

**Princeton Symphony Orchestra, Inc.
Financial Statements
June 30, 2025 and 2024
With Independent Auditor's Report**

Princeton Symphony Orchestra, Inc.
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June 30, 2025 and 2024

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Independent Auditor's Report

To the Board of Trustees of
Princeton Symphony Orchestra, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Princeton Symphony Orchestra, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Princeton Symphony Orchestra, Inc. as of June 30, 2025 and 2024, 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 ("GAAS") and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Princeton Symphony Orchestra, 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 Organization's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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.

Report on Supplementary information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditure of state financial assistance for the year ended June 30, 2025 is presented for purposes of additional analysis as required by the State of New Jersey, State Council on the Arts and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2025 on our consideration of Princeton Symphony Orchestra, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Princeton Symphony Orchestra, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Princeton Symphony Orchestra, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads 'Withum Smith & Brown, PC'.

November 5, 2025

Princeton Symphony Orchestra, Inc.
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 1,462,880	\$ 584,508
Grants receivable	170,517	653,751
Accounts receivable	20,605	3,725
Promises to give	88,516	22,310
Accrued interest	6,162	-
Certificates of deposit	603,986	355,911
Prepaid expenses	41,684	28,976
Total current assets	2,394,350	1,649,181
Noncurrent assets		
Investments	9,078,585	8,203,406
Operating right-of-use asset, net	513,547	560,802
Property and equipment, net	100,547	85,993
Security deposit	5,073	5,073
Intangible assets, net	883	3,844
Total noncurrent assets	9,698,635	8,859,118
Total assets	\$ 12,092,985	\$ 10,508,299
Liabilities and Net Assets		
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ 209,412	\$ 308,485
Contract liabilities	304,049	284,298
Operating lease liability, current portion	45,786	43,176
Total current liabilities	559,247	635,959
Noncurrent liabilities		
Operating lease liability, non-current portion	472,540	518,326
Total liabilities	1,031,787	1,154,285
Net assets		
Without donor restrictions		
Undesignated	535,975	430,872
Board-designated funds	929,245	1,012,447
Total without donor restrictions	1,465,220	1,443,319
With donor restrictions	9,595,978	7,910,695
Total net assets	11,061,198	9,354,014
Total liabilities and net assets	\$ 12,092,985	\$ 10,508,299

The Notes to Financial Statements are an integral part of these statements.

Princeton Symphony Orchestra, Inc.
Statements of Activities and Changes in Net Assets
Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues						
Contributions of financial assets						
Individuals, corporations, foundations	\$ 1,742,207	\$ 1,176,528	\$ 2,918,735	\$ 1,234,988	\$ 69,959	\$ 1,304,947
Government grants	234,871	-	234,871	130,480		130,480
Contribution of nonfinancial assets	55,847	-	55,847	17,005		17,005
Total contributions	2,032,925	1,176,528	3,209,453	1,382,473	69,959	1,452,432
Contract revenue						
Ticket sales	704,195	-	704,195	535,265		535,265
Subscriptions	294,976	-	294,976	222,398		222,398
Other performance fees	76,850	-	76,850	52,250		52,250
Special events	449,152	-	449,152	407,486		407,486
Other revenue	35,693	-	35,693	30,979		30,979
Net investment return	237,918	1,114,850	1,352,768	72,710	680,242	752,952
Net assets released from restriction	606,095	(606,095)	-	783,723	(783,723)	
Total revenues	4,437,804	1,685,283	6,123,087	3,487,284	(33,522)	3,453,762
Expenses						
Program	3,599,885	-	3,599,885	3,077,607		3,077,607
General and administrative	447,128	-	447,128	366,896		366,896
Fundraising	368,890	-	368,890	360,038		360,038
Total expenses	4,415,903	-	4,415,903	3,804,541		3,804,541
Changes in net assets	21,901	1,685,283	1,707,184	(317,257)	(33,522)	(350,779)
Net assets						
Beginning of year	1,443,319	7,910,695	9,354,014	1,760,576	7,944,217	9,704,793
End of year	\$ 1,465,220	\$ 9,595,978	\$ 11,061,198	\$ 1,443,319	\$ 7,910,695	\$ 9,354,014

The Notes to Financial Statements are an integral part of these statements.

