AMERICAN SYMPHONY ORCHESTRA LEAGUE
(D/B/A LEAGUE OF AMERICAN ORCHESTRAS)

League of American Orchestras

Financial Statements
(Together with Independent Auditors’ Report)

Years Ended September 30, 2015 and 2014
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**INDEPENDENT AUDITORS’ REPORT**

The Board of Directors  
American Symphony Orchestra League  
(d/b/a the League of American Orchestras)

We have audited the accompanying financial statements of American Symphony Orchestra League (d/b/a League of American Orchestras) (the “League”), which comprise the statements of financial position as of September 30, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

**Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Symphony Orchestra League (d/b/a League of American Orchestras) as of September 30, 2015 and 2014, 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.

New York, NY  
January 26, 2016
# AMERICAN SYMPHONY ORCHESTRA LEAGUE (d/b/a LEAGUE OF AMERICAN ORCHESTRAS)

## STATEMENTS OF FINANCIAL POSITION

AS OF SEPTEMBER 30, 2015 AND 2014

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents (Notes 2B, 11 and 13):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>$198,922</td>
<td>$367,014</td>
</tr>
<tr>
<td>Cash reserve</td>
<td>620,361</td>
<td>923,750</td>
</tr>
<tr>
<td>Total cash and cash equivalents</td>
<td>819,283</td>
<td>1,290,764</td>
</tr>
<tr>
<td>Accounts receivable (Notes 2F and 4)</td>
<td>116,142</td>
<td>88,018</td>
</tr>
<tr>
<td>Contributions and pledges receivable (Notes 2G and 5)</td>
<td>1,022,505</td>
<td>1,201,175</td>
</tr>
<tr>
<td>Investments, at fair value (Notes 2D, 2I, 3)</td>
<td>5,046,623</td>
<td>5,070,469</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>334,123</td>
<td>228,799</td>
</tr>
<tr>
<td>Property and equipment, net (Notes 2E and 6)</td>
<td>91,091</td>
<td>96,555</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$7,429,767</td>
<td>$7,975,780</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$60,048</td>
<td>$41,816</td>
</tr>
<tr>
<td>Deferred revenue (Note 2F)</td>
<td>545,337</td>
<td>539,422</td>
</tr>
<tr>
<td>Deferred rent (Note 9)</td>
<td>211,506</td>
<td>219,084</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>816,891</td>
<td>800,322</td>
</tr>
<tr>
<td><strong>COMMITMENTS AND CONTINGENCIES</strong> (Notes 7, 9 and 10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET ASSETS (DEFICIT) (Note 2C)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board designated change capital fund (Note 13)</td>
<td>370,000</td>
<td>310,000</td>
</tr>
<tr>
<td>Board designated fund for cash reserve (Note 13)</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Working capital reserve (Note 13)</td>
<td>423,750</td>
<td>423,750</td>
</tr>
<tr>
<td>Available for operations</td>
<td>(420,824)</td>
<td>(423,861)</td>
</tr>
<tr>
<td>Total unrestricted</td>
<td>872,926</td>
<td>809,889</td>
</tr>
<tr>
<td>Temporarily restricted (Notes 8 and 12)</td>
<td>2,178,819</td>
<td>2,904,438</td>
</tr>
<tr>
<td>Permanently restricted (Note 12)</td>
<td>3,561,131</td>
<td>3,461,131</td>
</tr>
<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
<td>$6,612,876</td>
<td>$7,175,458</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td>$7,429,767</td>
<td>$7,975,780</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
**AMERICAN SYMPHONY ORCHESTRA LEAGUE**
(d/b/a LEAGUE OF AMERICAN ORCHESTRAS)

**STATEMENTS OF ACTIVITIES**

**FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

<table>
<thead>
<tr>
<th></th>
<th>Year Ended September 30, 2015</th>
<th>Year Ended September 30, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Temporarily Restricted</td>
<td>Permanently Restricted</td>
</tr>
<tr>
<td><strong>Unrestricted</strong></td>
<td>$1,197,326</td>
<td>$1,418,719</td>
</tr>
<tr>
<td><strong>Restricted</strong></td>
<td>$1,689,281</td>
<td>$1,682,318</td>
</tr>
<tr>
<td><strong>Temporarily</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Permanently</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$5,952,996</td>
<td>$5,548,776</td>
</tr>
</tbody>
</table>

**SUPPORT AND REVENUE:**

- Contributions and grants (Note 2G) $1,197,326, $1,418,719, $2,616,045
- Membership dues (Note 2F) $1,689,281
- Meetings and seminars (Note 2F) $600,455
- Symphony magazine $293,757
- Other income $20,305
- Investment (loss) income, net (Notes 2D and 3) $(20,687)
- Net assets released from restrictions (Notes 2C, 8 and 12) $2,055,596

