Princeton Symphony Orchestra, Inc.
Financial Statements
June 30, 2026 and 2025
With Independent Auditor's Report

withum
ADVISORY TAX AUDIT

Princeton Symphony Orchestra, Inc.
Table of Contents
June 30, 2026 and 2025

Independent Auditor's Report 1

Statements of Financial Position 3

Statements of Activities and Changes in Net Assets 4

Statements of Functional Expenses 5

Statements of Cash Flows 7

Notes to Financial Statements 8

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards 21

Schedule of Expenditures of State Financial Assistance 23

Schedule of Findings and Questioned Costs 24

withum
ADVISORY TAX AUDIT

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Princeton Symphony Orchestra, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Princeton Symphony Orchestra, Inc. as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Princeton Symphony Orchestra, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditure of state financial assistance for the year ended June 30, 2026 is presented for purposes of additional analysis as required by the State of New Jersey, State Council on the Arts and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2026 on our consideration of Princeton Symphony Orchestra, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Princeton Symphony Orchestra, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Princeton Symphony Orchestra, Inc.'s internal control over financial reporting and compliance.

Withum Smith + Brown, PC

November 10, 2026

Princeton Symphony Orchestra, Inc.
Statements of Financial Position
June 30, 2026 and 2025

	2026	2025
Assets		
Current assets		
Cash and cash equivalents	$ 1,212,635	$ 1,462,880
Grants receivable	170,517	170,517
Accounts receivable	12,000	20,605
Promises to give	55,250	88,516
Accrued interest	3,047	6,162
Certificates of deposit	80,000	603,986
Prepaid expenses	39,016	41,684
Total current assets	1,572,465	2,394,350
Noncurrent assets		
Investments	11,133,986	9,078,585
Operating right-of-use asset, net	464,414	513,547
Property and equipment, net	73,095	100,547
Security deposit	5,073	5,073
Intangible assets, net	588	883
Total noncurrent assets	11,677,156	9,698,635
Total assets	$ 13,249,621	$ 12,092,985
Liabilities and Net Assets		
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	$ 297,422	$ 209,412
Contract liabilities	360,800	304,049
Operating lease liability, current portion	48,508	45,786
Total current liabilities	706,730	559,247
Noncurrent liabilities		
Operating lease liability, non-current portion	424,032	472,540
Total liabilities	1,130,762	1,031,787
Net assets		
Without donor restrictions		
Undesignated	598,821	535,975
Board-designated funds	759,050	929,245
Total without donor restrictions	1,357,871	1,465,220
With donor restrictions	10,760,988	9,595,978
Total net assets	12,118,859	11,061,198
Total liabilities and net assets	$ 13,249,621	$ 12,092,985

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

Princeton Symphony Orchestra, Inc.
Statements of Activities and Changes in Net Assets
Years Ended June 30, 2026 and 2025

	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues						
Contributions of financial assets						
Individuals, corporations, foundations	$ 1,751,880	$ 412,407	$ 2,164,287	$ 1,742,207	$ 1,176,528	$ 2,918,735
Government grants	234,870	-	234,870	234,871	-	234,871
Contributions of nonfinancial assets	75,993	-	75,993	55,847	-	55,847
Total contributions	2,062,743	412,407	2,475,150	2,032,925	1,176,528	3,209,453
Contract revenue						
Ticket sales	697,356	-	697,356	704,195	-	704,195
Subscriptions	349,800	-	349,800	294,976	-	294,976
Other performance fees	61,700	-	61,700	76,850	-	76,850
Special events	553,616	-	553,616	449,152	-	449,152
Other revenue	31,189	-	31,189	35,693	-	35,693
Net investment return	218,755	1,348,238	1,566,993	237,918	1,114,850	1,352,768
Net assets released from restriction	595,635	(595,635)	-	606,095	(606,095)	-
Total revenues	4,570,794	1,165,010	5,735,804	4,437,804	1,685,283	6,123,087
Expenses						
Program	3,725,522	-	3,725,522	3,599,885	-	3,599,885
General and administrative	485,932	-	485,932	447,128	-	447,128
Fundraising	466,689	-	466,689	368,890	-	368,890
Total expenses	4,678,143	-	4,678,143	4,415,903	-	4,415,903
Changes in net assets	(107,349)	1,165,010	1,057,661	21,901	1,685,283	1,707,184
Net assets						
Beginning of year	1,465,220	9,595,978	11,061,198	1,443,319	7,910,695	9,354,014
End of year	$ 1,357,871	$ 10,760,988	$ 12,118,859	$ 1,465,220	$ 9,595,978	$ 11,061,198

