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

League of American Orchestras

Financial Statements
(Together with Independent Auditors' Report)

Years Ended June 30, 2020 and 2019

MARKS PANETH

ACCOUNTANTS & ADVISORS

AMERICAN SYMPHONY ORCHESTRA LEAGUE
(d/b/a LEAGUE OF AMERICAN ORCHESTRAS)
YEARS ENDED JUNE 30, 2020 AND 2019

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MARKS PANETH
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INDEPENDENT AUDITORS' REPORT

The Board of Directors
American Symphony Orchestra League
(d/b/a 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 June 30, 2020 and 2019, 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 June 30, 2020 and 2019, 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.

Adoption of New Accounting Principle

As discussed in Note 2K, the League adopted FASB Accounting Standards Update 2016-02, *Leases*, for the year ended June 30, 2020. Our opinion is not modified with respect to this matter.

Marks Paneth LLP

New York, NY
November 5, 2020

AMERICAN SYMPHONY ORCHESTRA LEAGUE
(d/b/a LEAGUE OF AMERICAN ORCHESTRAS)
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and cash equivalents (Notes 2B, 3, 4 and 15):		
Operating	$ 55,499	$ 39,871
Cash reserve	1,390,694	1,618,909
Total cash and cash equivalents	1,446,193	1,658,780
Accounts receivable (Notes 2F and 7)	134,185	122,495
Contributions receivable, net (Notes 2G and 8)	578,552	3,535,868
Investments		
Investments held for perpetually restricted endowment, at fair value (Notes 2D, 2I, 6 and 16)	3,561,131	3,561,131
Other investments, at fair value (Notes 2D, 2I and 6)	1,207,628	1,368,953
Total investments at fair value	4,768,759	4,930,084
Prepaid expenses and other assets	297,042	563,070
Operating lease right-of-use assets (Notes 2k, 5 and 11)	3,303,910	-
Property and equipment, net (Notes 2E and 9)	813,502	124,387
TOTAL ASSETS	$ 11,342,143	$ 10,934,684
LIABILITIES		
Accounts payable and accrued expenses	$ 173,286	$ 233,178
Deferred revenue (Note 2F)	444,564	601,841
Loan payable (Note 10)	432,219	-
Lease liability (Notes 2K, 5, 9 and 11)	3,446,320	-
Deferred rent (Note 2K and 11)	-	37,995
TOTAL LIABILITIES	4,496,389	873,014
COMMITMENTS AND CONTINGENCIES (Note 14)		
NET ASSETS (DEFICIT) (Note 2C)		
Without donor restrictions		
Board designated change capital fund (Note 4)	400,000	400,000
Board designated fund for cash reserve (Note 4)	500,000	500,000
Working capital reserve (Note 4)	423,750	423,750
Available for operations (Note 4)	(808,942)	(510,913)
Total net assets without donor restrictions (Note 5)	514,808	812,837
With donor restrictions		
Purpose and time restriction (Note 13)	2,769,815	5,687,702
Perpetual in nature (Note 16)	3,561,131	3,561,131
Total net assets with donor restrictions	6,330,946	9,248,833
TOTAL NET ASSETS	6,845,754	10,061,670
TOTAL LIABILITIES AND NET ASSETS	$ 11,342,143	$ 10,934,684

