AMERICAN SYMPHONY ORCHESTRA LEAGUE
(d/b/a LEAGUE OF AMERICAN ORCHESTRAS)

Financial Statements
(Together with Independent Auditors' Report)

Years Ended June 30, 2023 and 2022

AMERICAN SYMPHONY ORCHESTRA LEAGUE
(d/b/a LEAGUE OF AMERICAN ORCHESTRAS)
FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)
YEARS ENDED JUNE 30, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the 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, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements 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, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (“GAAS”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the League 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 League’s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Mayer Hoffman McCann CPAs
The New York Practice of Mayer Hoffman McCann P.C.
An Independent CPA Firm

685 Third Avenue
New York, NY 10017

Phone: 212.503.8800
mhmcpa.com

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the League'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 League'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.

Mayer Hoffman McCann CPAs

New York, NY
November 30, 2023

AMERICAN SYMPHONY ORCHESTRA LEAGUE
(d/b/a LEAGUE OF AMERICAN ORCHESTRAS)
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents (Notes 2B, 3, 4 and 15A):		
Operating	$ 1,288,994	$ 174,620
Cash reserve and working capital reserve	773,750	923,750
Total cash and cash equivalents	2,062,744	1,098,370
Accounts receivable, net (Notes 2F and 7)	404,940	131,531
Contributions receivable, net (Notes 2G, 8 and 15B)	979,064	2,128,226
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)	1,537,302	1,219,052
Total investments at fair value	5,098,433	4,780,183
Prepaid expenses and other assets	235,297	323,667
Operating lease right-of-use assets (Notes 5 and 11)	2,407,165	2,714,013
Property and equipment, net (Notes 2E and 9)	535,459	690,835
TOTAL ASSETS	$ 11,723,102	$ 11,866,825
LIABILITIES		
Accounts payable and accrued expenses	$ 599,161	$ 366,696
Deferred revenue (Note 2F)	628,160	565,908
Operating lease liability (Notes 5 and 11)	2,649,536	2,932,504
TOTAL LIABILITIES	3,876,857	3,865,108
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)	273,750	423,750
Available for operations	346,014	(48,168)
Total net assets without donor restrictions	1,519,764	1,275,582
With donor restrictions		
Purpose and time restricted (Note 13)	2,765,350	3,165,004
Perpetual in nature (Note 16)	3,561,131	3,561,131
Total net assets with donor restrictions	6,326,481	6,726,135
TOTAL NET ASSETS	7,846,245	8,001,717
TOTAL LIABILITIES AND NET ASSETS	$ 11,723,102	$ 11,866,825

AMERICAN SYMPHONY ORCHESTRA LEAGUE
(d/b/a LEAGUE OF AMERICAN ORCHESTRAS)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	Without Donor Restrictions	With Donor Restrictions	Total 2023	Without Donor Restrictions	With Donor Restrictions	Total 2022
SUPPORT AND REVENUE:						
Contributions and grants (Notes 2G and 15B)	$ 2,005,479	$ 939,000	$ 2,944,479	$ 1,942,805	$ 2,994,952	$ 4,937,757
Membership dues (Note 2F)	2,000,443	-	2,000,443	1,713,756	-	1,713,756
Meetings and seminars (Note 2F)	724,427	-	724,427	510,349	-	510,349
Sponsorships	191,705	-	191,705	129,603	-	129,603
Symphony magazine (Note 2F)	107,821	-	107,821	107,568	-	107,568
Forgiveness of loan (Note 10)	-	-	-	432,217	-	432,217
Other income (Note 18)	57,598	-	57,598	22,455	-	22,455
Investment income (loss), net (Notes 2D and 6)	89,330	473,668	562,998	(148,210)	(545,312)	(693,522)
Net assets released from restrictions (Notes 2C, 13 and 16)	1,812,322	(1,812,322)	-	2,432,229	(2,432,229)	-
TOTAL SUPPORT AND REVENUE	6,989,125	(399,654)	6,589,471	7,142,772	17,411	7,160,183
EXPENSES (Note 2H):						
Program services:						
Learning and leadership development	1,953,374	-	1,953,374	1,975,572	-	1,975,572
Research and development	500,924	-	500,924	446,868	-	446,868
Communications and public relations	994,200	-	994,200	1,182,309	-	1,182,309
Membership services	519,947	-	519,947	852,840	-	852,840
Advocacy	576,885	-	576,885	486,166	-	486,166
Total program services	4,545,330	-	4,545,330	4,943,755	-	4,943,755
Supporting services:						
Management and general	979,852	-	979,852	942,458	-	942,458
Development	1,219,761	-	1,219,761	858,400	-	858,400
Total supporting services	2,199,613	-	2,199,613	1,800,858	-	1,800,858
TOTAL EXPENSES	6,744,943	-	6,744,943	6,744,613	-	6,744,613
CHANGE IN NET ASSETS (Notes 4 and 5)	244,182	(399,654)	(155,472)	398,159	17,411	415,570
Net assets - beginning of year	1,275,582	6,726,135	8,001,717	877,423	6,708,724	7,586,147
NET ASSETS - END OF YEAR	$ 1,519,764	$ 6,326,481	$ 7,846,245	$ 1,275,582	$ 6,726,135	$ 8,001,717

