SU THEATRE CORPORATION
(d/b/a Syracuse Stage)

Financial Statements

June 30, 2022 and 2021

Together with Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

SU THEATRE CORPORATION
(d/b/a Syracuse Stage)
June 30, 2022 and 2021

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Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

November 29, 2022

To the Board of Trustees of
SU Theatre Corporation (d/b/a Syracuse Stage):

Opinion

We have audited the accompanying financial statements of SU Theatre Corporation (d/b/a Syracuse Stage) (a nonprofit organization) which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SU Theatre Corporation (d/b/a Syracuse Stage) as of June 30, 2022 and 2021, and the change 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SU Theatre Corporation (d/b/a Syracuse Stage) 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.

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(Continued)

Responsibilities of Management for the Financial Statements (Continued)

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 SU Theatre Corporation's (d/b/a Syracuse Stage) ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 SU Theatre Corporation's (d/b/a Syracuse Stage) 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 SU Theatre Corporation's (d/b/a Syracuse Stage).'s ability to continue as a going concern for a reasonable period of time.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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.

Bonadio & Co., LLP

SU THEATRE CORPORATION
(d/b/a Syracuse Stage)

Statements of Financial Position

June 30, 2022 and 2021

Assets	**2022**	**2021**
Current assets:		
Cash and cash equivalents	$ 1,984,043	$ 1,877,156
Short-term investments	117,225	124,963
Accounts receivable, net	152,383	10,840
Pledges receivable, net	13,153	17,337
Operating grants receivable, net	5,225	515,034
Prepaid expenses and other assets	163,611	94,276
Total current assets	2,435,640	2,639,606
Investments held by Syracuse University	1,709,319	1,779,069
Property and equipment, net	227,832	236,716
Total assets	$ 4,372,791	$ 4,655,391
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	$ 122,896	$ 72,705
SBA PPP Funding	—	731,175
Payable to Syracuse University	41,893	19,183
Deferred revenue	854,370	284,408
Total current liabilities	1,019,159	1,107,471
Net assets:		
Without donor restrictions	2,526,492	2,574,122
With donor restrictions	827,140	973,798
Total net assets	3,353,632	3,547,920
Total liabilities and net assets	$ 4,372,791	$ 4,655,391

The accompanying notes are an integral part of these statements.

SU THEATRE CORPORATION
(d/b/a Syracuse Stage)

Statements of Activities

Years ended June 30, 2022 and 2021

		2022		2021
Change in net assets without donor restrictions:				
Revenues:				
Ticket sales	$	1,211,708	$	378,379
Co-Production Revenue		292,117		15,583
Concessions		50,628		—
Interest and investment income		54,080		51,984
Production service		46,800		44,760
Program advertising		34,744		26,252
Education		3,346		32,138
Miscellaneous		32,779		2,780
Grants and donations		4,554,777		4,590,665
In-kind contributions and donated goods and services		663,295		341,309
Fundraising events		107,527		113,595
Net assets released from restrictions		175,726		19,000
Total revenues		7,227,527		5,616,445
Expenses:				
Program Service	$	5,274,363	$	3,121,036
Management & General		1,574,329		1,335,568
Fundraising		348,977		307,319
Total expenses		7,197,669		4,763,923
Change in net assets without donor restrictions before unrealized change in fair value of investments	$	29,858	$	852,522
Unrealized change in fair value of investments		(77,488)		381,325
Change in net assets without donor restrictions		(47,630)		1,233,847
Change in net assets with donor restrictions:				
Contributions	$	29,068	$	39,503
Released from restrictions		(175,726)		(19,000)
Change in net assets with donor restrictions		(146,658)		20,503
Change in net assets		(194,288)		1,254,350
Net assets, beginning of year		3,547,920		2,293,570
Net assets, end of year	$	3,353,632	$	3,547,920

The accompanying notes are an integral part of these statements.