AMERICAN SYMPHONY ORCHESTRA LEAGUE
(d/b/a LEAGUE OF AMERICAN ORCHESTRAS)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Without Donor Restrictions	With Donor Restrictions	Total 2020	Without Donor Restrictions	With Donor Restrictions	Total 2019
SUPPORT AND REVENUE:						
Contributions and grants (Note 2G)	$ 1,671,220	$ 661,932	$ 2,333,152	$ 1,359,348	$ 5,423,669	$ 6,783,017
Membership dues (Note 2F)	2,006,074	-	2,006,074	1,999,434	-	1,999,434
Meetings and seminars (Note 2F)	223,676	-	223,676	725,492	-	725,492
Sponsorships	57,650		57,650	178,200		178,200
Symphony magazine (Note 2F)	137,134	-	137,134	148,330	-	148,330
Other income	12,673	-	12,673	14,363	-	14,363
Investment (loss) income, net (Notes 2D and 6)	(1,075)	71,390	70,315	43,870	249,880	293,750
Net assets released from restrictions (Notes 2C, 13 and 16)	3,651,209	(3,651,209)	-	3,590,418	(3,590,418)	-
TOTAL SUPPORT AND REVENUE	7,758,561	(2,917,887)	4,840,674	8,059,455	2,083,131	10,142,586
EXPENSES (Note 2H):						
Program services:						
Learning and leadership development	3,541,121	-	3,541,121	3,816,312	-	3,816,312
Research and development	313,101	-	313,101	308,722	-	308,722
Communications and public relations	1,085,819	-	1,085,819	989,150	-	989,150
Membership services	991,860	-	991,860	725,740	-	725,740
Advocacy	454,397	-	454,397	463,867	-	463,867
Total program services	6,386,298	-	6,386,298	6,303,791	-	6,303,791
Supporting services:						
Management and general	869,415	-	869,415	1,124,981	-	1,124,981
Development	800,877	-	800,877	807,234	-	807,234
Total supporting services	1,670,292	-	1,670,292	1,932,215	-	1,932,215
TOTAL EXPENSES	8,056,590	-	8,056,590	8,236,006	-	8,236,006
CHANGE IN NET ASSETS (Notes 4 and 5)	(298,029)	(2,917,887)	(3,215,916)	(176,551)	2,083,131	1,906,580
Net assets - beginning of year	812,837	9,248,833	10,061,670	989,388	7,165,702	8,155,090
NET ASSETS - END OF YEAR	$ 514,808	$ 6,330,946	$ 6,845,754	$ 812,837	$ 9,248,833	$ 10,061,670

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

AMERICAN SYMPHONY ORCHESTRA LEAGUE
(d/b/a LEAGUE OF AMERICAN ORCHESTRAS)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Totals for Year Ended June 30, 2019)

	Program Services						Supporting Services				
	Learning and Leadership Development	Research and Development	Communications and Public Relations	Membership Services	Advocacy	Total Program Services	Management and General	Development	Total Supporting Services	Total 2020	TOTAL 2019
Salaries	$ 661,650	$ 143,349	$ 611,309	$ 344,333	$ 273,902	$ 2,034,543	$ 264,346	$ 440,859	$ 705,205	$ 2,739,748	$ 2,736,777
Payroll taxes and employee benefits (Note 12)	182,591	38,187	165,765	103,501	72,831	562,875	72,626	115,623	188,249	751,124	658,640
Total Salaries and Related Costs	844,241	181,536	777,074	447,834	346,733	2,597,418	336,972	556,482	893,454	3,490,872	3,395,417
Consultants	242,997	30,720	87,258	311,562	-	672,537	115,959	10,440	126,399	798,936	729,753
Professional services	-	-	-	-	1,065	1,065	77,929	-	77,929	78,994	97,361
Awards/professional development	2,085,887	-	-	-	-	2,085,887	-	1,000	1,000	2,086,887	2,148,105
Meeting expenses	91,082	200	990	5,500	1,629	99,401	14,435	1,027	15,462	114,863	383,432
Travel and lodging	55,811	-	4,220	13,441	11,448	84,920	3,388	2,769	6,157	91,077	248,580
Printing, production and copying	4,261	-	43,301	-	-	47,562	-	1,286	1,286	48,848	56,571
Postage and delivery	3,672	376	21,997	1,234	798	28,077	1,209	2,284	3,493	31,570	34,630
Supplies	3,094	52,727	22,742	3,050	32,829	114,442	7,207	9,345	16,552	130,994	137,634
Occupancy (Note 11)	149,187	27,957	81,130	58,035	47,264	363,573	82,121	103,103	185,224	548,797	585,120
Telecommunications	38,714	3,971	24,694	138,877	8,461	214,717	11,899	37,282	49,181	263,898	214,951
Equipment rental and repairs	6,850	1,285	4,078	4,105	2,684	19,002	2,436	5,025	7,461	26,463	41,989
Insurance	2,652	788	1,934	1,936	1,078	8,388	1,863	2,906	4,769	13,157	16,955
Staff training, recruitment and support	9,911	10,856	11,536	-	-	32,303	98,007	56,338	154,345	186,648	11,763
Bank charges and fees	-	-	-	-	80	80	60,975	-	60,975	61,055	72,503
Miscellaneous	386	-	117	2,423	-	2,926	5,176	3,260	8,436	11,362	10,706
Bad debt	-	-	-	-	-	-	11,489	-	11,489	11,489	12,783
Depreciation and amortization (Note 2E)	2,376	2,685	4,748	3,863	328	14,000	38,350	8,330	46,680	60,680	37,753
TOTAL EXPENSES	$ 3,541,121	$ 313,101	$ 1,085,819	$ 991,860	$ 454,397	$ 6,386,298	$ 869,415	$ 800,877	$ 1,670,292	$ 8,056,590	$ 8,236,006

