

**Sarasota Performing Arts Center  
Foundation, Inc.**

Financial Statements,  
Supplemental Information,  
Contract Compliance and  
Independent Auditor's Report  
June 30, 2023 and 2022

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## Independent Auditor's Report

The Board of Directors  
Sarasota Performing Arts Center Foundation, Inc.  
Sarasota, Florida

### Opinion

We have audited the financial statements of Sarasota Performing Arts Center Foundation (the Foundation), a non-profit organization, which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

### **Supplemental Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of State Financial Assistance, as required by the State of Florida Chapter 10.650, *Rules of the Auditor General*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 in the schedule of expenditures of state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

*Kukuing Barbunio & Co.*

Sarasota, Florida  
March 28, 2024

# Sarasota Performing Arts Center Foundation, Inc.

## Statements of Financial Position June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 708,185	\$ 2,216,698
Investments	15,400,593	14,672,158
Contributions receivable, net	359,084	28,333
Related party receivable	20,488	-
Prepaid expenses	42,748	80,760
Property and equipment, net	54,132	60,587
Total Assets	<u>\$ 16,585,230</u>	<u>\$ 17,058,536</u>
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 231,438	\$ 145,604
Accrued expenses	261,956	275,967
Deferred revenue	173,590	-
Total liabilities	<u>666,984</u>	<u>421,571</u>
Net Assets:		
Without donor restrictions	13,366,681	14,397,932
With donor restrictions	2,551,565	2,239,033
Total Net Assets	<u>15,918,246</u>	<u>16,636,965</u>
Total Liabilities and Net Assets	<u>\$ 16,585,230</u>	<u>\$ 17,058,536</u>

See accompanying notes to financial statements.

# Sarasota Performing Arts Center Foundation, Inc.

Statement of Activities  
Year Ended June 30, 2023  
(With Summarized Totals for 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>	<u>2022 Total</u>
Revenues, Gains and Other Support:				
Operating contributions	\$ 1,084,907	\$ 376,000	\$ 1,460,907	\$ 1,816,154
Capital campaign contributions and grants	-	1,337,723	1,337,723	1,080,000
Education contributions	-	50,000	50,000	-
In-kind contributions	201,628	-	201,628	157,692
Other grants	184,206	-	184,206	712,198
Interest and investment income	445,642	60,873	506,515	280,887
Realized and unrealized gain (loss), net of investment fees	282,266	151,964	434,230	(1,356,268)
Special events, net of special event expenses of \$486,491	865,812	-	865,812	408,505
Special events - In-kind contributions	17,008	-	17,008	35,000
Other income	1,273	-	1,273	307
Net assets released from restrictions	<u>1,664,028</u>	<u>(1,664,028)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>4,746,770</u>	<u>312,532</u>	<u>5,059,302</u>	<u>3,134,475</u>
Expenses:				
Program services	1,248,270	-	1,248,270	1,143,130
General and administrative	1,047,340	-	1,047,340	943,751
Fund-raising	765,382	-	765,382	1,044,682
Capital campaign	<u>2,717,029</u>	<u>-</u>	<u>2,717,029</u>	<u>782,029</u>
Total expenses	<u>5,778,021</u>	<u>-</u>	<u>5,778,021</u>	<u>3,913,592</u>
Change in net assets	(1,031,251)	312,532	(718,719)	(779,117)
Net assets, beginning of year	<u>14,397,932</u>	<u>2,239,033</u>	<u>16,636,965</u>	<u>17,416,082</u>
Net assets, end of year	<u>\$ 13,366,681</u>	<u>\$ 2,551,565</u>	<u>\$ 15,918,246</u>	<u>\$ 16,636,965</u>

See accompanying notes to financial statements.

