

THE SYMPHONY SPACE, INC.

FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023



LUTZ AND CARR

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, 2024 and 2023, 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, 2024 and 2023, 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 9, 2024

THE SYMPHONY SPACE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and cash equivalents	\$ 899,156	\$ 1,658,752
Unconditional promises to give		
Without donor restrictions	36,595	526,910
With donor restrictions	520,121	758,635
Accounts and other receivables	93,491	76,687
Inventory	8,199	12,319
Prepaid expenses	24,890	33,780
Investments	8,771,927	8,992,265
Property and equipment, at cost, net of accumulated depreciation	<u>8,913,418</u>	<u>9,252,753</u>
 Total Assets	 <u><u>\$19,267,797</u></u>	 <u><u>\$21,312,101</u></u>
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 383,360	\$ 591,203
Deferred income	105,840	259,160
Theater rental deposits	105,990	155,980
Refundable advances	99,828	313,000
Total Liabilities	<u>695,018</u>	<u>1,319,343</u>
 Commitments and Contingency		
 Net Assets		
Without Donor Restrictions		
Board designated endowment	2,032,186	2,458,227
Property and equipment	7,279,199	7,618,534
Other	652,134	637,282
Total Without Donor Restrictions	<u>9,963,519</u>	<u>10,714,043</u>
With Donor Restrictions	<u>8,609,260</u>	<u>9,278,715</u>
Total Net Assets	<u><u>18,572,779</u></u>	<u><u>19,992,758</u></u>
 Total Liabilities and Net Assets	 <u><u>\$19,267,797</u></u>	 <u><u>\$21,312,101</u></u>

See notes to financial statements.

THE SYMPHONY SPACE, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2024 AND 2023

