

THE SYMPHONY SPACE, INC.

FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021



LUTZ AND GARR

CERTIFIED PUBLIC ACCOUNTANTS, LLP

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Symphony Space, Inc.

Opinion

We have audited the accompanying financial statements of The Symphony Space, Inc., Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, 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 financial statements referred to above present fairly, in all material respects, the financial position of The Symphony Space, Inc. as of June 30, 2022 and 2021, 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Symphony Space, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Symphony Space, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 generally accepted 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 Symphony Space, Inc.'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 Symphony Space, Inc.'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.

Lotz + Carr, LLP

New York, New York
December 5, 2022

THE SYMPHONY SPACE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022	2021
Assets		
Cash and cash equivalents (Notes 1b and 9)	\$ 1,614,964	\$ 1,667,507
Unconditional promises to give (Notes 1c and 4)		
Without donor restrictions	41,480	53,675
With donor restrictions	1,234,749	1,455,978
Accounts and other receivables	127,654	127,673
Inventory (Note 1d)	11,276	11,276
Prepaid expenses	216,634	156,726
Investments (Notes 1b, 1e, 1f and 5)	9,212,790	10,482,088
Property and equipment, at cost, net of accumulated depreciation (Notes 1g and 6)	9,202,691	9,125,793
Total Assets	\$21,662,238	\$23,080,716
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 412,923	\$ 278,073
Deferred income (Note 1h)	98,410	126,342
Theater rental deposits (Note 1h)	125,500	101,500
Refundable advances (Notes 7a and 7b)	313,000	582,010
Total Liabilities	949,833	1,087,925
Commitments and Contingencies (Notes 10 and 11)		
Net Assets (Note 3)		
Without Donor Restrictions		
Board designated endowment (Notes 3a and 8)	2,743,071	2,863,711
Property and equipment	8,041,989	8,312,798
Other (deficit)	32,535	(368,168)
Total Without Donor Restrictions	10,817,595	10,808,341
With Donor Restrictions	9,894,810	11,184,450
Total Net Assets	20,712,405	21,992,791
Total Liabilities and Net Assets	\$21,662,238	\$23,080,716

See notes to financial statements.

THE SYMPHONY SPACE, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2022 AND 2021