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, 2023
(With Comparative Totals for June 30, 2022)

	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 2023	Total 2022
Salaries	$ 580,059	$ 292,900	$ 585,207	$ 240,637	$ 384,390	$ 2,083,193	$ 295,752	$ 713,701	$ 1,009,453	$ 3,092,646	$ 2,948,546
Payroll taxes and employee benefits (Note 12)	148,367	74,918	149,684	61,550	98,319	532,838	75,647	182,550	258,197	791,035	861,723
Total Salaries and Related Costs	728,426	367,818	734,891	302,187	482,709	2,616,031	371,399	896,251	1,267,650	3,883,681	3,810,269
Consultants	88,935	55,250	44,773	-	-	188,958	142,053	39,836	181,889	370,847	498,134
Professional services	21,120	3,125	49,804	13,520	-	87,569	110,011	2,498	112,509	200,078	61,768
Awards/professional development	621,750	300	-	-	400	622,450	-	69	69	622,519	649,150
Meeting expenses	193,613	3,865	989	1,149	4,083	203,699	39,033	39,830	78,863	282,562	173,305
Travel and lodging	74,076	1,248	3,160	3,314	15,953	97,751	30,948	25,920	56,868	154,619	107,911
Printing, production and copying	99,213	-	38,667	-	-	137,880	8,710	9,548	18,258	156,138	55,872
Postage and delivery	5,225	-	10,300	130	-	15,655	3,152	5,163	8,315	23,970	34,927
Supplies	1,143	24,974	1,648	40	1,246	29,051	4,387	3,181	7,568	36,619	117,479
Occupancy (Note 11)	58,369	26,266	43,777	43,777	23,348	195,537	32,103	64,205	96,308	291,845	346,062
Telecommunications	16,819	3,952	22,993	132,264	7,102	183,130	44,004	87,125	131,129	314,259	253,080
Equipment rental and repairs	1,541	-	-	-	-	1,541	28,761	-	28,761	30,302	148,177
Insurance	-	-	-	23	-	23	21,999	-	21,999	22,022	18,997
Staff training, recruitment and support	11,739	-	6,147	-	22,140	40,026	2,994	5,702	8,696	48,722	150,572
Bank charges and fees	-	-	-	-	-	-	43,709	703	44,412	44,412	132,978
Miscellaneous	14	-	13,508	-	7,347	20,869	40,751	5,200	45,951	66,820	6,213
Bad debt	-	-	-	-	-	-	38,571	-	38,571	38,571	21,407
Depreciation and amortization (Notes 2E and 9)	31,391	14,126	23,543	23,543	12,557	105,160	17,267	34,530	51,797	156,957	158,312
TOTAL EXPENSES	$ 1,953,374	$ 500,924	$ 994,200	$ 519,947	$ 576,885	$ 4,545,330	$ 979,852	$ 1,219,761	$ 2,199,613	$ 6,744,943	$ 6,744,613

