

**THE SYMPHONY SPACE, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**



**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, 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 financial statements referred to above present fairly, in all material respects, the financial position of The Symphony Space, Inc. 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 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*

**THE SYMPHONY SPACE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Cash and cash equivalents (Notes 1b and 9)	\$ 1,658,752	\$ 1,614,964
Unconditional promises to give (Notes 1c and 4a)		
Without donor restrictions	526,910	41,480
With donor restrictions	758,635	1,234,749
Accounts and other receivables	76,687	127,654
Inventory (Note 1d)	12,319	11,276
Prepaid expenses	33,780	216,634
Investments (Notes 1b, 1e, 1f and 5)	8,992,265	9,212,790
Property and equipment, at cost, net of accumulated depreciation (Notes 1g and 6)	9,252,753	9,202,691
<b>Total Assets</b>	<b>\$21,312,101</b>	<b>\$21,662,238</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 591,203	\$ 412,923
Deferred income (Note 1h)	259,160	98,410
Theater rental deposits (Note 1h)	155,980	125,500
Refundable advances (Notes 7a and 7b)	313,000	313,000
<b>Total Liabilities</b>	<b>1,319,343</b>	<b>949,833</b>
Commitments and Contingency (Note 10)		
Net Assets (Note 3)		
Without Donor Restrictions		
Board designated endowment (Notes 3a and 8)	2,458,227	2,743,071
Property and equipment	7,618,534	8,041,989
Other	637,282	32,535
<b>Total Without Donor Restrictions</b>	<b>10,714,043</b>	<b>10,817,595</b>
With Donor Restrictions	9,278,715	9,894,810
<b>Total Net Assets</b>	<b>19,992,758</b>	<b>20,712,405</b>
<b>Total Liabilities and Net Assets</b>	<b>\$21,312,101</b>	<b>\$21,662,238</b>

See notes to financial statements.

THE SYMPHONY SPACE, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2023 AND 2022