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

Princeton Symphony Orchestra, Inc.
Statement of Functional Expenses
Year Ended June 30, 2026

	Program				Supporting Services		
	Orchestra	Festival	Education and Outreach	Total Program	General and Administrative	Fundraising	Total
Salaries	$ 780,003	$ 543,813	$ 261,813	$ 1,585,629	$ 166,970	$ 166,899	$ 1,919,498
Payroll taxes	71,212	48,876	22,391	142,479	13,312	13,826	169,617
Employee benefits	43,822	54,535	25,150	123,507	24,966	26,282	174,755
Consultants and professional fees	96,315	563,176	10,290	669,781	82,979	-	752,760
Advertising	94,594	105,861	-	200,455	18,507	-	218,962
Office expense	6,061	7,011	1,132	14,204	37,759	7,596	59,559
Dues and subscriptions	1,101	824	-	1,925	28,440	14,450	44,815
IT expense	24,634	27,113	5,554	57,301	31,616	17,349	106,266
Occupancy	123,393	193,206	19,360	335,959	23,575	14,623	374,157
Travel and entertainment	55,793	35,201	4,651	95,645	2,279	12,538	110,462
Food and accommodations	9,362	37,733	908	48,003	1,515	-	49,518
Depreciation and amortization	-	-	-	-	27,747	-	27,747
Insurance	11,804	14,681	6,775	33,260	6,734	7,080	47,074
Special event expenses	-	-	-	-	-	186,039	186,039
Production costs	63,412	344,669	9,293	417,374	15,087	7	432,468
Bad debt	-	-	-	-	4,446	-	4,446
	$ 1,381,506	$ 1,976,699	$ 367,317	$ 3,725,522	$ 485,932	$ 466,689	$ 4,678,143

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

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

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

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

Princeton Symphony Orchestra, Inc.
Statements of Cash Flows
Years Ended June 30, 2026 and 2025

	2026	2025
Operating activities		
Changes in net assets	$ 1,057,661	$ 1,707,184
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities		
Bad debt	4,446	2,006
Depreciation and amortization	27,747	25,659
Unrealized gain on investments	(699,184)	(1,236,380)
Realized (gain) loss on sale of investments	(703,097)	73,383
Amortization of right of use asset	49,133	47,255
Contributions restricted for endowment	(350,280)	(864,221)
Changes in operating assets and liabilities		
Grants receivable	-	483,234
Accounts receivable	8,605	(16,880)
Promises to give	28,820	(68,212)
Accrued interest	3,115	(6,162)
Prepaid expenses	2,668	(12,708)
Accounts payable and accrued expenses	88,010	(99,073)
Contract liabilities	56,751	19,751
Operating lease liability	(45,786)	(43,176)
Net cash (used in) provided by operating activities	(471,391)	11,660
Investing activities		
Net sales (purchases and reinvestments) of pooled investments	7,234,327	70,561
Net transfers from pooled investments	-	217,257
Proceeds from sale of investments	1,130,602	-
Purchase of investments	(9,018,049)	-
Maturity of certificate of deposit	603,986	355,911
Purchase of certificates of deposit	(80,000)	(603,986)
Purchase of fixed assets	-	(37,252)
Net cash (used in) provided by investing activities	(129,134)	2,491
Financing activities		
Contributions restricted for endowment	350,280	864,221
Net cash provided by financing activities	350,280	864,221
Net change in cash and cash equivalents	(250,245)	878,372
Cash and cash equivalents		
Beginning of year	1,462,880	584,508
End of year	$ 1,212,635	$ 1,462,880