AMERICAN SYMPHONY ORCHESTRA LEAGUE
(d/b/a LEAGUE OF AMERICAN ORCHESTRAS)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services						Supporting Services			
	Learning and Leadership Development	Research and Development	Communications and Public Relations	Membership Services	Advocacy	Total Program Services	Management and General	Development	Total Supporting Services	Total 2019
Salaries	$ 486,271	$ 132,269	$ 591,231	$ 271,156	$ 267,989	$ 1,748,916	$ 530,035	$ 457,826	$ 987,861	$ 2,736,777
Payroll taxes and employee benefits (Note 12)	112,523	31,243	139,208	76,588	63,101	422,663	129,625	106,352	235,977	658,640
Total Salaries and Related Costs	598,794	163,512	730,439	347,744	331,090	2,171,579	659,660	564,178	1,223,838	3,395,417
Consultants	316,750	58,990	56,577	186,939	-	619,256	103,712	6,785	110,497	729,753
Professional services	-	-	-	-	-	-	97,361	-	97,361	97,361
Awards/professional development	2,147,105	-	-	-	-	2,147,105	1,000	-	1,000	2,148,105
Meeting expenses	293,103	103	1,653	959	3,096	298,914	34,585	49,933	84,518	383,432
Travel and lodging	179,413	84	4,733	7,501	18,459	210,190	27,062	11,328	38,390	248,580
Printing, production and copying	2,522	-	52,894	-	-	55,416	-	1,155	1,155	56,571
Postage and delivery	4,429	289	23,922	1,193	655	30,488	2,239	1,903	4,142	34,630
Supplies	5,805	50,198	14,254	1,188	49,074	120,519	6,594	10,521	17,115	137,634
Occupancy (Note 11)	190,900	27,359	76,435	61,699	50,178	406,571	80,488	98,061	178,549	585,120
Telecommunications	27,023	3,965	18,972	104,117	7,007	161,084	15,481	38,386	53,867	214,951
Equipment rental and repairs	23,566	1,087	3,984	4,056	2,102	34,795	3,040	4,154	7,194	41,989
Insurance	2,389	489	1,638	1,630	903	7,049	8,232	1,674	9,906	16,955
Staff training, recruitment and support	4,463	-	1,734	2,000	-	8,197	1,605	1,961	3,566	11,763
Bank charges and fees	13,950	-	-	-	-	13,950	58,553	-	58,553	72,503
Miscellaneous	3,776	-	92	-	100	3,968	2,446	4,292	6,738	10,706
Bad debt	-	-	-	-	-	-	12,783	-	12,783	12,783
Depreciation and amortization (Note 2E)	2,324	2,646	1,823	6,714	1,203	14,710	10,140	12,903	23,043	37,753
TOTAL EXPENSES	$ 3,816,312	$ 308,722	$ 989,150	$ 725,740	$ 463,867	$ 6,303,791	$ 1,124,981	$ 807,234	$ 1,932,215	$ 8,236,006