Princeton Symphony Orchestra, Inc.
Statement of Functional Expenses
Year Ended June 30, 2025

	Program				Supporting Services			
	Education and			Total Program	General and		Total	
	Orchestra	Festival	Outreach		Administrative	Fundraising		
Salaries	\$ 766,954	\$ 484,180	\$ 311,588	\$ 1,562,722	\$ 202,635	\$ 143,088	\$ 1,908,445	
Payroll taxes	71,638	47,175	27,637	146,450	13,037	12,553	172,040	
Employee benefits	36,670	48,523	23,044	108,237	21,337	20,545	150,119	
Consultants and professional fees	101,986	530,151	7,914	640,051	75,439	-	715,490	
Advertising	96,494	79,233	-	175,727	-	-	175,727	
Office expense	8,548	1,975	6,481	17,004	37,564	4,789	59,357	
Dues and subscriptions	-	-	-	-	19,884	-	19,884	
IT expense	13,672	13,672	-	27,344	21,806	11,466	60,616	
Occupancy	135,483	184,723	23,934	344,140	17,292	16,650	378,082	
Travel and entertainment	41,510	24,487	9,616	75,613	4,922	24,183	104,718	
Food and accommodations	4,997	44,121	332	49,450	-	-	49,450	
Depreciation and amortization	-	-	-	-	25,659	-	25,659	
Insurance	9,534	12,617	5,991	28,142	5,547	5,342	39,031	
Special event expenses	-	-	-	-	-	130,274	130,274	
Production costs	85,264	331,551	8,190	425,005	-	-	425,005	
Bad debt	-	-	-	-	2,006	-	2,006	
	\$ 1,372,750	\$ 1,802,408	\$ 424,727	\$ 3,599,885	\$ 447,128	\$ 368,890	\$ 4,415,903	

The Notes to Financial Statements are an integral part of this statement.

Princeton Symphony Orchestra, Inc.
Statement of Functional Expenses
Year Ended June 30, 2024

	Program				Supporting Services			
	Education and			Total Program	General and		Total	
	Orchestra	Festival	Outreach		Administrative	Fundraising		
Salaries	\$ 809,444	\$ 419,397	\$ 235,350	\$ 1,464,191	\$ 144,217	\$ 141,070	\$ 1,749,478	
Payroll taxes	71,311	40,480	20,680	132,471	11,697	11,790	155,958	
Employee benefits	24,385	30,922	14,563	69,870	13,984	14,095	97,949	
Consultants and professional fees	77,059	380,119	2,836	460,014	59,985	-	519,999	
Advertising	86,039	61,270	-	147,309	-	-	147,309	
Office expense	2,558	6,334	2,341	11,233	40,856	5,564	57,653	
Dues and subscriptions	-	-	-	-	15,706	-	15,706	
IT expense	10,943	10,942	-	21,885	20,139	9,768	51,792	
Occupancy	90,722	165,265	20,464	276,451	14,505	13,108	304,064	
Travel and entertainment	41,865	19,800	3,745	65,410	8,093	40,516	114,019	
Food and accommodations	7,591	23,353	86	31,030	-	-	31,030	
Depreciation and amortization	-	-	-	-	30,930	-	30,930	
Insurance	11,828	15,000	7,065	33,893	6,784	6,838	47,515	
Special event expenses	-	-	-	-	-	92,738	92,738	
Production costs	29,037	305,351	29,462	363,850	-	24,551	388,401	
	\$ 1,262,782	\$ 1,478,233	\$ 336,592	\$ 3,077,607	\$ 366,896	\$ 360,038	\$ 3,804,541	

The Notes to Financial Statements are an integral part of this statement.

Princeton Symphony Orchestra, Inc.
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
Operating activities		
Changes in net assets	\$ 1,707,184	\$ (350,779)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	25,659	30,930
Unrealized gains on investments	(1,236,380)	(467,120)
Realized loss (gains) on sale of investments	73,383	(200,743)
Amortization of right of use asset	47,255	7,700
Donated property and equipment	-	(8,000)
Contributions restricted for endowment	(864,221)	(30,950)
Changes in operating assets and liabilities		
Grants receivable	483,234	11,503
Accounts receivable	(16,880)	4,400
Promises to give	(66,206)	411,625
Accrued interest	(6,162)	-
Prepaid expenses	(12,708)	(15,348)
Security deposit	-	(5,073)
Accounts payable and accrued expenses	(99,073)	93,434
Contract liabilities	19,751	93,771
Operating lease liability	(43,176)	(7,000)
Net cash provided by (used in) operating activities	11,660	(431,650)
Investing activities		
Net sales (purchases and reinvestments) of pooled investments	70,561	176,993
Net transfers from pooled investments	217,257	745,000
Maturity of certificate of deposit	355,911	223,771
Purchase of certificates of deposit	(603,986)	(355,911)
Purchase of fixed assets	(37,252)	(32,212)
Net cash provided by investing activities	2,491	757,641
Financing activities		
Contributions restricted for endowment	864,221	30,950
Net cash provided by financing activities	864,221	30,950
Net change in cash and cash equivalents	878,372	356,941
Cash and cash equivalents		
Beginning of year	584,508	227,567
End of year	\$ 1,462,880	\$ 584,508
Supplemental disclosure of cash flow information		
Right of use assets in exchange for operating lease liability	\$ -	\$ 568,502