	2022						2021					
	Without Donor Restrictions			With Donor Restrictions			Without Donor Restrictions			With Donor Restrictions		
	Operating	Property and Equipment	Board Designated	Total	Restrictions	Total	Operating	Property and Equipment	Board Designated	Total	Restrictions	Total
Changes in Net Assets												
Revenue, Gains and Other Support												
Contributions												
Government	\$ 105,150	\$ -	\$ -	\$ 105,150	\$ 107,000	\$ 212,150	\$ 78,250	\$ -	\$ -	\$ 78,250	\$ 20,000	\$ 98,250
Foundations	285,100	-	-	285,100	50,000	335,100	374,500	-	-	374,500	670,000	1,044,500
Corporations	15,000	-	-	15,000	-	15,000	15,000	-	-	15,000	-	15,000
Individuals	469,624	-	-	469,624	231,371	700,995	513,673	-	-	513,673	705,303	1,218,976
COVID grants (Notes 7b and 11)	2,272,395	-	-	2,272,395	-	2,272,395	1,260,892	-	-	1,260,892	-	1,260,892
Reduction of prior year contribution	-	-	-	-	(200,000)	(200,000)	-	-	-	-	-	-
Benefit income	487,184	-	-	487,184	-	487,184	370,646	-	-	370,646	-	370,646
Less: Direct benefit expenses	(69,956)	-	-	(69,956)	-	(69,956)	-	-	-	-	-	-
Other transfers (Notes 3a and 8)	(350,000)	-	350,000	-	-	-	-	-	-	-	-	-
Membership	118,205	-	-	118,205	-	118,205	121,250	-	-	121,250	-	121,250
Rental income	737,064	-	-	737,064	-	737,064	55,096	-	-	55,096	-	55,096
Ticket sales, performance fees and related income	727,029	-	-	727,029	-	727,029	417,389	-	-	417,389	-	417,389
Concessions and merchandise sales	46,667	-	-	46,667	-	46,667	17,603	-	-	17,603	-	17,603
Less: Cost of sales	-	-	-	-	-	-	(1,560)	-	-	(1,560)	-	(1,560)
Handling charges	106,038	-	-	106,038	-	106,038	2,808	-	-	2,808	-	2,808
Appropriations for use in operations (Note 3a)	448,083	-	(187,083)	261,000	(261,000)	-	-	-	-	-	-	-
Net investment income (loss) (Note 5)	460	-	(283,557)	(283,097)	(691,739)	(974,836)	162	-	326,219	326,381	1,206,700	1,533,081
Miscellaneous	5,999	-	-	5,999	-	5,999	25,917	-	-	25,917	-	25,917
	5,404,042	-	(120,640)	5,283,402	(764,368)	4,519,034	3,251,626	-	326,219	3,577,845	2,602,003	6,179,848
Net assets released from restrictions												
Satisfaction of time and program restrictions	324,150	201,122	-	525,272	(525,272)	-	236,899	169,901	-	406,800	(406,800)	-
Total Revenue, Gains and Other Support	5,728,192	201,122	(120,640)	5,808,674	(1,289,640)	4,519,034	3,488,525	169,901	326,219	3,984,645	2,195,203	6,179,848
Expenses												
Program Services												
Rental	821,770	188,772	-	1,010,542	-	1,010,542	151,276	-	-	151,276	-	151,276
Wall to Wall	189,201	9,439	-	198,640	-	198,640	468	-	-	468	-	468
Education	565,677	70,790	-	636,467	-	636,467	540,665	-	-	540,665	-	540,665
Broadcasting	319,177	-	-	319,177	-	319,177	261,030	-	-	261,030	-	261,030
Film	10,186	-	-	10,186	-	10,186	107,888	-	-	107,888	-	107,888
Music	581,840	33,035	-	614,875	-	614,875	266,808	-	-	266,808	-	266,808
Family	6,980	-	-	6,980	-	6,980	92,626	-	-	92,626	-	92,626
Literary programs	1,489,369	75,509	-	1,564,878	-	1,564,878	754,626	-	-	754,626	-	754,626
Program support	-	-	-	-	-	-	559,080	440,131	-	999,211	-	999,211
Other programs	34,353	-	-	34,353	-	34,353	-	-	-	-	-	-
Special programs	456,636	23,597	-	480,233	-	480,233	-	-	-	-	-	-
Total Program Services	4,475,189	401,142	-	4,876,331	-	4,876,331	2,734,467	440,131	-	3,174,598	-	3,174,598
Supporting Services												
Management and general	597,179	61,350	-	658,529	-	658,529	547,287	-	-	547,287	-	547,287
Fundraising	255,121	9,439	-	264,560	-	264,560	234,436	-	-	234,436	-	234,436
Total Supporting Services	852,300	70,789	-	923,089	-	923,089	781,723	-	-	781,723	-	781,723
Total Expenses	5,327,489	471,931	-	5,799,420	-	5,799,420	3,516,190	440,131	-	3,956,321	-	3,956,321
Increase (decrease) in net assets	400,703	(270,809)	(120,640)	9,254	(1,289,640)	(1,280,386)	(27,665)	(270,230)	326,219	28,324	2,195,203	2,223,527
Net assets (deficit), beginning of year	(368,168)	8,312,798	2,863,711	10,808,341	11,184,450	21,992,791	(340,503)	8,583,028	2,537,492	10,780,017	8,989,247	19,769,264
Net Assets (Deficit), End of Year	\$ 32,535	\$8,041,989	\$2,743,071	\$10,817,595	\$9,894,810	\$20,712,405	\$ (368,168)	\$8,312,798	\$2,863,711	\$10,808,341	\$11,184,450	\$21,992,791

See notes to financial statements.

