SOCRATES SCULPTURE PARK, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

LUTZ AND CARR
CERTIFIED PUBLIC ACCOUNTANTS, LLP
551 FIFTH AVENUE - SUITE 400, NEW YORK, NY 10176
212-697-2299 FAX: 212-949-1768

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Socrates Sculpture Park, Inc.

Opinion

We have audited the accompanying financial statements of Socrates Sculpture Park, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Socrates Sculpture Park, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Socrates Sculpture Park, 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 Socrates Sculpture Park, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 Socrates Sculpture Park, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Socrates Sculpture Park, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Lutz + Carr, LLP

New York, New York
November 8, 2024

SOCRATES SCULPTURE PARK, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	2023	2022
Assets		
Cash and cash equivalents (Notes 1b and 12)		
Without donor restrictions	$ 333,706	$ 310,808
Board designated reserve (Note 3a)	374,890	773,320
With donor restrictions	77,396	181,364
Investments (Notes 1c, 1d and 4)		
Board designated reserve (Note 3a)	997,700	999,270
Unconditional promises to give (Notes 1e and 5a)		
Without donor restrictions	105,000	25,637
With donor restrictions	351,179	265,798
Prepaid expenses and other assets	28,608	17,763
Donated artwork (Notes 3b and 7b)	150,000	150,000
Property and equipment, at cost, net of accumulated depreciation (Notes 1f and 6a)	16,368	29,055
Construction in progress (Note 6b)	486,626	426,701
Security deposit	4,800	4,800
Total Assets	$2,926,273	$3,184,516
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 101,246	$ 80,688
Commitments and Contingencies (Notes 8, 9 and 11)		
Net Assets		
Without donor restrictions		
Board designated reserve (Note 3a)	1,372,590	1,772,590
Board designated for Future Fund (Note 3b)	150,000	150,000
Other	573,862	498,944
Total Without Donor Restrictions	2,096,452	2,421,534
With donor restrictions (Note 3c)	728,575	682,294
Total Net Assets	2,825,027	3,103,828
Total Liabilities and Net Assets	$2,926,273	$3,184,516

See notes to financial statements.

SOCRATES SCULPTURE PARK, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets						
Revenue (Loss) and Public Support (Note 1a)						
Contributions	$ 671,341	$ 311,151	$ 982,492	$ 732,658	$ 240,381	$ 973,039
Donated services and materials (Notes 7a and 10)	62,556	-	62,556	80,416	-	80,416
Fundraising benefits	381,837	-	381,837	395,433	-	395,433
Direct fundraising benefit costs	(77,575)	-	(77,575)	(81,898)	-	(81,898)
Federal relief program - Employee Retention Tax Credit (Note 13)	178,352		178,352	-	-	-
Program fees and other earned revenue	46,318	-	46,318	12,474	-	12,474
Net investment and interest income	80,764	-	80,764	11,090	-	11,090
Transfer from board designated reserve	400,000	-	400,000	19,648	-	19,648
	1,743,593	311,151	2,054,744	1,169,821	240,381	1,410,202
Net assets released from restrictions						
Satisfaction of time and program restrictions	264,870	(264,870)	-	460,250	(460,250)	-
Total Revenue (Loss) and Public Support	2,008,463	46,281	2,054,744	1,630,071	(219,869)	1,410,202
Expenses (Note 10)						
Program Services	1,347,902	-	1,347,902	1,402,428	-	1,402,428
Supporting Services						
Management and general	312,438	-	312,438	298,594	-	298,594
Fundraising	273,205	-	273,205	166,659	-	166,659
Total Supporting Services	585,643	-	585,643	465,253	-	465,253
Total Expenses	1,933,545	-	1,933,545	1,867,681	-	1,867,681
Decrease in Net Assets Before Campaign and Reserve Activity	74,918	46,281	121,199	(237,610)	(219,869)	(457,479)
Campaign and Reserve Activity						
Board designated investment income for Future Fund (Note 3b)	-	-	-	3,578	-	3,578
Net assets released from restriction - Future Fund to board designated reserve (Note 3a)	-	-	-	250,000	(250,000)	-
Transfer of board designated reserve to operations (Note 3a)	(400,000)	-	(400,000)	(19,648)	-	(19,648)
Decrease in net assets	(325,082)	46,281	(278,801)	(3,680)	(469,869)	(473,549)
Net assets, beginning of year	2,421,534	682,294	3,103,828	2,425,214	1,152,163	3,577,377
Net Assets, End of Year	$ 2,096,452	$ 728,575	$2,825,027	$ 2,421,534	$ 682,294	$3,103,828

See notes to financial statements.