	2024						2023					
	Without Donor Restrictions			With Donor Restrictions	Total	Without Donor Restrictions			With Donor Restrictions	Total		
	Operating	Property and Equipment	Board Designated			Operating	Property and Equipment	Board Designated				
Changes in Net Assets												
Revenue, Gains and Other Support												
Contributions												
Government	\$ 89,240	\$ -	\$ -	\$ 89,240	\$ -	\$ 89,240	\$ 134,961	\$ -	\$ -	\$ 134,961	\$ 40,000	\$ 174,961
Foundations	278,500	-	-	278,500	50,000	328,500	314,000	-	-	314,000	-	314,000
Corporations	15,000	-	-	15,000	-	15,000	15,000	-	-	15,000	-	15,000
Individuals	597,643	213,172	-	810,815	13,661	824,476	659,760	-	-	659,760	27,986	687,746
COVID grants	-	-	-	-	-	-	379,288	-	456,239	835,527	-	835,527
Benefit income	532,359	-	-	532,359	-	532,359	523,606	-	-	523,606	-	523,606
Less: Direct benefit expenses	(91,170)	-	-	(91,170)	-	(91,170)	(92,247)	-	-	(92,247)	-	(92,247)
Other transfers	(198,540)	198,540	-	-	-	-	-	-	-	-	-	-
Membership	137,400	-	-	137,400	-	137,400	128,892	-	-	128,892	-	128,892
Rental income	1,304,054	-	-	1,304,054	-	1,304,054	958,731	-	-	958,731	-	958,731
Ticket sales, performance fees and related income	1,397,015	-	-	1,397,015	-	1,397,015	1,083,023	-	-	1,083,023	-	1,083,023
Concessions and merchandise sales	300,187	-	-	300,187	-	300,187	166,583	-	-	166,583	-	166,583
Less: Cost of sales	(38,629)	-	-	(38,629)	-	(38,629)	(15,132)	-	-	(15,132)	-	(15,132)
Handling charges	253,907	-	-	253,907	-	253,907	198,801	-	-	198,801	-	198,801
Appropriations for use in operations	1,506,420	-	(626,420)	880,000	(880,000)	-	1,456,917	-	(956,917)	500,000	(500,000)	-
Net investment income	43,707	-	200,379	244,086	546,784	790,870	18,331	-	195,653	213,984	630,819	844,803
Miscellaneous	12,543	-	-	12,543	-	12,543	19,416	-	20,181	39,597	-	39,597
	<u>6,139,636</u>	<u>411,712</u>	<u>(426,041)</u>	<u>6,125,307</u>	<u>(269,555)</u>	<u>5,855,752</u>	<u>5,949,930</u>	<u>-</u>	<u>(284,844)</u>	<u>5,665,086</u>	<u>198,805</u>	<u>5,863,891</u>
Net assets released from restrictions												
Satisfaction of time and program restrictions	399,900	-	-	399,900	(399,900)	-	714,900	100,000	-	814,900	(814,900)	-
Total Revenue, Gains and Other Support	<u>6,539,536</u>	<u>411,712</u>	<u>(426,041)</u>	<u>6,525,207</u>	<u>(669,455)</u>	<u>5,855,752</u>	<u>6,664,830</u>	<u>100,000</u>	<u>(284,844)</u>	<u>6,479,986</u>	<u>(616,095)</u>	<u>5,863,891</u>
Expenses												
Program Services												
Rental	1,260,094	225,908	-	1,486,002	-	1,486,002	1,152,210	219,851	-	1,372,061	-	1,372,061
Wall to Wall	221,864	10,758	-	232,622	-	232,622	225,400	10,469	-	235,869	-	235,869
Education	637,931	80,681	-	718,612	-	718,612	617,716	78,518	-	696,234	-	696,234
Broadcasting	324,435	5,379	-	329,814	-	329,814	324,105	5,235	-	329,340	-	329,340
Film	261,113	10,758	-	271,871	-	271,871	179,276	10,469	-	189,745	-	189,745
Music	871,460	37,651	-	909,111	-	909,111	766,658	36,642	-	803,300	-	803,300
Family	6,475	-	-	6,475	-	6,475	-	-	-	-	-	-
Literary programs	1,878,183	86,060	-	1,964,243	-	1,964,243	1,780,014	83,753	-	1,863,767	-	1,863,767
Other programs	131,184	10,758	-	141,942	-	141,942	80,773	-	-	80,773	-	80,773
Special programs	23,991	-	-	23,991	-	23,991	27,505	-	-	27,505	-	27,505
Total Program Services	<u>5,616,730</u>	<u>467,953</u>	<u>-</u>	<u>6,084,683</u>	<u>-</u>	<u>6,084,683</u>	<u>5,153,657</u>	<u>444,937</u>	<u>-</u>	<u>5,598,594</u>	<u>-</u>	<u>5,598,594</u>
Supporting Services												
Management and general	612,736	69,922	-	682,658	-	682,658	594,676	68,049	-	662,725	-	662,725
Fundraising	295,218	213,172	-	508,390	-	508,390	311,750	10,469	-	322,219	-	322,219
Total Supporting Services	<u>907,954</u>	<u>283,094</u>	<u>-</u>	<u>1,191,048</u>	<u>-</u>	<u>1,191,048</u>	<u>906,426</u>	<u>78,518</u>	<u>-</u>	<u>984,944</u>	<u>-</u>	<u>984,944</u>
Total Expenses	<u>6,524,684</u>	<u>751,047</u>	<u>-</u>	<u>7,275,731</u>	<u>-</u>	<u>7,275,731</u>	<u>6,060,083</u>	<u>523,455</u>	<u>-</u>	<u>6,583,538</u>	<u>-</u>	<u>6,583,538</u>
Increase (decrease) in net assets	14,852	(339,335)	(426,041)	(750,524)	(669,455)	(1,419,979)	604,747	(423,455)	(284,844)	(103,552)	(616,095)	(719,647)
Net assets, beginning of year	637,282	7,618,534	2,458,227	10,714,043	9,278,715	19,992,758	32,535	8,041,989	2,743,071	10,817,595	9,894,810	20,712,405
Net Assets, End of Year	<u>\$ 652,134</u>	<u>\$7,279,199</u>	<u>\$2,032,186</u>	<u>\$ 9,963,519</u>	<u>\$ 8,609,260</u>	<u>\$18,572,779</u>	<u>\$ 637,282</u>	<u>\$7,618,534</u>	<u>\$2,458,227</u>	<u>\$10,714,043</u>	<u>\$ 9,278,715</u>	<u>\$19,992,758</u>

See notes to financial statements.