SU THEATRE CORPORATION
(d/b/a Syracuse Stage)

Statements of Functional Expense

Years ended June 30, 2022 and 2021

	2022				2021			
	Total Expense	**Program Service Expense**	**Management & General Expense**	**Fundraising Expense**	**Total Expense**	**Program Service Expense**	**Management & General Expense**	**Fundraising Expense**
Expense Categories								
Director, Designers, etc. Fees	$ 305,518	$ 305,518	$ —	$ —	$ 228,140	$ 228,140	$ —	$ —
Compensation, Salaries, Wages	3,498,552	2,374,725	946,801	177,026	2,540,659	1,509,153	860,460	171,046
Pension Plans	194,149	113,704	69,160	11,285	156,200	82,455	63,508	10,237
Other Benefits	384,222	258,568	99,535	26,119	311,317	198,535	85,876	26,906
Payroll Taxes	356,959	253,975	86,139	16,845	264,377	171,556	76,790	16,031
Fees for Legal Services	2,377	—	2,377	—	2,171	—	2,171	—
Fees for Account & Payroll Services	35,318	—	35,318	—	43,689	—	43,689	—
Other Fees for Service	2,286	—	2,286	—	1,539	—	1,539	—
Advertising & Promotions	435,504	435,504	—	—	354,263	354,263	—	—
Office Supplies, Telephone, Postage, etc.	161,906	35,360	111,101	15,445	80,229	5,793	61,458	12,978
Information Technology Equipment & Services	65,982	—	65,982	—	57,553	—	57,553	—
Royalties	141,104	141,104	—	—	26,546	26,546	—	—
Occupancy	599,851	419,896	119,970	59,985	288,801	202,161	57,760	28,880
Travel	335,295	319,328	15,946	21	74,226	71,426	2,800	—
Depreciation	62,687	51,732	10,955	—	71,325	59,898	11,427	—
Insurance	8,759	—	8,759	—	10,537	—	10,537	—
Production Supplies & Materials	502,306	502,306	—	—	170,774	170,774	—	—
Casting	40,023	40,023	—	—	11,200	11,200	—	—
Education Programs	17,398	17,398	—	—	27,686	27,686	—	—
Accessibility & Open Captioning	5,222	5,222	—	—	1,450	1,450	—	—
Fundraising Events	42,251	—	—	42,251	41,241	—	—	41,241
	$ 7,197,669	$ 5,274,363	$ 1,574,329	$ 348,977	$ 4,763,923	$ 3,121,036	$ 1,335,568	$ 307,319

The accompanying notes are an integral part of these statements.

SU THEATRE CORPORATION
(d/b/a Syracuse Stage)

Statements of Cash Flows

Years ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	$ (194,288)	$ 1,254,350
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	62,687	71,325
Unrealized change in fair value of investments held by Syracuse University	69,750	(378,550)
Unrealized change in fair value of short-term investments	7,738	(2,775)
Changes in operating assets and liabilities:		
Accounts receivable	(141,543)	20,057
Pledges receivable	4,184	(11,544)
Operating grants receivable	509,809	(480,634)
Prepaid expenses and other assets	(69,335)	51,737
Accounts payable and accrued expenses	50,191	40,126
SBA PPP Funding	(731,175)	2,830
Payable to Syracuse University	22,710	19,183
Deferred revenue	569,962	(698,644)
Net cash provided by (used in) operating activities	160,690	(112,539)
Cash flows from investing activities:		
Purchases of property and equipment	(53,803)	(26,152)
Net cash used in investing activities	(53,803)	(26,152)
Net increase (decrease) in cash and cash equivalents	106,887	(138,691)
Cash and cash equivalents:		
Beginning of year	1,877,156	2,015,847
End of year	$ 1,984,043	$ 1,877,156

The accompanying notes are an integral part of these statements.

(1) Summary of Significant Accounting Policies

(a) Description of Business

Syracuse Stage (the Corporation) is the non-profit, professional theatre company in residence at Syracuse University (the University). We are nationally recognized for creating stimulating theatrical work that engages Central New York, and for our significant contribution to the artistic life of Syracuse University, where we are a vital partner in achieving the educational mission of the University's Department of Drama.

Our Mission: Syracuse Stage tells stories that engage, entertain, and inspire us to see life beyond our own experience.