SOCRATES SCULPTURE PARK, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023 WITH COMPARATIVE TOTALS FOR 2022

		Supporting Services		2023	2022
	Program Services	Management and General	Fundraising	Total Expenses	Total Expenses
Salaries, payroll taxes and employee benefits	$ 845,363	$ 186,675	$ 128,786	$1,160,824	$1,152,416
Grant expense	50,801	-	-	50,801	81,509
Exhibition expenses	30,280	-	-	30,280	22,426
Artistic and teaching fees	72,936	-	-	72,936	30,337
Grounds maintenance and security	7,671	-	-	7,671	25,318
Consulting services	38,325	-	-	38,325	200
Professional services	20,620	82,204	68,123	170,947	163,396
Equipment rental and maintenance	50,391	-	-	50,391	54,460
Photography and documentation	6,950	-	-	6,950	12,480
Marketing	22,843	619	617	24,079	14,675
Supplies and materials	77,231	1,151	794	79,176	116,260
Occupancy	33,265	7,345	5,068	45,678	51,600
Telephone	7,197	1,590	1,096	9,883	10,182
Office expenses	6,936	1,531	1,057	9,524	11,060
Travel	2,059	7,208	1,030	10,297	15,424
Postage and mailing	846	187	129	1,162	6,304
Insurance	42,606	9,409	6,491	58,506	55,241
Fundraising event expenses	-	-	53,046	53,046	15,976
Technology	6,178	1,364	941	8,483	10,859
Bank charges and fees	-	9,671	1,590	11,261	-
Other expenses	12,717	3,484	4,437	20,638	2,923
Total expenses before depreciation	1,335,215	312,438	273,205	1,920,858	1,853,046
Depreciation	12,687	-	-	12,687	14,635
Total Expenses, 2023	$1,347,902	$ 312,438	$ 273,205	$1,933,545	
Total Expenses, 2022	$1,402,428	$ 298,594	$ 166,659		$1,867,681

See notes to financial statements.

SOCRATES SCULPTURE PARK, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

		Supporting Services		
	Program Services	Management and General	Fundraising	Total Expenses
Salaries, payroll taxes and employee benefits	$ 831,521	$ 193,758	$ 127,137	$1,152,416
Grant expense	81,509	-	-	81,509
Park related improvements	-	-	-	-
Exhibition expenses	22,426	-	-	22,426
Artistic and teaching fees	30,337	-	-	30,337
Grounds maintenance and security	25,318	-	-	25,318
Consulting services	200	-	-	200
Professional services	115,642	47,754	-	163,396
Equipment rental and maintenance	53,575	885	-	54,460
Photography and documentation	12,480	-	-	12,480
Marketing	10,015	515	4,145	14,675
Supplies and materials	103,235	13,025	-	116,260
Occupancy	37,793	8,256	5,551	51,600
Telephone	7,457	1,630	1,095	10,182
Office expenses	8,101	1,769	1,190	11,060
Travel	2,457	12,413	554	15,424
Postage and mailing	1,818	1,774	2,712	6,304
Insurance	40,460	8,838	5,943	55,241
Fundraising event expenses	734	711	14,531	15,976
Technology	2,715	4,343	3,801	10,859
Other expenses	-	2,923	-	2,923
Total expenses before depreciation	1,387,793	298,594	166,659	1,853,046
Depreciation	14,635	-	-	14,635
Total Expenses	$1,402,428	$ 298,594	$ 166,659	$1,867,681

See notes to financial statements.

SOCRATES SCULPTURE PARK, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash Flows From Operating Activities		
Decrease in net assets	$ (278,801)	$ (473,549)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:		
Depreciation expense	12,687	14,635
Realized gain on sale of investments	(12,631)	(611)
Unrealized gain on investments	(14,758)	(632)
Increase (decrease) in:		
Unconditional promises to give	(164,744)	79,176
Prepaid expenses and other assets	(10,845)	2,780
Increase in accounts payable and accrued expenses	20,558	12,386
Net Cash Used By Operating Activities	(448,534)	(365,815)
Cash Flows From Investing Activities		
Payments toward construction in progress	(59,925)	(11,074)
Purchase of investments	(2,019,445)	(1,243,027)
Proceeds from sale of investments	2,048,404	245,000
Purchase of property and equipment	-	(11,792)
Net Cash Used By Investing Activities	(30,966)	(1,020,893)
Net decrease in cash and cash equivalents	(479,500)	(1,386,708)
Cash and cash equivalents, beginning of year	1,265,492	2,652,200
Cash and Cash Equivalents, End of Year	$ 785,992	$1,265,492

See notes to financial statements.