**Net Assets Released from Restrictions (Notes 2C, 8 and 12)**

- Year Ended September 30, 2015: $2,055,596
- Year Ended September 30, 2014: $(1,645,968)

**Net Assets - End of Year**

- Year Ended September 30, 2015: $872,926
- Year Ended September 30, 2014: $(71,325)

**EXPENSES AND LOSSES (Note 2H):**

- Program services:
  - Learning and leadership development $1,979,989
  - Research and development $598,938
  - Communications and public relations $946,094
  - Membership services $449,102
  - Advocacy $431,073
- Supporting services:
  - Management and general $794,284
  - Development $751,834
- Total supporting services $1,547,800

**Total Expenses and Losses**

- Year Ended September 30, 2015: $5,952,996
- Year Ended September 30, 2014: $5,802,627

**CHANGE IN NET ASSETS**

- Year Ended September 30, 2015: $63,037
- Year Ended September 30, 2014: $(182,526)

**Net Assets - Beginning of Year**

- Year Ended September 30, 2015: $809,889
- Year Ended September 30, 2014: $7,175,458

**Net Assets - End of Year**

- Year Ended September 30, 2015: $872,926
- Year Ended September 30, 2014: $(612,876)

The accompanying notes are an integral part of these financial statements.
## Statement of Functional Expenses

For the Year Ended September 30, 2015

(With Comparative Totals for September 30, 2014)

### Program Services

<table>
<thead>
<tr>
<th>Learning and Leadership Development</th>
<th>Research and Development</th>
<th>Communications and Public Relations</th>
<th>Membership Services</th>
<th>Advocacy</th>
<th>Total Program Services</th>
<th>Management and General Development</th>
<th>Supporting Services</th>
<th>Total 2015</th>
<th>TOTAL 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$607,390</td>
<td>$348,090</td>
<td>$463,773</td>
<td>$193,404</td>
<td>$244,511</td>
<td>$1,857,078</td>
<td>$384,828</td>
<td>$422,514</td>
<td>$2,664,420</td>
</tr>
<tr>
<td>Payroll taxes and employee benefits</td>
<td>$135,577</td>
<td>$77,575</td>
<td>$103,225</td>
<td>$44,885</td>
<td>$56,446</td>
<td>$416,708</td>
<td>$87,955</td>
<td>$95,051</td>
<td>$590,354</td>
</tr>
<tr>
<td>Total Salaries and Related Costs</td>
<td>$742,967</td>
<td>$425,575</td>
<td>$566,998</td>
<td>$238,289</td>
<td>$301,367</td>
<td>$2,273,786</td>
<td>$472,373</td>
<td>$517,565</td>
<td>$3,263,774</td>
</tr>
<tr>
<td>Faculty/consultants</td>
<td>$140,044</td>
<td>$32,939</td>
<td>$33,888</td>
<td>$25,647</td>
<td>$4,271</td>
<td>$236,789</td>
<td>$16,154</td>
<td>$14,485</td>
<td>$267,428</td>
</tr>
<tr>
<td>Professional services (Note 3)</td>
<td>3,849</td>
<td></td>
<td>3,849</td>
<td></td>
<td>3,849</td>
<td></td>
<td>49,240</td>
<td></td>
<td>49,240</td>
</tr>
<tr>
<td>Awards/professional development</td>
<td>$503,014</td>
<td>-</td>
<td>-</td>
<td>503,014</td>
<td>-</td>
<td>$503,014</td>
<td>-</td>
<td></td>
<td>529,000</td>
</tr>
<tr>
<td>Meeting expenses</td>
<td>$260,388</td>
<td>$337</td>
<td>$2,855</td>
<td>$6,746</td>
<td>$1,502</td>
<td>$271,828</td>
<td>$26,588</td>
<td>$37,248</td>
<td>$335,634</td>
</tr>
<tr>
<td>Travel and lodging</td>
<td>$86,877</td>
<td>$2,278</td>
<td>$7,236</td>
<td>$33,785</td>
<td>$335,634</td>
<td>$146,764</td>
<td>$6,375</td>
<td>$9,548</td>
<td>$196,312</td>
</tr>
<tr>
<td>Printing, production and copying</td>
<td>$4,821</td>
<td>$409</td>
<td>$110,170</td>
<td>$229</td>
<td>$119,429</td>
<td>$115,429</td>
<td>$3,370</td>
<td>$3,370</td>
<td>$118,799</td>
</tr>
<tr>
<td>Postage and delivery</td>
<td>$2,868</td>
<td>$828</td>
<td>$27,831</td>
<td>$1,96</td>
<td>$618</td>
<td>$33,341</td>
<td>$1,607</td>
<td>$4,547</td>
<td>$37,888</td>
</tr>
<tr>
<td>Supplies</td>
<td>$32,934</td>
<td>$11,587</td>
<td>$14,668</td>
<td>$5,806</td>
<td>$42,279</td>
<td>$109,974</td>
<td>$7,371</td>
<td>$17,515</td>
<td>$124,489</td>
</tr>
<tr>
<td>Occupancy (Note 9)</td>
<td>$146,288</td>
<td>$79,168</td>
<td>$105,459</td>
<td>$47,654</td>
<td>$15,067</td>
<td>$429,636</td>
<td>$92,276</td>
<td>$97,687</td>
<td>$189,963</td>
</tr>
<tr>
<td>Telephone communications</td>
<td>$32,471</td>
<td>$16,513</td>
<td>$12,625</td>
<td>$72,018</td>
<td>$140,234</td>
<td>$21,140</td>
<td>$47,641</td>
<td>$68,881</td>
<td>$209,215</td>
</tr>
<tr>
<td>Equipment rental and repairs</td>
<td>$3,851</td>
<td>$2,169</td>
<td>$2,839</td>
<td>$1,580</td>
<td>$2,641</td>
<td>$11,561</td>
<td>$2,351</td>
<td>$2,754</td>
<td>$7,105</td>
</tr>
<tr>
<td>Insurance</td>
<td>$2,259</td>
<td>$1,054</td>
<td>$1,456</td>
<td>$1,079</td>
<td>$2,641</td>
<td>$11,561</td>
<td>$2,351</td>
<td>$2,754</td>
<td>$7,105</td>
</tr>
<tr>
<td>Staff training, recruitment and support</td>
<td>$1,800</td>
<td>$310</td>
<td>$57,251</td>
<td>$1,071</td>
<td>$60,431</td>
<td>$136,516</td>
<td>$60,015</td>
<td>$66,015</td>
<td>$76,026</td>
</tr>
<tr>
<td>Bank charges and fees</td>
<td>$13,163</td>
<td>-</td>
<td>$1,287</td>
<td>$1,390</td>
<td>$1,071</td>
<td>$13,163</td>
<td>$11,370</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$4,912</td>
<td>-</td>
<td>$123</td>
<td>$4,322</td>
<td>$1,390</td>
<td>$5,412</td>
<td>$1,390</td>
<td>$1,390</td>
<td>$6,802</td>
</tr>
<tr>
<td>Bad debt</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization (Note 2E)</td>
<td>$732</td>
<td>$21,922</td>
<td>$3,641</td>
<td>$18,927</td>
<td>$26,589</td>
<td>$46,389</td>
<td>$14,370</td>
<td>$12,865</td>
<td>$27,237</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$1,979,989</strong></td>
<td><strong>$589,938</strong></td>
<td><strong>$946,994</strong></td>
<td><strong>$449,102</strong></td>
<td><strong>$431,073</strong></td>
<td><strong>$4,405,196</strong></td>
<td><strong>$794,284</strong></td>
<td><strong>$753,516</strong></td>
<td><strong>$5,952,996</strong></td>
</tr>
</tbody>
</table>
## Statement of Functional Expenses

