

**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, 2019

**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, 2019**

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 - 22
SUPPLEMENTARY INFORMATION	
Combining Statement of Financial Position	23
Combining Statement of Activities	24



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, 2019, 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, 2019, 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 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 2018 financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated December 6, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2018, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Bradenton, Florida
December 5, 2019

Mauldin & Jenkins, LLC

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

**COMBINED STATEMENT OF FINANCIAL POSITION
JULY 31, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JULY 31, 2018)**

ASSETS	Without Donor Restrictions	With Donor Restrictions	Total	Total 2018
Cash	\$ (98,207)	\$ 756,242	\$ 658,035	\$ 595,146
Accounts receivable	-	-	-	1,760,241
Grants receivable	-	20,000	20,000	44,965
Promises to give	109,740	149,000	258,740	141,800
Assets held in charitable remainder trusts	-	616,449	616,449	1,031,437
Investments	2,060,092	30,705,858	32,765,950	29,428,315
Due from other funds	10,292	-	10,292	41,568
Prepaid expenses and other assets	166,017	12,848	178,865	151,385
Land lease value	-	275,934	275,934	279,552
Property and equipment	3,345,953	-	3,345,953	3,327,597
TOTAL ASSETS	\$ 5,593,887	\$ 32,536,331	\$ 38,130,218	\$ 36,802,006
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 14,238	\$ -	\$ 14,238	\$ 36,363
Accrued expenses	388,491	-	388,491	319,367
Due to other funds	-	10,292	10,292	41,568
Deferred ticket revenue	1,871,138	-	1,871,138	1,768,961
Mortgage payable	53,755	-	53,755	90,609
TOTAL LIABILITIES	2,327,622	10,292	2,337,914	2,256,868
NET ASSETS				
Without donor restrictions				
Undesignated	1,367,883	-	1,367,883	1,823,597
Designated by the board for future projects	1,898,382	-	1,898,382	1,936,299
With donor restrictions				
Time or purpose	-	7,832,315	7,832,315	7,139,180
Perpetual	-	24,693,724	24,693,724	23,646,062
TOTAL NET ASSETS	3,266,265	32,526,039	35,792,304	34,545,138
TOTAL LIABILITIES AND NET ASSETS	\$ 5,593,887	\$ 32,536,331	\$ 38,130,218	\$ 36,802,006

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, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JULY 31, 2018)**

	Without Donor Restrictions	With Donor Restrictions	Total	Total 2018
Support, revenue and releases				
Orchestra and chamber orchestras/ensembles	\$ 3,067,461	\$ -	\$ 3,067,461	\$ 3,024,955
Contributions	3,079,487	2,602,405	5,681,892	3,565,987
Fundraising projects	689,105	-	689,105	648,107
Grants, state and local	263,476	425,000	688,476	603,554
Music festival	297,513	-	297,513	282,333
Contract revenue	368,369	-	368,369	408,395
Music education programs	177,256	-	177,256	153,944
Rental income	14,741	-	14,741	13,773
Investment income	111,904	1,181,634	1,293,538	2,630,996
Other	145,726	-	145,726	97,621
Net assets released from restrictions	1,093,618	(1,093,618)	-	-
Total support and revenue	<u>9,308,656</u>	<u>3,115,421</u>	<u>12,424,077</u>	<u>11,429,665</u>
Functional expenses				
Program services				
Orchestra and chamber orchestras/ensembles	7,324,759	-	7,324,759	6,999,258
Music festival	882,073	-	882,073	808,385
Music education programs	865,801	-	865,801	735,838
Supporting services				
General and administrative	649,226	-	649,226	747,550
Fundraising	1,237,081	-	1,237,081	979,765
Other	219,664	-	219,664	54,118
Total functional expenses	<u>11,178,603</u>	<u>-</u>	<u>11,178,603</u>	<u>10,324,914</u>
Increase (decrease) in net assets before other changes in net assets	<u>(1,869,947)</u>	<u>3,115,421</u>	<u>1,245,474</u>	<u>1,104,751</u>
Other changes in net assets				
Change in value of split interest agreements	-	1,692	1,692	52,834
Transfers	1,376,316	(1,376,316)	-	-
Total other changes in net assets	<u>1,376,316</u>	<u>(1,374,624)</u>	<u>1,692</u>	<u>52,834</u>
Change in net assets	(493,631)	1,740,797	1,247,166	1,157,585
Net assets, beginning of year	<u>3,759,896</u>	<u>30,785,242</u>	<u>34,545,138</u>	<u>33,387,553</u>
Net assets, end of year	<u>\$ 3,266,265</u>	<u>\$ 32,526,039</u>	<u>\$ 35,792,304</u>	<u>\$ 34,545,138</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, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JULY 31, 2018)**