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, 2022

	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 2022
Salaries	$ 380,891	$ 228,829	$ 698,601	$ 490,492	$ 316,343	$ 2,115,156	$ 352,827	$ 480,563	$ 833,390	$ 2,948,546
Payroll taxes and employee benefits (Note 12)	105,706	91,317	199,575	146,511	91,867	634,976	100,132	126,615	226,747	861,723
Total Salaries and Related Costs	486,597	320,146	898,176	637,003	408,210	2,750,132	452,959	607,178	1,060,137	3,810,269
Consultants	260,060	46,670	40,033	44,512	3,014	394,289	84,660	19,185	103,845	498,134
Professional services	-	-	-	-	-	-	61,768	-	61,768	61,768
Awards/professional development	649,150	-	-	-	-	649,150	-	-	-	649,150
Meeting expenses	138,869	267	1,466	2,632	1,087	144,321	6,031	22,953	28,984	173,305
Travel and lodging	63,300	136	2,369	19,040	6,898	91,743	7,507	8,661	16,168	107,911
Printing, production and copying	195	-	54,178	-	-	54,373	-	1,499	1,499	55,872
Postage and delivery	4,511	135	24,597	220	265	29,728	1,027	4,172	5,199	34,927
Supplies	16,351	43,717	14,912	572	26,745	102,297	6,006	9,176	15,182	117,479
Occupancy (Note 11)	120,127	23,090	51,168	15,187	29,494	239,066	53,669	53,327	106,996	346,062
Telecommunications	29,373	9,456	20,382	129,386	6,627	195,224	12,451	45,405	57,856	253,080
Equipment rental and repairs	125,891	1,610	2,942	1,219	2,284	133,946	9,937	4,294	14,231	148,177
Insurance	3,829	705	2,083	590	1,160	8,367	8,300	2,330	10,630	18,997
Staff training, recruitment and support	74,390	-	769	-	-	75,159	2,200	73,213	75,413	150,572
Bank charges and fees	-	-	-	-	-	-	128,978	4,000	132,978	132,978
Miscellaneous	234	-	145	2,133	70	2,582	2,607	1,024	3,631	6,213
Bad debt	-	-	-	-	-	-	21,407	-	21,407	21,407
Depreciation and amortization (Notes 2E and 9)	2,695	936	69,089	346	312	73,378	82,951	1,983	84,934	158,312
TOTAL EXPENSES	$ 1,975,572	$ 446,868	$ 1,182,309	$ 852,840	$ 486,166	$ 4,943,755	$ 942,458	$ 858,400	$ 1,800,858	$ 6,744,613

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

AMERICAN SYMPHONY ORCHESTRA LEAGUE
(d/b/a LEAGUE OF AMERICAN ORCHESTRAS)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (155,472)	$ 415,570
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Amortization of right-of-use assets	306,848	318,399
Depreciation and amortization	156,957	158,312
Allowance for losses on uncollectible pledges and other receivables	31,701	-
Write off of uncollectible receivables	6,870	21,407
Net realized/unrealized (gain) loss on investments	(447,562)	767,391
Forgiveness of loan	-	(432,217)
Subtotal	(100,658)	1,248,862
Changes in operating assets and liabilities:		
(Increase) or decrease in assets:		
Accounts receivable	(289,891)	(36,543)
Contributions receivable	1,127,073	(998,890)
Prepaid expenses and other assets	88,370	(31,555)
(Decrease) or increase in liabilities:		
Accounts payable and accrued expenses	232,465	214,419
Deferred revenue	62,252	164,112
Lease liability	(282,968)	(285,001)
Net Cash Provided by Operating Activities	836,643	275,404
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,581)	(17,687)
Proceeds from sales of investments	299,463	187,548
Purchases of investments	(170,151)	(75,447)
Net Cash Provided by Investing Activities	127,731	94,414
NET INCREASE IN CASH AND CASH EQUIVALENTS	964,374	369,818
Cash and cash equivalents - beginning of year	1,098,370	728,552
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 2,062,744	$ 1,098,370

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:

During the year ended June 30, 2022, the League received forgiveness of its loan payable of $432,217.

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 the United States 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. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as net assets without donor restrictions and increase net assets without donor restrictions.