THE SYMPHONY SPACE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE TOTALS FOR 2021

	2022											
	Program Services											
	Rental	Wall to Wall	Education	Broadcasting	Film	Music	Family	Literary Programs	Program Support	Other Programs	Special Programs	Total Program Services (carried forward)
Salaries, payroll taxes and benefits	\$ 527,245	\$ 81,527	\$463,685	\$ 193,979	\$ 7,745	\$390,489	\$ -	\$1,088,533	\$ -	\$ -	\$194,963	\$2,948,166
Program consultants	-	15,661	4,000	44,000	-	-	-	4,975	-	-	6,912	75,548
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-
Artistic fees and artist services	53,098	50,791	77,257	61,827	2,441	67,253	5,332	129,321	-	255	114,870	562,445
Occupancy costs	76,495	2,250	-	-	-	11,249	-	65,246	-	-	2,250	157,490
Postage and delivery	-	-	-	-	-	-	-	-	-	-	122	122
Insurance	23,308	1,165	8,741	-	-	4,079	-	9,323	-	-	2,914	49,530
Advertising and promotion	-	24,333	3,740	150	-	56,605	1,600	76,976	-	2,530	98,484	264,418
Office supplies and expenses	32,640	481	4,144	-	-	9,685	-	18,318	-	-	1,205	66,473
Telephone	3,414	-	2,276	-	-	1,138	-	2,276	-	-	1,138	10,242
Conference and travel	218	200	106	-	-	305	-	1,073	-	-	11	1,913
Storage rental	-	-	-	2,067	-	-	-	-	-	-	-	2,067
Production costs	74,328	12,793	1,728	11,983	-	30,696	48	78,712	-	31,568	28,596	270,452
Computer expense	31,024	-	-	5,171	-	10,341	-	10,341	-	-	5,171	62,048
Miscellaneous	-	-	-	-	-	-	-	4,275	-	-	-	4,275
Total expenses before depreciation	821,770	189,201	565,677	319,177	10,186	581,840	6,980	1,489,369	-	34,353	456,636	4,475,189
Depreciation	188,772	9,439	70,790	-	-	33,035	-	75,509	-	-	23,597	401,142
Total Expenses, 2022	<u>\$1,010,542</u>	<u>\$ 198,640</u>	<u>\$636,467</u>	<u>\$ 319,177</u>	<u>\$ 10,186</u>	<u>\$614,875</u>	<u>\$ 6,980</u>	<u>\$1,564,878</u>	<u>\$ -</u>	<u>\$ 34,353</u>	<u>\$480,233</u>	<u>\$4,876,331</u>
Total Expenses, 2021	<u>\$ 151,276</u>	<u>\$ 468</u>	<u>\$540,665</u>	<u>\$ 261,030</u>	<u>\$107,888</u>	<u>\$266,808</u>	<u>\$92,626</u>	<u>\$ 754,626</u>	<u>\$999,211</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,174,598</u>

See notes to financial statements.

THE SYMPHONY SPACE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE TOTALS FOR 2021

	2022				2021	
	Total Program Services (brought forward)	Management and General	Fundraising	Total	Total Expenses	Total Expenses
Salaries, payroll taxes and benefits	\$2,948,166	\$ 378,233	\$ 152,221	\$ 530,454	\$3,478,620	\$2,663,221
Program consultants	75,548	-	-	-	75,548	38,050
Professional fees	-	42,343	-	42,343	42,343	42,688
Artistic fees and artist services	562,445	-	23,735	23,735	586,180	175,001
Occupancy costs	157,490	67,493	-	67,493	224,983	144,233
Postage and delivery	122	-	1,097	1,097	1,219	355
Insurance	49,530	7,576	1,165	8,741	58,271	59,688
Advertising and promotion	264,418	-	6,278	6,278	270,696	102,855
Office supplies and expenses	66,473	46,294	1,860	48,154	114,627	91,454
Telephone	10,242	10,239	2,276	12,515	22,757	12,389
Conference and travel	1,913	5,513	318	5,831	7,744	3,561
Storage rental	2,067	4,823	-	4,823	6,890	6,840
Production costs	270,452	3,640	55,830	59,470	329,922	79,648
Computer expense	62,048	31,025	10,341	41,366	103,414	95,557
Miscellaneous	4,275	-	-	-	4,275	650
Total expenses before depreciation	4,475,189	597,179	255,121	852,300	5,327,489	3,516,190
Depreciation	401,142	61,350	9,439	70,789	471,931	440,131
Total Expenses, 2022	<u>\$4,876,331</u>	<u>\$ 658,529</u>	<u>\$ 264,560</u>	<u>\$ 923,089</u>	<u>\$5,799,420</u>	
Total Expenses, 2021	<u>\$3,174,598</u>	<u>\$ 547,287</u>	<u>\$ 234,436</u>	<u>\$ 781,723</u>		<u>\$3,956,321</u>