The Notes to Financial Statements are an integral part of these statements.

Princeton Symphony Orchestra, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

1. Nature of Organization

Princeton Symphony Orchestra, Inc. (the "Organization"), widely regarded as one of New Jersey's finest arts organizations, has three main programs: a highly successful, professional, per-service orchestra, a comprehensive education program (PSO Bravo!), and the Princeton Festival. Through these programs, the Organization presents a six-program classical orchestral series at Richardson Auditorium in Princeton as well as pops, holiday, and education concerts, a chamber music series, lectures and events for the community, and education programs reaching over 10,000 students annually. The Organization maintains a close working partnership with the Youth Orchestra of Central New Jersey. Each June, the Organization presents the Princeton Festival, a multi-genre performing arts festival produced in a 900-seat outdoor performance pavilion on the grounds of Morven Museum & Garden. The Princeton Festival offers a robust schedule including fully-staged opera, concerts (orchestral, chamber music, Broadway/pops, jazz, baroque), lectures and community events.

2. Summary of Significant Accounting Policies

a. Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Without donor restrictions: Net assets that are not restricted by donor-imposed stipulations and are available for the general operations of the Organization. Net assets without donor restrictions may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties. In addition, net assets without donor restrictions includes board-designated endowment funds.

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 by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

b. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. Significant accounting policies included within these financial statements include the allocation of functional expenses, the estimated useful life of property and equipment and the valuation of pooled investments.

c. Cash and Cash Equivalents

The Organization considers all cash held in money market accounts to be cash equivalents, as well as debt securities with an initial maturity of three months or less from the date of acquisition.

d. Certificate of Deposit

Certificates of deposit are stated at cost plus accrued interest which approximates fair value. Certificates of deposit had maturity dates from July 2025 to June 2026 and interest rates ranged from 4.1% to 5.1%.

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e. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted or published prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels in the fair value hierarchy are as follows:

- Level 1 inputs are quoted or published prices (unadjusted) in active markets for identical assets or liabilities that the Press has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted or published prices included in Level 1 that are either directly or indirectly observable for the assets or liabilities.
- Level 3 inputs are unobservable inputs for the assets or liabilities. The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement.

f. Investments

The Organization's investments in Princeton Area Community Foundation ("PACF") are reflected at fair value based on net asset value using the practical expedient (see Note 6) in the statements of financial position and may differ from the values that would have been reported had a ready market for these investments existed. Net investment return (including realized and unrealized gains and losses on investments, interest and dividends, net of direct internal and external investment expenses) is included in net assets without donor restrictions unless the income or loss is restricted by donor or law.

g. Receivables and Credit Policies

Accounts receivable are uncollateralized, non-interest bearing, customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Accounts receivable are stated at the amount billed to the customer; grants and promises to give are stated at the amounts earned under the grant or pledge agreement. Payments of accounts receivable are allocated to specific invoices identified on the customer's remittance advice, or if unspecified, are applied to the earliest unpaid invoices.

Accounts receivable balances over 90 days old from the invoice date are considered delinquent. At June 30, 2025 and 2024, there were no delinquent accounts. The carrying amounts of accounts receivable are reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all accounts receivable balances and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Management has determined that an allowance for credit losses was not required at June 30, 2025 and 2024.

h. Revenue and Support Recognition

Contributions, Government Grants and Promises to Give

The Organization recognizes contributions, including unconditional promises to give, as revenue in the period received. Contributions to be received after one year are discounted at a rate commensurate with the risk involved. An allowance for uncollectible unconditional promises to give is provided based upon management's judgment, including such facts as prior collection history, type of contribution and nature of fundraising activity.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return or release, are not recognized in revenue until the conditions on which they depend have been substantially met. Contributions, net assets and changes therein are classified and reported based on the existence or absence of donor-imposed restrictions. Revenue from government and private grant and contract agreements, which are generally considered non-exchange transactions, is recognized when qualifying expenditures are incurred and conditions under the agreements are met.