Our Vision: Reimaging what's possible for regional theater – through active inclusion, innovative outreach, and bold productions – Syracuse Stage shapes the culture and social vitality of Central New York, enriches the Syracuse University student experience, and fosters change in ourselves, our communities, and our world.

Our Core Values: ***People*** – Actively including diverse individuals, communities, ideas & perspectives. ***Passion*** – Commitment to integrity, excellence and enthusiasm in our work. ***Curiosity*** – Fostering an innovative and adaptive environment that elicits wonder.

(b) Basis of Presentation

The Corporation's financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles and with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*, which addresses the presentation of financial statements for not-for-profit entities. Accordingly, the Corporation's statements of financial position and activities are classified based on the existence or absence of donor-imposed restrictions. The net assets of the Corporation are classified as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions include resources which are available for the support of the Corporation's operating activities. In addition, they include resources set aside by the Board of Directors for endowment purposes, over which the Board retains control and may at its discretion subsequently use for other purposes.

Net Assets with Donor Restrictions – Net assets with donor restrictions include those resources whose use by the Corporation is limited by donor-imposed stipulations that expire; donor-imposed stipulations that do not expire; and donor-imposed stipulations that can be fulfilled or removed by actions of the Corporation pursuant to those stipulations. In the case where the donor-imposed stipulation does not expire, generally the donors of these assets permit the Corporation to use all or part of the investment return from these assets to support program activities.

Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as net assets released from restrictions between the applicable classes of net assets.

(c) Cash and Cash Equivalents

Securities acquired with an original maturity date of three months or less are reported as cash equivalents, unless they are part of long-term investment funds.

(d) Short-term Investments

Investments are reported at estimated fair value. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is at least reasonably possible that changes in risks in the near-term could materially affect the net assets of the Corporation.

Unrealized change in fair value of investments is included in changes in net assets in the accompanying statements of activities. Income earned on net assets with donor restrictions is recorded as revenue without donor restrictions unless specifically restricted by the donor. Interest and investment gains are reported as revenue without donor restrictions if the restrictions are met in the same reporting period.

(e) Fair Value Measurements

The Corporation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Corporation determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 inputs: Unobservable inputs for the asset or liability that are significant to the fair value measurement.

The fair value for shares in registered mutual funds is based on share prices reported by the fund as of the last business day of the fiscal year and is classified in Level 1 of the fair value hierarchy.

There have been no changes in the methodologies used at June 30, 2022 and 2021.

(f) Accounts Receivable

Accounts receivable consist primarily of amounts due for co-productions and ticket sales. Accounts receivable are stated at the amount management expects to collect on outstanding balances. The Corporation provides for probable uncollectible amounts based on their assessment of the current status of the individual accounts. The allowance for doubtful accounts was $8,020 and $1,342 as of June 30, 2022 and 2021 respectively.

(g) Operating Grants Receivable

Operating grants receivable represent the balance on grants from Syracuse University, governmental entities and foundations. Unconditional grants are recognized as revenue in the period received or promised. Conditional grants are recognized as revenue when the conditions on which they depend are substantially met. The Corporation has adopted a policy whereby all government and other contracts be recorded as without donor restrictions if the restriction expires in the same reporting period as received.

(h) Prepaid Expenses and Other Assets

Prepaid expenses and other assets represent costs that were paid in advance of incurring the related expense.

(i) Property and Equipment

Property and equipment are stated at cost. Depreciation on property and equipment is calculated on the straight-line method over the estimated useful lives of the related assets.

General infrastructure/public spaces	7–10 years
Electrical systems	15 years
Theatre seats	15 years
Theatre equipment	3–5 years
Leasehold improvements	7–15 years
Production equipment	5–10 years
Vehicles	5–7 years
Computer hardware	3–5 years

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Corporation first compares undiscounted cash flows expected to be generated by that asset or asset group to the carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

(j) In-kind Contributions

The Corporation receives in-kind contributions from Syracuse University and others. The donations include, but are not limited to, insurance, building maintenance, rent, advertising, fundraising and auction items. All donations are without donor restriction and used to support and further the Corporation's mission and objectives. Donated rent is recorded based on estimated fair market value of the leased space as determined by professional appraisals and third party published sources. Contributed building maintenance and advertising is valued at the estimated fair value based on current rates for similar services. Insurance, fundraising and auction items are valued at the estimated wholesale prices of identical or similar products purchased.