# Sarasota Performing Arts Center Foundation, Inc.

Statement of Activities  
Year Ended June 30, 2022  
(With Summarized Totals for 2023)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>	<u>2023 Total</u>
Revenues, Gains and Other Support:				
Operating contributions	\$ 1,787,821	\$ 28,333	\$ 1,816,154	\$ 1,460,907
Capital campaign contributions and grants	-	1,080,000	1,080,000	1,337,723
Education contributions	-	-	-	50,000
In-kind contributions	157,692	-	157,692	201,628
Other grants	712,198	-	712,198	184,206
Interest and investment income	227,274	53,613	280,887	506,515
Realized and unrealized gain (loss), net of investment fees	(947,122)	(409,146)	(1,356,268)	434,230
Special events, net of special event expenses of \$590,001	408,505	-	408,505	865,812
Special events - In-kind contributions	35,000	-	35,000	17,008
Other income	307	-	307	1,273
Net assets released from restrictions	842,862	(842,862)	-	-
Total revenues, gains and other support	<u>3,224,537</u>	<u>(90,062)</u>	<u>3,134,475</u>	<u>5,059,302</u>
Expenses:				
Program services	1,143,130	-	1,143,130	1,248,270
General and administrative	943,751	-	943,751	1,047,340
Fund-raising	1,044,682	-	1,044,682	765,382
Capital campaign	782,029	-	782,029	2,717,029
Total expenses	<u>3,913,592</u>	<u>-</u>	<u>3,913,592</u>	<u>5,778,021</u>
Change in net assets	(689,055)	(90,062)	(779,117)	(718,719)
Net assets, beginning of year	15,086,987	2,329,095	17,416,082	16,636,965
Net assets, end of year	<u>\$ 14,397,932</u>	<u>\$ 2,239,033</u>	<u>\$ 16,636,965</u>	<u>\$ 15,918,246</u>

See accompanying notes to financial statements.

## Sarasota Performing Arts Center Foundation, Inc.

Statement of Functional Expenses

Year Ended June 30, 2023

(With Summarized Totals for 2022)

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fund Raising</u>	<u>Capital Campaign</u>	<u>2023 Total</u>	<u>2022 Total</u>
Grants to Van Wezel						
Performing Arts Hall	\$ 758,185	\$ -	\$ -	\$ -	\$ 758,185	\$ 707,557
Programs	104,405	-	6,715	10,337	121,457	27,797
Salaries and payroll taxes	273,862	339,734	445,144	859,512	1,918,252	1,403,271
Staff benefits	26,473	14,518	44,407	77,430	162,828	105,619
In-kind services	-	200,000	1,628	-	201,628	157,692
General fundraising	-	16,137	145,408	44,791	206,336	239,166
Marketing	45,525	-	12,750	42,025	100,300	114,859
Insurance expense	-	13,780	-	-	13,780	10,714
Printing	14,708	7,663	61,338	4,869	88,578	37,254
Professional services	8,188	107,480	11,084	1,554,511	1,681,263	838,190
Staff travel, meetings & professional development	3,218	148,986	4,473	117,800	274,477	108,830
Systems / computer maintenance	-	97,901	5,063	3,700	106,664	52,214
Telephone	-	8,953	-	-	8,953	8,655
General administrative overhead	12,928	90,632	14,144	2,054	119,758	89,436
Depreciation	778	1,556	13,228	-	15,562	12,338
Total Expenses	\$ <u>1,248,270</u>	\$ <u>1,047,340</u>	\$ <u>765,382</u>	\$ <u>2,717,029</u>	\$ <u>5,778,021</u>	\$ <u>3,913,592</u>

See accompanying notes to financial statements.



## Sarasota Performing Arts Center Foundation, Inc.

Statement of Functional Expenses

Year Ended June 30, 2022

(With Summarized Totals for 2023)