See notes to financial statements.

THE SYMPHONY SPACE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$(1,280,386)	\$2,223,527
Adjustments to reconcile increase (decrease) in net assets net cash provided by operating activities:		
Reduction of prior year contribution	200,000	-
Depreciation	471,931	440,131
Realized gain on investments	(425,324)	(274,376)
Unrealized (gain) loss on investments	1,459,467	(1,223,108)
(Increase) decrease in:		
Unconditional promises to give	33,424	(176,030)
Accounts and other receivables	19	(18,036)
Inventory	-	23,712
Prepaid expenses	(59,908)	(7,611)
Increase (decrease) in:		
Accounts payable and accrued expenses	134,850	(62,313)
Deferred income	(27,932)	(50,674)
Theater rental deposits	24,000	(47,000)
Refundable advances	(269,010)	(577,892)
Net Cash Provided By Operating Activities	<u>261,131</u>	<u>250,330</u>
Cash Flows From Investing Activities		
Acquisition of equipment and theater renovations	(548,829)	(255,818)
Purchases of investments	(1,632,509)	(2,702,408)
Proceeds from sale of investments	1,867,664	2,832,412
Net Cash Used By Investing Activities	<u>(313,674)</u>	<u>(125,814)</u>
Net increase (decrease) in cash and cash equivalents	(52,543)	124,516
Cash and cash equivalents, beginning of year	<u>1,667,507</u>	<u>1,542,991</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,614,964</u>	<u>\$1,667,507</u>

See notes to financial statements.

THE SYMPHONY SPACE, INC.**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2022 AND 2021****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

Symphony Space's (the "Organization") fundamental mission is to connect art, ideas, and community through dynamic programs and a commitment to literacy and education through the arts. A vibrant and affordable array of literature, music, film, family, comedy, and arts education programming is offered in a uniquely warm and welcoming environment. In fiscal year 2022, the Organization welcomed audiences back to its theaters after being shuttered for nineteen months, offering programs both in-person and via livestream.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents, except for cash and cash equivalents held in the Organization's investment portfolio. Cash and cash equivalents include amounts held as theater rental deposits.

c - Contributions and Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. Contributions that the donor requires to be used to acquire long-lived assets are reclassified to net assets without donor restrictions at the time long-lived assets are placed in service. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional promises to give, that have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

The Organization uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

d - Inventory

Merchandise inventory is stated at the lower of cost (first-in, first-out method) or market.

e - Investments

The Organization reflects investments at fair value in the statement of financial position. Interest, dividends and gains and losses on investments are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Gains and other investment income that are limited to specific uses by donor-imposed restrictions are reported as increases net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

THE SYMPHONY SPACE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

f - Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Generally accepted accounting principles establish a framework for measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those the market participants would use in pricing the asset based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumptions about the inputs market participants would use in pricing the asset developed based on the best information available in the circumstances.

Fair value measurements are categorized into three levels as follows:

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Inputs that are unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. All of the Organization's investments are classified within Level 1 of the fair value hierarchy.

g - Property and Equipment

Property and equipment are stated at cost and are being depreciated using the straight-line method over the estimated useful life of the asset.

h - Revenue Recognition

The Organization has multiple revenue streams that are accounted for as exchange transactions, including ticket sales, theater rental, performance fees, concessions, and merchandise sales.