In-kind contributions recognized by the Corporation consisted of the following for the year ended June 30:

	2022	2021
Insurance	$ 5,759	$ 7,537
Building maintenance	152,358	123,161
Rent	338,186	69,630
Advertising	153,317	131,527
Fundraising and auction items	13,675	9,454
	$ 663,295	$ 341,309

(k) Revenue Recognition

ASC 606 outlines a five-step framework for recognizing revenue from exchange transactions. The core principle of the guidance in ASC 606 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. The Corporation's accounting policy related to revenues subject to ASC 606 as set forth below.

Ticket Sales – The Corporation recognizes revenue from tickets sales in the fiscal year of the performance or event.

Co-production Revenue – Revenue from co-productions is recognized at a point in time when the services are provided, at which time the performance obligation is satisfied. Rates are established in contracts with customers.

Concessions – Revenue from concession sales is recognized at a point in time when the concession items are purchased by the patrons.

Fundraising Events – The Corporation conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant attending and a portion represents a contribution to the Corporation. The fair value of meals and entertainment provided at these events is measured at the actual cost to the Corporation. The contribution component is the excess of the gross proceed over the fair value of the direct donor benefit. The direct costs of the fundraising events, which ultimately benefit the donor rather than the Corporation, are recorded as costs of direct donor benefits in the statements of activities. Fundraising event fees collected by the Corporation in advance of its delivery are initially recognized as liabilities (deferred revenue) and recognized as fundraising revenue after delivery of the event. For fundraising event fees received before year-end for an event to occur after year-end, the inherent contribution is conditioned on the event taking place and is therefore treated as a refundable advance along with the exchange component.

Deferred Revenue – Deferred revenue, a contract liability, is recorded for program revenue received from exchange transactions in which performance obligations have not been met.

(l) Allocation of Certain Expenses

The cost of providing the various programs have been summarized on a functional basis in the statements of functional expenses. The costs are functionalized on a direct basis where possible; and certain categories of expenses, such as occupancy, which are attributable to more than one program or supporting multiple functions are allocated based on management's estimate of square footage or usage.

(m) Advertising Costs

Advertising costs are expensed in the year they are associated with. Barter transactions (revenue and expense) are recognized in the statement of activities at fair value of the advertising surrendered which approximates the amount of advertising received. The revenues recorded for barter transactions are recorded within in-kind contributions and donated goods and services with the associated expense recorded within advertising and promotion in the statement of activities. Advertising expense, excluding in-kind advertising, was $282,187 and $222,736, for the years ended June 30, 2022 and 2021, respectively.

(n) Income Taxes

The Corporation is a tax-exempt Corporation as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income taxes pursuant to Section 501(a) of the Internal Revenue Code. In addition, the Corporation has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. The Corporation believes it has taken no significant uncertain tax positions.

(o) Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those amounts. Significant estimates made in the preparation of these financial statements include the allowances for receivables, the valuation of in-kind gifts, investments, and useful lives of property and equipment.

(p) Reclassifications

Certain reclassifications have been made to the 2021 financial statements to conform to the current year presentation.

(2) Liquidity

The Corporation has a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Corporation has a $70,000 committed line of credit to cover a $70,000 reserve requirement under a union contract and therefore the $70,000 has not been removed from financial assets available within one year.

The Corporation's financial assets as of June 30, 2022 and 2021 do not include amounts set aside for long-term investing in the quasi-endowment that could be drawn upon if the governing board approves that action. However, amounts already appropriated from either the donor-restricted endowment or quasi-endowment for general expenditure within one year of the statement of financial position date have not been subtracted as unavailable.