### For the Year Ended September 30, 2014

<table>
<thead>
<tr>
<th>Program Services</th>
<th>Management and Advocacy</th>
<th>Total Program Services</th>
<th>Support Services</th>
<th>Total Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning and Leadership Development</td>
<td>$598,182</td>
<td>$292,454</td>
<td>$421,562</td>
<td>$390,780</td>
</tr>
<tr>
<td>Research and Development</td>
<td>133,754</td>
<td>44,230</td>
<td>93,240</td>
<td>87,603</td>
</tr>
<tr>
<td>Membership Services</td>
<td>204,000</td>
<td>110,950</td>
<td>90,021</td>
<td>80,269</td>
</tr>
<tr>
<td>Advocacy</td>
<td>1,000,000</td>
<td>250,000</td>
<td>750,000</td>
<td>750,000</td>
</tr>
<tr>
<td>Total</td>
<td>$1,846,488</td>
<td>$394,930</td>
<td>$830,553</td>
<td>$576,670</td>
</tr>
</tbody>
</table>

### Supporting Services

| Total Salaries and Related Costs | $3,087,660 |
| Faculty/consultants | 173,027 |
| Professional services (Note 3) | 173,027 |
| Meeting expenses | 208,377 |
| Travel and lodging | 133,476 |
| Printing, production and copying | 135,661 |
| Supplies | 37,838 |
| Occupancy (Note 9) | 169,946 |
| Telecommunications | 169,476 |
| Equipment rental and repairs | 127,937 |
| Insurance | 12,456 |
| Staff training, recruitment and support | 3,908 |
| Bank charges and fees | 75,865 |
| Miscellaneous | 5,544 |
| Bad debt | 42,752 |
| Depreciation and amortization (Note 2E) | 127,937 |
| TOTAL EXPENSES | $5,548,776 |