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fund Raising</u>	<u>Capital Campaign</u>	<u>2022 Total</u>	<u>2023 Total</u>
Grants to Van Wezel						
Performing Arts Hall	\$ 656,357	\$ 41,200	\$ 10,000	\$ -	\$ 707,557	\$ 758,185
Programs	20,797	-	7,000	-	27,797	121,457
Salaries and payroll taxes	373,892	395,758	633,621	-	1,403,271	1,918,252
Staff benefits	36,985	16,910	51,724	-	105,619	162,828
In-kind services	-	157,692	-	-	157,692	201,628
General fundraising	1,529	4,657	232,914	66	239,166	206,336
Marketing	36,787	-	36,950	41,122	114,859	100,300
Insurance expense	-	10,714	-	-	10,714	13,780
Printing	4,202	9,056	23,996	-	37,254	88,578
Professional services	3,131	75,723	26,950	732,386	838,190	1,681,263
Staff travel, meetings & professional development	3,758	91,939	4,730	8,403	108,830	274,477
Systems / computer maintenance	3,018	48,857	339	-	52,214	106,664
Telephone	-	8,655	-	-	8,655	8,953
General administrative overhead	2,057	81,356	5,971	52	89,436	119,758
Depreciation	617	1,234	10,487	-	12,338	15,562
<b>Total Expenses</b>	<b>\$ <u>1,143,130</u></b>	<b>\$ <u>943,751</u></b>	<b>\$ <u>1,044,682</u></b>	<b>\$ <u>782,029</u></b>	<b>\$ <u>3,913,592</u></b>	<b>\$ <u>5,778,021</u></b>

See accompanying notes to financial statements.

# Sarasota Performing Arts Center Foundation, Inc.

Statements of Cash Flows  
Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (718,719)	\$ (779,117)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	15,562	12,337
Realized and unrealized (gain) loss on investments	(485,382)	1,306,784
Change in operating assets:		
Contributions receivable	(330,751)	32,500
Related party receivable	(20,488)	-
Prepaid expenses	38,012	(29,276)
Change in operating liabilities:		
Accounts payable	85,834	(61,862)
Accrued expenses	(14,011)	143,622
Deferred revenue	173,590	(19,400)
Total adjustments	<u>(537,634)</u>	<u>1,384,705</u>
Net cash provided by (used in) operating activities	<u>(1,256,353)</u>	<u>605,588</u>
Cash Flows from Investing Activities:		
Purchase of equipment	(9,107)	(29,304)
Purchases of investments	(7,288,585)	(6,532,098)
Proceeds from sale of investments	<u>7,045,532</u>	<u>6,302,403</u>
Net cash used in investing activities	<u>(252,160)</u>	<u>(258,999)</u>
Net change in cash and cash equivalents	(1,508,513)	346,589
Cash and cash equivalents, beginning of year	<u>2,216,698</u>	<u>1,870,109</u>
Cash and cash equivalents, end of year	<u>\$ 708,185</u>	<u>\$ 2,216,698</u>

See accompanying notes to financial statements.

# Sarasota Performing Arts Center Foundation, Inc.

Notes to Financial Statements

June 30, 2023 and 2022

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## I. Organization

Sarasota Performing Arts Center Foundation, Inc. (the Foundation) is a not-for-profit organization formed under the laws of the State of Florida on May 5, 1987. On February 11, 2020, the Board of Directors approved an amendment to change the name of the organization from the Van Wezel Foundation to Sarasota Performing Arts Center Foundation, Inc. The Foundation's philanthropic purpose has deep roots in the rich cultural history of Sarasota. In 1987, the Foundation entered a cultural partnership with the Van Wezel Performing Arts Hall through its owner, the City of Sarasota. The Hall has served as a beloved performing arts center for over half a century and has been a home to international creative experiences and a springboard for the Foundation's educational collaborations.

Now, the Foundation is leading the community into a new era, creating and developing the vision for a contemporary performing arts model of national significance for Sarasota. The venue will be a magnet destination for generations, with the potential to advance education and enrich communities across the state and country.

## 2. Summary of Significant Accounting Policies

### Financial Statements

The financial statements and notes are representations of the Foundation's management who is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP) and have been consistently applied in the preparation of the financial statements.

### Use of Estimates and Assumptions

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

### Basis of Presentation

A not-for-profit organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

*Net assets without donor restrictions* - Contributions and other inflows of assets that are not subject to donor-imposed stipulations but may be designated for specific purposes by action of the Board of Directors (the Board). Net assets without donor restrictions include expendable funds available to support operations as well as net assets invested in property and equipment.

*Net assets with donor restrictions* - Contributions and other inflows of assets subject to donor-imposed stipulations that may or will be met by actions of the Foundation or the passage of time or are permanently maintained by the Foundation. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are released to net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restriction.

### Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents held as part of investments are excluded from this definition.