THE SYMPHONY SPACE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024 WITH COMPARATIVE TOTALS FOR 2023

	2024										
	Program Services										
	Rental	Wall to Wall	Education	Broadcasting	Film	Music	Family	Literary Programs	Other Programs	Special Programs	Total Program Services (carried forward)
Salaries, payroll taxes and benefits	\$ 751,678	\$ 105,158	\$447,733	\$ 238,763	\$120,573	\$492,795	\$ 321	\$1,211,782	\$ 39,738	\$ -	\$3,408,541
Program consultants	-	12,000	4,000	-	-	3,000	-	6,407	-	-	25,407
Professional fees	-	-	-	-	-	-	-	-	-	-	-
Artistic fees and artist services	104,948	46,440	114,415	55,566	90,113	145,118	6,154	242,504	-	20,000	825,258
Occupancy costs	157,051	3,926	19,631	3,926	19,631	31,410	-	113,862	-	3,926	353,363
Postage and delivery	-	-	-	-	-	-	-	-	-	-	-
Insurance	41,750	1,898	14,233	2,847	2,847	6,642	-	10,437	1,898	-	82,552
Advertising and promotion	8,076	22,873	6,831	-	2,767	95,165	-	144,149	2,630	-	282,491
Office supplies and expenses	44,985	893	13,164	632	5,722	15,724	-	32,066	893	-	114,079
Telephone	10,165	-	1,452	1,452	1,452	2,904	-	2,904	-	-	20,329
Conference and travel	106	299	785	-	35	709	-	1,278	-	-	3,212
Storage rental	-	-	-	2,124	-	-	-	-	-	-	2,124
Production costs	92,038	28,377	8,645	12,083	10,931	63,908	-	89,719	78,983	65	384,749
Computer expense	49,297	-	7,042	7,042	7,042	14,085	-	14,085	7,042	-	105,635
Miscellaneous	-	-	-	-	-	-	-	8,990	-	-	8,990
Total expenses before depreciation and capital campaign	1,260,094	221,864	637,931	324,435	261,113	871,460	6,475	1,878,183	131,184	23,991	5,616,730
Depreciation	225,908	10,758	80,681	5,379	10,758	37,651	-	86,060	10,758	-	467,953
Capital campaign	-	-	-	-	-	-	-	-	-	-	-
Total Expenses, 2024	<u>\$1,486,002</u>	<u>\$ 232,622</u>	<u>\$718,612</u>	<u>\$ 329,814</u>	<u>\$271,871</u>	<u>\$909,111</u>	<u>\$6,475</u>	<u>\$1,964,243</u>	<u>\$141,942</u>	<u>\$ 23,991</u>	<u>\$6,084,683</u>
Total Expenses, 2023	<u>\$1,372,061</u>	<u>\$ 235,869</u>	<u>\$696,234</u>	<u>\$ 329,340</u>	<u>\$189,745</u>	<u>\$803,300</u>	<u>\$ -</u>	<u>\$1,863,767</u>	<u>\$ 80,773</u>	<u>\$ 27,505</u>	<u>\$5,598,594</u>

See notes to financial statements.

THE SYMPHONY SPACE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024 WITH COMPARATIVE TOTALS FOR 2023

	2024			Total Expenses	2023 Total Expenses	
	Total Program Services (brought forward)	Supporting Services Management and General	Fundraising			Total
Salaries, payroll taxes and benefits	\$3,408,541	\$ 441,202	\$ 160,601	\$ 601,803	\$4,010,344	\$3,778,723
Program consultants	25,407	-	-	-	25,407	23,309
Professional fees	-	45,333	-	45,333	45,333	90,935
Artistic fees and artist services	825,258	-	34,155	34,155	859,413	695,714
Occupancy costs	353,363	39,266	-	39,266	392,629	330,821
Postage and delivery	-	573	573	1,146	1,146	1,052
Insurance	82,552	12,334	-	12,334	94,886	98,729
Advertising and promotion	282,491	-	6,216	6,216	288,707	304,786
Office supplies and expenses	114,079	32,057	1,192	33,249	147,328	111,206
Telephone	20,329	7,262	1,452	8,714	29,043	33,120
Conference and travel	3,212	1,460	1,063	2,523	5,735	8,885
Storage rental	2,124	4,956	-	4,956	7,080	7,010
Production costs	384,749	120	82,924	83,044	467,793	446,534
Computer expense	105,635	28,173	7,042	35,215	140,850	121,764
Miscellaneous	8,990	-	-	-	8,990	7,495
Total expenses before depreciation and capital campaign	5,616,730	612,736	295,218	907,954	6,524,684	6,060,083
Depreciation	467,953	69,922	-	69,922	537,875	523,455
Capital campaign	-	-	213,172	213,172	213,172	-
Total Expenses, 2024	<u>\$6,084,683</u>	<u>\$ 682,658</u>	<u>\$ 508,390</u>	<u>\$1,191,048</u>	<u>\$7,275,731</u>	
Total Expenses, 2023	<u>\$5,598,594</u>	<u>\$ 662,725</u>	<u>\$ 322,219</u>	<u>\$ 984,944</u>		<u>\$6,583,538</u>