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The accompanying notes are an integral part of these financial statements.
### American Symphony Orchestra League

#### Statements of Cash Flows

**For the Years Ended September 30, 2015 and 2014**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>(562,582)</td>
<td>253,851</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>72,815</td>
<td>127,957</td>
</tr>
<tr>
<td>Write off of uncollectible receivables</td>
<td>11,370</td>
<td>42,752</td>
</tr>
<tr>
<td>Discount on contributions increase/(decrease)</td>
<td>3,663</td>
<td>(12,185)</td>
</tr>
<tr>
<td>Net realized/unrealized loss (gain) on investments</td>
<td>210,230</td>
<td>(486,083)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>(264,504)</td>
<td>(73,708)</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) or decrease in assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(39,494)</td>
<td>140,764</td>
</tr>
<tr>
<td>Contributions and pledges receivable</td>
<td>175,007</td>
<td>324,586</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>(105,324)</td>
<td>(32,727)</td>
</tr>
<tr>
<td>(Decrease) or increase in liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>18,232</td>
<td>4,496</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>5,915</td>
<td>35,641</td>
</tr>
<tr>
<td>Deferred rent</td>
<td>(7,578)</td>
<td>14,000</td>
</tr>
<tr>
<td><strong>Net Cash (Used in) Provided by Operating Activities</strong></td>
<td>(217,746)</td>
<td>413,052</td>
</tr>
</tbody>
</table>

| **Cash Flows from Investing Activities:** |            |            |
| Purchases of property and equipment | (67,351)   | (18,174)   |
| Proceeds from sales of investments | 100,801    | 1,459,268  |
| Purchases of investments | (287,185)  | (1,531,389)|
| **Net Cash Used in Investing Activities** | (253,735)  | (90,295)   |

**Net (Decrease) Increase in Cash and Cash Equivalents**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents - beginning of year</td>
<td>1,290,764</td>
<td>968,007</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents - End of Year</strong></td>
<td>$ 819,283</td>
<td>$ 1,290,764</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

American Symphony Orchestra League (d/b/a League of American Orchestras) (the “League”) was founded in 1942 and chartered by Congress in 1962. One of the nation’s largest performing arts service organizations, the League comprises nearly 800 member symphony, chamber, youth and collegiate orchestras of all sizes, and links a national network of thousands of instrumentalists, conductors, managers, board members, volunteers, staff members and business partners.

The League supplies guidance and support to the orchestra field through: collection and dissemination of critical information and knowledge across multiple channels, including a national Conference and award-winning magazine; nationally recognized learning and leadership development programs; dedicated advocacy and strategic communications activities; targeted research and development projects; and leadership around collective action.

Examples of recent and current League initiatives include: programs and materials on financial management in tough economic times and problem-solving for emerging administrative leaders; an online career center; the field’s first review and analysis of audience demographic trends; assistance in obtaining visas for foreign guest artists; a study of innovation in orchestras; and a national orchestra food drive.

The League is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and from state and local taxes under comparable laws.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. **Basis of Accounting** – The League’s financial statements have been prepared on the accrual basis of accounting. The League adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”).

B. **Cash and Cash Equivalents** – All highly liquid instruments with a maturity of three months or less when acquired are considered to be cash equivalents.

C. **Basis of Presentation** – the League maintains its net assets under the following three classes:

- **Unrestricted** – includes the net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

- **Temporarily Restricted** – resources received with donor stipulations that limit the use of the donated assets or place time restrictions on the resources. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

- **Permanently Restricted** – includes funds that have been designated by the donor to be held and invested in perpetuity. The income and net capital appreciation from all permanently restricted assets are available for unrestricted or temporarily restricted purposes, in accordance with donor intent.

D. **Investments** – Investments are carried at fair value as explained in note 3 and include cash to be reinvested. Unrealized gains and losses are included in the accompanying statements of activities. Donated securities are recorded at their fair value, as determined using quoted market prices at the date of donation, and are sold immediately upon receipt by the League. Dividend and interest income are recorded as earned. Net investment earnings on the permanently restricted endowment are recorded as increases in unrestricted net assets, unless the donors stipulate such earnings should increase specific temporarily restricted net assets until those purpose restrictions are satisfied.
E. **Property and Equipment** – Property and equipment are recorded at cost. Depreciation is provided on a straight-line basis, applied over the estimated useful lives of the assets, which range from 7-10 years. The League capitalizes property and equipment with a cost of $5,000 or more and a useful life greater than one year. Amortization of leasehold improvements is provided using the straight-line method, applied over the lesser of the estimated useful lives of the improvements or the remaining term of the lease.

F. **Revenue and Deferred Revenue** – The League recognizes membership dues from its orchestra members as revenue during the period to which the membership relates. Revenue generated from meetings and seminars is recognized at the time the meeting or seminar takes place. Any amounts received in advance are recorded as deferred revenue.