	Orchestra and Chamber Orchestras/ Ensembles	Music Festival	Music Education Programs	Total Program Services
Artistic personnel				
Artistic personnel salaries	\$ 2,146,427	\$ 75,000	\$ 47,591	\$ 2,269,019
Per service musicians	615,456	9,281	28,987	653,724
Soloists	568,839	-	15,268	584,107
Employee benefits	381,522	12,686	9,269	403,476
Coaches/faculty/honorariums	-	98,679	135,918	234,597
Artistic payroll taxes	245,140	2,186	23,406	270,733
Total artistic personnel	<u>3,957,384</u>	<u>197,832</u>	<u>260,440</u>	<u>4,415,656</u>
Production				
Salaries	363,228	88,749	70,025	522,001
Payroll taxes	29,567	7,224	5,700	42,492
Employee benefits	60,969	14,897	11,754	87,620
Hall rental	552,382	31,373	43,064	626,819
Music purchase and instrumental rental	94,082	10,760	13,538	118,380
Stage hands	55,956	9,557	8,092	73,605
Transport and transportation	5,704	11,654	25,082	42,440
Other production expenses	378,908	5,227	15,542	399,677
Faculty housing and travel	-	63,945	-	63,945
Student housing and meals	-	94,048	-	94,048
Licensing fees	49,964	2,093	-	52,057
Total production	<u>1,590,760</u>	<u>339,527</u>	<u>192,797</u>	<u>2,123,084</u>
General				
Salaries	468,659	143,898	215,354	827,911
Payroll taxes	38,013	11,672	17,468	67,153
Employee benefits	78,666	24,154	36,148	138,968
Printing	95,835	16,411	10,992	123,237
Office	4,278	1,314	1,966	7,558
Postage	66,769	6,027	2,762	75,558
Telephone	12,996	753	860	14,609
Professional services	74,399	6,601	5,843	86,843
Travel and meetings	67,281	2,601	124	70,007
Miscellaneous	37,324	10,144	8,128	55,597
Occupancy	181,782	16,031	18,309	216,122
Depreciation	187,242	16,513	18,859	222,613
Scholarships	-	-	29,998	29,998
Dues and subscriptions	250	250	-	500
Information technology	51,829	-	-	51,829
Credit card expense	82,956	-	-	82,956
Advertising and promotion	264,970	52,898	8,971	326,839
Interest	2,972	-	-	2,972
General fundraising	-	-	-	-
Amortization of land lease receivable	-	-	-	-
Pledges receivable paid by other revenue sources	-	-	-	-
Write-off uncollectible receivables	-	-	-	-
Total general	<u>1,716,222</u>	<u>309,267</u>	<u>375,781</u>	<u>2,401,270</u>
Total operating expenses	<u>7,264,366</u>	<u>846,626</u>	<u>829,017</u>	<u>8,940,010</u>
Music Center Planning/Campaign				
Salaries	30,737	29,620	30,737	91,095
Payroll taxes	2,082	2,006	2,082	6,170
Employee benefits	3,964	3,820	3,964	11,747
Printing	883	-	-	883
Professional services	17,288	-	-	17,288
Travel and meetings	4,197	-	-	4,197
Miscellaneous	1,242	-	-	1,242
Total Music Center Planning/Campaign	<u>60,392</u>	<u>35,446</u>	<u>36,783</u>	<u>132,622</u>
Auxiliaries				
Fundraising expense	-	-	-	-
Total auxiliaries	-	-	-	-
Total expenses	<u>\$ 7,324,759</u>	<u>\$ 882,073</u>	<u>\$ 865,801</u>	<u>\$ 9,072,632</u>

See Notes to Financial Statements.

