

Magic Box Productions
Financial Statements
July 31, 2022

Magic Box Productions
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PERETZ, RESNICK, KRAUSKOPF & CO., INC.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

I have reviewed the accompanying financial statements of Magic Box Productions, Inc. (a non-profit organization), which comprise the statement of financial position as of July 31, 2022, and the related statements 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 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation of financial statements that are free from material misstatement whether due to fraud or error.

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Magic Box Productions Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

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 accordance with accounting principles generally accepted in the United States of America.


Kristin Krauskopf, CPA

June 15, 2023

Magic Box Productions, Inc.
Statement of Financial Position
As of July 31, 2022

ASSETS:

Cash and cash equivalents	\$	264,538
Accounts receivable		52,618
Inventory of Big Shot Cameras		2,200
Security deposit		1,530
Equipment (net of depreciation of \$22,979)		295
Total Assets	\$	<u>321,181</u>

LIABILITIES AND NET ASSETS:

Accounts payable	\$	880
Total Current Liabilities	\$	<u>880</u>
Unrestricted	\$	184,447
Temporarily restricted		135,854
Permanently restricted		-
Total Net Assets	\$	<u>320,301</u>
Total Liabilities & Net Assets	\$	<u>321,181</u>

The accompanying letter and notes are an integral part of these financial statements.
Peretz, Resnick, Krauskopf, Co., Inc.

Magic Box Productions, Inc.
Statement of Activities
Year ended July 31, 2022

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES, GAINS & OTHER SUPPORT:				
General contributions	24,272			24,272
Foundation grants	25,000			25,000
Government grants	125,900	66,454		192,354
Program service revenue	260,646			260,646
Total revenue, gains & other Support	<u>\$ 435,818</u>	<u>\$ 66,454</u>	<u>\$ -</u>	<u>\$ 502,272</u>
 EXPENSES:				
Program services	293,875	43,293		337,168
Administrative and general	60,107			60,107
Fundraising	22,276			22,276
Total Expenses	<u>376,258</u>	<u>43,293</u>		<u>419,551</u>
 Change in net assets	 <u>59,560</u>	 <u>23,161</u>	 <u>-</u>	 <u>82,721</u>
Net assets, beginning of year	<u>124,887</u>	<u>112,693</u>	<u>-</u>	<u>237,580</u>
Net assets, end of year	<u><u>\$ 184,447</u></u>	<u><u>\$ 135,854</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 320,301</u></u>

The accompanying letter and notes are an integral part of these financial statements.
Peretz, Resnick, Krauskopf, Co., Inc.

Magic Box Productions, Inc.
 Statements of Cash Flows
 July 31, 2022

Cash Flows From Operating Activities:

Increase (Decrease) in net assets	\$	82,721
Adjustment to reconcile increase in net assests to net cash: provided by operating activities:		
Depreciation		5,423
 (Increase) Decrease in operating assets		
Accounts receivable		4,814
Inventory of Big Shot Cameras		3,574
Increase (Decrease) in operating liabilities		
Accounts payable		880
Net Cash provided by operating activities	\$	97,412

Investing Activities

Equipment		(4,977)
Net cash used by investing activities	\$	(4,977)

Financing Activities

Net cash provided by financing activites	\$	-
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Increase (Decrease) in cash for the period	\$	92,435
Cash and cash equivalents, at beginning of year	\$	172,104
Cash and cash equivalents, at end of year	\$	264,539

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 Peretz, Resnick, Krauskopf, Co., Inc.

Magic Box Productions, Inc.
Notes to Financial Statements
July 31, 2022

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

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

The accompanying letter and notes are an integral part of these financial statements.
Peretz, Resnick, Krauskopf, Co., Inc.

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 - COVID-19 PANDEMIC

The COVID-19 pandemic limited the organizations ability to provide in classroom services which comprised the majority of revenue. This was due to the government shutdowns of schools in 2020 and 2021. The organization worked hard to continue operations remotely and in the safest way possible. Schools were partially reopened in September 2021 and the organization was able to restart in person classroom services, thus, explaining the large increases in revenue when compared to the prior fiscal year.

Magic Box Productions, Inc
Statement of Grant Income
Year ended July 31, 2022

	<u>Total</u>
Foundation Grants	
Consolidated Edison	10,000
Neuberger Berman Foundation	15,000
Total Foundation Grants	\$ <u>25,000</u>
Governmental Grants	
New York State Council on the Arts	49,500
New York State Council on the Arts - Recovery Grant	10,000
New York City Department of Cultural Affairs-CASA Program Final 2021 Restricted	2,454
New York City Department of Cultural Affairs-CASA Program First 2022 Restricted	64,000
New York City Cultural Development Fund 2021 Final Payment	6,000
New York City Cultural Development Fund 2022 First Payment	40,400
National Endowment for the Arts	20,000
Total Government Grants	<u>192,354</u>
Total Grants	\$ <u><u>217,354</u></u>

Magic Box Productions, Inc.
Statement of Functional Expenses
Year ended July 31, 2022

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries & fringe benefits	\$ 130,146	41,496	16,976	\$ 188,618
Accounting fees		15,236		15,236
Payroll service fees	2,137			2,137
Advertising & marketing	6,298			6,298
Artists & performers	152,865			152,865
Bank service fees		84		84
Depreciation	5,423			5,423
Dues & subscriptions		2,077		2,077
Equipment	9,174			9,174
Facilities			4,500	4,500
Filing Fees	75			75
Grants/curr development	2,775			2,775
Insurance	4,545			4,545
Lodging and meals	270			270
Office expense	6,993			6,993
Postage & shipping	835			835
Professional development	450		800	1,250
Professional fees	809	1,214		2,023
Rent	10,620			10,620
Travel	1,073			1,073
Utilities	2,464			2,464
Website expenses	216			216
Total Expenses	\$ 337,168	\$ 60,107	\$ 22,276	\$ 419,551

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