G. **Contributions and Pledges Receivable** – Contributions and pledges are recognized when the donor makes an unconditional promise to give. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved. As of September 30, 2015 and 2014, the League determined that no allowance is needed for contributions and pledges and other receivables. Such estimate is based on management’s evaluation of the creditworthiness of the donors, the aged basis of its receivables, as well as current economic conditions and historical information.

H. **Functional Allocation of Expenses** – The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities. Certain costs have been allocated among the programs and supporting services benefited.

I. **Fair Value Measurements** – Fair value measurements are based on 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. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as reported in Note 3.

J. **Use of Estimates** – The preparation of financial statements in conformity with U.S GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.
NOTE 3 – INVESTMENTS & FAIR VALUE MEASUREMENTS

Investments consist of the following as of September 30, 2015 and 2014:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>CommonFund Multi-Strategy Equity Fund</td>
<td>$3,589,222</td>
<td>$3,615,071</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>1,197,982</td>
<td>983,921</td>
</tr>
<tr>
<td>Total Investments at Fair Value</td>
<td>4,787,204</td>
<td>4,598,992</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>259,419</td>
<td>471,477</td>
</tr>
<tr>
<td>Total Investments</td>
<td>$5,046,623</td>
<td>$5,070,469</td>
</tr>
</tbody>
</table>

Certain investments are subject to market volatility that could substantially change their carrying value in the near term.

Investment income consists of the following for the years ended September 30, 2015 and 2014:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends</td>
<td>$100,282</td>
<td>$87,868</td>
</tr>
<tr>
<td>Interest on cash and cash equivalents</td>
<td>519</td>
<td>525</td>
</tr>
<tr>
<td>Net realized/unrealized (loss)/gain on investments</td>
<td>(210,230)</td>
<td>486,083</td>
</tr>
<tr>
<td>Total investment (loss) income</td>
<td>$(109,429)</td>
<td>$574,476</td>
</tr>
</tbody>
</table>

Investment fees for the years ended September 30, 2015 and 2014 were approximately $15,000 and $16,200, respectively, and are included in professional services on the accompanying statements of functional expenses.

The fair value hierarchy defines three levels as follows:

- **Level 1** – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

- **Level 2** - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are also obtained from third-party pricing services for similar assets or liabilities.

- **Level 3** - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models or similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining fair value, the League utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period. For the years ended September 30, 2015 and 2014, there were no transfers.
NOTE 3 – INVESTMENTS & FAIR VALUE MEASUREMENTS (Continued)

Fair value for assets in Level 2 are hedge funds and are measured using net asset value per share. CommonFund investment programs are designed to generate superior long-term investment performance. The fund permits monthly redemptions with a prior five day notice prior to month’s end. There are no unfunded commitments.

Financial assets carried at fair value at September 30, 2015, are classified in the table as follows:

<table>
<thead>
<tr>
<th></th>
<th>Level 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>CommonFund Multi-Strategy Equity Fund</td>
<td>$3,589,222</td>
<td>$3,589,222</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>1,197,982</td>
<td>1,197,982</td>
</tr>
<tr>
<td><strong>TOTAL INVESTMENTS AT FAIR VALUE</strong></td>
<td><strong>$4,787,204</strong></td>
<td><strong>$4,787,204</strong></td>
</tr>
</tbody>
</table>

Financial assets carried at fair value at September 30, 2014, are classified in the table as follows:

<table>
<thead>
<tr>
<th></th>
<th>Level 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>CommonFund Multi-Strategy Equity Fund</td>
<td>$3,615,071</td>
<td>$3,615,071</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>983,921</td>
<td>983,921</td>
</tr>
<tr>
<td><strong>TOTAL INVESTMENTS AT FAIR VALUE</strong></td>
<td><strong>$4,598,992</strong></td>
<td><strong>$4,598,992</strong></td>
</tr>
</tbody>
</table>

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable consist of the following as of September 30, 2015 and 2014:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership dues</td>
<td>$64,315</td>
<td>$47,963</td>
</tr>
<tr>
<td>Symphony Magazine advertising</td>
<td>33,011</td>
<td>27,946</td>
</tr>
<tr>
<td>Other</td>
<td>18,816</td>
<td>12,109</td>
</tr>
<tr>
<td><strong>Total accounts receivable</strong></td>
<td><strong>$116,142</strong></td>
<td><strong>$88,018</strong></td>
</tr>
</tbody>
</table>