General and Administrative	Fundraising	Other	Total Supporting Services	Total Expenses	Total 2018
\$ -	\$ 11,390	\$ -	\$ 11,390	\$ 2,280,408	\$ 2,367,728
1,042	3,067	-	4,109	657,833	599,661
-	1,720	-	1,720	585,827	431,644
55	2,014	-	2,069	405,545	385,724
-	-	-	-	234,597	218,235
120	1,283	-	1,403	272,136	286,009
1,217	19,473	-	20,691	4,436,347	4,289,001
63,212	7,072	-	70,284	592,285	476,989
5,146	576	-	5,721	48,213	43,044
10,610	1,187	-	11,797	99,417	78,465
-	-	-	-	626,819	605,195
-	-	-	-	118,380	141,162
-	-	-	-	73,605	74,403
-	-	-	-	42,440	40,462
893	4,831	-	5,725	405,402	289,653
-	-	-	-	63,945	66,754
-	-	-	-	94,048	92,040
-	-	-	-	52,057	52,835
79,861	13,666	-	93,527	2,216,611	1,961,002
275,512	419,926	-	695,438	1,523,349	1,577,149
22,347	34,061	-	56,408	123,560	124,444
46,246	70,486	-	116,732	255,700	259,440
1,958	39,315	-	41,273	164,511	159,466
4,271	3,833	-	8,104	15,662	18,668
192	12,215	-	12,407	87,965	78,798
807	1,049	-	1,857	16,466	15,301
22,099	15,263	-	37,362	124,205	143,122
1,525	-	-	1,525	71,532	78,986
55,715	4,003	-	59,719	115,316	94,634
17,186	22,330	-	39,516	255,638	261,465
17,702	23,001	-	40,703	263,316	256,620
1,000	-	-	1,000	30,998	65,706
15,864	-	-	15,864	16,364	16,957
68,621	139	-	68,761	120,590	125,123
-	8,647	-	8,647	91,603	86,223
-	-	-	-	326,839	338,754
-	-	-	-	2,972	4,441
17,101	221,456	-	238,558	238,558	202,271
-	-	3,618	3,618	3,618	3,618
-	-	4,600	4,600	4,600	50,500
-	-	211,446	211,446	211,446	-
568,147	875,725	219,664	1,663,536	4,064,806	3,961,686
649,226	908,865	219,664	1,777,754	10,717,764	10,211,689
-	194,789	-	194,789	285,883	-
-	13,194	-	13,194	19,364	-
-	25,119	-	25,119	36,867	-
-	257	-	257	1,141	-
-	1,262	-	1,262	18,550	-
-	3,569	-	3,569	7,765	-
-	-	-	-	1,242	-
-	238,190	-	238,190	370,811	-
-	90,027	-	90,027	90,027	113,225
-	90,027	-	90,027	90,027	113,225
\$ 649,226	\$ 1,237,081	\$ 219,664	\$ 2,105,971	\$ 11,178,603	\$ 10,324,914

**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, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JULY 31, 2018)**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 1,247,166	\$ 1,157,585
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	266,934	260,238
Realized and unrealized gain on investments	(632,274)	(1,918,600)
Change in value of split interest agreements	414,988	(39,877)
Pledges receivable paid by other revenue sources	4,600	50,500
Bad debt	211,446	-
Contributions restricted for endowment	(1,037,768)	(247,400)
Gain on disposal of property and equipment	-	(25,081)
(Increase) decrease in operating assets:		
Grants receivable	24,965	28,431
Accounts receivable	1,548,795	(2,058)
Promises to give	(121,540)	22,875
Prepaid expenses and other assets	(27,480)	(4,139)
Increase (decrease) in operating liabilities:		
Accounts payable	(22,125)	22,504
Deferred ticket revenue	102,177	(72,605)
Annuities payable	-	(17,194)
Accrued expenses	69,124	36,142
Net cash provided by (used in) operating activities	2,049,009	(748,679)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(281,672)	(634,381)
Proceeds from the disposal of property and equipment	-	28,000
Proceeds from the sale of investments	5,015,611	10,376,376
Purchase of investments	(7,720,972)	(9,449,848)
Net cash provided by (used in) investing activities	(2,987,033)	320,147
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on mortgage payable	(36,854)	(35,386)
Proceeds from contributions restricted for endowment	1,037,768	247,400
Net cash provided by financing activities	1,000,914	212,014
Net increase (decrease) in cash	62,889	(216,518)
Cash, beginning of year	595,146	811,664
Cash, end of year	\$ 658,035	\$ 595,146
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest	\$ 2,972	\$ 4,441