See notes to financial statements.

THE SYMPHONY SPACE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Decrease in net assets	\$(1,419,979)	\$ (719,647)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:		
Depreciation	537,875	523,455
Realized gain on investments	(255,754)	(171,154)
Unrealized gain on investments	(354,648)	(435,609)
(Increase) decrease in:		
Unconditional promises to give	728,829	(9,316)
Accounts and other receivables	(16,804)	50,967
Inventory	4,120	(1,043)
Prepaid expenses	8,890	182,854
Increase (decrease) in:		
Accounts payable and accrued expenses	(207,843)	178,280
Deferred income	(153,320)	160,750
Theater rental deposits	(49,990)	30,480
Refundable advances	(213,172)	-
Net Cash Used By Operating Activities	<u>(1,391,796)</u>	<u>(209,983)</u>
 Cash Flows From Investing Activities		
Acquisition of equipment and theater renovations	(198,540)	(573,517)
Purchases of investments	(1,163,352)	(624,773)
Proceeds from sale of investments	1,994,092	1,452,061
Net Cash Provided By Investing Activities	<u>632,200</u>	<u>253,771</u>
 Net increase (decrease) in cash and cash equivalents	(759,596)	43,788
Cash and cash equivalents, beginning of year	<u>1,658,752</u>	<u>1,614,964</u>
 Cash and Cash Equivalents, End of Year	 <u><u>\$ 899,156</u></u>	 <u><u>\$1,658,752</u></u>

See notes to financial statements.

THE SYMPHONY SPACE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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.

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, 2024 AND 2023

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, 2024 AND 2023

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 \$288,707 and \$304,786 for the years ended June 30, 2024 and 2023, 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, 2024 AND 2023

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 2024, the Organization began a new capital campaign. Expenses of \$213,172 were financed by the refundable advance for which the Organization received approval from the donor (Note 7).

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 - New Accounting Standard

During 2024, the Organization adopted ASU 2016-13, *Current Expected Credit Losses* ("Topic 326"). The core principles of ASU 2016-13 (the "ASU") significantly change the way organizations recognize credit losses from the incurred loss model to the expected loss model for most financial assets. The financial asset held by the Organization that is subject to the ASU is trade accounts receivable. The adoption of the ASU did not have a significant impact to net assets.

o - Subsequent Events

The Organization has evaluated subsequent events through December 9, 2024, the date that the financial statements are considered available to be issued.

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, 2024 AND 2023

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, 2024 and 2023 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2024</u>	<u>2023</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 899,156	\$ 1,658,752
Unconditional promise to give	556,716	1,285,545
Accounts and other receivables	93,491	76,687
Investments	<u>8,771,927</u>	<u>8,992,265</u>
Total Financial Assets	10,321,290	12,013,249
Less: Amounts not Available to be Used within One Year:		
Refundable advance included in cash and cash equivalents	(99,828)	(313,000)
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(2,199,333)	(2,535,572)
Plus: Net assets with donor restrictions expected to be met in less than one year	257,750	501,750
Net assets with donor restrictions for endowment, subject to spending policy and appropriation, in excess of amounts appropriated for expenditure within one year	(1,308,311)	(1,641,527)
Net assets with donor restrictions for endowment	(5,101,616)	(5,101,616)
Net assets restricted by Board, subject to spending policy and appropriation	(2,032,186)	(2,458,227)
Plus: Amounts appropriated for use within one year	<u>1,537,977</u>	<u>1,572,475</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$ 1,375,743</u>	<u>\$ 2,037,532</u>