NOTE 5 – CONTRIBUTIONS AND PLEDGES RECEivable

Contributions and pledges receivable consist of the following as of September 30, 2015 and 2014:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions and pledges receivable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due within 1 year</td>
<td>$677,467</td>
<td>$879,123</td>
</tr>
<tr>
<td>Due within 1 to 5 years</td>
<td>355,237</td>
<td>328,588</td>
</tr>
<tr>
<td>Present value discount (at rates ranging from 0.11%-5.0%)</td>
<td>(10,199)</td>
<td>(6,536)</td>
</tr>
<tr>
<td><strong>Total contributions and pledges receivable, net</strong></td>
<td><strong>$1,022,505</strong></td>
<td><strong>$1,201,175</strong></td>
</tr>
</tbody>
</table>
NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of September 30, 2015 and 2014:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>Estimated Useful Lives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>$904,923</td>
<td>$904,923</td>
<td>2-4 years</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>216,737</td>
<td>216,737</td>
<td>7-10 years</td>
</tr>
<tr>
<td>Computer hardware and software</td>
<td>1,214,331</td>
<td>1,146,980</td>
<td>5 years</td>
</tr>
<tr>
<td>Total cost</td>
<td>2,335,991</td>
<td>2,268,640</td>
<td></td>
</tr>
<tr>
<td>Less: accumulated depreciation and amortization</td>
<td>(2,244,900)</td>
<td>(2,172,085)</td>
<td></td>
</tr>
<tr>
<td>Net book value</td>
<td>$91,091</td>
<td>$96,555</td>
<td></td>
</tr>
</tbody>
</table>

Depreciation and amortization expense amounted to $72,815 and $127,957 for the years ended September 30, 2015 and 2014, respectively.

NOTE 7 – RETIREMENT PLANS

The League has a defined contribution plan, which is qualified under Section 403(b) of the U.S. Internal Revenue Code. In 2010 through 2014, the League suspended discretionary contributions to the plan. During 2015, the League made a contribution of approximately $48,000.

The League also sponsors a separate, salary-reduction tax-deferred annuity plan under Section 403(b).

In fiscal year 2007, the League established a Section 457(b) deferred compensation plan for its key employees. Under the terms of the plan, such eligible employees may contribute amounts through a salary-reduction agreement. The League does not contribute to this plan.

NOTE 8 – TEMPORARILY RESTRICTED CONTRIBUTIONS

Temporarily restricted net assets as of September 30, 2015 and 2014 are available for the following purposes, which may also contain time restrictions:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women's Conducting Initiative Program</td>
<td>$123,976</td>
<td>$256,608</td>
</tr>
<tr>
<td>Orchestra Management Fellowship Program</td>
<td>393,857</td>
<td>889,446</td>
</tr>
<tr>
<td>Technology Initiatives</td>
<td>9,778</td>
<td>15,403</td>
</tr>
<tr>
<td>Board Governance</td>
<td>272,535</td>
<td>250,185</td>
</tr>
<tr>
<td>Knowledge Center</td>
<td>40,000</td>
<td>115,000</td>
</tr>
<tr>
<td>Strategic Planning</td>
<td>57,500</td>
<td>-</td>
</tr>
<tr>
<td>Other Research and Development/Learning and Leadership Development Programs</td>
<td>498,621</td>
<td>120,932</td>
</tr>
<tr>
<td>Community Engagement</td>
<td>462,500</td>
<td>567,500</td>
</tr>
<tr>
<td>Time restricted</td>
<td>320,052</td>
<td>689,364</td>
</tr>
<tr>
<td>Total temporarily restricted net assets</td>
<td>$2,178,819</td>
<td>$2,904,438</td>
</tr>
</tbody>
</table>
NOTE 8 – TEMPORARILY RESTRICTED CONTRIBUTIONS (Continued)

During the years ended September 30, 2015 and 2014, the League released temporarily restricted net assets by incurring program expenses or the passage of time, as follows:

<table>
<thead>
<tr>
<th>Program</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women’s Conducting Initiative Program</td>
<td>$132,632</td>
<td>$84,471</td>
</tr>
<tr>
<td>Board Governance</td>
<td>220,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Knowledge Center</td>
<td>75,000</td>
<td>35,000</td>
</tr>
<tr>
<td>Orchestra Management Fellowship Program</td>
<td>250,000</td>
<td>225,000</td>
</tr>
<tr>
<td>Technology Initiatives</td>
<td>5,625</td>
<td>18,243</td>
</tr>
<tr>
<td>Other Research and Development/Learning and Leadership Development Programs</td>
<td>224,843</td>
<td>591,750</td>
</tr>
<tr>
<td>Community Engagement</td>
<td>605,000</td>
<td>548,000</td>
</tr>
<tr>
<td>Time restricted</td>
<td>542,496</td>
<td>68,504</td>
</tr>
<tr>
<td>Total net assets released from restrictions</td>
<td>$2,055,596</td>
<td>$1,645,968</td>
</tr>
</tbody>
</table>

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. During fiscal-year 1999, the League entered into a ten-year lease for office facilities in New York City. The lease provided for scheduled rent increases and escalations over the lease term and a free-rent allowance for the first six months. The League renewed this lease in June of 2008 for the ten years beginning January 1, 2010. This lease extension provided for scheduled rent increases and escalations over the lease term and a free-rent allowance for the first month. The effects of these scheduled rent increases and free-rent allowances are being recognized by the League on a straight-line basis over the term of the lease. Such amounts are reported as deferred rent in the accompanying statements of financial position.