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

1. Nature of Organization

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

2. Summary of Significant Accounting Policies

a. Basis of Presentation

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

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

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

b. Use of Estimates

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

c. Cash and Cash Equivalents

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

d. Certificate of Deposit

Certificates of deposit are stated at cost plus accrued interest which approximates fair value. Certificates of deposit had maturity dates of July 2026 and an interest rate of 4.15%.

e. Fair Value Measurements

The Organization has reviewed investments within the framework for measuring fair value which establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into the following broad levels:

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

Level 2 - Inputs are inputs other than quoted or published prices included in Level 1 that are either directly or indirectly observable for the assets or liabilities.

Level 3 - Inputs are unobservable inputs for the assets or liabilities. The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement.

Net asset value ("NAV") investments represent interests in alternative investment funds that are generally reported at the NAV provided by fund managers, which is used as a practical expedient to estimate the fair value of the Organization's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from the NAV.

The following is a description of the valuation methodologies used for assets measured at fair value:

Mutual Funds and Exchange Traded Funds: Valued at the closing price reported in the active market in which the individual securities are traded (Level 1).

Fixed Income: Valued at the closing price reported in the inactive market in which the security is traded (Level 2).

Alternatives: Carried at NAV as more fully described in Note 6.

f. Investments

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

g. Receivables and Credit Policies

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

Accounts receivable balances over 90 days old from the invoice date are considered delinquent. At June 30, 2026 and 2025, there were no delinquent accounts. The carrying amounts of accounts receivable are reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all accounts receivable balances and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Management has determined that an allowance for credit losses was not required at June 30, 2026 and 2025.

h. Revenue and Support Recognition

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

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

Grant funds received in advance of the expenditures incurred are recorded as grant advances payable. Grant funds expended in advance of reimbursement from the funding source are classified as grants and contracts receivable in the statements of financial position. As of June 30, 2026 and 2025, the Organization has no conditional grants.

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

The Organization qualified for employee retention credits in the amount of approximately $621,000. The credit was claimed against the Organization's payroll tax obligations for each calendar quarter based on qualified wages, subject to certain limitations. Included in grants receivable is approximately $111,000 at June 30, 2026 and 2025. Approximately $510,000 of credits were collected during the year ended June 30, 2025. The remaining amount is expected to be received during the year ended June 30, 2027.

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

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

The following summarizes the Organization's performance obligations:

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

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

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

i. Property and Equipment

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

j. Website

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

k. Trademark

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

l. Tax Exempt Status

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

The Organization had no unrecognized tax benefits at June 30, 2026 and 2025 and has incurred no interest or penalties related to income taxes for the periods presented in the financial statements.

m. Functional Allocation of Expenses

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

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

n. Advertising Costs

The Organization uses advertising to promote its concerts and outreach programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising and promotion costs amounted to $218,962 and $175,727 for the years ended June 30, 2026 and 2025, respectively.

o. Leases

The Organization categorizes leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that allow the Organization to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with contractual terms of 12 months or less are not recorded on the statements of financial position. The Organization had no finance leases during 2026 and 2025.

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

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

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

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

p. Reclassification

Certain amounts in the prior-year financial statements were reclassified to conform to the current-year presentation. Reclassifications had no effect on prior year's net assets or changes in net assets.

