progress balance of \$886,801 contains expenditures to date related to the Organization's long-term objective to build a music center. These expenditures include studies to inform building program concepts and massing, a range of professional consulting services and philanthropic advisement.

Functional Allocation of Expenses

The costs of providing various programs and other activities and the administration of the Orchestra have been summarized on a functional basis in the combined statement of activities. Salaries and other expenses which are associated with a specific program are charged directly to that program. Administrative and general expenses and other expenses which benefit more than one program are allocated to the various programs based on the relative benefit provided.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value based on quoted market prices. Increases and decreases in fair value are recognized in the period in which they occur and the carrying values of the investments are adjusted to reflect these fluctuations. Cash and cash equivalents designated for long-term purposes are classified as investments. Net investment income is reported in the combined statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

The Organization invests in a variety of investment vehicles, as described in Note 9. These investment securities are exposed to interest rate, market, credit and other risks depending on the nature of the specific investment. Accordingly, it is reasonably possible that these factors will result in changes in the value of the Organization's investments, which could materially affect amounts reported in the combined financial statements.

NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2021

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Income Taxes

The Organization qualifies as a charitable organization as defined by Internal Revenue Code Section 501(c)(3) and, accordingly is exempt from federal income taxes under Internal Revenue Code Section 501(a). However, the Organization is subject to income tax on unrelated business income. For the year ended July 31, 2021 the Organization incurred no income tax expense.

It is the Organization's policy to account for any uncertainties in income tax law in accordance with FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. ASC 740-10 clarifies the accounting for uncertain income tax positions and requires that the Organization recognize the impact of such a tax position in its financial statements if, upon ultimate settlement, that position is more-likely-than-not to be sustained. Management has evaluated the Organization's tax positions and concluded that the Organization has maintained its tax-exempt status and has taken no uncertain tax positions that require adjustment to the combined financial statements. As a result, no provision or liability for income taxes has been included in the combined financial statements. The Organization files a 990 Return of Organization Exempt from Income Tax for the Orchestra and the Trust and a 990-T Exempt Organization Business Income Tax Return to the U.S. Federal Government and an F-1120 Florida Corporate Income/Franchise Tax Return to the State of Florida for the Orchestra.

Fair Value of Financial Instruments

The Organization has adopted FASB's fair value measurement and disclosure guidance, which provides a framework for measuring fair value under generally accepted accounting principles. This guidance applies to all financial instruments that are being measured and reported on a fair value basis.

Advertising

The Organization expenses advertising and promotion costs in the period incurred. For the year ended July 31, 2021 advertising costs totaled \$50,042.

Deferred Ticket Revenue

Revenue from ticket sales received in advance is reported as deferred ticket revenue and is recognized in the year in which the performance is given.

NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2021

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Split Interest Agreements

The Organization's split interest agreements with donors consist of charitable gift annuities and charitable remainder unitrusts (CRUTs). The CRUTs' assets held by a third party are recorded based on the present value of the estimated future benefits to be received when the trust assets are distributed. Charitable remainder trusts and charitable gift annuities are classified as net assets with or without donor restrictions based on the agreements.

Payments are made to donors and/or other beneficiaries in accordance with their respective agreements. The present values of payments to beneficiaries under these arrangements are calculated using applicable discount rates at year-end and annuity payout rates.

Gains or losses resulting from changes in actuarial assumptions and accretion of the discounts are recorded as increases or decreases in the value of split interest agreements in the combined statement of activities. The net change in the value of split interest agreements increased \$80,473 for the year ended July 31, 2021.

Summarized Financial Information for 2020

The combined financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's combined financial statements as of and for the year ended July 31, 2020 from which the summarized information was derived.

Reclassification

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

Subsequent Events

The Organization has evaluated subsequent events through December 15, 2021, the date which the financial statements were available to be issued.

NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 2. LIQUIDITY AND AVAILABILITY

The Organization's working capital and cash flows have seasonal variations during the year attributable to the annual cash receipts for subscriptions and a concentration of sponsorships received near fiscal year-end. The Organization manages liquidity during the year by utilizing the following strategies: operating with a balanced budget which assumes collection of sufficient revenue via contributions, grants, and ticket revenue to cover operating expenditures not covered by donor-restricted resources, regular analysis of actual operating results versus budget, timing of annual endowment transfers, and establishment of an operating reserve fund funded by a fee per ticket sold to be used to fund operating shortfalls with the approval of the Board of Directors.