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, 2019**

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, 2019, was \$1,876,715, consisting of \$1,800,000 of corpus and \$76,715 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, 2019

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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, 2019, 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, 2019

**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 \$1,898,382 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.

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, 2019

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.

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 return/(loss) 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, 2019

**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, 2019, 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, 2019, advertising costs totaled \$326,839.

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, 2019

**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 totaled \$1,692 for the year ended July 31, 2019.

Summarized Financial Information for 2018

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, 2018, from which the summarized information was derived.

Subsequent Events

The Organization has evaluated subsequent events through December 5, 2019, the date which the financial statements were available to be issued.

**NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2019**

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 Organization's endowment investment policy employs the following principals: preservation of capital, risk aversion, adherence to investment discipline, and maintenance of sufficient liquidity to meet its cash needs.

The following tables reflect the Organization's total financial assets as of July 31, 2019, 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 and cash equivalents	\$ 658,035
Accounts and grants receivable	20,000
Promises to give	258,740
Investments	32,765,950
Total financial assets at year-end	<u>\$ 33,702,725</u>

Financial assets available to meet operating expenditures over the next 12 months	
Cash and equivalents	\$ 598,299
Accounts and grants receivable	20,000
Contributions for operating expenditure due in one year or less	253,740
Payout on donor-restricted endowments for use over next 12 months	1,454,329
Investments not encumbered by donor or board restrictions	220,830
Financial assets available to meet operating expenditures	<u>\$ 2,547,198</u>

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at July 31, 2019:

Building and improvements	\$ 4,583,516
Vehicles	65,072
Furniture and equipment	555,701
Instruments and electronic equipment	405,621
Non-depreciable assets	810,751
Construction in progress	711,561
	<u>7,132,222</u>
Less accumulated depreciation	<u>(3,786,269)</u>
	<u>\$ 3,345,953</u>

**NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2019**

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 new 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 \$275,934 will be recognized as land lease expense over the term of the lease. Amortization expense for the year ended July 31, 2019, 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.

NOTE 5. INVESTMENTS

Investments at July 31, 2019, consist of the following:

	<u>Cost</u>	<u>Market</u>	<u>Accumulated Unrealized Gain</u>
Cash, CDs and money market funds	\$ 2,478,142	\$ 2,478,142	\$ -
Mutual funds	17,343,302	19,600,300	2,256,998
Common and preferred stock	631,448	931,140	299,692
Corporate bonds and bond funds	7,503,036	7,645,915	142,879
Government obligations	518,616	539,941	21,325
Real estate investment trust (REIT) and other investments	1,376,130	1,570,512	194,382
	<u>\$ 29,850,674</u>	<u>\$ 32,765,950</u>	<u>\$ 2,915,276</u>

Investment income for the year ended July 31, 2019, consists of the following:

Interest and dividends	\$ 762,820
Unrealized and realized gains	632,274
Investment fees	<u>(101,556)</u>
	<u>\$ 1,293,538</u>

NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2019

NOTE 6. MORTGAGE 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. As of July 31, 2019, the unpaid balance was \$53,755, and total interest expensed for the year ended July 31, 2019, was \$2,972.