	2023						2022					
	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
<b>Changes in Net Assets</b>												
Revenue, Gains and Other Support												
Contributions												
Government	\$ 134,961	\$ -	\$ -	\$ 134,961	\$ 40,000	\$ 174,961	\$ 105,150	\$ -	\$ -	\$ 105,150	\$ 107,000	\$ 212,150
Foundations	314,000	-	-	314,000	-	314,000	285,100	-	-	285,100	50,000	335,100
Corporations	15,000	-	-	15,000	-	15,000	15,000	-	-	15,000	-	15,000
Individuals	659,760	-	-	659,760	27,986	687,746	469,624	-	-	469,624	231,371	700,995
COVID grants (Notes 7b, 8, 11 and 12)	379,288	-	456,239	835,527	-	835,527	2,272,395	-	-	2,272,395	-	2,272,395
Reduction of prior year contribution	-	-	-	-	-	-	-	-	-	-	(200,000)	(200,000)
Benefit income	523,606	-	-	523,606	-	523,606	487,184	-	-	487,184	-	487,184
Less: Direct benefit expenses	(92,247)	-	-	(92,247)	-	(92,247)	(69,956)	-	-	(69,956)	-	(69,956)
Other transfers (Notes 3a and 8)	-	-	-	-	-	-	(350,000)	-	350,000	-	-	-
Membership	128,892	-	-	128,892	-	128,892	118,205	-	-	118,205	-	118,205
Rental income	958,731	-	-	958,731	-	958,731	737,064	-	-	737,064	-	737,064
Ticket sales, performance fees and related income	1,083,023	-	-	1,083,023	-	1,083,023	727,029	-	-	727,029	-	727,029
Concessions and merchandise sales	166,583	-	-	166,583	-	166,583	46,667	-	-	46,667	-	46,667
Less: Cost of sales	(15,132)	-	-	(15,132)	-	(15,132)	-	-	-	-	-	-
Handling charges	198,801	-	-	198,801	-	198,801	106,038	-	-	106,038	-	106,038
Appropriations for use in operations (Notes 3a and 8)	1,456,917	-	(956,917)	500,000	(500,000)	-	448,083	-	(187,083)	261,000	(261,000)	-
Net investment income (loss) (Note 5)	18,331	-	195,653	213,984	630,819	844,803	460	-	(283,557)	(283,097)	(691,739)	(974,836)
Miscellaneous (Note 8)	19,416	-	20,181	39,597	-	39,597	5,999	-	-	5,999	-	5,999
	<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>	<u>5,404,042</u>	<u>-</u>	<u>(120,640)</u>	<u>5,283,402</u>	<u>(764,368)</u>	<u>4,519,034</u>
Net assets released from restrictions												
Satisfaction of time and program restrictions	714,900	100,000	-	814,900	(814,900)	-	324,150	201,122	-	525,272	(525,272)	-
<b>Total Revenue, Gains and Other Support</b>	<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>	<u>5,728,192</u>	<u>201,122</u>	<u>(120,640)</u>	<u>5,808,674</u>	<u>(1,289,640)</u>	<u>4,519,034</u>
Expenses												
Program Services												
Rental	1,152,210	219,851	-	1,372,061	-	1,372,061	821,770	188,772	-	1,010,542	-	1,010,542
Wall to Wall	225,400	10,469	-	235,869	-	235,869	189,201	9,439	-	198,640	-	198,640
Education	617,716	78,518	-	696,234	-	696,234	565,677	70,790	-	636,467	-	636,467
Broadcasting	324,105	5,235	-	329,340	-	329,340	319,177	-	-	319,177	-	319,177
Film	179,276	10,469	-	189,745	-	189,745	10,186	-	-	10,186	-	10,186
Music	766,658	36,642	-	803,300	-	803,300	581,840	33,035	-	614,875	-	614,875
Family	-	-	-	-	-	-	6,980	-	-	6,980	-	6,980
Literary programs	1,780,014	83,753	-	1,863,767	-	1,863,767	1,489,369	75,509	-	1,564,878	-	1,564,878
Other programs	80,773	-	-	80,773	-	80,773	34,353	-	-	34,353	-	34,353
Special programs	27,505	-	-	27,505	-	27,505	456,636	23,597	-	480,233	-	480,233
Total Program Services	<u>5,153,657</u>	<u>444,937</u>	<u>-</u>	<u>5,598,594</u>	<u>-</u>	<u>5,598,594</u>	<u>4,475,189</u>	<u>401,142</u>	<u>-</u>	<u>4,876,331</u>	<u>-</u>	<u>4,876,331</u>
Supporting Services												
Management and general	594,676	68,049	-	662,725	-	662,725	597,179	61,350	-	658,529	-	658,529
Fundraising	311,750	10,469	-	322,219	-	322,219	255,121	9,439	-	264,560	-	264,560
Total Supporting Services	<u>906,426</u>	<u>78,518</u>	<u>-</u>	<u>984,944</u>	<u>-</u>	<u>984,944</u>	<u>852,300</u>	<u>70,789</u>	<u>-</u>	<u>923,089</u>	<u>-</u>	<u>923,089</u>
<b>Total Expenses</b>	<u>6,060,083</u>	<u>523,455</u>	<u>-</u>	<u>6,583,538</u>	<u>-</u>	<u>6,583,538</u>	<u>5,327,489</u>	<u>471,931</u>	<u>-</u>	<u>5,799,420</u>	<u>-</u>	<u>5,799,420</u>
Increase (decrease) in net assets	604,747	(423,455)	(284,844)	(103,552)	(616,095)	(719,647)	400,703	(270,809)	(120,640)	9,254	(1,289,640)	(1,280,386)
Net assets (deficit), beginning 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
<b>Net Assets, End of Year</b>	<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>	<u>\$ 32,535</u>	<u>\$8,041,989</u>	<u>\$2,743,071</u>	<u>\$10,817,595</u>	<u>\$ 9,894,810</u>	<u>\$20,712,405</u>

See notes to financial statements.

## THE SYMPHONY SPACE, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023 WITH COMPARATIVE TOTALS FOR 2022

	2023										
	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	\$ 713,353	\$ 105,485	\$453,144	\$ 230,675	\$104,005	\$473,054	\$ -	\$1,122,028	\$ 5,189	\$ 16,646	\$3,223,579
Program consultants	-	12,000	4,000	640	-	-	-	6,669	-	-	23,309
Professional fees	-	-	-	-	-	-	-	-	-	-	-
Artistic fees and artist services	72,183	48,388	98,258	66,748	33,503	99,377	-	228,558	-	5,550	652,565
Occupancy costs	132,328	3,308	16,541	3,308	16,541	26,466	-	95,938	-	-	294,430
Postage and delivery	-	-	-	-	-	-	-	-	-	-	-
Insurance	41,466	1,975	14,809	-	2,962	6,911	-	15,797	-	-	83,920
Advertising and promotion	1,984	27,431	6,878	-	3,509	86,861	-	162,850	2,358	2,386	294,257
Office supplies and expenses	32,385	508	8,627	-	3,637	12,503	-	18,927	-	-	76,587
Telephone	11,592	-	1,656	1,656	1,656	3,312	-	3,312	-	-	23,184
Conference and travel	123	268	1,022	-	41	820	-	2,340	-	-	4,614
Storage rental	-	-	-	2,103	-	-	-	-	-	-	2,103
Production costs	104,179	26,037	6,693	12,887	7,334	45,178	-	103,924	73,226	2,923	382,381
Computer expense	42,617	-	6,088	6,088	6,088	12,176	-	12,176	-	-	85,233
Miscellaneous	-	-	-	-	-	-	-	7,495	-	-	7,495
Total expenses before depreciation	1,152,210	225,400	617,716	324,105	179,276	766,658	-	1,780,014	80,773	27,505	5,153,657
Depreciation	219,851	10,469	78,518	5,235	10,469	36,642	-	83,753	-	-	444,937
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>
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>\$ 34,353</u>	<u>\$480,233</u>	<u>\$4,876,331</u>

See notes to financial statements.