AMERICAN SYMPHONY ORCHESTRA LEAGUE
(d/b/a LEAGUE OF AMERICAN ORCHESTRAS)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (3,215,916)	$ 1,906,580
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	60,680	37,753
Write off of uncollectible receivables	11,489	12,783
Discount on contributions and pledges receivable	(26,292)	22,265
Net realized/unrealized gain on investments	(5,078)	(201,558)
Subtotal	(3,175,117)	1,777,823
Changes in operating assets and liabilities:		
(Increase) or decrease in assets:		
Accounts receivable	(23,179)	(30,619)
Contributions receivable	2,983,608	(1,107,600)
Prepaid expenses and other assets	266,028	(298,621)
(Decrease) or increase in liabilities:		
Accounts payable and accrued expenses	(59,892)	(107,508)
Deferred revenue	(157,277)	73,189
Deferred rent	104,415	(67,848)
Net Cash (Used in) Provided by Operating Activities	(61,414)	238,816
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(749,795)	(97,424)
Proceeds from sales of investments	237,500	385,000
Purchases of investments	(71,097)	(90,668)
Net Cash (Used in) Provided by Investing Activities	(583,392)	196,908
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loan	432,219	-
Net Cash Provided by Financing Activities	432,219	-
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(212,587)	435,724
Cash and cash equivalents - beginning of year	1,658,780	1,223,056
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,446,193	$ 1,658,780

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:

In January 2020, the League incurred operating lease obligations totaling $3,431,682 for office and equipment leases. As a result, operating lease right-of-use assets of the same $3,431,682 were also recognized.

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 approximately 700 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 two classes:

- Without donor restrictions – includes the net assets that are not restricted by donor-imposed stipulations.

- With donor restrictions – includes net assets subject to donor-imposed restrictions. Some resources are 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Other resources received with donor stipulations have been designated by the donor to be held and invested in perpetuity. The income and net capital appreciation from these restricted assets are available for restricted purposes, in accordance with donor intent.

D. ***Investments*** – Investments are carried at fair value as explained in Note 6 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 endowment funds are recorded as net assets with donor restrictions until appropriated by the board.

E. ***Property and Equipment*** – Property and equipment are recorded at cost less accumulated depreciation and amortization. The League capitalizes furniture and fixtures with a cost of $500 or more, equipment with a cost of $750 or more and all other property and equipment with a cost of $2,500 or more and a useful life of 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. ***Revenue Recognition*** – The League recognizes membership dues from its orchestra members as revenue ratably over the period to which the membership relates because the benefits to their members are consistent throughout the year. The League's members receive access to resources and other relevant information which is considered a single performance obligation. Membership pricing is determined using a tiered approach depending the type of Orchestra member (i.e. Youth, College, or Professional Orchestras). Members are billed for their dues at the beginning of the membership period, and payment is required at that time. The League's membership period is from October 1st to September 30th and material amounts that relate to the following fiscal period are reported as deferred revenue.

Revenue generated from meetings and seminars is recognized at the time the meeting or seminar takes place. The price of the meeting or seminar is specific to those particular events depending on the cost to the League. Any amounts received in advance are recorded as deferred revenue. Revenue generated from Symphony magazine is recognized ratably over the subscription period of the magazine.

The League's accounts receivable and deferred revenue balances as of July 1, 2018 were $104,659 and $528,652, respectively.

G. ***Contributions*** – Contributions are recognized when the donor makes an unconditional promise to give. All contributions are considered to be available for general use unless specifically restricted by the donor. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met or the donor has explicitly released the restriction. There were no conditional contributions for the years ended June 30, 2020 and 2019. Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved. As of June 30, 2020 and 2019, the League determined that no allowance is needed for uncollectible contributions 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. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Certain costs have been allocated among the programs and supporting services benefited. These expenses are allocated on the basis of time and effort on various projects from each staff member's timesheets for the month. The expenses allocated include salaries and wages, fringe benefits, occupancy, office supplies, postage, telecommunications, equipment rental, and insurance.

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 6.

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.