The following tables reflect the Organization's total financial assets as of July 31, 2021, and the amounts of those financial assets which could be made available within 12 months to meet operating expenditures:

Financial assets at year-end	
Cash	\$ 7,445,362
Accounts and grants receivable	15,000
Promises to give	161,000
Investments	58,758,390
Total financial assets at year-end	<u>\$ 66,379,752</u>

Financial assets available to meet operating expenditures over the next 12 months	
Cash	\$ 4,275,241
Accounts and grants receivable	15,000
Contributions for operating expenditure due in one year or less	138,000
Payout on donor-restricted endowments for use over next 12 months	1,079,060
Investments not encumbered by donor or Board restrictions	121,745
Financial assets available to meet operating expenditures	<u>\$ 5,629,046</u>

NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at July 31, 2021:

Buildings and improvements	\$ 4,047,321
Vehicles	65,072
Furniture and equipment	560,595
Instruments and electronic equipment	474,391
Non-depreciable assets	810,751
Construction in progress	886,801
	<u>6,844,931</u>
Less accumulated depreciation	<u>(4,141,533)</u>
	<u><u>\$ 2,703,398</u></u>

NOTE 4. LAND LEASE VALUE

The original Orchestra Rehearsal Hall and all subsequent additions were constructed on land owned by the City of Sarasota (the "City"). Although the hall and improvements were constructed and paid for by the Orchestra or its predecessor organization, the City retains an ownership interest.

Under an agreement with the City entered into in 1955 and later amended in 1966 and 1978, the Orchestra was granted the right of possession and use of the facilities without time limitation, subject to certain restrictions.

In 1997, the Orchestra entered into a lease agreement with the City. The annual rent is \$1 with a lease term of 99 years, commencing January 1, 1997. The fair value of the land was recorded at the time of the agreement as a land lease asset. The remaining land lease asset of \$268,698 will be recognized as land lease expense over the term of the lease. Amortization expense for the year ended July 31, 2021 totaled \$3,618.

The 1997 lease agreement allows the Orchestra to continue to use the original land parcel for current activities and requires the Orchestra to maintain its active non-profit status or the City has the option to terminate the agreement. The agreement includes other covenants of which noncompliance could result in termination of the lease agreement. Should the Orchestra vacate the property, any leasehold improvements would revert to the City.

NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 5. INVESTMENTS

Investments at July 31, 2021 consist of the following:

	Cost	Market	Accumulated Unrealized Gain
Cash, CDs and money market funds	\$ 3,727,727	\$ 3,727,727	\$ -
Mutual funds	25,324,469	34,464,093	9,139,624
Common and preferred stock	563,310	1,135,895	572,585
Corporate bonds and bond funds	8,834,450	9,203,177	368,727
Government bonds and notes	8,492,976	8,563,748	70,772
Real estate investment trust (REIT) and other investments	1,415,073	1,663,750	248,677
	\$ 48,358,005	\$ 58,758,390	\$ 10,400,385

Investment income for the year ended July 31, 2021 consists of the following:

Interest and dividends	\$ 798,243
Unrealized and realized gains	7,164,489
Investment fees	(169,871)
	\$ 7,792,861

NOTE 6. NOTES PAYABLE

During 2014, the Organization entered into a loan agreement to purchase a townhouse in the amount of \$327,000 maturing in November 2020. The note has an interest rate of 3.99% with a term of ten years and is secured by the townhouse property. Payments of principal and interest in the amount of \$3,319 are due monthly with the first payment commencing June 1, 2014. Final payment on the loan was made by the Organization in November 2020. Total interest expense for the year ended July 31, 2021, was \$150.

In May of 2020, the Organization obtained a loan through the Paycheck Protection Program – Small Business Administration (SBA) for \$1,239,700 due to COVID-19. During the year-ended July 31, 2021, the entire balance of the loan was forgiven by the SBA and is recognized in the combined statement of activities as contributions without donor restrictions.

**NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2021**

NOTE 7. OPERATING LEASES

The Organization has various lease agreements for office equipment. Total lease expense for the year ended July 31, 2021 was \$6,396. The future minimum lease payments are as follows:

Year ending July 31:	
2022	\$ 6,396
2023	6,202
2024	2,373
Total future minimum lease payments	<u>\$ 14,971</u>

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

Future building project	\$ 14,886,560
Land lease asset	268,698
Charitable remainder trusts	215,585
Endowments	11,354,274
Time restrictions and other	5,880,361
	<u>\$ 32,605,478</u>

Net assets perpetual in nature at July 31, 2021 consist of the following:

Endowment trust	
Orchestra endowment	\$ 24,346,813
Music festival endowment	829,699
The Orchestra	
Florida cultural endowment	1,800,000
	<u>\$ 26,976,512</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended July 31, 2021:

Time restriction and other	\$ 1,169,980
Future building project	36,968
Land lease asset	3,618
	<u>\$ 1,210,566</u>

NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

In addition, during the year ended July 31, 2021 \$1,160,487 was transferred to general operating from net assets with donor restrictions for the annual endowment spending allocation. This amount is included in transfers on the combined statement of activities.

NOTE 9. FAIR VALUE MEASUREMENTS

The Organization adopted the *Fair Value Measurements and Disclosures Topic* of the FASB Accounting Standards Codification which provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.
- Level 3 Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The level within the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Following is a description of the valuation methodologies used in estimating the fair value of its Level 2 and Level 3 financial instruments:

Corporate bonds, mutual funds, common and preferred stock, bond funds, and U.S. Government obligations: Valued based on quoted prices in active markets, quoted prices for similar assets, observable inputs other than quoted prices, or inputs derived principally from or corroborated by observable market data by correlation or other means.

Real estate investment trust (REIT): Value of the tangible assets of an acquired property is determined by valuing the property as if it were vacant and allocated to the respective assets based on the management of the REIT.

NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 9. FAIR VALUE MEASUREMENTS (CONTINUED)

Charitable remainder trusts: Value is measured based on the underlying securities held within the trust assets.

The following table presents the Organization's financial instruments measured at fair value on a recurring basis at July 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash, CDs and money market funds	\$ 3,727,727	\$ -	\$ -	\$ 3,727,727
Equity mutual funds	34,464,093	-	-	34,464,093
Common and preferred stock	1,135,895	-	-	1,135,895
Corporate bonds and bond funds	9,203,177	-	-	9,203,177
Government bonds and notes	8,563,748	-	-	8,563,748
Real estate investment trust	-	-	1,663,750	1,663,750
	<u>53,366,913</u>	<u>-</u>	<u>1,663,750</u>	<u>55,030,663</u>
Assets held in charitable remainder trusts	-	215,585	-	215,585
Total assets at fair value	<u>\$ 57,094,640</u>	<u>\$ 215,585</u>	<u>\$ 1,663,750</u>	<u>\$ 58,973,975</u>

The following is a reconciliation of the beginning and ending balances for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended July 31, 2021:

	<u>Real Estate Investment Trust</u>
Balance August 1, 2020	\$ 1,507,386
Unrealized gain on investment	156,364
Balance July 31, 2021	<u>\$ 1,663,750</u>

NOTE 10. RELATED PARTY TRANSACTIONS

From time to time, the Organization receives donations and promises to give from members of its Board of Directors or engages in transactions with entities for which Board members have a relationship. All Board members sign conflict of interest forms and abstain from voting on issues where there could be a potential conflict of interest. After a competitive bidding process, the Organization spent \$42,690 in printing services received from a business owned by a Board member's family, and \$61,055 for legal services received from a firm that a Board member represents for the year ended July 31, 2021.

NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 11. DEFERRED COMPENSATION AGREEMENT

Under the terms of an employment agreement for the Chief Executive Officer (“CEO”), the Organization has established a trust (“Plan”) for the purpose of creating deferred compensation payments. Annually, the Organization credits 5% of the CEO’s base salary to the Plan. In addition, two additional at will employees were approved by the Board to receive discretionary contributions. The funding for the Plan is held in an account with Mutual of America and is invested in various investment funds. The value of the Plan at July 31, 2021 was \$119,194 and is included with investments on the combined statement of financial position. As of July 31, 2021, \$119,142 was accrued for Plan benefits and is included with accrued expenses on the combined statement of financial position.