D. ***Investments*** – Investments are carried at fair value as discussed 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 on 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, 2021 were $116,395 and $401,796, 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 condition. There were no conditional contributions for the years ended June 30, 2023 and 2022. Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved. The discounts are not material to the financial statements for the years ended June 30, 2023 and 2022. As of June 30, 2023, the League determined that $22,089 and $9,612 are needed for uncollectible contributions and accounts receivables, respectively. As of June 30, 2022, the League determined that no allowance is needed for uncollectible contributions and accounts 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 functional expenses. Expenses that can be identified with a specific program or supporting service are charged directly to that program or supporting 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, consultants, awards, meetings, travel, printing, occupancy, office supplies, postage, telecommunications, equipment rental, insurance, staff training and depreciation and amortization.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. ***Reclassification –*** Certain items in the June 30, 2022 financial statements have been reclassified to conform to the June 30, 2023 presentation. These changes had no impact on the change in net assets for the year ended June 30, 2022.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

As of June 30, 2023 and 2022, the financial assets available to meet general expenditures over the next 12 months were as follows:

	2023	2022
Cash and cash equivalents	$ 2,062,744	$ 1,098,370
Accounts receivable, net	404,940	131,531
Contributions receivable, net	979,064	2,128,226
Investments at fair value	1,537,302	1,219,052
Total	4,984,050	4,577,179
Less: Purpose and time restricted net assets including contributions receivable due in more than one year	(2,725,350)	(3,165,004)
Total financial assets available	$ 2,258,700	$ 1,412,175

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 30% in equities and 70% 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 14, the League has a line of credit of $2,000,000 that can be used to support its operations as needed.

NOTE 4 – RESERVE FUNDS

	Reserve Full Value	6/30/2022 Balance	Additions	Withdrawal	6/30/2023 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	-	150,000	273,750
Reserve Total		$ 1,323,750	$ -	$ 150,000	$ 1,173,750

	Reserve Full Value	6/30/2021 Balance	Additions	Withdrawal	6/30/2022 Balance
Board-designated Change Capital Fund	$ 400,000	$ 400,000	$ -	$ -	$ 400,000
Board-designated Cash Reserve Fund	500,000	192,163	307,837	-	500,000
Working Capital Reserve	423,750	423,750	-	-	423,750
Reserve Total		$ 1,015,913	$ 307,837	$ -	$ 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 of the Board.

NOTE 4 – RESERVE FUNDS (Continued)

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. As required under the agreement, the fund is required to be fully replenished to its full value by September 30, the fund was not fully replenished as of September 30, 2023 and was replenished in October 2023.

NOTE 5 – NET ASSETS WITHOUT DONOR RESTRICTIONS

The League reported an increase of $284,182 and $398,159 for the years ended June 30, 2023 and 2022, respectively. The change in net assets includes noncash transactions and adjustments as follows:

	2023	2022
Increase in net assets without donor restrictions	$ 284,182	$ 398,159
Add: noncash items		
Depreciation and amortization	156,957	158,312
Writeoff of uncollectible receivables	6,870	21,407
Forgiveness of loan	-	(432,217)
Straight-line adjustment – leases	23,880	33,398
Increase in net assets without donor restrictions after effect of noncash items	$ 471,889	$ 179,059

For the year ended June 30, 2023, the $23,880 noncash adjustment represents the difference between the change in the operating lease right-of-use assets of $306,848 and the lease liability of $282,968 reflected on the statement of financial position as of June 30, 2023. For the year ended June 30, 2022, the $33,398 noncash adjustment represents the difference between the change in the operating lease right-of-use assets of $318,399 and the lease liability of $285,001 reflected on the statement of financial position as of June 30, 2022. The $432,217 noncash adjustment is the forgiveness of the Paycheck Protection Program ("PPP") loan reflected on the statement of activities for the year ended June 30, 2022.

NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consist of the following as of June 30:

	2023	2022
Mutual funds	$ 4,473,991	$ 4,253,255
Equities	460,695	464,516
Investments other than cash and cash equivalents	4,934,686	4,717,771
Cash and cash equivalents	163,747	62,412
Total investments	$ 5,098,433	$ 4,780,183

NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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

	2023	2022
Interest and dividends	$ 141,948	$ 102,068
Interest on cash and cash equivalents	456	608
Net realized/unrealized gain (loss) on investments	447,562	(767,391)
	589,966	(664,715)
Less: investment fees	(26,968)	(28,807)
Total investment income (loss)	$ 562,998	$ (693,522)

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, 2023 and 2022, 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.