## Sarasota Performing Arts Center Foundation, Inc.

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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### 2. Summary of Significant Accounting Policies (Continued)

#### Investments

Investments are valued at their estimated fair values in the accompanying statement of financial position. Investment return is reported in the statement of activities and consists of interest and investment income, and realized and unrealized gains and losses, net of investment expenses.

#### Contributions Receivable

The Foundation records signed promises to give as receivables based upon management evaluation of donors and financial history. No allowance for promises to give has been established, as all receivables were determined to be collectible.

#### Property and Equipment

Property and equipment are carried at cost if purchased or at estimated fair market value at the date of receipt if acquired by gift, less accumulated depreciation. Expenditures in excess of \$2,500 with estimated useful lives greater than one year are capitalized.

Depreciation on all property and equipment is calculated by the straight-line method over the estimated useful lives of the assets as follows:

	<u>Years</u>
Furniture and fixtures	7
Equipment	3-5

Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of the asset are capitalized. Expenditures for normal repairs and maintenance are expensed as incurred. Upon retirement, sale or other disposition of property and equipment, the costs and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is included within the statement of activities.

#### Contributions and Revenue Recognition

The Foundation recognizes contributions received, including unconditional promises to give, as assets and revenue in the period received at their fair values. All donor-restricted contributions are reported as increases in net assets with donor restrictions. When the purpose of the restriction is accomplished, net assets are reclassified and reported in the statement of activities as net assets released from restrictions. Conditional contributions, that is those with a measurable performance or other barrier, or a right of return, are not recognized until the conditions on which they depend have been substantially met. The Foundation has \$10,850,000 of unrecorded conditional promises to give as of June 30, 2023.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Foundation recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Foundation recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

## Sarasota Performing Arts Center Foundation, Inc.

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

### 2. Summary of Significant Accounting Policies (Continued)

#### Donated Materials and Services

Donations of materials are recorded as support at the estimated fair market value at the date of donation. Donations of services are recorded as support at their estimated fair value if the services received create or enhance nonfinancial assets or the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A number of full and part-time volunteers have made contributions of their time to maintain the Foundation's programs. The estimated value of this contributed time is not reflected in these financial statements, since these services do not meet recognition requirements under U.S. GAAP.

Donated materials and services are reported at fair value using current rates normally charged to consumers for similar services as follows in the accompanying financial statements as of June 30:

	<u>2023</u>	<u>2022</u>
Rent	\$ 200,000	\$ 157,692
Advertising	17,008	35,000
Other	1,628	-
Total	<u>\$ 218,636</u>	<u>\$ 192,692</u>

#### Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. The expense analysis in the statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. Salaries and related expenses have been allocated based on employee time and effort. Other costs are classified in each functional category based on the underlying purpose of each transaction.

#### Income Tax

The Foundation is qualified under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes, except for net revenue from unrelated business activities. As such, no provision for income tax expense has been made in the accompanying financial statements.

The Foundation recognizes a tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination of the taxing authorities. Management evaluated the Foundation's tax positions and concluded that the Foundation had no material uncertainties in income taxes as of June 30, 2023 and 2022.

The Foundation files income tax returns in the U.S. federal jurisdiction. The tax periods open to examination by the major taxing jurisdictions to which the Foundation is subject to include fiscal years ended June 30, 2020 through June 30, 2023.

#### Financial Instruments Not Measured at Fair Value

Certain of the Foundation's financial instruments are not measured at fair value on a recurring basis, but nevertheless, certain financial instruments are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and financial liabilities include cash and cash equivalents, related party receivable, prepaid expenses, accounts payable, accrued expenses and deferred revenue.

## Sarasota Performing Arts Center Foundation, Inc.

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

### 2. Summary of Significant Accounting Policies (Continued)

#### Reclassification

To facilitate comparison of financial data, certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 reporting presentation. Such reclassifications had no effect on the change in net assets previously reported.

#### Adoption of New Accounting Pronouncement

In February 2016, the FASB issued ASC Topic 842, *Leases*, to increase transparency and comparability among organizations related to their leasing arrangements. The Foundation adopted Topic 842 on July 1, 2022. The Foundation made an accounting policy election under Topic 842 not to recognize right-of-use assets and liabilities for leases with a term of 12 months or less. Topic 842 did not have an impact on the Foundation's financial statements.

