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

Financial Statements
(Together with Independent Auditors' Report)

Years Ended June 30, 2024 and 2023

AMERICAN SYMPHONY ORCHESTRA LEAGUE
(d/b/a LEAGUE OF AMERICAN ORCHESTRAS)
FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)
YEARS ENDED JUNE 30, 2024 AND 2023

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CBIZ CPAs

INDEPENDENT AUDITORS' REPORT

The Board of Directors
American Symphony Orchestra League
(d/b/a League of American Orchestras)
New York, NY

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, 2024 and 2023, 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, 2024 and 2023, 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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 audits 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 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.

CBIZ CPAs P.C.[1]

Philadelphia, PA
November 22, 2024

[1]In certain jurisdictions, CBIZ CPAs P.C. operates under its previous name, Mayer Hoffman McCann P.C.

AMERICAN SYMPHONY ORCHESTRA LEAGUE
(d/b/a LEAGUE OF AMERICAN ORCHESTRAS)
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and cash equivalents (Notes 2B, 4 and 14A):		
Operating	$ 196,378	$ 1,288,994
Cash reserve and working capital reserve	923,750	773,750
Total cash and cash equivalents	1,120,128	2,062,744
Accounts receivable, net (Notes 2F, 2G, 2M and 7)	524,022	404,940
Contributions receivable, net (Notes 2I, 8 and 14B)	1,259,111	979,064
Investments:		
Investments held for perpetually restricted endowment (Notes 2D, 2K, 6 and 15)	3,561,131	3,561,131
Other investments (Notes 2D, 2K and 6)	1,954,650	1,537,302
Total investments at fair value	5,515,781	5,098,433
Prepaid expenses and other assets	382,979	235,297
Operating lease right-of-use assets (Notes 2H and 10)	114,576	2,407,165
Property and equipment, net (Notes 2E and 9)	418,506	535,459
TOTAL ASSETS	$ 9,335,103	$ 11,723,102
LIABILITIES		
Accounts payable and accrued expenses	$ 685,830	$ 599,161
Deferred revenue (Note 2F)	640,150	628,160
Line of credit payable (Note 13)	500,000	-
Operating lease liability (Notes 2H and 10)	114,576	2,649,536
TOTAL LIABILITIES	1,940,556	3,876,857
COMMITMENTS AND CONTINGENCIES (Note 13)		
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	273,750
Available for operations	159,914	346,014
Total net assets without donor restrictions	1,483,664	1,519,764
With donor restrictions		
Purpose and time restricted (Note 11)	2,349,752	2,765,350
Perpetual in nature (Note 15)	3,561,131	3,561,131
Total net assets with donor restrictions	5,910,883	6,326,481
TOTAL NET ASSETS	7,394,547	7,846,245
TOTAL LIABILITIES AND NET ASSETS	$ 9,335,103	$ 11,723,102

AMERICAN SYMPHONY ORCHESTRA LEAGUE
(d/b/a LEAGUE OF AMERICAN ORCHESTRAS)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	Without Donor Restrictions	With Donor Restrictions	Total 2024	Without Donor Restrictions	With Donor Restrictions	Total 2023
SUPPORT AND REVENUE:						
Contributions and grants (Notes 2I and 14B)	$ 1,586,895	$ 875,000	$ 2,461,895	$ 2,005,479	$ 939,000	$ 2,944,479
Membership dues (Note 2F)	2,339,210	-	2,339,210	2,000,443	-	2,000,443
Meetings and seminars (Note 2F)	669,083	-	669,083	724,427	-	724,427
Sponsorships	212,474	-	212,474	191,705	-	191,705
Symphony magazine (Note 2F)	121,946	-	121,946	107,821	-	107,821
Other income (Notes 10 and 17)	271,870	-	271,870	57,598	-	57,598
Investment income, net (Notes 2D, 6 and 15)	281,372	411,925	693,297	89,330	473,668	562,998
Net assets released from restrictions (Notes 2C, 11 and 15)	1,702,523	(1,702,523)	-	1,812,322	(1,812,322)	-
TOTAL SUPPORT AND REVENUE	7,185,373	(415,598)	6,769,775	6,989,125	(399,654)	6,589,471
EXPENSES (Note 2J):						
Program services:						
Learning and leadership development	2,225,793	-	2,225,793	1,785,332	-	1,785,332
Research and development	524,523	-	524,523	384,122	-	384,122
Communications and public relations	896,827	-	896,827	901,384	-	901,384
Membership services	640,219	-	640,219	371,674	-	371,674
Advocacy	541,426	-	541,426	465,659	-	465,659
Total program services	4,828,788	-	4,828,788	3,908,171	-	3,908,171
Supporting services:						
Management and general	1,034,850	-	1,034,850	1,795,905	-	1,795,905
Development	1,357,835	-	1,357,835	1,040,867	-	1,040,867
Total supporting services	2,392,685	-	2,392,685	2,836,772	-	2,836,772
TOTAL EXPENSES	7,221,473	-	7,221,473	6,744,943	-	6,744,943
CHANGE IN NET ASSETS (Notes 4 and 5)	(36,100)	(415,598)	(451,698)	244,182	(399,654)	(155,472)
Net assets - beginning of year	1,519,764	6,326,481	7,846,245	1,275,582	6,726,135	8,001,717
NET ASSETS - END OF YEAR	$ 1,483,664	$ 5,910,883	$ 7,394,547	$ 1,519,764	$ 6,326,481	$ 7,846,245