NOTE 12. EMPLOYEE BENEFIT PLAN

The Organization offers a tax-deferred savings plan, which qualifies as a voluntary contribution savings plan under Internal Revenue Code Section 403(b). Employees may provide tax-deferred contributions to eligible individual retirement accounts up to the Internal Revenue Code limit. The plan covers all employees meeting eligibility criteria. All eligible non-union employees are eligible to receive an employer contribution as approved by the Board of Directors. Retirement plan costs for non-union employees for the year ended July 31, 2021 totaled \$161,962.

Per the terms of the collective bargaining agreement (CBA), effective September 1, 2015, all contracted musicians were eligible for a 3%-5% employer contribution through the Organization’s 403(b) plan (described above) based on the contracted musician’s age. Total contributions for contracted musicians for the year ended July 31, 2021 totaled \$93,987.

NOTE 13. ENDOWMENTS

The Organization’s endowments consist of funds established for a variety of purposes from donor-restricted funds. As required by accounting principles generally accepted in the United States (GAAP), net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the corpus to be maintained at fair value. Any portion of the endowment, including investment income, which is not classified as net assets with donor restrictions – perpetual, is to be classified as net assets with donor restrictions – time and purpose until it is appropriated for expenditure.

NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 13. ENDOWMENTS (CONTINUED)

As a result of this interpretation, the Organization classifies as net assets with donor restrictions – perpetual: (a) the original value of the gift donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Endowment net asset composition by type of fund as of July 31, 2021 is as follows:

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets with Donor Restrictions</u>		<u>Total</u>
		<u>Time and Purpose</u>	<u>Perpetual</u>	
Donor-restricted endowment funds	\$ -	\$ 11,354,274	\$ 26,976,512	\$ 38,330,786

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or FUPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of July 31, 2021.

Return Objective and Risk Parameters

The Trust has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Trust must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to meet or exceed the following objectives: (1) exceed the compound annual return of a "risk-free" portfolio, (2) achieve competitive investment results that meet or exceed a market index agreed upon by the Trustees and investment advisor, and (3) provide consistent investment returns.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Trust relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Trust targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Trust has a standing policy of appropriating for distribution each year 5% of the greater of the moving three year average of the market value of the endowment at the end of each fiscal year, or the market value at the end of the most recent fiscal year. In establishing this policy, the Trust considered the long-term expected return on its endowment. Accordingly, over the long-term, the Trust expects the current spending policy to allow its endowment to grow at an average rate of 2% above the 5% spending policy.

NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 13. ENDOWMENTS (CONTINUED)

Changes in endowment net assets for the year ended July 31, 2021 are shown below in the Endowment Funds – Schedule of Financial Position and the Endowment Fund – Schedule of Activities.

	Endowment Trust			
	Net Assets Without Donor Restrictions	Net Assets with Donor Restrictions		Total
		Time and Purpose	Perpetual	
ASSETS				
Prepaid expenses and other assets	\$ -	\$ 12,846	\$ -	\$ 12,846
Assets held in charitable remainder trusts	-	-	-	-
Investments	-	11,213,793	25,176,512	36,390,305
	<u>\$ -</u>	<u>\$ 11,226,639</u>	<u>\$ 25,176,512</u>	<u>\$ 36,403,151</u>
NET ASSETS				
Net assets without donor restrictions, time and purpose	\$ -	\$ 11,226,639	\$ -	\$ 11,226,639
Net assets without donor restrictions, perpetual	-	-	25,176,512	25,176,512
	<u>-</u>	<u>11,226,639</u>	<u>25,176,512</u>	<u>36,403,151</u>
	<u>\$ -</u>	<u>\$ 11,226,639</u>	<u>\$ 25,176,512</u>	<u>\$ 36,403,151</u>