Memberships

The Organization sells memberships of various categories that typically last for a one-year term, and provides each member with benefits that include ticket discounts, access to advance ticket sales and member-only events. Memberships are billed and collected at the beginning of the membership period.

THE SYMPHONY SPACE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

h - Revenue Recognition (continued)

Ticket sales and theater rental

Ticket sales revenue, performance fees and theater rental income are recognized in the period the performance takes place.

Concessions and merchandise sales

Revenue from concessions and merchandise sales are recognized in the period earned, when the related goods or services are provided. Revenue from merchandise sales is recognized as revenue when the customer takes possession of the merchandise at the Organization's premises.

i - Advertising Costs

Advertising costs are charged to operations when incurred. Total advertising expense was \$270,696 and \$102,855 for the years ended June 30, 2022 and 2021, respectively.

j - Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

k - Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

THE SYMPHONY SPACE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

l - Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs where applicable or allocated on a reasonable and consistent basis. A substantial portion of the Organization's expenses are directly related to program activities. The expenses that are allocated include depreciation, occupancy cost, general office expenses, salaries, payroll taxes and employee benefits which are allocated based on employee time and effort. In fiscal year 2022, the Organization returned to in-person programming, and in addition, continued to livestream many of its programs. During fiscal year 2021, all Symphony Space programs were virtual, and its facilities remained closed to the public. As a result, the Organization re-allocated occupancy charges and a portion of staff time to program support.

m - Income Taxes

The Symphony Space, Inc. is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation. The Organization is subject to federal and state income taxes on any net income derived from advertising revenue, a business activity which is regularly conducted and is, by statute, unrelated to its exempt purpose.

n - Subsequent Events

The Organization has evaluated subsequent events through December 5, 2022, the date that the financial statements are considered available to be issued.

o - Prior Year Information

For comparability, certain fiscal year 2021 amounts have been reclassified, where appropriate, to conform to the financial statement presentation used in fiscal year 2022.

Note 2 - Information Regarding Liquidity and Availability

The Organization operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. A substantial portion of annual revenue is comprised of contribution revenue raised during the current year and revenue from other sources earned during the year. The Organization considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to general and administrative and fundraising activities undertaken to support those services.

THE SYMPHONY SPACE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 2 - Information Regarding Liquidity and Availability (continued)

The Organization regularly monitors liquidity to meet its operating needs and other commitments and obligations, while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs, and has a policy to maintain liquid financial assets on an ongoing basis sufficient to cover ninety days of general expenditures.

The Organization's financial assets as of June 30, 2022 and 2021 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2022</u>	<u>2021</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 1,614,964	\$ 1,667,507
Unconditional promise to give	1,276,229	1,509,653
Accounts and other receivables	127,654	127,673
Investments	<u>9,212,790</u>	<u>10,482,088</u>
Total Financial Assets	12,231,637	13,786,921
Less: Amounts not Available to be Used within One Year:		
Refundable advance included in cash and cash equivalents	(313,000)	(438,000)
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(3,282,486)	(3,619,387)
Plus: Net assets with donor restrictions expected to be met in less than one year	1,170,750	882,400
Net assets with donor restrictions for endowment, subject to spending policy and appropriation, in excess of amounts appropriated for expenditure within one year	(1,510,708)	(2,463,447)
Net assets with donor restrictions for endowment	(5,101,616)	(5,101,616)
Net assets restricted by Board, subject to spending policy and appropriation	(2,580,154)	(2,863,711)
Plus: Amounts appropriated for use within one year	<u>-</u>	<u>352,408</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$ 614,423</u>	<u>\$ 535,568</u>

In addition to these financial assets available within one year, the Organization manages board designated endowment funds of \$2,580,154, which are invested for long-term appreciation and current income. However, these amounts could be made available at any time to meet cash needs for general expenditures at the discretion of the Board.

The Organization also has access to a margin loan, as fully described in Note 10c, available to meet short-term or unanticipated liquidity needs.