### 3. Liquidity and Availability

Financial assets available for general expenditure within one year are as follows as of June 30:

	<u>2023</u>	<u>2022</u>
Financial assets, at year end	\$ 16,488,350	\$ 16,917,189
Less: those unavailable for general expenditures		
Within one year, due to:		
Contractual or donor imposed restrictions:		
Donor restricted endowments	(1,258,775)	(1,258,775)
Earnings on endowments subject to appropriation	(866,792)	(653,954)
Purpose restriction - capital campaign	-	(297,971)
Purpose restriction - education	(49,998)	-
Board designations		
Board designated endowment fund - reserve	(4,022,692)	(3,805,212)
Board designated - capital	(9,252,333)	(8,954,215)
Financial assets available within one year	<u>\$ 1,037,760</u>	<u>\$ 1,947,062</u>

The Foundation manages its financial assets to be available as its operating expenditures, liabilities, and other obligations become due. In addition, the Foundation invests cash in excess of its current requirements in a portfolio of investments designed to maximize long-term investments. Additionally, the Foundation has board designated funds of \$13,275,025 and \$12,759,427 as of June 30, 2023 and 2022, respectively. Although the Foundation does not intend to spend from its board designated funds, other than amounts appropriated for general or capital expenditures, amounts from its board designated funds could be made available, if necessary, with appropriate board approval.

### 4. Investments

Investments consisted of the following as of June 30:

	<u>Market Value</u>	
	<u>2023</u>	<u>2022</u>
Cash equivalents	\$ 1,737,717	\$ 180,602
Mutual funds and common stock	8,632,652	9,286,338
Corporate bonds	514,353	804,005
Other bonds	4,515,871	4,401,213
	<u>\$ 15,400,593</u>	<u>\$ 14,672,158</u>

## Sarasota Performing Arts Center Foundation, Inc.

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

### 4. Investments (Continued)

Returns from investments are summarized as follows for the years ended June 30:

	<b>2023</b>	<b>2022</b>
Interest and dividends	\$ 506,515	\$ 280,887
Realized and unrealized gain (loss)	485,382	(1,306,784)
Investment fees	(51,152)	(49,484)
Investment return, net	\$ 940,745	\$ (1,075,381)

### 5. Contributions Receivable

Contributions receivable consist of the following as of June 30:

	<b>2023</b>	<b>2022</b>
Contributions receivable	\$ 376,000	\$ 28,333
Less: discount to net present value (at 3.6%)	(16,916)	-
Less: allowance for promises to give	-	-
Contributions receivable, net	359,084	28,333
Less: current portion	(176,000)	(28,333)
Amount collectible in 1-5 years	\$ 183,084	\$ -

### 6. Property and Equipment

Property and equipment are summarized as follows as of June 30:

	<b>2023</b>	<b>2022</b>
Furniture and fixtures	\$ 71,669	\$ 62,562
Equipment	175,919	175,919
	247,588	238,481
Less: accumulated depreciation	(193,456)	(177,894)
Furniture, fixtures and equipment, net	\$ 54,132	\$ 60,587

Depreciation expense for the years ended June 30, 2023 and 2022 totaled \$15,562 and \$12,337, respectively.

### 7. Net Assets without Donor Restrictions

It is the policy of the Board of Directors of Sarasota Performing Arts Center Foundation, Inc. to create a world-class performing arts center that enriches the community, supports arts education, and inspires young minds. For the furtherance of this purpose, the Foundation created a Board Designated Reserve in 1990, which is restricted from use unless approved by a vote of 75% of the members of the Board of Directors attending a duly authorized meeting. It is expected that this fund balance will grow over time from investment gains exceeding losses, and any annual surpluses from operations. Investment income from this fund will be reinvested in the fund. The funds are managed to achieve long term capital appreciation commensurate with security of principal. During the year ended September 30, 2018, the Board of Directors designated \$10,000,000 to be used for the Sarasota Performing Arts Center initiative. Net assets without donor restrictions are available for the following purposes as of June 30:

	<b>2023</b>	<b>2022</b>
Undesignated	\$ 91,656	\$ 1,638,505
Board designated endowment fund - reserve	4,022,692	3,805,212
Board designated - capital	9,252,333	8,954,215
	\$ 13,366,681	\$ 14,397,932

## Sarasota Performing Arts Center Foundation, Inc.

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

### 8. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes or periods as of June 30:

	<u>2023</u>		<u>2022</u>
Time restricted contributions receivable	\$ 376,000	\$	28,333
Education	49,998		-
Capital campaign	-		297,971
Earnings on endowments subject to appropriation	866,792		653,954
Endowments	<u>1,258,775</u>		<u>1,258,775</u>
	<u>\$ 2,551,565</u>	\$	<u>2,239,033</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows for the year ended June 30:

	<u>2023</u>		<u>2022</u>
Time restricted contributions receivable	\$ 28,333	\$	60,833
Capital campaign expenditures	<u>1,635,695</u>		<u>782,029</u>
	<u>\$ 1,664,028</u>	\$	<u>842,862</u>

### 9. Capital Campaign Activities

In October 2016, the Board of Directors established a capital campaign for the purpose of raising funds for the Sarasota Performing Arts Center initiative. The expenses for the capital campaign have been separately stated in the Statement of Activities and Statement of Functional Expenses to separate those activities from general operations of the Foundation. Expenses related to the capital campaign fund were \$2,717,029 and \$782,029 for the years ended June 30, 2023 and 2022, respectively. There were restricted donations totaling \$1,337,723 and \$1,080,000 made to the capital campaign in the years ended June 30, 2023 and 2022.

As of June 30, the assets of the capital campaign totaled:

	<u>2023</u>		<u>2022</u>
Board designated - capital	\$ 9,252,333	\$	8,954,215
Purpose restriction - capital campaign	-		297,971
	<u>\$ 9,252,333</u>	\$	<u>9,252,186</u>

These assets are invested in separate accounts designated for the capital campaign. Future donations for the capital campaign will be designated for these accounts and expended in accordance with donor restriction.

### 10. Fair Value Measurements

The Foundation adopted the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification. The Fair Value Measurements and Disclosures Topic 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.

The following tables present information about the Foundation's assets that are measured at fair value on a recurring basis as of June 30, 2023 and 2022, and indicate that the fair value hierarchy of the valuation techniques used to determine such fair value. The three levels for measuring fair value are based on the reliability of inputs and are as follows:



## Sarasota Performing Arts Center Foundation, Inc.

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

### 10. Fair Value Measurements (Continued)

Level 1 - unadjusted quoted prices in active markets for identical assets, such as publicly traded equity securities.

Level 2 - inputs other than quoted prices included In Level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other than quoted prices (interest rates, yield curves, etc.) or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability (for example, hedge funds, private equity and other). The inputs reflect the Foundation's assumptions based on the best information available in the circumstance.

The following sets the fair value hierarchy by level for the Foundation's assets measured at fair value as of June 30, 2023 and 2022:

Description	June 30, 2023	Level 1	Level 2	Level 3
Cash equivalents	\$ 1,737,717	\$ 1,737,717	\$ -	\$ -
Mutual funds and common stock	8,632,652	8,632,652	-	-
Corporate bonds	514,353	-	514,353	-
Mutual fund bonds	4,515,871	4,515,871	-	-
Total investments	<u>\$ 15,400,593</u>	<u>\$ 14,886,240</u>	<u>\$ 514,353</u>	<u>\$ -</u>

Description	June 30, 2022	Level 1	Level 2	Level 3
Cash equivalents	\$ 180,602	\$ 180,602	\$ -	\$ -
Mutual funds and common stock	9,286,338	9,286,338	-	-
Corporate bonds	804,005	-	804,005	-
Mutual fund bonds	4,401,213	4,401,213	-	-
Total investments	<u>\$ 14,672,158</u>	<u>\$ 13,868,153</u>	<u>\$ 804,005</u>	<u>\$ -</u>

### 11. Endowments

The Foundation's endowments consist of funds established for a variety of purposes. Its endowments include donor-restricted endowments and board-designated endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions that are perpetual in nature (a) the original value of gifts donated to the perpetual endowment, and (b) the original value of subsequent gifts to the perpetual endowment. Any portion of an endowment fund that is not considered to be perpetual in nature will be classified as purpose restricted until appropriated for expenditure.