The Corporation's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

		2022		2021
Cash	$	1,984,043	$	1,877,156
Short-term investments		117,225		124,963
Accounts receivable		152,383		10,840
Pledges receivable		13,153		17,337
Syracuse University receivable		5,225		14,649
Shuttered Venue Operator Grant receivable		—		500,385
Financial assets at year end		2,272,029		2,545,330
Less those unavailable for general expenditures within one year due to:				
Time restricted donations		(112,845)		(259,503)
	$	2,159,184	$	2,285,827

(3) Shuttered Venue Operator Grant

In July 2021 the Corporation was awarded a Shuttered Venue Operators Grant (SVOG) from the U.S. Small Business Administration in the amount of $500,385. Under the terms of the program the Corporation may utilize these funds to pay for allowable costs incurred between March 1, 2020 and December 31, 2021. The Corporation elected to account for this grant as a conditional contribution, meaning that revenue was recorded as the conditions meeting the grant program were met and corresponding SVOG revenue of $500,385 was recorded as June 30, 2021. In October 2021, the Corporation was awarded a supplemental SVOG in the amount of $615,780. The Corporations has recorded $615,780 of SVOG revenue within grants and donations on the statements of activities for the year ended June 20, 2022, as the conditions meeting the grant program were met.

Under the terms of this grant program, the Corporation will be required to report on its use of the grant funds in accordance with terms and conditions of the SVOG program.

(4) Syracuse University Support

Syracuse University contributes to the support of the Corporation by directly paying certain operating expenses, which totaled $607,351 and $614,853 in fiscal years ended 2022 and 2021, respectively. Additionally, the University provided funding of $1,754,742 and $1,780,100 recognized in grants and donations on the statements of activities in fiscal years ended 2022 and 2021, respectively. If the University were to reduce this funding, it could have a material adverse effect on the Corporations results of operations and financial position.

The University also allows the rent-free use of the Regent Theatre Complex, valued at $338,186 and $69,630 in fiscal years ended 2022 and 2021, respectively. Further, the University provides building maintenance and insurance valued at $158,117 and $130,698 in fiscal years ended 2022 and 2021, respectively. These amounts are recognized as part of occupancy and insurance in the statements of activities.

(5) Short-term Investments

The Corporation's short-term investments as June 30, 2022 and 2021 are summarized in the following table:

	2022		2021	
	Level 1	**Total**	**Level 1**	**Total**
Short-term investments, measured at fair value:				
Mutual fund	$ 117,225	$ 117,225	$ 124,963	$ 124,963

(6) Investments Held by Syracuse University

The Corporation invests its endowment in five funds with the University. These are included in the accompanying statement of financial position as investments held by Syracuse University.

The Corporation’s investment held by the University is stated at net asset value per share based on the Corporation’s percentage of the fair value of the underlying investments, consistent with the market approach, which are valued using quoted market prices. There were no changes to valuation techniques during 2022 or 2021.

Investments held by the University are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of the investments held by the University will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

The June 30, 2022 and 2021, unit fair values for the pooled investments were $563.72 and $586.73, respectively, and the distributions of investment income to the Corporation were $53,882 and $52,366 in fiscal years ended 2022 and 2021, respectively.

As of June 30, 2022 and 2021, the managed endowment investment pool of the University was invested as follows:

	2022	2021
Marketable equity securities	16.1%	17.0%
Fixed income	7.6	8.2
Real assets	6.3	5.2
Hedge funds	46.8	46.9
Private equity	23.2	22.7
	100.0%	100.0%

(7) Endowment Funds

The Corporation's endowment consists of funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Corporation to function as endowments (quasi-endowments).

The investment objective of the Corporation is to invest its assets in a prudent manner to achieve a long-term rate of return sufficient to fund a portion of its spending and to increase investment value after inflation. In order to accomplish this objective, the Corporation's long-term investments are held and managed by the University in a long-term investment pool. The University diversifies these investments among asset classes by incorporating several strategies and managers. The Corporation has the ability to redeem these investments on demand.

The University employs asset allocation models having multiyear investment horizons, and it manages its long-term investments in accordance with the total return concept and the goal of maximizing long-term return within acceptable levels of risk. The University's spending policy is aligned with the asset allocation model and is designed to provide a stable level of financial support and to preserve the real value of its endowment. The University compares the performance of its investments against several benchmarks, including its asset allocation spending model policy index.

The Corporation, in accordance with the approval of the Finance Committee of its Board of Directors, utilizes the amount of distribution received from the University for operating purposes.