Aggregate maturities on the mortgage payable at July 31, 2019, are as follows:

2020	\$	38,390
2021		15,365
		<u>53,755</u>
		<u>\$ 53,755</u>

NOTE 7. OPERATING LEASES

The organization entered into various lease agreements during the year for office equipment. Total lease expense for the year ended July 31, 2019, was \$30,234. The future minimum lease payments are as follows:

Year ending July 31:		
2020	\$	6,396
2021		6,396
2022		6,396
2023		6,202
2024		2,373
Total future minimum lease payments		<u>\$ 27,763</u>

**NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2019**

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS

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

Future building project	\$ 558,404
Land lease asset	275,934
Charitable remainder trusts	348,066
Endowments	4,930,241
Time restrictions and other	1,719,670
	<u>7,832,315</u>
	<u>\$ 7,832,315</u>

Net assets perpetual in nature at July 31, 2019, consist of the following:

Endowment trust	
Orchestra endowment	\$ 22,192,575
Music festival endowment	701,149
The Orchestra	
Florida cultural endowment	1,800,000
	<u>24,693,724</u>
	<u>\$ 24,693,724</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, 2019:

Time restriction and other	\$ 818,861
Future building project	271,139
Land lease asset	3,618
	<u>1,093,618</u>
	<u>\$ 1,093,618</u>

In addition, during the year ended July 31, 2019, \$1,376,316 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.

NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2019

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, commodities 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.

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

NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2019

NOTE 9. FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents the Organization's financial instruments measured at fair value on a recurring basis at July 31, 2019:

	Level 1	Level 2	Level 3	Total
Cash, CDs and money market funds	\$ 2,478,142	\$ -	\$ -	\$ 2,478,142
Equity mutual funds	19,600,300	-	-	19,600,300
Common and preferred stock	931,140	-	-	931,140
Corporate bonds and bond funds	7,645,915	-	-	7,645,915
Government bonds and notes	539,941	-	-	539,941
Commodities	-	-	-	-
Real estate investment trust	-	-	1,570,512	1,570,512
	<u>28,717,296</u>	<u>-</u>	<u>1,570,512</u>	<u>30,287,808</u>
Assets held in charitable remainder trusts	-	616,449	-	616,449
Total assets at fair value	<u>\$ 31,195,438</u>	<u>\$ 616,449</u>	<u>\$ 1,570,512</u>	<u>\$ 33,382,399</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, 2019:

	Real Estate Investment Trust
Balance August 1, 2018	\$ 1,504,585
Unrealized gain on investment	65,927
Balance July 31, 2019	<u>\$ 1,570,512</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 \$105,851 in printing services received from a business owned by a board member's family, and \$35,281 for legal services received from a firm that a board member represents for the year ended July 31, 2019.

NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2019

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, three 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, 2019, was \$50,600 and is included with investments on the combined statement of financial position. As of July 31, 2019, \$50,600 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, 2019, totaled \$83,784.

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, 2019, totaled \$100,975.

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 permanently restricted net assets, is to be classified as temporarily restricted net assets until it is appropriated for expenditure.

As a result of this interpretation, the Organization classifies as permanently restricted net assets: (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.

**NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2019**

NOTE 13. ENDOWMENTS (CONTINUED)

Endowment net asset composition by type of fund as of July 31, 2019, 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	\$ -	\$ 4,930,241	\$ 24,693,724	\$ 29,623,965

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, 2019.

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, 2019

NOTE 13. ENDOWMENTS (CONTINUED)