K. ***Adoption of New Accounting Standards*** **–** Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Made* (Topic 958) was adopted prospectively by the League during the year ended June 30, 2020. The core guidance in ASU 2018-08 is to assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a contribution or government grant is conditional. The adoption of this ASU had no effect on the change in net assets as previously reported but required an update to the League's accounting policy disclosures described earlier in this section.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The League adopted ASU 2014-09, *Revenue from Contracts with Customers* ("Topic 606") for the year ended June 30, 2020. The core guidance in ASU 2014-09 is to recognize revenue to depict the transfer of services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services. The League applied the guidance in Topic 606 only to contracts not completed at the date of initial application (July 1, 2019). The adoption of Topic 606 had no effect on the way the League recognizes revenue, however accounting policy disclosures described earlier in this section were updated to reflect the new guidance.

The League early adopted FASB ASU 2016-02, *Leases* (Topic 842) for the year ended June 30, 2020. The ASU requires organizations that lease assets to recognize the present value of the assets and liabilities for the rights and obligations created by those leases. The League adopted Topic 842 using July 1, 2019 as the date of initial adoption, which required the League to recognize lease assets and liabilities as of that date. The lease assets and liabilities on July 1, 2019 totaled $281,539 and $319,534, respectively. The difference between the lease assets and liabilities of $37,995 was reported as of June 30, 2019 as deferred rent which results from the difference between the straight-line lease expense and actual payments made under the lease contracts. The lease asset amount is determined using the lease liability less amounts previously paid or accrued, which included deferred rent. The adoption of Topic 842 had no effect on the change in net assets as previously reported.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

As of June 30, 2020 and 2019, the financial assets available to meet general expenditures over the next 12 months were as follows:

	2020	2019
Cash and cash equivalents	$ 1,446,193	$ 1,658,780
Accounts receivable	134,185	122,495
Contributions receivable	578,552	3,535,868
Investments at fair value	1,207,628	1,368,953
Total	3,366,558	6,686,096
Less: Purpose and time restricted net assets including contributions receivable due in more than one year	(2,769,815)	(5,687,702)
Total financial assets available	$ 596,743	$ 998,394

Cash and cash equivalents consist of funds held in the League's checking and savings accounts held in a bank. The savings account includes both board and non-board designated funds which provide liquidity for short-term operating cash flow. Accounts receivable consist of membership dues, registration fees, and advertising. Operating investments include the board designated Change Capital fund which allows the League to invest in board approved change initiatives. It is invested 40% in equities and 60% in fixed income. Operating investments also consist of excess earnings from the League's General endowment. Earnings are recorded into operations each year. In addition to financial assets available to meet general expenditures over the next 12 months, the League expects and anticipates collecting sufficient revenue to cover general expenditures. As further described in Note 14A, the League has a line of credit for $1,000,000 that can be used to support its operations as needed.

NOTE 4 – RESERVE FUNDS

	Reserve Full Value	6/30/2019 Balance	Additions	Withdrawal	6/30/2020 Balance
Board-designated Change Capital Fund	$ 400,000	$ 400,000	$ -	$ -	$ 400,000
Board-designated Cash Reserve Fund	500,000	500,000	-	-	500,000
Working Capital Reserve	423,750	423,750	-	-	423,750
Working Capital Reserve Total		$ 1,323,750	$ -	$ -	$ 1,323,750

	Reserve Full Value	6/30/2018 Balance	Additions	Withdrawal	6/30/2019 Balance
Board-designated Change Capital Fund	$ 400,000	$ 400,000	$ -	$ -	$ 400,000
Board-designated Cash Reserve Fund	500,000	500,000	-	-	500,000
Board-designated Infrastructure Fund	200,000	200,000	-	(200,000)	-
Working Capital Reserve	423,750	423,750	-	-	423,750
Total		$ 1,523,750	$ -	$ (200,000)	$ 1,323,750

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 League’s sustainability. Any draw taken on the corpus of the fund must be replaced within 60 months. The use of dividends, interest and realized and/or unrealized gains generated by the fund are at the discretion to the Board. The funds associated with the Change Capital Fund are invested with Common Fund and Wells Fargo.

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.