## Sarasota Performing Arts Center Foundation, Inc.

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

### II. Endowments (Continued)

The Foundation has adopted investment policies for endowment assets that attempt to provide a predictable income stream to support their endowed purposes. The investment policy attempts to achieve long term capital appreciation through diversification of asset classes while maintaining security of principal. Return objectives equal 6.5% over the long-term in the donor restricted endowment.

To satisfy its long-term return objectives, the Foundation 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 Foundation targets a diversified asset allocation that includes a portfolio mix in investments to achieve its long-term return objectives with prudent risk parameters.

At the beginning of each fiscal year, an amount equal to 4% of the market value of the endowment, averaged over the 12 quarters ending the prior March 31, may be transferred to Net Assets without Donor Restrictions to be utilized in advancing the mission of the Foundation. The investment mix should include equities (45%-85%), fixed income (15%-55%), alternative investments (0%-10%), and cash and equivalents (0%-10%).

Endowment net asset compositions as of June 30, 2023

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>
Donor restricted	\$ -	\$ 1,258,775
Endowment earnings - time restricted	-	866,792
Board designated	4,022,692	-
Total Endowment Funds	<u>\$ 4,022,692</u>	<u>\$ 2,125,567</u>

Endowment net asset compositions as of June 30, 2022:

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>
Donor restricted	\$ -	\$ 1,258,775
Endowment earnings - time restricted	-	653,954
Board designated	3,805,212	-
Total Endowment Funds	<u>\$ 3,805,212</u>	<u>\$ 1,912,729</u>

## Sarasota Performing Arts Center Foundation, Inc.

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

### 11. Endowments (Continued)

Changes in endowment net assets were as follows for the year ended June 30, 2023:

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>
Endowment net assets, beginning of year	\$ 3,805,212	\$ 1,912,729
Interest and investments income	109,699	60,873
Realized and unrealized gains and (losses), net of fees	295,555	151,965
Transfers	(187,774)	-
Endowment net assets, end of year	<u>\$ 4,022,692</u>	<u>\$ 2,125,567</u>

Changes in endowment net assets were as follows for the year ended June 30, 2022:

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>
Endowment net assets, beginning of year	\$ 4,455,094	\$ 2,268,262
Interest and investments income	95,549	53,613
Realized and unrealized gains and (losses), net of fees	(745,431)	(409,146)
Endowment net assets, end of year	<u>\$ 3,805,212</u>	<u>\$ 1,912,729</u>

### 12. Employee Retirement Plan

All employees may participate in a 401K plan offered through the Foundation's professional employer organization. The plan offers a safe harbor contribution for each employee up to 3% of their earnings regardless of participation. At the end of each calendar year, the Foundation may elect to make an additional 1% contribution of prior calendar year's earnings (for a total contribution of 4%). The Foundation contributed \$40,789 and \$33,454 in matching contributions for the years ended June 30, 2023 and 2022.

### 13. Concentration of Credit and Economic Risk

Financial instruments, which potentially subject the Foundation to concentrations of credit risk, consist of cash, cash equivalents and investments. The Federal Deposit Insurance Corporation (FDIC) insures cash and other deposits up to \$250,000 at each financial institution. At any given time, the Foundation may have cash balances exceeding the insured amount at any one financial institution. The Foundation has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

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 Foundation's investments.

## **Sarasota Performing Arts Center Foundation, Inc.**

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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### **14. Related Party Transactions**

The Foundation receives donations from 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, remove themselves from the room during discussion, and abstain from voting on issues where there could be a potential conflict of interest. During the years ended June 30, 2023 and 2022, the Foundation recognized \$200,000 and \$157,692 of donated rent which was contributed by a board member. At June 30, 2023, the Foundation had \$20,488 receivable from board members and other related parties for the reimbursement of certain expenses.

### **15. Subsequent Events**

The Foundation has evaluated all events subsequent to the statement of financial position date of June 30, 2023, through the date these financial statements were available for issuance, March 28, 2024 and has determined that, there were no subsequent events that require disclosure under the FASB Accounting Standard Codification.

