

Magic Box Productions
Financial Statements
July 31, 2021

Magic Box Productions
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

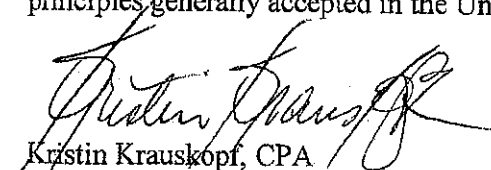
To the Board of Trustees of
Magic Box Productions, Inc.

I have reviewed the accompanying balance sheet of Magic Box Productions, Inc. (a non-profit organization) as of July 31, 2021 and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily of applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

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 designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements.

My responsibility for the preparation and fair presentation of the financial statements in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of our procedures provide a reasonable basis for our report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.


Kristin Krauskopf, CPA

June 14, 2022

Magic Box Productions, Inc.
Statement of Financial Position
July 31, 2021

ASSETS:

Cash and cash equivalents	\$	172,104
Accounts Receivable		57,432
Inventory of Big Shot Cameras		5,774
Security deposit		1,530
Equipment (net of depreciation of \$17,556)		740
Total Assets	\$	<u>237,580</u>

LIABILITIES AND NET ASSETS:

Unrestricted	\$	124,887
Temporarily restricted		112,693
Permanently restricted		-
Total Net Assets	\$	<u>237,580</u>
Total Liabilities & Net Assets	\$	<u>237,580</u>

The accompanying letter and notes are an integral part of these financial statements.
Peretz, Resnick, Mitgang Marcus LLP

Magic Box Productions, Inc.
Statement of Activities
Year ended 7/31/2021

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES, GAINS & OTHER SUPPORT:				
General contributions	24,034			24,034
Foundation grants	40,000			40,000
Government grants	74,250	48,732		122,982
PPP Loan Forgiveness	30,025			30,025
Program service revenue	148,234			148,234
Total revenue, gains & other Support	<u>\$ 316,543</u>	<u>\$ 48,732</u>	<u>\$ -</u>	<u>\$ 365,275</u>
 EXPENSES:				
Program services	191,932	50,454		242,386
Administrative and general	56,279			56,279
Fundraising	17,448			17,448
Total Expenses	<u>265,659</u>	<u>50,454</u>	<u>-</u>	<u>316,113</u>
 Change in net assets	 <u>50,884</u>	 <u>(1,722)</u>	 <u>-</u>	 <u>49,162</u>
Net assets, beginning of year	<u>74,003</u>	<u>114,415</u>	<u>-</u>	<u>188,418</u>
Net assets, end of year	<u>\$ 124,887</u>	<u>\$ 112,693</u>	<u>\$ -</u>	<u>\$ 237,580</u>

The accompanying letter and notes are an integral part of these financial statements.
Peretz, Resnick, Mitgang Marcus LLP.

Magic Box Productions, Inc.
 Statements of Cash Flows
 July 31, 2021

Cash Flows From Operating Activities:

Increase (Decrease) in net assets	\$ 49,162
Adjustment to reconcile increase in net assests to net cash: provided by operating activities:	
Depreciation	446
 (Increase) Decrease in operating assets	
Accounts receivable	(12,143)
Inventory of Big Shot Cameras	
Network for good contributions	
Security deposits	
Increase (Decrease) in operating liabilities	
Accounts payable	(5,885)
Payroll tax liabilities	
Credit cards	
Net Cash provided by operating activities	\$ 31,580

Investing Activities

Net cash used by investing activities \$ -

Financing Activities

Proceeds from SBA - PPP loan (30,025)
 Net cash provided by financing activites \$ (30,025)