Changes in endowment net assets for the year ended July 31, 2019, 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 Time and Purpose	Perpetual	Total
ASSETS				
Promises to give	\$ -	\$ -	\$ 5,000	\$ 5,000
Prepaid expenses and other assets	-	12,848	-	12,848
Assets held in charitable remainder trusts	-	-	268,383	268,383
Investments	-	4,840,678	22,620,341	27,461,019
	<u>\$ -</u>	<u>\$ 4,853,526</u>	<u>\$ 22,893,724</u>	<u>\$ 27,747,250</u>
NET ASSETS				
Net assets without donor restrictions, time and purpose	\$ -	\$ 4,853,525	\$ -	\$ 4,853,525
Net assets without donor restrictions, perpetual	-	-	22,893,724	22,893,724
	<u>-</u>	<u>4,853,525</u>	<u>22,893,724</u>	<u>27,747,249</u>
	<u>\$ -</u>	<u>\$ 4,853,525</u>	<u>\$ 22,893,724</u>	<u>\$ 27,747,249</u>
REVENUE AND SUPPORT				
Contributions	\$ -	\$ -	\$ 1,037,768	\$ 1,037,768
Interest and dividends	-	627,468	-	627,468
Net realized and unrealized gains	-	543,700	-	543,700
	<u>-</u>	<u>1,171,168</u>	<u>1,037,768</u>	<u>2,208,936</u>
EXPENSES				
Investment fees	-	90,414	-	90,414
	<u>-</u>	<u>90,414</u>	<u>-</u>	<u>90,414</u>
Increase in net assets before other changes in net assets	<u>-</u>	<u>1,080,754</u>	<u>1,037,768</u>	<u>2,118,522</u>
OTHER CHANGES IN NET ASSETS				
Change in value of split interest agreements	-	-	9,894	9,894
Transfers	-	(1,301,233)	-	(1,301,233)
Transfers relating to interfund investment activity	-	-	-	-
	<u>-</u>	<u>(1,301,233)</u>	<u>9,894</u>	<u>(1,291,339)</u>
Increase (decrease) in net assets	<u>-</u>	<u>(220,479)</u>	<u>1,047,662</u>	<u>827,183</u>
Net assets, beginning of year	<u>-</u>	<u>5,074,004</u>	<u>21,846,062</u>	<u>26,920,066</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ 4,853,525</u>	<u>\$ 22,893,724</u>	<u>\$ 27,747,249</u>

NOTES TO COMBINED FINANCIAL STATEMENTS
JULY 31, 2019

NOTE 13. ENDOWMENTS (CONTINUED)

	Florida Cultural Endowment				Total Endowment
	Net Assets Without Donor Restrictions	Net Assets with Donor Restrictions Time and Purpose	Perpetual	Total	
ASSETS					
Promises to give	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Prepaid expenses and other assets	-	-	-	-	12,848
Assets held in charitable remainder trusts	-	-	-	-	268,383
Investments	-	76,715	1,800,000	1,876,715	29,337,734
	<u>\$ -</u>	<u>\$ 76,715</u>	<u>\$ 1,800,000</u>	<u>\$ 1,876,715</u>	<u>\$ 29,623,965</u>
NET ASSETS					
Net assets without donor restrictions, time and purpose	\$ -	\$ 76,716	\$ -	\$ 76,716	4,930,241
Net assets without donor restrictions, perpetual	-	-	1,800,000	1,800,000	24,693,724
	<u>-</u>	<u>76,716</u>	<u>1,800,000</u>	<u>1,876,716</u>	<u>29,623,965</u>
	<u>\$ -</u>	<u>\$ 76,716</u>	<u>\$ 1,800,000</u>	<u>\$ 1,876,716</u>	<u>\$ 29,623,965</u>

	Florida Cultural Endowment				Total Endowment
	Net Assets Without Donor Restrictions	Net Assets with Donor Restrictions Time and Purpose	Perpetual	Total	
REVENUE AND SUPPORT					
Contributions	\$ -	\$ -	\$ -	\$ -	\$ 1,037,768
Interest and dividends	-	76,196	-	76,196	703,664
Net realized and unrealized gains	-	24,686	-	24,686	568,386
	<u>-</u>	<u>100,882</u>	<u>-</u>	<u>100,882</u>	<u>2,309,818</u>
EXPENSES					
Investment fees	-	-	-	-	90,414
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,414</u>
Increase in net assets before other changes in net assets	<u>-</u>	<u>100,882</u>	<u>-</u>	<u>100,882</u>	<u>2,219,404</u>
OTHER CHANGES IN NET ASSETS					
Change in value of split interest agreements	-	-	-	-	9,894
Transfers	-	(75,082)	-	(75,082)	(1,376,315)
Transfers relating to interfund investment activity	-	-	-	-	-
	<u>-</u>	<u>(75,082)</u>	<u>-</u>	<u>(75,082)</u>	<u>(1,366,421)</u>
Increase (decrease) in net assets	<u>-</u>	<u>25,800</u>	<u>-</u>	<u>25,800</u>	<u>852,983</u>
Net assets, beginning of year	<u>-</u>	<u>50,916</u>	<u>1,800,000</u>	<u>1,850,916</u>	<u>28,770,982</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ 76,716</u>	<u>\$ 1,800,000</u>	<u>\$ 1,876,716</u>	<u>\$ 29,623,965</u>

NOTE 14. RECENTLY ISSUED ACCOUNTING STANDARDS

In May 2014, FASB issued Accounting Standards Update 2014-09 (ASU 2014-09), *Revenue from Contracts with Customers*. The amendments in this update require changes to the way not-for-profit entities record revenue.