Investments at June 30, 2023, are classified in the table as follows:

	Level 1
Mutual funds	$ 4,473,991
Equities	460,695
Investments other than cash and cash equivalents	4,934,686
Cash and cash equivalents	-
Total investments	$ 4,934,686

NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Investments at June 30, 2022, are classified in the table as follows:

	Level 1
Mutual funds	$ 4,253,255
Equities	464,516
Investments other than cash and cash equivalents	4,717,771
Cash and cash equivalents	-
Total investments	$ 4,717,771

NOTE 7 – ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consist of the following as of June 30:

	2023	2022
Membership dues	$ 277,469	$ 29,767
Symphony magazine advertising	87,372	63,634
Other	49,711	38,130
Less allowance for doubtful accounts	(9,612)	-
Total accounts receivable, net	$ 404,940	$ 131,531

NOTE 8 – CONTRIBUTIONS RECEIVABLE, NET

Contributions receivables, net consist of the following as of June 30:

	2023	2022
Contributions receivable:		
Due within 1 year	$ 801,153	$ 1,928,018
Due within 2 to 5 years	200,000	200,208
Less allowance for doubtful accounts	(22,089)	-
Total contributions receivable, net	$ 979,064	$ 2,128,226

NOTE 9 – PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following as of June 30:

	2023	2022	Estimated Useful Lives
Leasehold improvements	$ 1,223,161	$ 1,221,580	2-4 years
Furniture and fixtures	371,214	371,214	7-10 years
Computer hardware and software	1,824,909	1,824,909	5 years
Total cost	3,419,284	3,417,703	
Less: accumulated depreciation and amortization	(2,883,825)	(2,726,868)	
Net book value	$ 535,459	$ 690,835	

Depreciation and amortization expense amounted to $156,957 and $158,312 for the years ended June 30, 2023 and 2022, respectively.

NOTE 10 – LOAN PAYABLE

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Security 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.

In accounting for the terms of the PPP loan, the League is guided by Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 470 "Debt." 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.

On December 20, 2021, the League received notification of forgiveness from the SBA for their second PPP loan received on May 20, 2021. The League recorded a forgiveness of the loan of $432,217 on the statement of activities for the year ended June 30, 2022.

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 of June 30, 2023 and 2022, the right-of-use ("ROU") asset had a balance of $2,407,165 and $2,714,013, as shown in the statements of financial position; respectively, the lease liability totaled $2,649,536 and $2,932,504 as shown in the statements of financial position, respectively. The lease liability was 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 and August 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. The League's Washington D.C. licensed space lease is for a period of two years and five months with no renewal options. 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, 2023 and 2022 were approximately $430,000 and $470,000, respectively. In July 2022, the League negotiated a discount of approximately 50% with its landlord for its New York City office lease which resulted in a $195,306 reduction in the League's rental payments for the year ended June 30, 2023. In August 2021, the League negotiated a discount of approximately 33% with their landlord for their New York City office lease which resulted in a $116,572 reduction in the League's rental payments for the year ended June 30, 2022. Total cash paid by the League in the determination of the lease liability was $436,689 before landlord rent discounts of $195,306, and $436,444 before landlord rent discounts of $116,572 for the years ended June 30, 2023 and 2022, respectively. The League did not consider this a lease modification because it was discounted due to pandemic related events. The weighted averages of the remaining lease term for the years ended June 30, 2023 and 2022 were 5.82 and 7.77 years, respectively. The weighted average discount rate was 4.9% for each of the years ended June 30, 2023 and 2022.

NOTE 11 – LEASES (Continued)

Future minimum rental payments under these leases for the years ending subsequent to June 30, 2023 are as follows:

2024	$ 426,631
2025	434,586
2026	443,426
2027	454,512
2028	465,875
Thereafter	904,980
Total lease payments	3,130,010
Less: interest	(480,474)
Present value of lease liabilities	$ 2,649,536

NOTE 12 – RETIREMENT PLANS

The League sponsors a defined contribution plan for its employees, which is qualified under Section 403(b) of the U.S. Internal Revenue Code. During each of the years ended June 30, 2023 and 2022, the League made a discretionary contribution of approximately $94,000.