The League was also obligated under an operating lease for an office suite in Washington, DC through December 2014. As of January 2015, the League rented this space on a month to month basis.

The League is also obligated under operating leases for office equipment.

Future minimum rental commitments under these leases for the years ending subsequent to September 30, 2015 are approximately as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$410,000</td>
</tr>
<tr>
<td>2017</td>
<td>541,000</td>
</tr>
<tr>
<td>2018</td>
<td>556,000</td>
</tr>
<tr>
<td>2019</td>
<td>572,000</td>
</tr>
<tr>
<td>2020</td>
<td>294,000</td>
</tr>
<tr>
<td>Total</td>
<td>$2,373,000</td>
</tr>
</tbody>
</table>

Rent expense for the years ended September 30, 2015 and 2014 amounted to approximately $583,000 and $581,000, respectively.

B. The League has been named as a defendant in certain legal actions. Upon review by the League’s legal counsel, management believes that, if liability is established, all pending claims will be adequately covered by the League’s insurance coverage.
NOTE 10 – BANK LINE OF CREDIT

On July 13, 2012, the League renewed its $1,000,000 line of credit with a maturity date of July 13, 2014. The League received a three month extension for the line of credit from July 2014 through October 2014. On October 17, 2014, the League renewed its $1,000,000 line of credit with a maturity date of August 23, 2015. On June 10, 2015, the League closed on a two-year renewal of the $1,000,000 line of credit with a maturity date of June 10, 2017. Under the terms of the renewal agreement, interest is payable monthly at a rate equal to the London InterBank Offered Rate plus 2.815 percentage points and any indebtedness is secured by all assets of the League. As of September 30, 2015, there was no outstanding balance under this agreement. As of January 26, 2016, there was no outstanding balance.

NOTE 11 – CONCENTRATIONS

Cash and cash equivalents that potentially subject the League to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. Cash accounts are insured up to $250,000 per depositor. As of September 30, 2015 and 2014, there were approximately $572,000 and $1,544,000, respectively of cash and cash equivalents held by banks that exceeded FDIC limits. Such amounts include outstanding checks.

NOTE 12 – ENDOWMENT NET ASSETS

U.S GAAP provides guidance on the net asset classifications of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”). The guidance requires disclosure about an organization’s endowment funds, whether or not the organization is subject to UPMIFA.

The League’s Board of Directors have determined that as a federally chartered institution operating in the State of New York, the League is not generally subject to the not-for-profit law of any state. Inasmuch as nearly all of the states, including New York, have enacted a version of UPMIFA, the League has implemented the general disclosure guidance of U.S. GAAP as it relates to endowment net assets. In accordance with U.S. GAAP, organizations are required to disclose any deterioration of the fair value of assets associated with donor restricted endowment funds that fall below the level, if any; the donor requires the organization to retain. Such deterioration may occur for a variety of reasons, including unfavorable market fluctuations. There were no deficiencies as of September 30, 2015 and 2014.

The League’s endowment investment policy is to invest assets into investment instruments approved by the Finance Committee of the Board of Directors with the allocation of funds based upon specified target percentages (or range of target percentages) for each type of investment instrument. The overall investment objective is to maximize the total return from income (dividends and interest) and the appreciation of investments commensurate with moderate risk across various asset classes. Any income on the League’s endowment funds and any increase in value over the historical dollar value at the time of the donation are generally utilized within the year earned for the program purposes, authorized by the relevant contributions to the endowment. Unless authorized by the Board of Directors or the Finance Committee in compliance with the terms of the relevant contribution, the appropriations from the endowment funds do not deplete the value of any restricted endowment funds below historical dollar value at the time of donation.
NOTE 12 – ENDOWMENT NET ASSETS (Continued)

Changes in endowment net assets for the year ended September 30, 2015, are as follows:

<table>
<thead>
<tr>
<th>Investment income:</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends</td>
<td>$ 84,583</td>
<td>-</td>
<td>$ 84,583</td>
</tr>
<tr>
<td>Net realized/unrealized loss</td>
<td>(173,325)</td>
<td>-</td>
<td>(173,325)</td>
</tr>
<tr>
<td>Total investment income</td>
<td>$ (88,742)</td>
<td>-</td>
<td>$ (88,742)</td>
</tr>
</tbody>
</table>

| Contributions to Endowment | 100,000 | - | 100,000 |

| Appropriations | (250,000) | - | (250,000) |

| Change in endowment net assets | $ (388,742) | 100,000 | $ (288,742) |

| Endowment net assets, beginning of year | $ 889,446 | $ 3,461,131 | $ 4,350,577 |

| Endowment net assets, end of year | $ 550,704 | $ 3,561,131 | $ 4,111,835 |

Changes in endowment net assets for the year ended September 30, 2014, are as follows:

<table>
<thead>
<tr>
<th>Investment income:</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends</td>
<td>$ 74,460</td>
<td>-</td>
<td>$ 74,460</td>
</tr>
<tr>
<td>Net realized/unrealized loss</td>
<td>409,062</td>
<td>-</td>
<td>409,062</td>
</tr>
<tr>
<td>Total investment income</td>
<td>$ 483,522</td>
<td>-</td>
<td>$ 483,522</td>
</tr>
</tbody>
</table>

| Appropriations | (225,000) | - | (225,000) |

| Change in endowment net assets | $ 258,522 | - | $ 258,522 |

| Endowment net assets, beginning of year | $ 630,924 | $ 3,461,131 | $ 4,092,055 |

| Endowment net assets, end of year | $ 889,446 | $ 3,461,131 | $ 4,350,577 |

NOTE 13 – RESERVE FUNDS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Board-designated Change Capital Fund</td>
<td>$ 400,000</td>
<td>$ 310,000</td>
<td>$ 50,000</td>
<td>$ 10,000</td>
<td>$ 370,000</td>
</tr>
<tr>
<td>Board-designated Cash Reserve Fund</td>
<td>500,000</td>
<td>500,000</td>
<td>-</td>
<td>-</td>
<td>500,000</td>
</tr>
<tr>
<td>Working Capital Reserve</td>
<td>423,750</td>
<td>423,750</td>
<td>-</td>
<td>-</td>
<td>423,750</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,233,750</td>
<td>$ 1,233,750</td>
<td>-</td>
<td>-</td>
<td>$ 1,293,750</td>
</tr>
</tbody>
</table>
NOTE 13 – RESERVE FUNDS (Continued)

<table>
<thead>
<tr>
<th>Reserve Fund</th>
<th>Reserve Full Value</th>
<th>9/30/2013 Balance</th>
<th>Additions</th>
<th>Replacement</th>
<th>9/30/14 Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board-designated Change Capital Fund</td>
<td>$ 350,000</td>
<td>$ 250,000</td>
<td>$ 50,000</td>
<td>$ 10,000</td>
<td>$ 310,000</td>
</tr>
<tr>
<td>Board-designated Cash Reserve Fund</td>
<td>500,000</td>
<td>500,000</td>
<td>-</td>
<td>-</td>
<td>500,000</td>
</tr>
<tr>
<td>Working Capital Reserve</td>
<td>423,750</td>
<td>423,750</td>
<td>-</td>
<td>-</td>
<td>423,750</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 1,173,750</strong></td>
<td><strong>$ 1,173,750</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>$ 1,233,750</strong></td>
</tr>
</tbody>
</table>

The Board-designated Change Capital Fund is a revolving fund designed to allow the League to invest prudently in change initiatives intended to enhance services to members and/or strengthen the organization’s sustainability. Any draw taken on the corpus of the fund must be replaced within sixty months. The use of dividends, interest, and realized and/or unrealized gains generated by the fund are at the discretion to the Board. During fiscal year 2014, the League received an additional $50,000 from a donor for the board-designated change capital fund and replaced $10,000 of the fiscal year 2013 draw. During fiscal year 2015, the League received an additional $50,000 from a donor for the board-designated change capital fund.

The Board-Designated Cash Reserve Fund is a revolving fund established to level out operating cash flow throughout the course of the fiscal year. The fund must hold its full value for no less than 30 (thirty) consecutive days during the course of each fiscal year.

The Working Capital Reserve was established through a grant made initially in 2006 and increased in subsequent years to create a working capital reserve intended to provide liquidity for short-term operating cash flow requirements throughout the course of the fiscal year. The fund must be fully replenished to its full value by September 30th of each fiscal year.

As of September 30, 2015 and 2014, there was a balance of $923,750 in Cash and Short Term Investments, representing the holdings of the two Cash Reserve Funds. The funds associated with the Change Capital Fund are invested in the Commonfund.

NOTE 14 – UNCERTAIN TAX POSITIONS

The League believes it has no uncertain tax positions as of September 30, 2015 and 2014 in accordance with Accounting Standards Codification (“ASC”) Topic 740 (“Income Taxes”), which provides standards for establishing and classifying any tax provisions for uncertain tax positions. The League is no longer subject to federal or state and local income tax examinations by tax authorities for fiscal years before 2012.

NOTE 15 – SUBSEQUENT EVENTS

The League has evaluated, for potential recognition and disclosure, events subsequent to the date of the statements of financial position through January 26, 2016, the date the financial statements were available to be issued.