THE SYMPHONY SPACE, INC.
NOTES TO FINANCIAL STATEMENTS
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Note 3 - Net Assets

a - Net Assets Without Donor Restrictions - Board Designated Endowment

The board designated endowment was created with the net proceeds of a real estate sale for the long-term stability of the Organization. The Board authorizes transfers for use in operations of approximately 5% of the preceding rolling twenty-quarter average market value of the portfolio and may authorize additional amounts to fund operations, construction projects or other purposes. During the year ended June 30, 2022, appropriations of \$187,083 were made to support a new HVAC system. In addition, \$350,000 of proceeds from the fiscal year 2022 gala were added. During the year ended June 30, 2021, no transfers were made.

b - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at June 30:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specific purpose:		
All Write!	\$ 17,500	\$ 35,000
Education	17,500	35,000
Shorts	40,000	60,000
Resilience	254,000	254,000
Capital Campaign	<u>1,844,154</u>	<u>2,215,505</u>
	<u>2,173,154</u>	<u>2,599,505</u>
Subject to passage of time:		
Future periods	<u>1,109,332</u>	<u>1,019,882</u>
Endowments subject to spending policy and appropriation:		
Investment income above original gift amount	1,510,708	2,463,447
Perpetual in nature:		
PRE 1	3,621,331	3,621,331
PRE 2	<u>1,480,285</u>	<u>1,480,285</u>
Total Endowments	<u>6,612,324</u>	<u>7,565,063</u>
Total Net Assets With Donor Restrictions	<u>\$9,894,810</u>	<u>\$11,184,450</u>

THE SYMPHONY SPACE, INC.
NOTES TO FINANCIAL STATEMENTS
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Note 4 - Unconditional Promises to Give

Unconditional promises to give are due as follows at June 30:

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Due in one year	\$41,480	\$ 517,600	\$ 559,080	\$ 562,675
Due in two to five years	-	777,500	777,500	1,037,100
	41,480	1,295,100	1,336,580	1,599,775
Less: Discount to present value	-	(60,351)	(60,351)	(90,122)
Net Present Value	<u>\$41,480</u>	<u>\$1,234,749</u>	<u>\$1,276,229</u>	<u>\$1,509,653</u>

Unconditional promises to give due after one year are discounted to net present value using a discount rate of 3%. Uncollectible promises to give are expected to be insignificant.

Note 5 - Investments

Investments, all of which are classified within Level 1 of the fair value hierarchy, consist of the following at June 30:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	\$1,190,104	\$1,190,104	\$ 692,970	\$ 692,970
Fixed income	3,323,998	3,143,895	3,043,627	3,167,816
Equity	4,220,477	4,878,791	4,807,813	6,621,302
Total	<u>\$8,734,579</u>	<u>\$9,212,790</u>	<u>\$8,544,410</u>	<u>\$10,482,088</u>

THE SYMPHONY SPACE, INC.
NOTES TO FINANCIAL STATEMENTS
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Note 5 - Investments (continued)

Investment income (loss) is comprised of the following at June 30:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 41,970	\$ 119,520	\$ 161,490
Realized gain on sale of investments	137,179	288,145	425,324
Unrealized loss on investments	(430,859)	(1,028,608)	(1,459,467)
Investment custodial fees	<u>(31,387)</u>	<u>(70,796)</u>	<u>(102,183)</u>
	<u><u>\$(283,097)</u></u>	<u><u>\$ (691,739)</u></u>	<u><u>\$(974,836)</u></u>
	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 26,766	\$ 90,874	\$ 117,640
Realized gain on sale of investments	51,570	222,806	274,376
Unrealized gain on investments	266,511	956,597	1,223,108
Investment custodial fees	<u>(18,466)</u>	<u>(63,577)</u>	<u>(82,043)</u>
	<u><u>\$326,381</u></u>	<u><u>\$1,206,700</u></u>	<u><u>\$1,533,081</u></u>

Note 6 - Property and Equipment

Property and equipment consist of the following at June 30:

	Life	2022	2021
Furniture, fixtures and equipment	5-7 years	\$ 1,516,593	\$ 1,285,327
Theater building and improvements	10-39 years	15,973,663	15,570,185
Sprinkler system	5 years	30,557	30,557
Work in progress		<u>925,828</u>	<u>1,011,743</u>
		18,446,641	17,897,812
Less: Accumulated depreciation		<u>(9,260,465)</u>	<u>(8,788,534)</u>
		9,186,176	9,109,278
Theater property - land		<u>16,515</u>	<u>16,515</u>
		<u><u>\$ 9,202,691</u></u>	<u><u>\$ 9,125,793</u></u>

THE SYMPHONY SPACE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 6 - Property and Equipment (continued)

The Organization is planning to renovate its building. In connection with this project, New York City will provide \$10,357,000 in funding.

The City's investment of capital expenditures obligates the Organization to continue to operate the facility as a non-profit entity, open to and used and maintained for the benefit of the people of the City for cultural, educational or artistic uses and/or related purposes approved by the City.

Note 7 - Refundable Advances

a - During 2016, the Organization received a restricted grant totaling \$500,000 that includes donor conditions, one of which requires that theater renovations must begin by December 31, 2023. Since the grant is a promise conditioned on future uncertain events, it is not recorded as contribution revenue until donor conditions are met. This \$500,000 received from the donor in advance of the conditions being met are recorded as refundable advances and will subsequently be recognized as contribution revenue when donor conditions are met. During 2022 and 2021, the Organization received approval from the donor to use \$125,000 and \$ 62,000, respectively towards reopening cost.

b - On April 30, 2020, the Organization received a loan totaling \$743,750 under the Paycheck Protection Program administered by the U.S. Small Business Administration. The loan bears interest at 1% per annum and may be forgiven if the Organization meets certain employee retention requirements and the loan proceeds are used for eligible expenses. On May 3, 2021, the Organization received forgiveness of the full loan amount.

On March 15, 2021, the Organization received a loan totaling \$745,000 under the Paycheck Protection Program administered by the U.S. Small Business Administration. The loan bears interest at 1% per annum and may be forgiven if the Organization meets certain employee retention requirements and the loan proceeds are used for eligible expenses. Through June 30, 2021, eligible expenses totaling \$600,990 have been paid with the proceeds of the loan. The remaining \$144,010 of eligible expenses were paid during fiscal year 2022. On October 20, 2021, the Organization received forgiveness of the full loan amount.

THE SYMPHONY SPACE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 8 - Endowment Funds

Consistent with New York State Not-for-Profit Corporation Law and the New York Prudent Management of Institutional Funds Act (“NYPMIFA”), the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the donor restricted endowment, (b) the original value of subsequent gifts to the donor restricted endowment and (c) accumulations to the donor restricted endowment made in accordance with the direction of any applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature is classified as time and purpose restricted net assets until those amounts are appropriated for expenditure by the Organization.

In accordance with NYPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (i) the duration and preservation of the endowment fund;
- (ii) the purposes of the Organization and the endowment fund;
- (iii) general economic conditions;
- (iv) the possible effect of inflation or deflation;
- (v) the expected total return from income and the appreciation of investments;
- (vi) other resources of the Organization;
- (vii) where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Organization; and
- (viii) the investment policy of the Organization

As of June 30, 2022, and 2021, the Organization’s invested endowment funds composition, by type of fund and net asset classification, are summarized as follows:

	2022			Total
	Without Donor Restrictions	With Donor Restrictions		
		Investment Income Above Original Gift Amount	Investment in Perpetuity	
Donor-restricted endowment funds	\$ -	\$1,510,708	\$5,101,616	\$6,612,324
Board designated endowment funds	<u>2,743,071</u>	-	-	<u>2,743,071</u>
Total	<u>\$2,743,071</u>	<u>\$1,510,708</u>	<u>\$5,101,616</u>	<u>\$9,355,395</u>

THE SYMPHONY SPACE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 8 - Endowment Funds (continued)