In fiscal year 2018, the League’s Board of Directors authorized a comprehensive infrastructure project to implement portions of the League’s previously adopted strategic plan. The project requires expenditures over three years of approximately $2 million for technology improvements and a relocation of its headquarters. The cost of the project is funded through utilization of excess cash generated by League operations, investments, board designated funds, and a fundraising campaign. At the end of fiscal year 2018, the League's Board approved a transfer of $200,000 from the surplus in operations to establish a Board Designated Fund for Infrastructure. The entire balance of this fund was utilized in fiscal year 2019. Below are the changes related to the Board-Designated Infrastructure Fund for the years ended June 30:

	2020	2019
Change in net assets without donor restrictions	$ (298,029)	$ (176,551)
Use of Board-Designated Fund	-	200,000
Change in net assets available after utilization of board-designated fund	$ (298,029)	$ 23,449

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. As required under the agreement, the fund has been fully replenished to its full value by September 30^{th}.

As of both June 30, 2020 and 2019, there was a balance of $923,750 in the Cash Reserve Fund, representing holdings of the board designated cash reserve fund and working capital reserve.

NOTE 5 – NET ASSETS WITHOUT DONOR RESTRICTIONS

The League reported a decrease in net assets without restrictions for the year ended June 30, 2020 and 2019 of $298,029 and $176,551, respectively. The decrease in net assets includes noncash transactions and adjustments as follows:

	2020	2019
Decrease in net assets without donor restrictions	$ (298,029)	$ (176,551)
Add: noncash items		
Depreciation and amortization	60,680	37,753
Write-offs of uncollectible receivables	11,489	12,783
Straight-line adjustment old office lease	(37,995)	(67,848)
Straight-line adjustment new office lease	142,410	-
Decrease in net assets without donor restrictions, after effect of noncash items	$ (121,445)	$ (193,863)

The $37,995 noncash adjustment represents deferred rent under the old office lease recognized in 2019 and adjusted in 2020. The $142,410 noncash adjustment represents, with respect to the new office lease, the difference between the operating lease right-of-use assets of $3,303,910 and the lease liability of $3,446,320 reflected on the Statement of Financial Position as of June 30, 2020.

NOTE 6 – INVESTMENTS & FAIR VALUE MEASUREMENTS

Investments consist of the following for the year ended June 30:

	2020	2019
CommonFund Multi-Strategy Equity Fund	$ 2,736,044	$ 2,894,684
Corporate bonds	1,227,460	1,785,596
Mutual funds	241,914	248,173
Investments other than cash and cash equivalents	4,205,418	4,928,453
Cash and cash equivalents	563,341	1,631
Total Investments	$ 4,768,759	$ 4,930,084

Investment income consists of the following for the years ended June 30:

	2020	2019
Interest and dividends	$ 74,699	$ 102,256
Interest on cash and cash equivalents	1,668	1,988
Net realized/unrealized gain on investments	5,078	201,558
	81,445	305,802
Less investment fees	(11,130)	(12,052)
Total investment income	$ 70,315	$ 293,750

The fair value hierarchy defines three levels as follows:

- Level 1 - Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

- 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 June 30, 2020 and 2019, there were no transfers.

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 June 30, 2020, are classified in the table as follows:

	Level 2
Corporate bonds	$ 1,227,460
Mutual funds	241,914
Total Level 2 investments	1,469,374
CommonFund multi-strategy equity fund measured using net asset value as a practical expedient	2,736,044
Total investments at fair value	4,205,418
Cash and cash equivalents	563,341
Total Investments	$ 4,768,759

Financial assets carried at fair value at June 30, 2019, are classified in the table as follows:

	Level 2
Corporate bonds	$ 1,785,596
Mutual funds	248,173
Total Level 2 investments	2,033,769
CommonFund multi-strategy equity fund measured using net asset value as a practical expedient	2,894,684
Total investments at fair value	4,928,453
Cash and cash equivalents	1,631
Total Investments	$ 4,930,084

NOTE 7 – ACCOUNTS RECEIVABLE

Accounts receivable consist of the following as of June 30:

	2020	2019
Membership dues	$ 88,050	$ 46,944
Symphony magazine advertising	26,016	8,959
Other	20,119	66,592
Total accounts receivable	$ 134,185	$ 122,495

NOTE 8 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following as of June 30:

	2020	2019
Contributions receivable:		
Due within 1 year	$ 549,431	$ 2,065,327
Due within 2 to 5 years	29,605	1,497,317
	579,036	3,562,644
Present value discount (at rates ranging from 0.16%-5.0%)	(484)	(26,776)
Total contributions receivable, net	$ 578,552	$ 3,535,868

NOTE 9 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30:

	2020	2019	Estimated Useful Lives
Leasehold improvements	$ 1,198,396	$ 934,423	2-4 years
Furniture and fixtures	361,381	221,819	7-10 years
Computer hardware and software	1,704,206	1,357,946	5 years
Total cost	3,263,983	2,514,188	
Less: accumulated depreciation and amortization	(2,450,481)	(2,389,801)	
Net book value	$ 813,502	$ 124,387	

Depreciation and amortization expense amounted to $60,680 and $37,753 for the years ended June 30, 2020 and 2019, respectively.

NOTE 10 – LOAN PAYABLE

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Stability Act (“CARES Act”). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program (“PPP”). Participating in the PPP enables the business to obtain a loan from the Small Business Administration (“SBA”) sector of the government. If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven. The League applied for this loan through an SBA authorized lender. The loan, amounting to $432,219, was approved on April 7, 2020 and funded on May 1, 2020. If the forgiveness is not approved, the loan bears interest at a rate of 0.98% and matures on April 7, 2022. The League is in the process of submitting their application for forgiveness.

In accounting for the terms of the PPP loan, the League is guided by FASB ASC 470. Based on the guidance in FASB ASC 470, the loan would remain recorded as a liability until it is in part or wholly forgiven and legal release is received or the entity pays off the loan. Once the loan is forgiven in part or wholly, and legal release is received, the League will reduce the liability by the amount forgiven and record a gain on extinguishment.

NOTE 11 – LEASES

The League leases certain office space, and equipment. The League assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. As disclosed in Note 2, the League early adopted FASB ASC 842 due to the League entering new long-term leases during the year. As a result, adopting FASB ASC 842 had no impact to prior year statement of financial position information, and because these leases are operating leases, the adoption of the standard has no impact on the League's change in net assets. Comparative information provided in the following paragraphs was determined using the accounting principles in effect as of and the for the year ended June 30, 2019 (i.e. ASC 840). No comparative information is provided for the amounts reported on the statements of financial position as of June 30, 2019 since the League used the modified retrospective method of transition that does not require restating the prior period.

As of June 30, 2020, the right-of-use ("ROU") asset had a balance of $3,303,910, as shown in the statements of financial position; the lease liability totaled $3,446,320 as shown in the statements of financial position. The lease liabilities were calculated utilizing the League's incremental borrowing rate of 4.9% for leases in effect at the initial adoption date of July 1, 2019, and 5.3% for leases commencing in January 2020.

The League's office space lease is for a period of ten years, with one option to renew for a period of five years. The renewal period was considered when determining the initial lease term, but the League determined they are not reasonably certain to exercise that option. Equipment leases are for a period of three to five years with no renewal options.

Total operating lease costs for the years ended June 30, 2020 and 2019 were approximately $484,000 and $551,000, respectively. Total cash paid by the League in the determination of the lease liability was $379,671 for the year ended June 30, 2020. The weighted average of the remaining lease term is 9.68 years, and the weighted average discount rate is 4.9%.

Future minimum rental payments under these leases for the years ending subsequent to June 30, 2020 are as follows:

2021	$ 414,184
2022	421,384
2023	420,876
2024	426,631
2025	434,586
Thereafter	2,268,794
Total lease payments	4,386,455
Less: interest	940,135
Present value of lease liabilities	$ 3,446,320

NOTE 12 – RETIREMENT PLANS

The League provides a defined contribution plan to its employees, which is qualified under Section 403(b) of the U.S. Internal Revenue Code. During the years ended June 30, 2020 and 2019, the League made a discretionary contribution of approximately $109,000 and $54,000, respectively.