SOCRATES SCULPTURE PARK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

Socrates Sculpture Park, Inc. (the "Organization") is the only site in the New York Metropolitan area specifically dedicated to providing artists with opportunities to create and exhibit large-scale sculpture in a unique outdoor environment that encourages strong interaction between artists, artworks and the public. The Park's existence is based on the belief that reclamation, revitalization and creative expression are essential to the survival, humanity and improvement of our urban environment.

The location of Socrates Sculpture Park, Inc. was an abandoned riverside landfill and illegal dumpsite until 1986 when a coalition of artists and community members, under the leadership of artist Mark di Suvero, transformed it into an open studio and exhibition space for artists and a neighborhood park for local residents. Today it is an internationally renowned outdoor museum and artist residency program that also serves as a vital New York City park offering a wide variety of free public programs.

For the year ended December 31, 2023, Socrates Sculpture Park, Inc. received approximately 23% of its total revenue and public support from one foundation and one government entity.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments, including money market funds, to be cash equivalents.

c - Investments

Investments are measured at fair value on a recurring basis. Investments with fair values that are based on quoted market prices in active markets are, therefore, classified within Level 1, and include active listed equity securities, mutual funds and money market funds.

Investments that trade in markets that are not considered to be active, but are valued based on quoted prices, dealer quotations, or alternative pricing sources with observable inputs are classified within Level 2. These include certain debt securities, certificates of deposit and government agency and municipal obligations.

Interest, dividends, and gains and losses on investments are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Gains and other investment income that are limited to specific uses by donor-imposed restrictions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

d - Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Accounting principles generally accepted in the United States of America ("U.S. GAAP") establish a framework for measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those the market participants would use in pricing the asset based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization’s assumptions about the inputs market participants would use in pricing the asset developed based on the best information available in the circumstances.

Fair value measurements are categorized into three levels as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 Inputs that are unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

e - Contributions and Unconditional Promises to Give

Contributions received are recorded as net assets with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional. Conditional promises to give, that is, those with a measurable performance-related or other barrier and right of return of assets transferred or release of a promisor's obligation to transfer assets in the future, are not recognized until the conditions on which they depend have been met. Donated marketable securities and other noncash donations are recorded at their fair values at the date of donation. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are released to net assets without donor restrictions.

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

e - Contributions and Unconditional Promises to Give (continued)
The Organization uses the allowance method to determine uncollectible promises to give. Such allowance is based on prior years' experience and management's analysis of specific promises made.

f - Property and Equipment
Property and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the assets.

g - Revenue Recognition
The Organization has revenue streams that are accounted for as exchange transactions. Program income and other earned revenue are recognized at the point or over the period of time during which the program takes place. All of the Organization’s revenue from contracts with customers is for a distinct performance obligation with a duration of less than one year and does not consist of multiple transactions.

h - Grants and Appropriations
Unconditional grants and appropriations are recognized at the time authorized and awarded.

i - Marketing Costs
Marketing costs are charged to operations when incurred. Marketing expense for December 31, 2023 and 2022 was $24,079 and $14,675, respectively.

j - Financial Statement Presentation
The financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions
Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of Organization's management and Board of Directors.

Net Assets With Donor Restrictions
Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions may be temporary in nature; those restrictions will be met by actions of the Organization or the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

SOCRATES SCULPTURE PARK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

k - Functional Allocation of Expenses
The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Expenses are applied directly to programs, where applicable, or allocated on a reasonable and consistent basis. A substantial portion of the Organization's expenses are directly related to program activities, which are made up of the grants, membership and educational programs. The expenses that are allocated include salaries and employee benefits, insurance, depreciation, occupancy and office expenses which are allocated on the basis of an estimate of time and effort.

l - Estimates
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

m - Tax Status
Socrates Sculpture Park, Inc. is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

n - Subsequent Events
The Organization has evaluated subsequent events through November 8, 2024, the date that the financial statements are considered available to be issued.

o - Prior Year Information
For comparability, certain 2022 amounts have been reclassified, where appropriate, to conform to the financial statement presentation used in 2023.

Note 2 - Information Regarding Liquidity and Availability

The Organization operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. A substantial portion of annual revenue is comprised of contribution revenue raised during the current year, and revenue from other sources earned during the year. The Organization considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to general and administrative and fundraising activities undertaken to support those services.

SOCRATES SCULPTURE PARK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 2 - Information Regarding Liquidity and Availability (continued)

The Organization regularly monitors liquidity to meet its operating needs and other commitments and obligations, while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs and has a policy to maintain liquid financial assets on an ongoing basis sufficient to cover, at a minimum, ninety days of general expenditures.