## THE SYMPHONY SPACE, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023 WITH COMPARATIVE TOTALS FOR 2022

	2023				2022	
	Total Program Services (brought forward)	Management and General	Fundraising	Total	Total Expenses	
Salaries, payroll taxes and benefits	\$3,223,579	\$ 407,063	\$ 148,081	\$ 555,144	\$3,778,723	\$3,478,620
Program consultants	23,309	-	-	-	23,309	75,548
Professional fees	-	57,935	33,000	90,935	90,935	42,343
Artistic fees and artist services	652,565	-	43,149	43,149	695,714	586,180
Occupancy costs	294,430	36,391	-	36,391	330,821	224,983
Postage and delivery	-	526	526	1,052	1,052	1,219
Insurance	83,920	12,834	1,975	14,809	98,729	58,271
Advertising and promotion	294,257	-	10,529	10,529	304,786	270,696
Office supplies and expenses	76,587	33,297	1,322	34,619	111,206	114,627
Telephone	23,184	8,280	1,656	9,936	33,120	22,757
Conference and travel	4,614	2,959	1,312	4,271	8,885	7,744
Storage rental	2,103	4,907	-	4,907	7,010	6,890
Production costs	382,381	41	64,112	64,153	446,534	329,922
Computer expense	85,233	30,443	6,088	36,531	121,764	103,414
Miscellaneous	7,495	-	-	-	7,495	4,275
Total expenses before depreciation	5,153,657	594,676	311,750	906,426	6,060,083	5,327,489
Depreciation	444,937	68,049	10,469	78,518	523,455	471,931
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>	
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>

See notes to financial statements.

**THE SYMPHONY SPACE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>Cash Flows From Operating Activities</b>		
Decrease in net assets	\$ (719,647)	\$(1,280,386)
Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities:		
Reduction of prior year contribution	-	200,000
Depreciation	523,455	471,931
Realized gain on investments	(171,154)	(425,324)
Unrealized (gain) loss on investments	(435,609)	1,459,467
(Increase) decrease in:		
Unconditional promises to give	(9,316)	33,424
Accounts and other receivables	50,967	19
Inventory	(1,043)	-
Prepaid expenses	182,854	(59,908)
Increase (decrease) in:		
Accounts payable and accrued expenses	178,280	134,850
Deferred income	160,750	(27,932)
Theater rental deposits	30,480	24,000
Refundable advances	-	(269,010)
Net Cash Provided (Used) By Operating Activities	<u>(209,983)</u>	<u>261,131</u>
 <b>Cash Flows From Investing Activities</b>		
Acquisition of equipment and theater renovations	(573,517)	(548,829)
Purchases of investments	(624,773)	(1,632,509)
Proceeds from sale of investments	<u>1,452,061</u>	<u>1,867,664</u>
Net Cash Provided (Used) By Investing Activities	<u>253,771</u>	<u>(313,674)</u>
 Net increase (decrease) in cash and cash equivalents	43,788	(52,543)
Cash and cash equivalents, beginning of year	<u>1,614,964</u>	<u>1,667,507</u>
 <b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$1,658,752</u></u>	<u><u>\$ 1,614,964</u></u>

See notes to financial statements.



**THE SYMPHONY SPACE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**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, 2023 AND 2022**

**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, 2023 AND 2022**

**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 \$304,786 and \$270,696 for the years ended June 30, 2023 and 2022, 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**  
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**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.

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 11, 2023, 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 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 SYMPHONY SPACE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Note 2 - Information Regarding Liquidity and Availability (continued)**

The Organization's financial assets as of June 30, 2023 and 2022 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2023</u>	<u>2022</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 1,658,752	\$ 1,614,964
Unconditional promise to give	1,285,545	1,276,229
Accounts and other receivables	76,687	127,654
Investments	<u>8,992,265</u>	<u>9,212,790</u>
Total Financial Assets	12,013,249	12,231,637
Less: Amounts not Available to be Used within One Year:		
Refundable advance included in cash and cash equivalents	(313,000)	(313,000)
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(2,535,572)	(3,282,486)
Plus: Net assets with donor restrictions expected to be met in less than one year	501,750	1,170,750
Net assets with donor restrictions for endowment, subject to spending policy and appropriation, in excess of amounts appropriated for expenditure within one year	(1,641,527)	(1,510,708)
Net assets with donor restrictions for endowment	(5,101,616)	(5,101,616)
Net assets restricted by Board, subject to spending policy and appropriation	(2,458,227)	(2,580,154)
Plus: Amounts appropriated for use within one year	<u>-</u>	<u>-</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$ 465,057</u>	<u>\$ 614,423</u>