In addition to these financial assets available within one year, the Organization manages board designated endowment funds of \$2,032,186, 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
JUNE 30, 2024 AND 2023

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, 2024, appropriations of \$626,420 were made to support operations. During the year ended June 30, 2023, appropriations of \$615,000 were made to support operations, while additional appropriations of \$341,917 were made to support repairs to the HVAC system. In addition, \$476,420 of employee retention tax credits (including interest of \$20,181) were added.

b - Net Assets With Donor Restrictions

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

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specific purpose:		
Shorts	\$ 40,000	\$ 40,000
Resilience	-	254,000
Capital Campaign	<u>1,877,126</u>	<u>1,868,640</u>
	<u>1,917,126</u>	<u>2,162,640</u>
Subject to passage of time:		
Future periods	<u>282,207</u>	<u>372,932</u>
Endowments subject to spending policy and appropriation:		
Investment income above original gift amount	1,308,311	1,641,527
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>6,409,927</u>	<u>6,743,143</u>
Total Net Assets With Donor Restrictions	<u>\$8,609,260</u>	<u>\$9,278,715</u>

During the year ended June 30, 2024, endowment appropriations of \$700,000 were made to support operations. Further endowment appropriations of \$160,000 were made to repair the HVAC system with an additional appropriation of \$20,000 to support a special project. During the year ended June 30, 2023, endowment appropriations of \$500,000 were made to support operations.

THE SYMPHONY SPACE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Note 4 - Promises to Give

a - Unconditional Promises to Give

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

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Due in one year	\$36,595	\$170,000	\$206,595	\$ 843,910
Due in two to five years	<u>-</u>	<u>377,500</u>	<u>377,500</u>	<u>477,500</u>
	36,595	547,500	584,095	1,321,410
Less: Discount to present value	<u>-</u>	<u>(27,379)</u>	<u>(27,379)</u>	<u>(35,865)</u>
Net Present Value	<u>\$36,595</u>	<u>\$520,121</u>	<u>\$556,716</u>	<u>\$1,285,545</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.

b - Conditional Promises to Give

During the year ended June 30, 2023, the Organization was allocated \$138,000 by the City of New York for a live stream network storage system which the City will purchase for the Organization. As such, this amount has not been recognized as revenue in the accompanying financial statements.

During the year ended June 30, 2024, the Organization was allocated \$188,000 by the City of New York for lighting equipment which the City will purchase for the Organization. As such, this amount has not been recognized as revenue in the accompanying financial statements.

Note 5 - Investments

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

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	\$ 295,809	\$ 295,809	\$ 670,287	\$ 670,287
Fixed income	3,218,112	3,093,505	3,192,785	2,988,046
Equity	<u>3,989,538</u>	<u>5,382,613</u>	<u>4,215,373</u>	<u>5,333,932</u>
Total	<u>\$7,503,459</u>	<u>\$8,771,927</u>	<u>\$8,078,445</u>	<u>\$8,992,265</u>

THE SYMPHONY SPACE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Note 5 - Investments (continued)

Investment income is comprised of the following at June 30:

	<u>2024</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 98,160	\$162,727	\$260,887
Realized gain on sale of investments	63,573	192,181	255,754
Unrealized gain on investments	108,481	246,167	354,648
Investment custodial fees	<u>(26,128)</u>	<u>(54,291)</u>	<u>(80,419)</u>
	<u>\$244,086</u>	<u>\$546,784</u>	<u>\$790,870</u>
	<u>2023</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 72,124	\$247,674	\$319,798
Realized gain on sale of investments	54,157	116,997	171,154
Unrealized loss on investments	115,465	320,144	435,609
Investment custodial fees	<u>(27,762)</u>	<u>(53,996)</u>	<u>(81,758)</u>
	<u>\$213,984</u>	<u>\$630,819</u>	<u>\$844,803</u>

Note 6 - Property and Equipment

Property and equipment consist of the following at June 30:

	<u>Life</u>	<u>2024</u>	<u>2023</u>
Furniture, fixtures and equipment	5-7 years	\$ 1,855,407	\$ 1,838,307
Theater building and improvements	10-39 years	16,406,906	16,225,466
Sprinkler system	5 years	30,557	30,557
Work in progress		<u>925,828</u>	<u>925,828</u>
		19,218,698	19,020,158
Less: Accumulated depreciation		<u>(10,321,795)</u>	<u>(9,783,920)</u>
		8,896,903	9,236,238
Theater property - land		<u>16,515</u>	<u>16,515</u>
		<u>\$ 8,913,418</u>	<u>\$ 9,252,753</u>

THE SYMPHONY SPACE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Note 6 - Property and Equipment (continued)

The Organization is planning to renovate its building. In connection with this project, New York City has committed to providing \$10,357,000 in funding as of June 30, 2024. Subsequently, the City made an additional allocation of \$1,825,000 in fiscal year 2025.