ASU 2014-09 is effective for annual financial statements issued for fiscal years beginning after December 15, 2018. Management is currently evaluating the effects of ASU 2014-09.

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, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JULY 31, 2018)**

ASSETS	Without donor restrictions			Total without Donor Restrictions
	Undesignated	Board Designated	Auxiliaries	
Cash	\$ (217,063)	\$ 59,120	\$ 59,736	\$ (98,207)
Accounts receivable	-	-	-	-
Grants receivable	-	-	-	-
Promises to give	109,740	-	-	109,740
Assets held in charitable remainder trusts	-	-	-	-
Investments	220,830	1,839,262	-	2,060,092
Due from other funds	10,292	-	-	10,292
Prepaid expenses and other assets	166,017	-	-	166,017
Land lease value	-	-	-	-
Property and equipment	3,345,953	-	-	3,345,953
TOTAL ASSETS	\$ 3,635,769	\$ 1,898,382	\$ 59,736	\$ 5,593,887
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 14,238	\$ -	\$ -	\$ 14,238
Accrued expenses	388,491	-	-	388,491
Due to other funds	-	-	-	-
Deferred ticket revenue	1,871,138	-	-	1,871,138
Mortgage payable	53,755	-	-	53,755
TOTAL LIABILITIES	\$ 2,327,622	\$ -	\$ -	\$ 2,327,622
NET ASSETS				
Undesignated	\$ 1,308,147	\$ -	\$ 59,736	\$ 1,367,883
Designated by the Board for future projects	-	1,898,382	-	1,898,382
Time or purpose	-	-	-	-
Perpetual	-	-	-	-
TOTAL NET ASSETS	1,308,147	1,898,382	59,736	3,266,265
TOTAL LIABILITIES AND NET ASSETS	\$ 3,635,769	\$ 1,898,382	\$ 59,736	\$ 5,593,887

See Notes to Combined Financial Statements.

Time or purpose	With donor restrictions		Total	Total 2018
	Perpetual	Total with Donor Restrictions		
\$ 756,242	\$ -	\$ 756,242	\$ 658,035	\$ 595,146
-	-	-	-	1,760,241
20,000	-	20,000	20,000	44,965
144,000	5,000	149,000	258,740	141,800
348,066	268,383	616,449	616,449	1,031,437
6,285,517	24,420,341	30,705,858	32,765,950	29,428,315
-	-	-	10,292	41,568
12,848	-	12,848	178,865	151,385
275,934	-	275,934	275,934	279,552
-	-	-	3,345,953	3,327,597
<u>\$ 7,842,607</u>	<u>\$ 24,693,724</u>	<u>\$ 32,536,331</u>	<u>\$ 38,130,218</u>	<u>\$ 36,802,006</u>
\$ -	\$ -	\$ -	\$ 14,238	\$ 36,363
-	-	-	388,491	319,367
10,292	-	10,292	10,292	41,568
-	-	-	1,871,138	1,768,961
-	-	-	53,755	90,609
<u>\$ 10,292</u>	<u>\$ -</u>	<u>\$ 10,292</u>	<u>\$ 2,337,914</u>	<u>\$ 2,256,868</u>
\$ -	\$ -	\$ -	\$ 1,367,883	\$ 1,823,597
-	-	-	1,898,382	1,936,299
7,832,315	-	7,832,315	7,832,315	7,139,180
-	24,693,724	24,693,724	24,693,724	23,646,062
<u>7,832,315</u>	<u>24,693,724</u>	<u>32,526,039</u>	<u>35,792,304</u>	<u>34,545,138</u>
<u>\$ 7,842,607</u>	<u>\$ 24,693,724</u>	<u>\$ 32,536,331</u>	<u>\$ 38,130,218</u>	<u>\$ 36,802,006</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, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JULY 31, 2018)**