In addition to these financial assets available within one year, the Organization manages board designated endowment funds of \$2,458,227, 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, 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. 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.

b - Net Assets With Donor Restrictions

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

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specific purpose:		
All Write!	\$ -	\$ 17,500
Education	-	17,500
Shorts	40,000	40,000
Resilience	254,000	254,000
Capital Campaign	<u>1,868,640</u>	<u>1,844,154</u>
	<u>2,162,640</u>	<u>2,173,154</u>
Subject to passage of time:		
Future periods	<u>372,932</u>	<u>1,109,332</u>
Endowments subject to spending policy and appropriation:		
Investment income above original gift amount	1,641,527	1,510,708
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>6,743,143</u>	<u>6,612,324</u>
Total Net Assets With Donor Restrictions	<u>\$9,278,715</u>	<u>\$9,894,810</u>

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

a - Unconditional Promises to Give

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

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Due in one year	\$526,910	\$317,000	\$ 843,910	\$ 559,080
Due in two to five years	-	477,500	477,500	777,500
	526,910	794,500	1,321,410	1,336,580
Less: Discount to present value	-	(35,865)	(35,865)	(60,351)
Net Present Value	\$526,910	\$758,635	\$1,285,545	\$1,276,229

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 awarded a grant totaling \$138,000 that is contingent upon the purchase of certain equipment by the Organization. As such, this grant 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:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	\$ 670,287	\$ 670,287	\$1,190,104	\$1,190,104
Fixed income	3,192,785	2,988,046	3,323,998	3,143,895
Equity	4,215,373	5,333,932	4,220,477	4,878,791
Total	\$8,078,445	\$8,992,265	\$8,734,579	\$9,212,790

**THE SYMPHONY SPACE, INC.**  
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**Note 5 - Investments (continued)**

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

	<b>2023</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Interest and dividends	\$ 72,124	\$247,674	\$319,798
Realized gain on sale of investments	54,157	116,997	171,154
Unrealized gain 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>
	<b>2022</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
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>\$(283,097)</u>	<u>\$ (691,739)</u>	<u>\$ (974,836)</u>

**Note 6 - Property and Equipment**

Property and equipment consist of the following at June 30:

	<b>Life</b>	<b>2023</b>	<b>2022</b>
Furniture, fixtures and equipment	5-7 years	\$ 1,838,307	\$ 1,516,593
Theater building and improvements	10-39 years	16,225,466	15,973,663
Sprinkler system	5 years	30,557	30,557
Work in progress		<u>925,828</u>	<u>925,828</u>
		19,020,158	18,446,641
Less: Accumulated depreciation		<u>(9,783,920)</u>	<u>(9,260,465)</u>
		9,236,238	9,186,176
Theater property - land		<u>16,515</u>	<u>16,515</u>
		<u>\$ 9,252,753</u>	<u>\$ 9,202,691</u>



**THE SYMPHONY SPACE, INC.**  
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**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. Through June 30, 2023, the Organization has received approval from the donor to use \$187,000 towards reopening cost.
- b - 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.

**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**  
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**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, 2023, and 2022, the Organization's invested endowment funds composition, by type of fund and net asset classification, are summarized as follows:

	<b>2023</b>			
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>		<b>Total</b>
	<b>Investment</b>	<b>Investment</b>	<b>Investment</b>	
	<b>Amount</b>	<b>Income Above Original Gift Amount</b>	<b>in Perpetuity</b>	
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>
	<b>2022</b>			
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>		<b>Total</b>
	<b>Investment</b>	<b>Investment</b>	<b>Investment</b>	
	<b>Amount</b>	<b>Income Above Original Gift Amount</b>	<b>in Perpetuity</b>	
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**  
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**Note 8 - Endowment Funds (continued)**

Changes in the Organization's endowment funds for the years ended June 30, 2023 and 2022 are summarized as follows:

	<b>2023</b>			<b>Total</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions Investment Income Above Original Gift Amount</b>	<b>Investment in Perpetuity</b>	
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>

  

	<b>2022</b>			<b>Total</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions Investment Income Above Original Gift Amount</b>	<b>Investment in Perpetuity</b>	
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>-</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>

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.**  
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**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 2% of eligible employees' gross salary to the non-contributory plan. For the years ended June 30, 2023, and 2022, the Organization contributed \$47,182 and \$43,068 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, 2023 and 2022, there were no outstanding amounts due.

**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.

**THE SYMPHONY SPACE, INC.**  
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**Note 12 - 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.