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

Purpose and time restricted net assets, except for those with restrictions that are perpetual in nature as described in Note 16, as of June 30, 2023 and 2022, are available for the following purposes:

	2023	2022
Leadership Program	$ 1,001,857	$ 722,299
Other Research and Development/Learning and Leadership Development Programs	224,000	29,000
Other	39,748	86,946
Getty Membership Preservation	-	300,000
Catalyst Fund	735,000	1,450,000
Women's Composer Initiative	517,745	248,807
Time restricted	247,000	327,952
Total net assets with donor restrictions	$ 2,765,350	$ 3,165,004

NOTE 13 – PURPOSE AND TIME RESTRICTED NET ASSETS (Continued)

During the years ended June 30, 2023 and 2022, the League released net assets with donor restrictions by incurring program expenses or the passage of time, as follows:

	2023	2022
Leadership Program	$ 94,310	$ 187,750
Other Research and Development/Learning and Leadership Development Programs	405,000	353,342
Other	47,000	-
Getty Membership Preservation	300,000	740,000
Catalyst Fund	715,000	745,304
Women's Composer Initiative	121,060	207,193
Time restricted	129,952	198,640
Total net assets released from restrictions	$ 1,812,822	$ 2,432,229

NOTE 14 – COMMITMENTS AND CONTINGENCIES

On June 29, 2017, the League obtained a $1,000,000 line of credit, which was renewed for $2,000,000 on February 18, 2022, with a maturity date of February 18, 2024. Under the terms of the agreement, interest is payable monthly at a rate equal to either the prime-based rate (which is defined as the greater of 2.25% or the prime rate minus 1%) or the daily simple SOFR rate (defined as the greater of 2.25% or daily SOFR plus 2.25%).

NOTE 15 – CONCENTRATIONS

A. ***Concentration of Credit Risk***

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, per financial institution. As of June 30, 2023 and 2022, there was approximately $1,782,000 and $882,000, respectively, of cash held by banks that exceeded FDIC limits. Such amounts include outstanding checks.

B. ***Concentration of Revenue and Receivables***

For each of the years ended June 30, 2023 and 2022, the League derived a significant portion of its contributions from one donor. Such revenue approximates 13% and 39% of total contributions and grants revenue for the years ended June 30, 2023 and 2022, respectively. The League carried a significant portion of its contributions receivable from a single donor. Such receivables approximate 36% and 49% of total contributions receivable as of June 30, 2023 and 2022, respectively.

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, 2023 and 2022.

NOTE 16 – ENDOWMENT NET ASSETS (Continued)

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, 2023, are as follows:

	Undistributed Endowment Earnings	Perpetual In Nature	Total
Investment activity:			
Interest and dividends	$ 118,095	$ -	$ 118,095
Net realized/unrealized gain	355,573	-	355,573
Total investment activity	473,668	-	473,668
Appropriations	(194,310)	-	(194,310)
Change in endowment net assets	279,358	-	279,358
Endowment net assets, beginning of year	722,499	3,561,131	4,283,630
Endowment net assets, end of year	$ 1,001,857	$ 3,561,131	$ 4,562,988

Changes in endowment net assets for the year ended June 30, 2022, are as follows:

	Undistributed Endowment Earnings	Perpetual In Nature	Total
Investment activity:			
Interest and dividends	$ 68,617	$ -	$ 68,617
Net realized/unrealized loss	(613,929)	-	(613,929)
Total investment activity	(545,312)	-	(545,312)
Appropriations	(187,500)	-	(187,500)
Change in endowment net assets	(732,812)	-	(732,812)
Endowment net assets, beginning of year	1,455,311	3,561,131	5,016,442
Endowment net assets, end of year	$ 722,499	$ 3,561,131	$ 4,283,630

NOTE 17 – UNCERTAIN TAX POSITIONS

The League believes it has no uncertain tax positions as of June 30, 2023 and 2022, in accordance with FASB ASC Topic 740 "Income Taxes", which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 18 – LEASE INCOME

The League entered into a sublease agreement with a tenant for certain space in the League's New York office effective January 1, 2023, the lease term expires on December 31, 2027. Rental income recognized on a straight-line basis over the respective lease term of the underlying agreement. Payments are due monthly from the tenant in equal monthly installments of $5,000.

Total future lease payments to be collected are as follows as of June 30, 2023:

2024	$ 60,000
2025	60,000
2026	60,000
2027	60,000
2028	30,000
Total lease payments to be collected	270,000

The sublease amount was approximately $50,000 for the year ended June 30, 2023 which is included in the other income on the statement of activities.

NOTE 19 – RELATED PARTY TRANSACTIONS

A board member of the League provides consulting services for the program and was compensated in the amount of approximately $9,000 and $10,500 during the years ended June 30, 2023 and 2022.

NOTE 20 – SUBSEQUENT EVENTS

The League has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through November 30, 2023, the date the financial statements were available to be issued.