Grant funds received in advance of the expenditures incurred are recorded as grant advances payable. Grant funds expended in advance of reimbursement from the funding source are classified as grants and contracts receivable in the statements of financial position. As of June 30, 2025 and 2024, the Organization has no conditional grants.

Princeton Symphony Orchestra, Inc.
Notes to Financial Statements
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The Organization has adopted a policy to report contributions with donor-imposed restrictions as support without donor restrictions if the restriction is met in the same reporting period in which the contribution is received. For all other contributions, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions when a donor restriction expires.

The Organization qualified for employee retention credits in the amount of approximately \$621,000. The credit was claimed against the Organization's payroll tax obligations for each calendar quarter based on qualified wages, subject to certain limitations. Included in grants receivable is approximately \$111,000 and \$621,000 at June 30, 2025 and 2024. Approximately \$510,000 of credits were collected during the year ended June 30, 2025.

Contributions of Non-Financial Assets

Contributions of goods and services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would otherwise be purchased by the Organization if they were not provided by donation, are recorded at fair value in the period received.

Revenue from Contracts with Customers

The Organization accounts for subscriptions, ticket sales, special events and festival fees in accordance with *Accounting Standards Codification* ("ASC 606"). Revenue from contracts with customers is treated as revenues without donor restrictions. Funds received in advance from customers for services that have not been performed have been recorded as contract liabilities in the statements of financial position.

The following summarizes the Organization's performance obligations:

Ticket Sales, Other Performance Fees and Special Events

Ticket sales, other performance fees and special events represent the sums actually paid for individual tickets of admission to a production or event of the Organization or fees reimbursed for the use of Organization employees during an outside performance. Tickets are non-refundable at the time of receipt unless a performance or event is cancelled. The Organization allows for exchanges under certain circumstances for tickets of equal or lesser value. The total yearly adjustment for exchanged tickets is immaterial to the Organization. Tickets purchased in advance are recorded as contract liabilities by the Organization. Advance ticket sales are recorded as revenue when the performance related to the ticket sale is complete. Ticket sales are recognized at a specific point in time, which is when the performance related to the ticket is complete.

Subscriptions

Subscription income represents income received for the sale of the ticket subscription series. The customer purchases a package of tickets to multiple shows over the current year's season. Tickets are non-refundable at the time of receipt unless a performance is cancelled. The Organization estimates the number of cancellations and records a reserve if deemed material and generally, it asks if the patron would like to contribute the funds instead of receiving the refunds. Tickets for future performances in the purchased subscription are recorded as contract liabilities by the Organization. Advance ticket sales are recorded as revenue when the performance related to the ticket in the subscription package is complete. Subscription income is recognized over a period of time, which is the completion of a single performance in the subscription package.

Other Revenue

Other revenue represents income received for sponsorships and advertisements within performance programs. Sponsorships and advertisements are non-refundable at the time of receipt and any advertisements purchased in advance are recorded as contract liabilities by the Organization. Sponsorships and advertisements purchased are recorded as revenue when the performance that the program booklet relates to is complete. Sponsorships and advertisement revenue are recognized over a period of time, which is the completion of a single performance in the series when the booklet is provided to audience members.

i. Property and Equipment

Property and equipment are recorded at cost, or if donated, at fair value on the date of donation, less accumulated depreciation. Maintenance and repairs that do not improve or extend the lives of assets are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful life of the related asset, which is generally 5-7 years for furniture, fixtures and equipment.

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j. Website

Capitalized website expense is recorded at cost. Amortization is computed using the straight-line method over the estimated useful life of the related assets, which is generally 3-5 years.

k. Trademark

Trademark is recorded at cost and is amortized over 10 years using the straight-line method.

l. Tax Exempt Status

The Organization was incorporated in the State of New Jersey as a nonprofit organization on July 11, 1980. The Organization has received a determination from the Internal Revenue Service granting exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is exempt from state income taxes in accordance with state law. The Organization is subject to income tax on unrelated business income which is generated from ad revenue.