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 Advance

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. Through June 30, 2024, the Organization has received approval from the donor to use \$400,172 towards reopening and capital campaign costs.

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.

THE SYMPHONY SPACE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Note 8 - Endowment Funds (continued)

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, 2024, and 2023, the Organization's invested endowment funds composition, by type of fund and net asset classification, are summarized as follows:

	2024			
	Without Donor Restrictions	With Donor Restrictions		Total
	Investment	Investment	Investment	
	Amount	Income Above Original Gift Amount	in Perpetuity	
Donor-restricted endowment funds	\$ -	\$1,308,311	\$5,101,616	\$6,409,927
Board designated endowment funds	<u>2,032,186</u>	-	-	<u>2,032,186</u>
Total	<u>\$2,032,186</u>	<u>\$1,308,311</u>	<u>\$5,101,616</u>	<u>\$8,442,113</u>
	2023			
	Without Donor Restrictions	With Donor Restrictions		Total
	Investment	Investment	Investment	
	Amount	Income Above Original Gift Amount	in Perpetuity	
Donor-restricted endowment funds	\$ -	\$1,641,527	\$5,101,616	\$6,743,143
Board designated endowment funds	<u>2,458,227</u>	-	-	<u>2,458,227</u>
Total	<u>\$2,458,227</u>	<u>\$1,641,527</u>	<u>\$5,101,616</u>	<u>\$9,201,370</u>

THE SYMPHONY SPACE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Note 8 - Endowment Funds (continued)

Changes in the Organization's endowment funds for the years ended June 30, 2024 and 2023 are summarized as follows:

	2024			Total
	Without Donor Restrictions	With Donor Restrictions		
	Without Donor Restrictions	Investment Income Above Original Gift Amount	Investment in Perpetuity	Total
Endowment funds, beginning of year	\$2,458,227	\$1,641,527	\$5,101,616	\$9,201,370
Net investment income	200,379	546,784	-	747,163
Appropriation of endowment assets for expenditure	<u>(626,420)</u>	<u>(880,000)</u>	<u>-</u>	<u>(1,506,420)</u>
Endowment Funds, End of Year	<u>\$2,032,186</u>	<u>\$1,308,311</u>	<u>\$5,101,616</u>	<u>\$8,442,113</u>
	2023			
	Without Donor Restrictions	With Donor Restrictions		Total
	Without Donor Restrictions	Investment Income Above Original Gift Amount	Investment in Perpetuity	Total
Endowment funds, beginning of year	\$2,743,071	\$1,510,708	\$5,101,616	\$9,355,395
Transfers in	476,420	-	-	476,420
Net investment income	195,653	630,819	-	826,472
Appropriation of endowment assets for expenditure	<u>(956,917)</u>	<u>(500,000)</u>	<u>-</u>	<u>(1,456,917)</u>
Endowment Funds, End of Year	<u>\$2,458,227</u>	<u>\$1,641,527</u>	<u>\$5,101,616</u>	<u>\$9,201,370</u>

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.

THE SYMPHONY SPACE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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 contributes 1% (2024) and 2% (2023) of eligible employees' gross salary to the non-contributory plan. For the years ended June 30, 2024, and 2023, the Organization contributed \$27,038 and \$47,182 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, 2024 and 2023, there were no outstanding amounts due.

Note 11 - Employee Retention Tax Credit

The Coronavirus Aid, Relief and Economic Security ("CARES") Act enacted in 2020 allowed eligible employees to claim employee retention tax credits for qualified wages paid after March 21, 2020 and before September 30, 2021. The Organization qualified for the credit during this period based on full and partial suspensions of operations due to government COVID-related orders and a decrease in gross receipts. During the year ended June 30, 2023, \$835,527 of credits were recognized by the Organization.