The Corporation adheres to the New York State Prudent Management of Institutional Funds Act (NYPMIFA). The Corporation has interpreted NYPMIFA as allowing the Corporation to spend or accumulate the amount of an endowment fund that the Corporation determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. The Corporation has not changed the way net assets with donor restrictions in perpetuity are classified as a result of this interpretation and classifies as net assets with donor restrictions in perpetuity (a) the original values of gifts donated to permanent endowments, (b) the original values of subsequent gifts to permanent endowments, and (c) accumulations to permanent endowments made in accordance with the directions of the applicable donors' gift instruments at the times the accumulations are added to the funds. The portion of a donor restricted endowment fund that is not classified in net assets with donor restrictions in perpetuity is required to be classified as net assets with donor restrictions until those amounts are appropriated for spending by the Finance/Administrative Operations Committee of the Corporation's Board of Directors in a manner consistent with the standard of prudence prescribed by NYPMIFA.

In accordance with NYPMIFA, the Finance/Administrative Operations Committee of the Board of Directors considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund
- The purposes of the Corporation and the endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Corporation
- Where appropriate and where circumstances would otherwise warrant, alternatives to expenditure of an endowment fund, giving due consideration to the effect that such alternatives may have on the Corporation
- The investment policies of the Corporation

Endowment net assets consisted of the following at June 30:

	2022		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Donor restricted	$ —	$ 714,295	$ 714,295
Quasi (board designated)	995,024	—	995,024
Total	$ 995,024	$ 714,295	$ 1,709,319

	2021		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Donor restricted	$ —	$ 714,295	$ 714,295
Quasi (board designated)	1,064,774	—	1,064,774
Total	$ 1,064,774	$ 714,295	$ 1,779,069

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

	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Net assets, June 30, 2021	$ 1,064,774	$ 714,295	$ 1,779,069
Investment return	53,882	—	53,882
Unrealized gain	(69,750)	—	(69,750)
Distributions	(53,882)	—	(53,882)
Net assets, June 30, 2022	$ 995,024	$ 714,295	$ 1,709,319

Changes in endowment net assets for the fiscal year ended June 30, 2021 was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, June 30, 2020	$ 686,224	$ 714,295	$ 1,400,519
Investment return	52,366	—	52,366
Unrealized gain	378,550	—	378,550
Distributions	(52,366)	—	(52,366)
Net assets, June 30, 2021	$ 1,064,774	$ 714,295	$ 1,779,069

(8) Property and Equipment

Property and equipment consisted of the following at June 30:

	2022	2021
General infrastruction/public spaces	$ 146,712	$ 146,712
Electrical systems	307,594	307,594
Theatre seats	121,342	121,342
Theatre equipment	68,090	68,090
Leasehold Improvements/Theatre Reconfiguration	29,871	29,871
Production equipment	499,482	461,702
Vehicles	21,400	21,400
Computer hardware	125,612	109,589
	1,320,103	1,266,300
Less: accumulated depreciation	(1,092,271)	(1,029,584)
Total	$ 227,832	$ 236,716

Total depreciation expense for the years ended June 30, 2022 and 2021 was $62,687 and $71,325, respectively.

(9) Commitments

The Corporation is required to maintain a reserve of $70,000 under a union contract with Actors' Equity Association. The reserve represents two weeks of the maximum actors and stage managers' payroll, pension and benefit costs for the applicable season.

The Corporation has a $70,000 line of credit with Manufacturers and Traders Trust Company (M&T Bank) with an annual expiration. As of June 30, 2022 and 2021, there were no amounts outstanding under this line of credit.

(10) Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following at June 30:

	2022	2021
Restricted in perpetuity	$ 714,295	$ 714,295
Time restricted:		
Individual donations	43,069	34,503
Organization donations	1,500	5,000
Foundation donations	68,276	220,000
Total time restricted net assets	112,845	259,503
Total net assets with donor restrictions	$ 827,140	$ 973,798

Net assets released from restriction of $175,726 in fiscal 2022 and $19,000 in fiscal 2021 were utilized for show production.