The Organization had no unrecognized tax benefits at June 30, 2025 and 2024 and has incurred no interest or penalties related to income taxes for the periods presented in the financial statements.

m. Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the statements of activities and changes in net assets and detailed within the statements of functional expenses. Expenses directly attributed to a specific function are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries	Time and effort
Payroll taxes	Salaries
Employee benefits	Salaries
Occupancy	Salaries
Telephone (included in office)	Salaries
Other	Salaries

n. Advertising Costs

The Organization uses advertising to promote its concerts and outreach programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising and promotion costs amounted to \$175,727 and \$147,309 for the years ended June 30, 2025 and 2024, respectively.

o. Leases

The Organization categorizes leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that allow the Organization to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with contractual terms of 12 months or less are not recorded on the statements of financial position. The Organization had no finance leases during 2025 and 2024.

Certain lease contracts include obligations to pay for other services, such as operations, property taxes, and maintenance. For leases of property, these services were not included as a component of the lease, the services are accounted for separately and the Organization allocates payments to the lease and other services components based on estimated stand-alone prices.

Princeton Symphony Orchestra, Inc.
Notes to Financial Statements
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Lease liabilities are recognized at the present value of the fixed lease payments, reduced by landlord incentives, using a risk-free rate based on similarly secured borrowings available to the Organization. Right of use assets are recognized based on the initial present value of the fixed lease payments, reduced by landlord incentives, plus any direct costs from executing the leases. Lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Options to extend lease terms, terminate leases before the contractual expiration date, or purchase the leased assets, are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease.

Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease.

3. Liquidity and Availability of Resources

Financial assets and liquidity resources available within one year for general expenditures were as follows as of June 30, 2025 and 2024:

	2025	2024
Financial assets		
Cash and cash equivalents	\$ 1,462,880	\$ 584,508
Grants receivable	170,517	653,751
Accounts receivable	20,605	3,725
Certificates of deposit	603,986	355,911
Investments	9,078,585	8,203,406
Total financial assets	11,336,573	9,801,301
 Less: Financial assets restricted as to use		
Net assets with donor restrictions	9,595,978	7,910,695
Board-designated funds	929,245	1,012,447
Total	10,525,223	8,923,142
 Liquidity resources		
Estimated annual draw from investments	605,000	670,000
Total financial assets and liquidity resources	\$ 1,416,350	\$ 1,548,159

The financial assets above are not subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. The goal of the Organization is to have annual operating revenue cover expenses. Annually the Organization draws funds from its endowment and board designated funds in accordance with its spending policy (Note 10) to cover operating expenses. In addition, the Organization has board designated net assets as of June 30, 2025 and 2024 of approximately \$929,000 and \$1,012,000, respectively, that could be utilized upon approval of the board of trustees.

Princeton Symphony Orchestra, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

4. Revenue from Contracts with Customers

Contract balances relating to receivables and deferred revenue (contract liabilities) from contracts with customers were as follows at June 30, 2025 and 2024:

	Receivables		Contract Liabilities	
	2025	2024	2025	2024
Beginning of year	\$ 3,725	\$ 8,125	\$ 284,298	\$ 190,527
End of year	\$ 20,605	\$ 3,725	\$ 304,049	\$ 284,298

5. Promises to Give

Promises to give are due as follows at June 30, 2025 and 2024:

	2025	2024
Due in the next year	\$ 88,516	\$ 22,310

6. Pooled Investment Held by PACF

Investments are held in pooled funds invested with the Princeton Area Community Foundation, Inc. ("PACF"). As a participant in the pooled funds, the Organization's ownership interest is based on the units held by the Organization to the total of all units in the pooled funds. The pool is revalued monthly and income and gains or losses are allocated to the participants based on their units.

The market value and cost of the pooled investments are as follows at June 30, 2025 and 2024:

	2025		2024	
	Cost	Market	Cost	Market
Pooled investments	\$ 5,299,342	\$ 9,078,585	\$ 5,660,303	\$ 8,203,406

Pooled separate accounts: Units held in pooled separate accounts are valued based at the net asset value ("NAV") of the shares held by the Organization at year end, which is based on the unit prices quoted by the fund, representing the fair value of the underlying investment.