	2021			
	Without Donor Restrictions	With Donor Restrictions		Total
	Investment	Investment		
	Income Above	in Perpetuity		
	Original Gift			
	Amount			
Donor-restricted endowment funds	\$ -	\$2,463,447	\$5,101,616	\$ 7,565,063
Board designated endowment funds	<u>2,863,711</u>	-	-	<u>2,863,711</u>
Total	<u>\$2,863,711</u>	<u>\$2,463,447</u>	<u>\$5,101,616</u>	<u>\$10,428,774</u>

Changes in the Organization's endowment funds for the years ended June 30, 2022 and 2021 are summarized as follows:

	2022			
	Without Donor Restrictions	With Donor Restrictions		Total
	Investment	Investment		
	Income Above	in Perpetuity		
	Original Gift			
	Amount			
Endowment funds, beginning of year	\$2,863,711	\$2,463,447	\$5,101,616	\$10,428,774
Transfers in	350,000	-	-	350,000
Net investment loss	(283,557)	(691,739)	-	(975,296)
Appropriation of endowment assets for expenditure	<u>(187,083)</u>	<u>(261,000)</u>	-	<u>(448,083)</u>
Endowment Funds, End of Year	<u>\$2,743,071</u>	<u>\$1,510,708</u>	<u>\$5,101,616</u>	<u>\$ 9,355,395</u>

	2021			
	Without Donor Restrictions	With Donor Restrictions		Total
	Investment	Investment		
	Income Above	in Perpetuity		
	Original Gift			
	Amount			
Endowment funds, beginning of year	\$2,537,492	\$1,256,747	\$5,101,616	\$ 8,895,855
Net investment return	<u>326,219</u>	<u>1,206,700</u>	-	<u>1,532,919</u>
Endowment Funds, End of Year	<u>\$2,863,711</u>	<u>\$2,463,447</u>	<u>\$5,101,616</u>	<u>\$10,428,774</u>

THE SYMPHONY SPACE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 8 - Endowment Funds (continued)

The Organization has investment and spending policies for endowment assets that endeavor to provide a stream of funding for the Organization's operations while seeking to enhance the purchasing power of the endowment's assets.

The Organization has a policy of appropriating for distribution each year 5% of the preceding rolling twenty-quarter average market value of the donor restricted endowment funds. The Board may authorize additional amounts to fund operations, construction projects or other purposes. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization's objectives are to safeguard its assets and preserve the real purchasing power of its assets while earning investment returns commensurate with the Organization's risk tolerance and that are sufficient to meet its operational requirements.

Note 9 - Concentration of Credit Risk

The Organization maintains cash and cash equivalent balances in financial institutions, which from time to time, exceed the Federal Depository Insurance Corporation limit and subject the Organization to concentration of credit risk. However, the Organization monitors this risk on a regular basis.

Note 10 - Commitments and Contingency

- a - The Organization maintains a contributory and non-contributory 403(b) tax deferred retirement plan for all eligible employees. Participating employees in the contributory may contribute up to the statutory maximum. The Organization contributed 2% (fiscal year 2022) and 1% (fiscal year 2021) of eligible employees' gross salary to the non-contributory plan. For the years ended June 30, 2022, and 2021, the Organization contributed \$43,068 and \$20,196 to the plan.
- b - Government supported projects are subject to audit by the applicable government granting agencies.
- c - The Organization has access to a margin loan collateralized by the investment portfolio. The available margin fluctuates not to exceed 10% of the value of the portfolio. As of June 30, 2022 and 2021, there were no outstanding amounts due.

THE SYMPHONY SPACE, INC.
NOTES TO FINANCIAL STATEMENTS
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Note 11 - Shuttered Venue Operators Grant

During July and October 2021, the U.S. Small Business Administration awarded grants totaling \$2,128,385 to the Organization through the Shuttered Venue Operators Grant program. This grant covered allowable expenses, including payroll cost, artistic and independent contractor fees, and other ordinary and necessary business expenses incurred during the period March 2020 through June 30, 2022. Management had sufficient allowable expenses to recognize the full grant amount as revenue during the year ending June 30, 2022.