	Endowment Trust			
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions		Total
		Time and Purpose	Perpetual	
REVENUE AND SUPPORT				
Contributions	\$ -	\$ -	\$ 2,274,737	\$ 2,274,737
Interest and dividends	-	506,368	-	506,368
Net realized and unrealized gains	-	7,253,018	-	7,253,018
	<u>-</u>	<u>7,759,386</u>	<u>2,274,737</u>	<u>10,034,123</u>
EXPENSES				
Investment fees	-	112,459	-	112,459
	<u>-</u>	<u>112,459</u>	<u>-</u>	<u>112,459</u>
Increase in net assets before other changes in net assets	<u>-</u>	<u>7,646,927</u>	<u>2,274,737</u>	<u>9,921,664</u>
OTHER CHANGES IN NET ASSETS				
Change in value of split interest agreements	-	-	-	-
Transfers	-	(1,100,000)	-	(1,100,000)
	<u>-</u>	<u>(1,100,000)</u>	<u>-</u>	<u>(1,100,000)</u>
Increase (decrease) in net assets	<u>-</u>	<u>6,546,927</u>	<u>2,274,737</u>	<u>8,821,664</u>
Net assets, beginning of year	<u>-</u>	<u>4,679,712</u>	<u>22,901,775</u>	<u>27,581,487</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ 11,226,639</u>	<u>\$ 25,176,512</u>	<u>\$ 36,403,151</u>

NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 13. ENDOWMENTS (CONTINUED)

	Florida Cultural Endowment				Total Endowment
	Net Assets Without Donor Restrictions	Net Assets with Donor Restrictions		Total	
		Time and Purpose	Perpetual		
ASSETS					
Prepaid expenses and other assets	\$ -	\$ -	\$ -	\$ -	\$ 12,846
Assets held in charitable remainder trusts	-	-	-	-	-
Investments	-	127,635	1,800,000	1,927,635	38,317,940
	<u>\$ -</u>	<u>\$ 127,635</u>	<u>\$ 1,800,000</u>	<u>\$ 1,927,635</u>	<u>\$ 38,330,786</u>
NET ASSETS					
Net assets without donor restrictions, time and purpose	\$ -	\$ 127,635	\$ -	\$ 127,635	11,354,274
Net assets without donor restrictions, perpetual	-	-	1,800,000	1,800,000	26,976,512
	<u>-</u>	<u>127,635</u>	<u>1,800,000</u>	<u>1,927,635</u>	<u>38,330,786</u>
	<u>\$ -</u>	<u>\$ 127,635</u>	<u>\$ 1,800,000</u>	<u>\$ 1,927,635</u>	<u>\$ 38,330,786</u>

	Florida Cultural Endowment				Total Endowment
	Net Assets Without Donor Restrictions	Net Assets with Donor Restrictions		Total	
		Time and Purpose	Perpetual		
REVENUE AND SUPPORT					
Contributions	\$ -	\$ -	\$ -	\$ -	\$ 2,274,737
Interest and dividends	-	67,372	-	67,372	573,740
Net realized and unrealized gains	-	(41,940)	-	(41,940)	7,211,078
	<u>-</u>	<u>25,432</u>	<u>-</u>	<u>25,432</u>	<u>10,059,555</u>
EXPENSES					
Investment fees	-	-	-	-	112,459
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,459</u>
Increase in net assets before other changes in net assets	<u>-</u>	<u>25,432</u>	<u>-</u>	<u>25,432</u>	<u>9,947,096</u>
OTHER CHANGES IN NET ASSETS					
Change in value of split interest agreements	-	-	-	-	-
Transfers	-	(60,487)	-	(60,487)	(1,160,487)
	<u>-</u>	<u>(60,487)</u>	<u>-</u>	<u>(60,487)</u>	<u>(1,160,487)</u>
Increase (decrease) in net assets	<u>-</u>	<u>(35,055)</u>	<u>-</u>	<u>(35,055)</u>	<u>8,786,609</u>
Net assets, beginning of year	<u>-</u>	<u>162,690</u>	<u>1,800,000</u>	<u>1,962,690</u>	<u>29,544,177</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ 127,635</u>	<u>\$ 1,800,000</u>	<u>\$ 1,927,635</u>	<u>\$ 38,330,786</u>

NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 14. RISKS AND UNCERTAINTIES

During March 2020, the World Health Organization declared the Coronavirus outbreak a global pandemic. Actions taken around the world to help mitigate the spread of the Coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The Coronavirus and actions taken to mitigate it have had, and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the Organization, to date, the Organization has seen a decrease in program revenue and has reduced operating expenses accordingly. As the economy continues to open throughout its geographic region, management anticipates revenue to return to normal levels.

Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, adversely impacted in the near-term as a result of these conditions, including collectability of receivables. The ultimate impact of the pandemic on the Organization's results of operations, financial position, and liquidity or capital resources cannot be reasonably estimated at this time.

SUPPLEMENTARY INFORMATION

**FLORIDA WEST COAST SYMPHONY, INC.
D/B/A SARASOTA ORCHESTRA AND AFFILIATES AND
FLORIDA WEST COAST SYMPHONY, INC. ENDOWMENT TRUST**

**COMBINING STATEMENT OF FINANCIAL POSITION
JULY 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JULY 31, 2020)**

ASSETS	Without Donor Restrictions			
	Undesignated	Board Designated	Auxiliaries	Total without Donor Restrictions
Cash	\$ 3,701,576	\$ 517,060	\$ 56,605	\$ 4,275,241
Grants receivable	15,000	-	-	15,000
Promises to give	138,000	-	-	138,000
Assets held in charitable remainder trusts	-	-	-	-
Investments	121,745	2,739,881	-	2,861,626
Due from other funds	5,024	-	-	5,024
Prepaid expenses and other assets	95,269	-	-	95,269
Land lease value	-	-	-	-
Property and equipment	2,703,398	-	-	2,703,398
TOTAL ASSETS	\$ 6,780,012	\$ 3,256,941	\$ 56,605	\$ 10,093,558
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 62,269	\$ -	\$ -	\$ 62,269
Accrued expenses	485,226	-	-	485,226
Due to other funds	-	-	-	-
Deferred ticket revenue	1,696,780	-	-	1,696,780
Notes payable	-	-	-	-
TOTAL LIABILITIES	\$ 2,244,275	\$ -	\$ -	\$ 2,244,275
NET ASSETS				
Undesignated	\$ 4,535,737	\$ -	\$ 56,605	\$ 4,592,342
Designated by the Board for future projects	-	3,256,941	-	3,256,941
Time or purpose	-	-	-	-
Perpetual	-	-	-	-
TOTAL NET ASSETS	4,535,737	3,256,941	56,605	7,849,283
TOTAL LIABILITIES AND NET ASSETS	\$ 6,780,012	\$ 3,256,941	\$ 56,605	\$ 10,093,558

With Donor Restrictions				
Time or Purpose	Perpetual	Total with Donor Restrictions	Total	Total 2020
\$ 3,170,121	\$ -	\$ 3,170,121	\$ 7,445,362	\$ 2,684,812
-	-	-	15,000	2,003
23,000	-	23,000	161,000	91,000
215,585	-	215,585	215,585	571,296
28,920,252	26,976,512	55,896,764	58,758,390	35,685,636
-	-	-	5,024	-
12,846	-	12,846	108,115	151,127
268,698	-	268,698	268,698	272,316
-	-	-	2,703,398	3,270,225
<u>\$ 32,610,502</u>	<u>\$ 26,976,512</u>	<u>\$ 59,587,014</u>	<u>\$ 69,680,572</u>	<u>\$ 42,728,415</u>
\$ -	\$ -	\$ -	\$ 62,269	\$ 29,761
-	-	-	485,226	238,808
5,024	-	5,024	5,024	-
-	-	-	1,696,780	1,465,332
-	-	-	-	1,255,092
<u>\$ 5,024</u>	<u>\$ -</u>	<u>\$ 5,024</u>	<u>\$ 2,249,299</u>	<u>\$ 2,988,993</u>
\$ -	\$ -	\$ -	\$ 4,592,342	\$ 2,603,905
-	-	-	3,256,941	1,980,492
32,605,478	-	32,605,478	32,605,478	10,453,250
-	26,976,512	26,976,512	26,976,512	24,701,775
<u>32,605,478</u>	<u>26,976,512</u>	<u>59,581,990</u>	<u>67,431,273</u>	<u>39,739,422</u>
<u>\$ 32,610,502</u>	<u>\$ 26,976,512</u>	<u>\$ 59,587,014</u>	<u>\$ 69,680,572</u>	<u>\$ 42,728,415</u>

**FLORIDA WEST COAST SYMPHONY, INC.
D/B/A SARASOTA ORCHESTRA AND AFFILIATES AND
FLORIDA WEST COAST SYMPHONY, INC. ENDOWMENT TRUST**

**COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JULY 31, 2020)**

	Without Donor Restrictions			Total without Donor Restrictions
	Undesignated	Board Designated	Auxiliaries	
Support, revenue and releases				
Orchestra and chamber orchestras/ensembles	\$ 126,593	\$ -	\$ -	\$ 126,593
Contributions	4,597,674	383,787	315	4,981,776
Fundraising projects	246,500	-	18,279	264,779
Grants, federal, state and local	2,724,124	-	-	2,724,124
Music festival	18,417	-	-	18,417
Contract revenue	5,000	-	-	5,000
Music education programs	38,638	-	-	38,638
Rental income	550	-	-	550
Investment income	119,070	1,432	-	120,502
Other	90,216	12,778	8	103,002
Net assets released from restrictions	1,210,566	-	-	1,210,566
Total support and revenue	<u>9,177,348</u>	<u>397,997</u>	<u>18,602</u>	<u>9,593,947</u>
Functional expenses				
Program services				
Orchestra and chamber orchestras/ensembles	4,707,503	-	-	4,707,503
Music festival	458,694	-	-	458,694
Music education programs	586,646	-	-	586,646
Supporting services				
General and administrative	704,823	-	-	704,823
Fundraising	993,665	-	18,631	1,012,296
Other	19,586	-	-	19,586
Total functional expenses	<u>7,470,917</u>	<u>-</u>	<u>18,631</u>	<u>7,489,548</u>
Increase (decrease) in net assets before other changes in net assets	<u>1,706,431</u>	<u>397,997</u>	<u>(29)</u>	<u>2,104,399</u>
Other changes in net assets				
Change in value of split interest agreements	-	-	-	-
Transfers	282,035	878,452	-	1,160,487
Total other changes in net assets	<u>282,035</u>	<u>878,452</u>	<u>-</u>	<u>1,160,487</u>
Change in net assets	1,988,466	1,276,449	(29)	3,264,886
Net assets, beginning of year	<u>2,547,271</u>	<u>1,980,492</u>	<u>56,634</u>	<u>4,584,397</u>
Net assets, end of year	<u>\$ 4,535,737</u>	<u>\$ 3,256,941</u>	<u>\$ 56,605</u>	<u>\$ 7,849,283</u>

With Donor Restrictions				
Time or Purpose	Perpetual	Total with Donor Restrictions	Total	Total 2020
\$ -	\$ -	\$ -	\$ 126,593	\$ 2,345,019
16,745,449	2,274,737	19,020,186	24,001,962	8,468,128
-	-	-	264,779	588,225
25,000	-	25,000	2,749,124	592,406
-	-	-	18,417	43,015
-	-	-	5,000	234,697
-	-	-	38,638	95,702
-	-	-	550	9,953
7,672,359	-	7,672,359	7,792,861	1,506,045
-	-	-	103,002	103,711
(1,210,566)	-	(1,210,566)	-	-
<u>23,232,242</u>	<u>2,274,737</u>	<u>25,506,979</u>	<u>35,100,926</u>	<u>13,986,901</u>
-	-	-	4,707,503	6,899,796
-	-	-	458,694	375,776
-	-	-	586,646	821,528
-	-	-	704,823	592,251
-	-	-	1,012,296	1,279,161
-	-	-	19,586	26,118
-	-	-	<u>7,489,548</u>	<u>9,994,630</u>
<u>23,232,242</u>	<u>2,274,737</u>	<u>25,506,979</u>	<u>27,611,378</u>	<u>3,992,271</u>
80,473	-	80,473	80,473	(45,153)
(1,160,487)	-	(1,160,487)	-	-
<u>(1,080,014)</u>	<u>-</u>	<u>(1,080,014)</u>	<u>80,473</u>	<u>(45,153)</u>
22,152,228	2,274,737	24,426,965	27,691,851	3,947,118
<u>10,453,250</u>	<u>24,701,775</u>	<u>35,155,025</u>	<u>39,739,422</u>	<u>35,792,304</u>
<u>\$ 32,605,478</u>	<u>\$ 26,976,512</u>	<u>\$ 59,581,990</u>	<u>\$ 67,431,273</u>	<u>\$ 39,739,422</u>