Princeton Symphony Orchestra, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

Investment return related to the pooled investments comprised the following for the years ended June 30, 2025 and 2024:

	2025		2024	
Dividends and interest	\$	238,353	\$	133,732
Realized (losses) gains		(73,383)		200,743
Unrealized gains		1,236,380		467,120
Investment fees		(48,582)		(48,643)
	\$	1,352,768	\$	752,952

The Organization uses NAV as a practical expedient for the fair value of certain investments by major category as of June 30, 2025 and 2024:

Category of Investment	Number of Funds	Investment Strategy	NAV - 2025	NAV - 2024	Unfunded Commitments	Redemption Terms	Redemption Restrictions
Pooled fund	\$ 6	Long-Term Growth	\$9,078,585	\$8,203,406	None	None	None

7. Property and Equipment, Net

Property and equipment, net consists of the following at June 30, 2025 and 2024:

	2025		2024	
Furniture, fixtures and equipment	\$	185,669	\$	148,417
Less: Accumulated depreciation		(85,122)		(62,424)
Property and equipment, net	\$	100,547	\$	85,993

Depreciation expense amounted to \$22,698 and \$18,253 for the years ended June 30, 2025 and 2024, respectively.

8. Intangible Assets, Net

Intangible assets, net consisted of the following at June 30, 2025 and 2024:

	2025		2024	
Cost				
Website	\$	51,250	\$	51,250
Trademarks		2,942		2,942
		54,192		54,192
Less: Accumulated amortization				
Website		(51,250)		(48,583)
Trademarks		(2,059)		(1,765)
		(53,309)		(50,348)
Intangible assets, net	\$	883	\$	3,844

Princeton Symphony Orchestra, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

Amortization expense amounted to \$2,961 and \$12,677 for each of the years ended June 30, 2025 and 2024, respectively.

9. Net Assets

Net assets with donor restrictions are available for the following purposes or periods at June 30, 2025 and 2024:

	2025	2024
Restricted for projects		
Support for guild	\$ 15,937	\$ 10,995
Time restricted		
Bravo	53,013	32,949
Endowment Next 10!	-	22,310
Time restricted pledges	88,515	-
Subtotal restricted for time and projects	157,465	66,254
Restricted for PSO Next10! Endowment	2,990,577	2,682,945
Restricted for PSO Endowment	5,635,108	5,117,748
Restricted for TPF Endowment	51,941	43,748
Restricted for Bravo Endowment	760,887	-
	<u>\$ 9,595,978</u>	<u>\$ 7,910,695</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows at June 30, 2025 and 2024:

	2025	2024
Purpose restriction accomplished		
Guild	\$ 1,708	\$ 2,097
Bravo	197,077	-
Time restrictions expired	22,310	411,626
Endowment appropriation	385,000	370,000
	<u>\$ 606,095</u>	<u>\$ 783,723</u>

10. Endowment Funds

The Organization's endowment consists of 4 funds, the PSO Endowment Fund, the Next 10! Endowment Fund, the Princeton Festival Endowment Fund and the Bravo Endowment Fund which are invested in various institutional accounts established to generate earnings to fund operations. The endowment consists of gifts restricted for long-term support of the Organization. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has interpreted state law as requiring the preservation of the value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The Organization's endowment policy allows it to draw on the funds if a majority of the Board agrees to do so. As a result of this interpretation, the Organization classified as net assets with restrictions (a) the original value of gifts donated to the restricted endowment (b) the original value of subsequent gifts to the restricted endowment and (c) earnings on the endowment until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by state law and the Organization's spending policy.

Princeton Symphony Orchestra, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

The Organization considers the following factors in making a determination to appropriate or accumulate endowment funds:

- (1) the duration and preservation of the funds
- (2) the purposes of the Organization and the endowment funds
- (3) general economic conditions
- (4) the possible effect of inflation and deflation
- (5) the expected total return from income and appreciation of investments
- (6) other resources of the Organization
- (7) the investment policies of the Organization

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of endowment assets. The Organization distributes annually an amount equal to 4% - 5% of the value of the endowment funds calculated based upon the average of the total investment portfolio over the preceding 36 months. The Organization made a distribution of \$385,000 and \$370,000 for the years ended June 30, 2025 and 2024, respectively.

To satisfy its long-term rate-of-return objectives, the endowment funds rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The endowment funds target a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

a. Board Designated Net Assets

Innovation Funds - The innovation funds consist of the Arnie Snider Fund and the Next 10! Innovation Fund (the "Innovation Funds") and represent a Board-designated fund created to enable strategic programmatic investments that advance the mission of the Organization. The Innovation Funds will allow the Organization to implement innovative programs and projects that have an immediate impact within the community. Unlike the restricted endowment funds, the Innovation Funds are not subject to a limited draw, but as Board-designated funds, they are still protected by the Organization's investment policy that requires Board approval in order to authorize any withdrawal of the Innovation Funds.