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 13 – PURPOSE AND TIME RESTRICTED NET ASSETS

Net assets with donor restrictions as of June 30, 2020 and 2019, are available for the following purposes, which may also contain time restrictions:

	2020	2019
Leadership Program	$ 737,575	$ 851,185
Technology Initiatives	-	4,415
Other Research and Development/Learning and Leadership Development Programs	536,299	423,836
Infrastructure	-	335,000
Getty Future's Innovation Fund	113,000	1,820,000
Time restricted	1,382,941	2,253,266
Total net assets with donor restrictions	$ 2,769,815	$ 5,687,702

During the years ended June 30, 2020 and 2019, the League released net assets with donor restrictions by incurring program expenses or the passage of time, as follows:

	2020	2019
Board Governance	$ -	$ 35
Leadership Program	185,000	185,000
Technology Initiatives	10,415	8,269
Other Research and Development/Learning and Leadership Development Programs	262,534	352,052
Infrastructure	410,000	100,000
Getty Future's Innovation Fund	1,707,000	1,695,000
Time restricted	1,076,260	1,250,062
Total net assets released from restrictions	$ 3,651,209	$ 3,590,418

NOTE 14 – COMMITMENTS AND CONTINGENCIES

A. On June 29, 2017, the League obtained a $1,000,000 line of credit with a maturity date of February 15, 2021. Under the terms of the agreement, interest is payable monthly at a rate equal to the London Interbank Offered Rate plus 3 percentage points and any indebtedness is secured by all assets of the League. As of June 30, 2020 and 2019, there was no outstanding balance under this agreement. As of November 5, 2020, there was no outstanding balance.

B. The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the League's business and financial results will depend on future developments, including the duration and spread of the outbreak. Due to the rapidly changing business environment, unprecedented market volatility, and other circumstances resulting from the COVID-19 pandemic, the League is currently unable to fully determine the extent of COVID-19's impact on its business in future periods. The League's performance in future periods will be heavily influenced by the timing, length, and intensity of the economic recoveries in the United States. The League continues to monitor evolving economic and general business conditions and the actual and potential impacts on its financial position and results of operations.

NOTE 15 – CONCENTRATIONS

Financial instruments 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 June 30, 2020 and 2019, there was approximately $1,200,000 and $2,478,000, respectively, of cash held by banks that exceeded FDIC limits. Such amounts include outstanding checks.

NOTE 16 – 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 has 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 June 30, 2020 and 2019.

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. 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 perpetually restricted endowment funds below historical dollar value at the time of donation.

Changes in endowment net assets for the year ended June 30, 2020, are as follows:

	Purpose and Time Restricted	Perpetual In Nature	Total
Investment activity:			
Interest and dividends	$ 51,925	$ -	$ 51,925
Net realized/unrealized gain	19,465	-	19,465
Total investment activity	71,390	-	71,390
Appropriations	(185,000)	-	(185,000)
Change in endowment net assets	(113,610)	-	(113,610)
Endowment net assets, beginning of year	851,185	3,561,131	4,412,316
Endowment net assets, end of year	$ 737,575	$ 3,561,131	$ 4,298,706

Changes in endowment net assets for the year ended June 30, 2019, are as follows:

	Purpose and Time Restricted	Perpetual In Nature	Total
Investment activity:			
Interest and dividends	$ 85,454	$ -	$ 85,454
Net realized/unrealized gain	164,426	-	164,426
Total investment activity	249,880	-	249,880
Appropriations	(185,000)	-	(185,000)
Change in endowment net assets	64,880	-	64,880
Endowment net assets, beginning of period	786,305	3,561,131	4,347,436
Endowment net assets, end of period	$ 851,185	$ 3,561,131	$ 4,412,316

NOTE 17 – UNCERTAIN TAX POSITIONS

The League believes it has no uncertain tax positions as of June 30, 2020 and 2019, 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.

NOTE 18 – SUBSEQUENT EVENTS

The League has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through November 5, 2020, the date the financial statements were available to be issued.