(11) Benefit Plans

Actors, directors, and designers employed by the Corporation are eligible to participate in the Equity League Pension Trust Fund, SDC League Pension Fund, and the United Scenic Artists Pension Fund. In accordance with the union agreements, the Corporation is required to contribute 8%, 8%, and 10.25%, respectively, of the members' gross earnings to the funds. The totals contributed by the Corporation amounted to $52,071 and $25,282 for the fiscal years ended June 30, 2022 and 2021, respectively.

The risks of participating in these multiemployer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be required to be borne by the remaining participating employers, and (c) if the Corporation chooses to stop participating in one of its multiemployer plans, it may be required to pay a withdrawal liability to the plan. In connection with ongoing renegotiation of collective bargaining agreements, the Corporation may discuss and negotiate for the complete or partial withdrawal from one or more multiemployer pension plan. Depending on the number of employees withdrawn in any future period and the financial condition of the multiemployer plan at the time of withdrawal, the associated withdrawal liabilities could be material to the Corporation's change in net assets in the period of the withdrawal. The Corporation has no plans to withdraw from its multiemployer pension plans.

Eligible, nonunion employees participate in a TIAA defined-contribution plan. Employer contributions under the plan, which were based on 3%, 7%, or 11% of qualifying payroll, based on years of service, amounted to $142,078 and $130,918 for the fiscal years ended June 30, 2022 and 2021, respectively.

(12) Grants and Donations

	2022	2021
Syracuse University		
General Funding	$ 1,754,742	$ 1,780,100
Operating Funding	607,351	614,853
Grants:		
Federal	35,000	10,000
Federal - Paycheck protection program	731,175	728,345
Federal - SBA SVOG Funding	615,780	500,385
New York State	37,375	27,500
Onondaga County	41,900	17,000
Foundations	232,900	205,950
Donations:		
Individuals	428,521	612,532
Corporations	70,033	94,000
Service organizations	—	—
Subtotal	4,554,777	4,590,665
In-kind contributions, donated goods and services	663,295	341,309
Total	$ 5,218,072	$ 4,931,974

(13) Concentrations of Credit Risk

The Corporation maintains its principal banking relationship with one financial institution. At times, the Corporation has deposit funds in excess of Federal Deposit Insurance Corporation (FDIC) limits. The Corporation has not experienced losses in such accounts.

(14) SBA PPP Funding

In April 2020, the Corporation entered into an arrangement with a bank under the auspices of the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief & Economic Security Act (CARES Act) under which the Corporation received $728,345 (round one). In April 2021 the Corporation applied for and received second round PPP funding in the amount of $731,175 (round two). These arrangements were evidenced by loan agreements that included provisions whereby the loan balances could be fully or partially forgiven based on the Corporation's use of the funds, maintenance of its personnel complement, and compliance with certain reporting elements to the bank in accordance with the requirements of the PPP Program.

The Corporation has elected to account for its PPP arrangements as conditional contributions, meaning that revenue is recorded as the conditions meeting the requirements for forgiveness are met. Through June 30, 2021, the Corporation estimated that it administered the proceeds of its round one PPP arrangement and managed its staff complement in a manner that was consistent with the framework for forgiveness and recognized $728,345 as PPP income as of June 30, 2021. Through June 30, 2022, the Corporation estimates that it administered the proceeds of its round two PPP arrangement and managed its staff complement in a manner that was consistent with the framework for forgiveness and recognized $731,175 as PPP income as of June 30, 2022. During fiscal 2022 the Corporation received notification from the Small Business Administration (SBA) that the full balance of both loans was forgiven.

(15) Commitments and Contingencies

COVID-19 relief funding streams are subject to review by governmental agencies and other funding sources. The outcome of these regulatory reviews and audits may have an effect on the amounts reported in the financial statements. The regulations and requirements related thereto are complex and as a result, there is at least a reasonable possibility that recorded amounts will change in the near term. In the event that the results of a subsequent audit or review indicate that an adjustment is required, the amount will be recognized in the period in which it can be reasonably estimated.

(16) Subsequent Events

Subsequent events have been evaluated through November 29, 2022, the date the financial statements were available to be issued.