3. Liquidity and Availability of Resources

Financial assets and liquidity resources available within one year for general expenditures were as follows as of June 30, 2026 and 2025:

	2026	2025
Financial assets		
Cash and cash equivalents	$ 1,212,635	$ 1,462,880
Grants receivable	170,517	170,517
Accounts receivable	12,000	20,605
Promises to give	55,250	88,516
Certificates of deposit	80,000	603,986
Investments	11,133,986	9,078,585
	12,664,388	11,425,089
Less: Financial assets restricted as to use		
Net assets with donor restrictions	10,760,988	9,595,978
Board-designated funds	759,050	929,245
	11,520,038	10,525,223
Liquidity resources		
Estimated annual draw from investments	625,000	605,000
Total financial assets and liquidity resources	$ 1,769,350	$ 1,504,866

The remaining financial assets above are not subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. The goal of the Organization is to have annual operating revenue cover expenses. Annually the Organization draws funds from its endowment and board designated funds in accordance with its spending policy (Note 10) to cover operating expenses. In addition, the Organization has board designated net assets as of June 30, 2026 and 2025 of approximately $759,000 and $929,000, respectively, that could be utilized upon approval of the board of trustees.

4. Revenue from Contracts with Customers

Contract balances relating to receivables and deferred revenue (contract liabilities) from contracts with customers were as follows at June 30, 2026 and 2025:

	Receivables		Contract Liabilities	
	2026	2025	2026	2025
Beginning of year	$ 20,605	$ 3,725	$ 304,049	$ 284,298
End of year	$ 12,000	$ 20,605	$ 360,800	$ 304,049

5. Promises to Give

Promises to give are due as follows at June 30, 2026 and 2025:

	2026	2025
Due in the next year	$ 55,250	$ 88,516

6. Investments

Investments and fair value information were as follows at June 30, 2026 and 2025:

	June 30, 2026				
	Level 1	Level 2	Level 3	NAV	Total
Mutual funds and exchange traded funds	$ 6,267,157	$ -	$ -	$ -	$ 6,267,157
Fixed income	-	2,096,815	-	-	2,096,815
Pooled fund	-	-	-	2,770,014	2,770,014
	$ 6,267,157	$ 2,096,815	$ -	$ 2,770,014	$ 11,133,986

	June 30, 2025				
	Level 1	Level 2	Level 3	NAV	Total
Pooled fund	$ -	$ -	$ -	$ 9,078,585	$ 9,078,585

The Organization uses NAV as a practical expedient for the fair value of certain investments by major category as of June 30, 2026 and 2025:

Category of Investment	Number of Funds	Investment Strategy	NAV - 2026	NAV - 2025	Unfunded Commitments	Redemption Terms	Redemption Restrictions
Pooled fund	6	Long-Term Growth	$2,770,014	$9,078,585	None	None	None

During the years ended June 30, 2026 and 2025, there were no purchases of NAV investments. During the years ended June 30, 2026 and 2025, there were sales of NAV investments in the amount of $7,462,697 and $287,818, respectively.

Investment return for the years ended June 30, 2026 and 2025:

	2026	2025
Dividends and interest	$ 207,768	$ 238,353
Realized gains (losses)	703,097	(73,383)
Unrealized gains	699,184	1,236,380
Investment fees	(43,056)	(48,582)
	$ 1,566,993	$ 1,352,768

7. Property and Equipment, Net

Property and equipment, net consists of the following at June 30, 2026 and 2025:

	2026	2025
Furniture, fixtures and equipment	$ 185,669	$ 185,669
Less: Accumulated depreciation	(112,574)	(85,122)
Property and equipment, net	$ 73,095	$ 100,547

Depreciation expense amounted to $27,453 and $22,698 for the years ended June 30, 2026 and 2025, respectively.

8. Intangible Assets, Net

Intangible assets, net consisted of the following at June 30, 2026 and 2025:

	2026	2025
Cost		
Website	$ 51,250	$ 51,250
Trademarks	2,942	2,942
	54,192	54,192
Less: Accumulated amortization		
Website	(51,250)	(51,250)
Trademarks	(2,354)	(2,059)
	(53,604)	(53,309)
Intangible assets, net	$ 588	$ 883

Amortization expense amounted to $294 and $2,961 for the years ended June 30, 2026 and 2025, respectively.