## **Supplemental Information**

**Sarasota Performing Arts Center Foundation, Inc.**

Schedule of Expenditures of State Financial Assistance

Year Ended June 30, 2023

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<u>State Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>Contract Number</u>	<u>State Expenditures</u>
<b>STATE GRANTS AND CONTRACTS</b>			
<u>Florida Department of State and Secretary of State</u>			
General Program Support	45.061	23.c.ps.900.777	\$ <u>918,757</u>
Total Florida Department of State and Secretary of State			<u>918,757</u>
<b>Total Expenditures of State Financial Assistance</b>			\$ <u><u>918,757</u></u>

See Independent Auditor's Report

**Sarasota Performing Arts Center Foundation, Inc.**  
Notes to the Schedule of Expenditures of State Financial Assistance  
Year Ended June 30, 2023

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**Note I - Basis of Presentation**

This schedule includes the state grant activity of Sarasota Performing Arts Center Foundation, Inc. (the Foundation) and is presented on the accrual basis of accounting. The information in this schedule is in accordance with the accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations and the requirements of the State of Florida, Chapter 10.650, Rules of the Auditor General. Therefore, some amounts in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

## **Contract Compliance**



## **Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

### **Independent Auditor's Report**

The Board of Directors  
Sarasota Performing Arts Center Foundation, Inc.  
Sarasota, Florida

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Sarasota Performing Arts Center Foundation, Inc (the Foundation), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 28, 2024.

#### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundations' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Kukuing Barbunio & Co.*

Sarasota, Florida  
March 28, 2024

## **Report on Compliance for Each Major State Project and Report on Internal Control over Compliance Required by Chapter 10.650, Rules of the Auditor General of the State of Florida**

### **Independent Auditor's Report**

The Board of Directors  
Sarasota Performing Arts Center Foundation, Inc.  
Sarasota, Florida

#### **Report on Compliance for Each Major State Financial Assistance Project**

##### ***Opinion on Each Major State Financial Assistance Project***

We have audited Sarasota Performing Arts Center Foundation, Inc. (the Foundation) compliance with the types of compliance requirements described in the State of Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on the Foundation's major state financial assistance projects for the year ended June 30, 2023. The Foundation's major state financial assistance projects are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state financial assistance projects for the year ended June 30, 2023.

##### ***Basis for Opinion on Each Major State Financial Assistance Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Chapter 10.650, *Rules of the Auditor General* of the State of Florida. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Foundation and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major state financial assistance project. Our audit does not provide legal determination of the Foundation's compliance with the compliance requirements to above.

##### **Responsibilities of Management for Compliance**

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

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General* of the State of Florida will always detect material noncompliance when it exists. The risks of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of each major state financial assistance project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General* of the State of Florida, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.650, *Rules of the Auditor General* of the State of Florida, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control Over Compliance**

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

**Report on Internal Control Over Compliance (Continued)**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Kerkuing Barbunio & Co.*

Sarasota, Florida  
March 28, 2024

**Sarasota Performing Arts Center Foundation, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2023**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_x\_\_\_ no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes \_\_\_x\_\_\_ none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes \_\_\_x\_\_\_ no

**State Projects:**

Internal control over major state programs:

- Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_x\_\_\_ no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes \_\_\_x\_\_\_ none reported

Type of auditor's report issued on compliance for major state programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section Chapter 10.650, Rules of the Auditor General?

\_\_\_\_\_ yes \_\_\_x\_\_\_ no

**Sarasota Performing Arts Center Foundation, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2023**

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**Section I - Summary of Auditor's Results (Continued)**

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State Programs Tested as Major Programs:

<u>CSFA Number</u>	<u>Name of State Program or Cluster</u>
45.061	General Program Support

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

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**Section II - Financial Statement Findings**

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None

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**Section III - State Project Findings and Questioned Costs**

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None

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**Section IV - Summary Schedule of Prior Audit Findings**

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None

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**Section V - Other**

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A management letter is not required because there were no findings required to be reported in the management letter (see AG Rule Section 10.656(3)(e)).