The Organization's financial assets as of December 31, 2023 and 2022 available to meet cash needs for general expenditures within one year are summarized as follows:

	2023	2022
Financial Assets at Year End:		
Cash and cash equivalents	$ 785,992	$1,265,492
Investments	997,700	999,270
Unconditional promises to give	456,179	291,435
Total Financial Assets	2,239,871	2,556,197
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(728,575)	(682,294)
Plus: Net assets with restrictions to be met in less than one year	675,179	332,294
Less: Board designated funds	(1,372,590)	(1,772,590)
Financial Assets Available to Meet General Expenditures within One Year	$ 813,885	$ 433,607

In addition to these financial assets available within one year, the Organization's board designated reserve could be made available at any time to meet cash needs for general expenditures at the discretion of the Board.

Note 3 - Net Assets

a - Net Assets Without Donor Restrictions - Board Designated Reserve
During 2011, the Organization established a board designated reserve with two contributions totaling $500,000 and other funds. This fund is to be used for projects and purposes to be determined and authorized by the Board of Directors. During 2023, a release of $400,000 to operations was appropriated from this reserve for use in operations. During 2022, a release from net assets with donor restrictions of $250,000 was added to this reserve. As of December 31, 2023 and 2022, the reserve balance was $1,372,590 and $1,772,590, respectively.

SOCRATES SCULPTURE PARK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 3 - Net Assets (continued)

b - Net Assets Without Donor Restrictions - Board Designated for Future Fund
During 2018, the Board of Directors allocated a specific contribution of donated artwork without donor restrictions in the amount of $150,000 (Note 7b) to establish a reserve fund to be used for the purposes of the Future Fund Campaign (Note 9). During 2022, interest income earned on investments without donor restrictions totaling $3,578 was added to this reserve. For 2022, $19,648 was transferred to support operations. As of December 31, 2023 and 2022, the Future Fund balance was $150,000 and $150,000, respectively.

c - Net Assets With Donor Restrictions
Net assets with donor restrictions are restricted to future programs and periods.

	2023	2022
Future exhibitions and programs	$122,420	$167,424
Future periods	256,155	164,870
Future Fund Campaign (Note 9)	350,000	350,000
Total	$728,575	$682,294

Note 4 - Investments

Investments are reported at fair value and consist of the following:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
U.S. Treasury Securities	$981,755	$997,700	$998,083	$999,270

Net investment income, excluding activity from holdings included in cash and cash equivalents, is summarized as follows:

	2023	2022
Interest and dividends	$ 31,548	$10,053
Realized gain on investments	12,631	611
Unrealized gain on investments	14,758	632
Investment fees	(375)	(350)
	$58,562	$10,946

SOCRATES SCULPTURE PARK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 5 - Promises to Give

a - Unconditional Promises to Give
Unconditional promises to give are due as follows:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	$105,000	$341,655	$446,655
Due in one to five years	-	10,000	10,000
	105,000	351,655	456,655
Less: Discount to present value	-	(476)	(476)
Total	$105,000	$351,179	$456,179

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	$25,637	$199,870	$225,507
Due in one to five years	-	70,000	70,000
	25,637	269,870	295,507
Less: Discount to present value	-	(4,072)	(4,072)
Total	$25,637	$265,798	$291,435

Unconditional promises due in one to five years are discounted to present value using a discount rate of 3%. Uncollectible promises are expected to be insignificant.

b - Conditional Pledges
During 2016, the Organization received a $500,000 grant from a foundation, of which $250,000 was restricted for the capital costs of the Future Fund campaign, and had been recognized as contribution revenue. The remaining $250,000 is for institutional reserves and capacity building, and is contingent on the completion of building construction and Organization taking occupancy. Accordingly, this amount has not been recognized in the accompanying financial statements, and will be recognized as revenue in 2024 when these conditions are met.

During 2023, the Organization received a $150,000 grant from a foundation, of which $50,000 was conditional upon the occurrence of a future event. Accordingly, the conditional portion of the grant has not been recognized in the accompanying financial statements.

SOCRATES SCULPTURE PARK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 6 - Property and Equipment

a - Property and equipment consist of the following:

	Life	2023	2022
Studio improvements	10 years	$ 18,909	$ 18,909
Leasehold improvements	7 years	122,271	122,271
Furniture and equipment	3-7 years	131,124	131,124
Website	3 years	16,349	16,349
		288,653	288,653
Less: Accumulated depreciation		(272,285)	(259,598)
		$ 16,368	$ 29,055

b - Construction in progress includes design and construction documents and other costs related to the new building to be constructed as part of the Organization's Future Fund Campaign (Note 9). Cumulative amounts related to this project totaled $371,732 and $320,132 as of December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, construction in progress also included $114,894 and $106,569 related to other capital projects, respectively. Construction was completed in 2024 and these assets were placed in service.