Increase (Decrease) in cash for the period \$ 1,555

Cash and cash equivalents, at beginning of year \$ 170,549

Cash and cash equivalents, at end of year \$ 172,104

Magic Box Productions, Inc.
Notes to Financial Statements
July 31, 2021

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Magic Box Productions, Inc. (the Organization) is a not for profit organization incorporated on March 30, 2005 in New York State. The Organization's mission is to educate students and teachers in the language of the moving image through immersion in film, video and media arts; to integrate the process of digital storytelling into schools by bringing professional artist-educators to work with schools and cultural organizations in the New York metropolitan area; and to enable students and teachers to use technology to deepen their understanding and enhance their expression by creating original works. The Organization enables participants to use media arts for the highest caliber of artistic expression, while deepening their understanding of academic subjects, enhancing communication skills and improving job readiness. Students learn to problem solve, collaborate and think creatively as they use photography, video and other media to tell their own stories and document their worlds. The Organization is one of the few New York City area arts in education groups to focus exclusively on media arts, and the only area group focused primarily on primary elementary and middle school children. The Organization offers professional development workshops in media arts, tailored to the increased needs of teachers, where they explore and develop instructional methods, materials and evaluation tools.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization prepares its financial statements on the accrual basis in accordance with the generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not for profit organization. The significant accounting and reporting policies used by the organization are described below:

Equipment:

Equipment is stated at cost. Depreciation is computed based on its cost over the useful life of the asset

Magic Box Productions, Inc.
Notes to Financial Statements
July 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Unrestricted Net Assets:

Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. Board designated funds represent unrestricted funds which may, from time to time, be designated by the Board of Directors for specific purposes.

Temporarily Restricted Assets:

Temporarily restricted assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The Organization's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor restricted endowment funds.

NOTE 3 DEBT

In May 2020, the Organization was granted a loan from JP Morgan Chase, N.A. for \$30,025, pursuant to the Paycheck Protection Program (PPP) under title 1 of the CARES Act which was enacted in March 27, 2020. The Loan matures in 2 years from the date of receipt, May 2022 and bears interest at a rate of 0.98% per annum, payable monthly commencing up to 24 weeks from receipt of the loan proceeds, less amounts forgiven by the Bank and the SBA. The forgiveness calculation is based on the funds used during the 24 week period. 60% of the loan proceeds will be forgiven based on payroll costs, and 40% based on rent and other designated overhead expenses as defined in the CARES Act. The full amount of the loan was forgiven March 31, 2021 and has been reclassified as income on the statement of financial activities.

Magic Box Productions, Inc
Statement of Activities
Year ended July 31, 2021

	<u>Total</u>
Foundation Grants	
Neuberger Berman	15,000
Consolidated Edison	10,000
Clark Foundation	15,000
Total Foundation Grants	\$ <u>40,000</u>
Governmental Grants	
New York State Council on the Arts	18,000
New York City Department of Cultural Affairs-CASA Program Final 2020 Restricted	732
New York City Department of Cultural Affairs-CASA Program First 2021 Restricted	48,000
New York City Cultural Development Fund 2020 Final Payment	7,250
New York State Council on the Arts - Media Arts Assistance Funds	5,000
New York City Cultural Development Fund 2021 First Payment	24,000
National Endowment for the Arts	20,000
Total Government Grants	<u>122,982</u>
Total Grants	\$ <u><u>162,982</u></u>

The accompanying letter and notes are an integral part of these financial statements.

Peretz, Resnick, Mitgang Marcus, LLP

Magic Box Productions, Inc.
Statement of Functional Expenses
Year ended July 31, 2021

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries & fringe	\$ 117,094	37,334	15,273	\$ 169,701
Accounting fees		15,280		15,280
Payroll service fees	2,258			2,258
Advertising & marketing	7,751			7,751
Artists & performers	87,209			87,209
Bank service fees		57		57
Depreciation	446			446
Dues & subscriptions		1,136		1,136
Equipment				-
Equipment rental				-
Facilities			1,375	1,375
Finance charges				-
Grants/curr development	3,300			3,300
Insurance	4,071			4,071
Interest expense	-			-
Lodging and meals	68			68
Office expense	4,216			4,216
Postage & shipping	316			316
Professional development	1,469		800	2,269
Professional fees	1,648	2,472		4,120
Rent	10,075			10,075
Travel	68			68
Utilities	2,181			2,181
Website expenses	216			216
Total Expenses	\$ 242,386	\$ 56,279	\$ 17,448	\$ 316,113