Princeton Festival Funds - The Princeton Festival funds represent the funds included in the TPF Luna Fund transferred in the acquisition of The Princeton Festival. The TPF Luna Fund is a Board-designated fund to be used solely for the benefit of the Princeton Festival.

Princeton Symphony Orchestra, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

The following table provides information regarding the change in endowment net assets for the years ended June 30, 2025 and 2024:

	Without Donor Restrictions Board Designated			With Donor Restrictions	Total
	Innovation Funds	Princeton Festival Funds			
June 30, 2025					
Endowment net assets at July 1, 2024	\$ 758,286	\$ 254,161	\$ 7,844,441	\$ 8,856,888	
Contributions	25,309	-	864,221	889,530	
Net appreciation (realized and unrealized)	49,591	36,898	1,114,851	1,201,340	
Appropriation of endowment net assets for expenditure	-	-	(385,000)	(385,000)	
Withdrawal from board-designated endowment	(195,000)	-	-	(195,000)	
Endowment net assets at June 30, 2025	\$ 638,186	\$ 291,059	\$ 9,438,513	\$ 10,367,758	

Investment type

Endowment corpus	\$ -	\$ -	\$ 7,378,263	\$ 7,378,263	
Accumulated earnings	-	-	2,060,250	2,060,250	
Board designated	638,186	291,059	-	929,245	
Total	\$ 638,186	\$ 291,059	\$ 9,438,513	\$ 10,367,758	

	Without Donor Restrictions Board Designated			With Donor Restrictions	Total
	Innovation Funds	Princeton Festival Funds			
June 30, 2024					
Endowment net assets at July 1, 2023	\$ 1,098,816	\$ 232,754	\$ 7,503,249	\$ 8,834,819	
Contributions	13,550	-	30,950	44,500	
Net appreciation (realized and unrealized)	20,920	21,407	680,242	722,569	
Appropriation of endowment net assets for expenditure	-	-	(370,000)	(370,000)	
Withdrawal from board-designated endowment	(375,000)	-	-	(375,000)	
Endowment net assets at June 30, 2024	\$ 758,286	\$ 254,161	\$ 7,844,441	\$ 8,856,888	

Investment type

Endowment corpus	\$ -	\$ -	\$ 6,514,042	\$ 6,514,042	
Accumulated earnings	-	-	1,330,399	1,330,399	
Board designated	758,286	254,161	-	1,012,447	
Total	\$ 758,286	\$ 254,161	\$ 7,844,441	\$ 8,856,888	

Princeton Symphony Orchestra, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

b. Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or state law requires the Organization to retain as a fund of perpetual duration. Deficiencies of this nature exist in ten donor-restricted endowment funds, which has an original gift value of approximately \$134,000, a fair value of approximately \$131,000, and a deficiency of approximately \$3,000 as of June 30, 2024. There were no underwater endowments at June 30, 2025. These deficiencies resulted from unfavorable market fluctuations and continued appropriation for certain programs that was deemed prudent by the board of trustees.

11. Contributions of Nonfinancial Assets

The Organization recognized contributed nonfinancial assets within revenue. Contributed nonfinancial assets did not have donor-imposed restrictions. Contributed goods, food and drink were used during the Organization's special events. In valuing goods, food and drink, the Organization estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States. Contributed professional services recognized comprise technology services from IT, skincare and auctioneer professionals. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services. Contributed usage of space is estimated based upon the value of rent for similar spaces in the region.

Contributions of nonfinancial assets for the years ended June 30, 2025 and 2024 were as follows:

	2025	2024
Food and drink	\$ 6,073	\$ 1,505
Donated furniture	-	8,000
Usage of space	27,784	1,500
Professional services	13,000	6,000
Goods	8,990	-
	<u>\$ 55,847</u>	<u>\$ 17,005</u>

12. Leases

The Organization signed into a new lease on December 11, 2023, for office space. The lease is a seven-year lease with a three-year option to extend. The lease commenced May 15, 2024, and includes base rent, monthly rent and monthly electric charge. Prior to December 31, 2023, the Organization had a cancelable lease for office space which was on a month-to-month basis. Lease expense was \$69,945 and \$26,160 at June 30, 2025 and 2024, respectively.

Because the rate implicit in the lease is generally not available, the Organization utilizes the Treasury rate over the term of the lease as an estimation of the discount rate. The weighted average discount rate as of June 30, 2025 and 2024, is 4.23%. Weighted average remaining life of the Organization's lease is approximately 8.83 years and 9.83 years at June 30, 2025 and 2024, respectively. Operating cash flows from operating leases totaled \$43,176 and \$7,000 for the year ended June 30, 2025 and 2024, respectively. Cash paid during the year ended June 30, 2025 and 2024 for amounts included in the measurement of operating lease liabilities was \$65,867 and \$10,958.