	Undesignated	Without donor restrictions		Total without Donor Restrictions
		Board Designated	Auxiliaries	
Support, revenue and releases				
Orchestra and chamber orchestras/ensembles	\$ 3,067,461	\$ -	\$ -	\$ 3,067,461
Contributions	2,954,491	105,766	19,230	3,079,487
Fundraising projects	542,260	-	146,845	689,105
Grants, state and local	263,476	-	-	263,476
Music festival	297,513	-	-	297,513
Contract revenue	368,369	-	-	368,369
Music education programs	177,256	-	-	177,256
Rental income	14,741	-	-	14,741
Investment income	103,119	8,785	-	111,904
Other	86,748	58,978	-	145,726
Net assets released from restrictions	1,093,618	-	-	1,093,618
Total support and revenue	<u>8,969,052</u>	<u>173,529</u>	<u>166,075</u>	<u>9,308,656</u>
Functional expenses				
Program services				
Orchestra and chamber orchestras/ensembles	7,324,759	-	-	7,324,759
Music festival	882,073	-	-	882,073
Music education programs	865,801	-	-	865,801
Supporting services				
General and administrative	649,226	-	-	649,226
Fundraising	1,147,054	-	90,027	1,237,081
Other	8,218	211,446	-	219,664
Total functional expenses	<u>10,877,130</u>	<u>211,446</u>	<u>90,027</u>	<u>11,178,603</u>
Increase (decrease) in net assets before other changes in net assets	<u>(1,908,078)</u>	<u>(37,917)</u>	<u>76,048</u>	<u>(1,869,947)</u>
Other changes in net assets				
Change in value of split interest agreements	-	-	-	-
Transfers	1,437,316	-	(61,000)	1,376,316
Total other changes in net assets	<u>1,437,316</u>	<u>-</u>	<u>(61,000)</u>	<u>1,376,316</u>
Change in net assets	(470,762)	(37,917)	15,048	(493,631)
Net assets, beginning of year	<u>1,778,909</u>	<u>1,936,299</u>	<u>44,688</u>	<u>3,759,896</u>
Net assets, end of year	<u>\$ 1,308,147</u>	<u>\$ 1,898,382</u>	<u>\$ 59,736</u>	<u>\$ 3,266,265</u>

See Notes to Combined Financial Statements.

Time or purpose	With donor restrictions		Total	Total 2018
	Perpetual	Total with Donor Restrictions		
\$ -	\$ -	\$ -	\$ 3,067,461	\$ 3,024,955
1,564,637	1,037,768	2,602,405	5,681,892	3,565,987
-	-	-	689,105	648,107
425,000	-	425,000	688,476	603,554
-	-	-	297,513	282,333
-	-	-	368,369	408,395
-	-	-	177,256	153,944
-	-	-	14,741	13,773
1,181,634	-	1,181,634	1,293,538	2,630,996
-	-	-	145,726	97,621
(1,093,618)	-	(1,093,618)	-	-
<u>2,077,653</u>	<u>1,037,768</u>	<u>3,115,421</u>	<u>12,424,077</u>	<u>11,429,665</u>
-	-	-	7,324,759	6,999,258
-	-	-	882,073	808,385
-	-	-	865,801	735,838
-	-	-	649,226	747,550
-	-	-	1,237,081	979,765
-	-	-	219,664	54,118
-	-	-	<u>11,178,603</u>	<u>10,324,914</u>
<u>2,077,653</u>	<u>1,037,768</u>	<u>3,115,421</u>	<u>1,245,474</u>	<u>1,104,751</u>
(8,202)	9,894	1,692	1,692	52,834
(1,376,316)	-	(1,376,316)	-	-
<u>(1,384,518)</u>	<u>9,894</u>	<u>(1,374,624)</u>	<u>1,692</u>	<u>52,834</u>
693,135	1,047,662	1,740,797	1,247,166	1,157,585
<u>7,139,180</u>	<u>23,646,062</u>	<u>30,785,242</u>	<u>34,545,138</u>	<u>33,387,553</u>
<u>\$ 7,832,315</u>	<u>\$ 24,693,724</u>	<u>\$ 32,526,039</u>	<u>\$ 35,792,304</u>	<u>\$ 34,545,138</u>