9. Net Assets

Net assets with donor restrictions are available for the following purposes at June 30, 2026 and 2025:

	2026	2025
Restricted for projects		
Support for guild	$ 20,582	$ 15,937
Time restricted		
Bravo	-	53,013
Time restricted pledges	55,250	88,515
Subtotal restricted for time and projects	75,832	157,465
Restricted for PSO Next10! Endowment	3,050,001	2,990,577
Restricted for PSO Endowment	5,888,655	5,635,108
Restricted for The Princeton Festival Endowment	59,128	51,941
Restricted for Bravo Endowment	1,687,372	760,887
	$ 10,760,988	$ 9,595,978

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows at June 30, 2026 and 2025:

	2026	2025
Purpose restriction accomplished		
Guild	$ 2,231	$ 1,708
Bravo	53,013	197,077
Time restrictions expired	88,515	22,310
Endowment appropriation	451,876	385,000
	$ 595,635	$ 606,095

10. Endowment Funds

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

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

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

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

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of endowment assets. The Organization distributes annually an amount equal to 4% - 5% of the value of the endowment funds calculated based upon the average of the total investment portfolio over the preceding 36 months. The Organization made a distribution of approximately $532,000 and $385,000 for the years ended June 30, 2026 and 2025, respectively.

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

Board Designated Net Assets

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

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

The following table provides information regarding the change in endowment net assets for the years ended June 30, 2026 and 2025:

	Without Donor Restrictions Board Designated			
	Innovation Funds	Princeton Festival Funds	With Donor Restrictions	Total
Endowment net assets at July 1, 2025	$ 638,186	$ 291,059	$ 9,438,513	$ 10,367,758
Contributions	-	-	350,280	350,280
Net appreciation (realized and unrealized)	53,474	31,331	1,348,238	1,433,043
Appropriation of endowment net assets for expenditure	-	-	(451,876)	(451,876)
Withdrawal from board-designated endowment	(255,000)	-	-	(255,000)
Endowment net assets at June 30, 2026	$ 436,660	$ 322,390	$ 10,685,155	$ 11,444,205
Investment type				
Endowment corpus	$ -	$ -	$ 7,728,545	$ 7,728,545
Accumulated earnings	-	-	2,956,610	2,956,610
Board designated	436,660	322,390	-	759,050
Total	$ 436,660	$ 322,390	$ 10,685,155	$ 11,444,205

	Without Donor Restrictions Board Designated			
	Innovation Funds	Princeton Festival Funds	With Donor Restrictions	Total
Endowment net assets at July 1, 2024	$ 758,286	$ 254,161	$ 7,844,441	$ 8,856,888
Contributions	25,309	-	864,221	889,530
Net appreciation (realized and unrealized)	49,591	36,898	1,114,851	1,201,340
Appropriation of endowment net assets for expenditure	-	-	(385,000)	(385,000)
Withdrawal from board-designated endowment	(195,000)	-	-	(195,000)
Endowment net assets at June 30, 2025	$ 638,186	$ 291,059	$ 9,438,513	$ 10,367,758
Investment type				
Endowment corpus	$ -	$ -	$ 7,378,263	$ 7,378,263
Accumulated earnings	-	-	2,060,250	2,060,250
Board designated	638,186	291,059	-	929,245
Total	$ 638,186	$ 291,059	$ 9,438,513	$ 10,367,758

11. Contributions of Nonfinancial Assets

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

Contributions of nonfinancial assets for the years ended June 30, 2026 and 2025 were as follows:

	2026	2025
Food and drink	$ 40,063	$ 6,073
Usage of space	25,500	27,784
Professional services	7,000	13,000
Goods	3,430	8,990
	$ 75,993	$ 55,847

12. Leases

The Organization is party to a lease for office space. The lease is a seven-year lease with a three-year option to extend and includes base rent, monthly rent and monthly electric charge. Lease expense was $69,945 for the years ended June 30, 2026 and 2025.

Because the rate implicit in the lease is generally not available, the Organization utilizes the Treasury rate over the term of the lease as an estimation of the discount rate. The weighted average discount rate as of June 30, 2026 and 2025, is 4.23%. Weighted average remaining life of the Organization's lease is approximately 7.83 years and 8.83 years at June 30, 2026 and 2025, respectively. Operating cash flows from operating leases totaled $45,786 and $43,176 for the years ended June 30, 2026 and 2025, respectively. Cash paid during the years ended June 30, 2026 and 2025 for amounts included in the measurement of operating lease liabilities was $66,597 and $65,867, respectively.