Princeton Symphony Orchestra, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

At June 30, 2025, the annual future payments and imputed interest expense for the operating lease is as follows:

2026	\$	66,597
2027		67,328
2028		68,058
2029		68,890
2030		70,229
Thereafter		281,528
		622,630
Less: Imputed interest		(104,304)
	\$	518,326

13. Commitments

Employment Contracts

The Organization has employment agreements with two employees that expire in 2027 and 2028. Future annual payments due under these agreements are as follows for the years ending June 30:

2026	\$	343,500
2027		356,250
2028		205,250
	\$	905,000

14. Retirement Plan

The Organization established a 401(k) retirement plan (the "Plan"). The Plan allows for elective deferrals from eligible participants and has a non-elective safe harbor matching contribution. During the year ended June 30, 2025, the Organization made matching contributions of \$30,402. No employer matching contributions were made for the year ended June 30, 2024.

15. Related Party Transactions

For the years ended June 30, 2025 and 2024, contributions from Board of Trustees amounted to approximately \$322,000 and \$311,000, respectively.

16. Concentration of Credit Risk

The Organization maintains cash in a bank deposit account which throughout the year regularly exceeds federally insured limits of \$250,000. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Organization's financial condition, changes in net assets, and cash flows.

Receivable Concentrations

At June 30, 2025 and 2024, the Organization had 2 government agencies that comprised 100% of outstanding grants receivable. At June 30, 2025, the Organization had 3 donor which comprised 69% of outstanding promises to give. There were no promises to give concentrations at June 30, 2024.

Revenue Concentrations

For the year ended June 30, 2025, the Organization had 2 donors that comprised approximately 24% of total contribution revenue. For the year ended June 30, 2024, the Organization had 1 donor that comprised approximately 12% of total contribution revenue.

Princeton Symphony Orchestra, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

Concentration of Labor Subject to Collective Bargaining Agreement

The Organization has an agreement with Local 62 of the American Federation of Musicians which was in effect from July 1, 2023 through June 30, 2028. At June 30, 2025, the Organization had a total of approximately 299 employees. Approximately 72% of the Organization's employees are represented by a union.

Investments

The Organization holds investments with the Princeton Area Community Foundation which invests in a diversified portfolio. The Organization's investments are exposed to various risks, such as fluctuations in market value and interest rate and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in value of these investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

17. Subsequent Events

The Organization has evaluated subsequent events occurring after the statement of financial position date through November 5, 2025, which is the date the financial statements were available to be issued. Based on this evaluation, the Organization has determined that no subsequent events have occurred which require disclosure in or adjustment to the financial statements.

Supplementary Information

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees of
Princeton Symphony Orchestra, Inc., Inc.:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of Princeton Symphony Orchestra, Inc. (the "Organization") which comprise the statement of financial position as of June 30, 2025 and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 5, 2025.

Report on Internal Control Over Financial Reporting

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

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

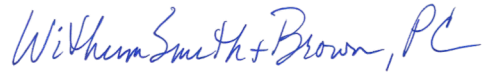
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not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

Report on Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in blue ink that reads 'Withum Smith & Brown, PC'.

November 5, 2025

Princeton Symphony Orchestra, Inc.
Schedule of Expenditures of State Financial Assistance
June 30, 2025

Grantor/Program Title	Award Number	Award Period	Pass Through Entity Identifying Number	Amounts Passed Through to Subrecipients	Total Expenditures	Total Expenditures Life of Project
State Financial Assistance						
State of New jersey						
Department of State						
State Council of the Arts						
General operating support	2502X010003	07/01/2024- 06/30/2025	N/A	\$ -	\$ 234,870	\$ 234,870

Basis of Presentation

The schedule of expenditures of state financial assistance includes the state grant activity of Princeton Symphony Orchestra, Inc. (the “Organization”) for the year ended June 30, 2025 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Organization’s grant agreement with the State of New Jersey, Department of State, State Council on the Arts. Because the schedule presents only a selected portion of the operations of the Organization, it is not interested to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Princeton Symphony Orchestra, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section 1 - Summary of Auditor's Results

Type of auditor's report issued	Unmodified
Internal control over financial reports	
Material weakness identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted	No

Section 2 - Financial Statement Findings

None