Note 7 - Donated Services and Materials

a - Donated services and materials consist of the following:

	2023	2022
Plant materials and labor	$ -	$ 6,500
Equipment rental	24,156	27,916
Professional fees	18,400	26,000
Space rental	20,000	20,000
	$62,556	$80,416

Plant materials and labor, equipment rentals, and space rental were utilized for program and supporting services, and valued by the donors based on rates charged by the donor for those products or the selling price for similar products.

Professional fees were utilized for program and supporting services, and valued by the service provider based on rates charged for similar services.

SOCRATES SCULPTURE PARK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 7 - Donated Services and Materials (continued)

b - During 2018, the Organization received a donated artwork which was recorded at a fair value of $150,000, the approximate amount which is expected to be realized upon its sale, net of related expenses.

Note 8 - Commitments and Contingencies

a - The location of Socrates Sculpture Park (the "Park") is licensed to the Organization by New York City Department of Parks and Recreation. Under a five-year license agreement dated October 6, 2011, currently extended to October 6, 2026, the Organization uses, operates and manages the Park as a public sculpture space at no charge. The terms of the license agreement may be further extended by mutual agreement for an additional five-year period.

b - To date, the Organization has entered into contracts totaling approximately $80,000 for capital expenditures and consulting services related to 2024.

c - The Organization may be subject to litigation and legal claims that arise in the ordinary course of its activities. One pending matter is a claim for alleged injuries sustained on the Organization's premises. This matter is expected to fall within the Organization’s insurance coverage, and management believes that any ultimate resolution of these matters will not have a material adverse effect on the financial condition of the Organization.

d - Government supported projects are subject to audit by the governmental granting agency.

Note 9 - Future Fund Campaign

Launched in 2016 on the occasion of Socrates Sculpture Park’s 30th anniversary, The Future Fund is a special campaign that seeks to raise approximately $3 million in private funding toward capital, program, and capacity initiatives, including soft costs to build ‘The Cubes’; and expanded staff and program development; and investment in the cash reserve.

Note 9 - Future Fund Campaign (continued)

The campaign seeks to leverage $4,235,000 million allocated during 2015 for Socrates Sculpture Park in New York City's Department of Parks and Recreation ("Parks") Capital Budget. Those budget allocations are earmarked for the construction of The Cubes - the Park's first permanent building on-site, which will house Socrates administration and provide new opportunities for indoor programming. The building will ultimately be owned by NYC Parks, and maintained, operated and programmed by Socrates through a future license agreement.

The anticipated allocation and use of the funds to be raised by the Organization are to be as follows: $500,000 in soft costs to build The Cubes, including architectural, engineering, legal fees, and other pre- and post-construction expenses; approximately $1,500,000 million in future working capital toward essential infrastructure, capacity building, and program development; and $1,000,000 million allocated to reserve funds that will lay a strong foundation for continued success, new growth, and long-term sustainability.

Construction was completed in 2024, and the Organization commenced occupancy in October 2024.

Note 10 - Related Party Transactions

During the years ended December 31, 2023 and 2022, the Organization received donated exhibition installation, labor services, and equipment totaling $62,556 and $73,916, respectively, from the company of a Board member emeritus, of which the Organization's President/Treasurer is an employee.

Note 11 - Pension Plan

The Organization maintains a defined contribution pension plan qualified under Section 403(b) of the Internal Revenue Service Code for all eligible employees. Employees may make contributions to the plan, and the Organization contributes 4% of an employee's salary, subject to statutory limits. Benefits are immediately vested. Pension expense for the years ended December 31, 2023 and 2022 was $21,349 and $15,688, respectively.

SOCRATES SCULPTURE PARK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 12 - Concentration of Credit Risk

The Organization maintains bank accounts at two financial institutions which are insured by Federal Deposit Insurance Corporation ("FDIC") up to $250,000 at each institution. Balances, at times, may exceed insured amounts.

Note 13 - Employee Retention Tax Credit

The Coronavirus Aid, Relief and Economic Security (“CARES”) Act enacted in 2020 allowed eligible employees to claim employee retention tax credits for qualified wages paid after March 21, 2020 and before September 30, 2021. The Organization qualified for the credit during this period based on full and partial suspension due to government COVID-related orders and a decrease in gross receipts. During the year ended December 31, 2023, the Organization received tax credits of $178,352.