At June 30, 2026, the annual future payments and imputed interest expense for the operating lease is as follows:

2027	$	67,328
2028		68,058
2029		68,890
2030		70,229
2031		71,569
Thereafter		209,958
		556,032
Less: Imputed interest		(83,492)
	$	472,540

13. Commitments

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

2027	$	356,250
2028		205,250
	$	561,500

14. Retirement Plan

The Organization established a 401(k) retirement plan (the "Plan"). The Plan allows for elective deferrals from eligible participants and has a non-elective safe harbor matching contribution. During the years ended June 30, 2026 and 2025, the Organization made matching contributions of $39,349 and $30,402, respectively.

15. Related Party Transactions

For the years ended June 30, 2026 and 2025, contributions from Board of Trustees amounted to approximately $364,000 and $322,000, respectively.

16. Concentration of Credit Risk

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

The Organization has investments which are held by a financial institution in brokerage accounts. The brokerage accounts are protected by the Securities Investor Protection Corporation ("SIPC") which offers limited coverage up to a ceiling of $500,000 (including a maximum of $250,000 for claims of uninvested cash).

Receivable Concentrations
At June 30, 2026 and 2025, the Organization had 2 government agencies that comprised 100% of outstanding grants receivable. At June 30, 2026, the Organization had 1 donor which comprised 82% of outstanding promises to give. At June 30, 2025, the Organization had 3 donor which comprised 69% of outstanding promises to give.

Revenue Concentrations
For the year ended June 30, 2026, the Organization had 1 donor that comprised approximately 13% of total contribution revenue. For the year ended June 30, 2025, the Organization had 2 donors that comprised approximately 24% of total contribution revenue.

Concentration of Labor Subject to Collective Bargaining Agreement
The Organization has an agreement with Local 62 of the American Federation of Musicians which was in effect from July 1, 2023 through June 30, 2028. At June 30, 2026, the Organization had a total of approximately 324 employees. Approximately 78% of the Organization’s employees are represented by a union.

Investments
The Organization invests funds in professionally managed funds that contain various types of securities. Such investments are exposed to various risks, such as fluctuations in market value, interest rate and credit risks. Thus, it is at least reasonably possible that changes in the near term could materially affect investment balances and the amounts reported in the financial statements.

17. Subsequent Events

The Organization has evaluated subsequent events occurring after the statement of financial position date through November 10, 2026, which is the date the financial statements were available to be issued. Based on this evaluation, the Organization has determined that no subsequent events have occurred which require disclosure in or adjustment to the financial statements.

Supplementary Information

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of Princeton Symphony Orchestra, Inc. (the "Organization") which comprise the statement of financial position as of June 30, 2026 and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 10, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Withum Smith + Brown, PC

November 10, 2026

Princeton Symphony Orchestra, Inc.
Schedule of Expenditures of State Financial Assistance
June 30, 2026

Grantor/Program Title	Award Number	Award Period	Pass-Through Entity Identifying Number	Amounts Passed Through to Subrecipients	Total Expenditures	Total Expenditures Life of Project
State Financial Assistance						
State of New Jersey						
Department of State						
State Council on the Arts						
General operating support	2502X010057	07/01/2025-06/30/2026	N/A	$ -	$ 234,870	$ 234,870

Basis of Presentation
The schedule of expenditures of state financial assistance includes the state grant activity of Princeton Symphony Orchestra, Inc. (the “Organization”) for the year ended June 30, 2026 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Organization’s grant agreement with the State of New Jersey, Department of State, State Council on the Arts. Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

See Independent Auditor's Report.

Princeton Symphony Orchestra, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2026

Section 1 - Summary of Auditor's Results

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

Section 2 - Financial Statement Findings

None

See Independent Auditor's Report.