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, 2024
(With Comparative Totals for June 30, 2023)

	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 2024	Total 2023
Salaries	$ 659,630	$ 313,828	$ 543,014	$ 264,432	$ 390,610	$ 2,171,514	$ 373,143	$ 752,502	$ 1,125,645	$ 3,297,159	$ 3,092,646
Payroll taxes and employee benefits (Note 12)	174,907	78,728	131,201	131,214	70,006	586,056	87,561	192,447	280,008	866,064	791,034
Total Salaries and Related Costs	834,537	392,556	674,215	395,646	460,616	2,757,570	460,704	944,949	1,405,653	4,163,223	3,883,680
Consultants (Note 18)	177,219	56,381	56,089	12,306	2,272	304,267	121,354	146,177	267,531	571,798	622,863
Professional services	-	-	-	-	-	-	59,105	-	59,105	59,105	51,390
Awards/professional development	521,500	-	-	-	-	521,500	-	24,012	24,012	545,512	622,519
Meeting expenses	377,916	1,098	373	1,322	2,033	382,742	58,201	48,370	106,571	489,313	282,562
Travel and lodging	169,091	3,454	2,638	2,404	11,669	189,256	59,783	25,971	85,754	275,010	154,618
Printing, production and copying	5,038	-	29,569	-	-	34,607	87	11,747	11,834	46,441	52,812
Postage and delivery	5,302	90	6,465	151	80	12,088	1,625	5,912	7,537	19,625	23,969
Supplies	871	292	16,249	333	21,340	39,085	57,699	10,083	67,782	106,867	86,109
Occupancy (Note 10)	50,847	22,881	38,136	38,136	20,339	170,339	41,306	55,932	97,238	267,577	291,844
Telecommunications	15,642	20,073	38,171	151,128	5,339	230,353	7,281	27,238	34,519	264,872	314,257
Equipment rental and repairs (Note 10)	27,832	2,596	4,327	4,327	2,308	41,390	3,172	6,347	9,519	50,909	30,303
Insurance	3,691	1,661	2,768	2,768	1,476	12,364	2,026	4,060	6,086	18,450	22,022
Staff training, recruitment and support	2,647	9,438	1,432	-	-	13,517	2,131	-	2,131	15,648	25,485
Bank charges and fees	1,110	-	-	7,321	-	8,431	89,779	10,658	100,437	108,868	83,295
Miscellaneous	2,295	388	2,904	-	1,852	7,439	-	3,099	3,099	10,538	1,687
Bad debt (Note 2G)	-	-	800	1,686	-	2,486	53,957	-	53,957	56,443	38,571
Depreciation and amortization (Notes 2E and 9)	30,255	13,615	22,691	22,691	12,102	101,354	16,640	33,280	49,920	151,274	156,957
TOTAL EXPENSES	$ 2,225,793	$ 524,523	$ 896,827	$ 640,219	$ 541,426	$ 4,828,788	$ 1,034,850	$ 1,357,835	$ 2,392,685	$ 7,221,473	$ 6,744,943

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

	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**
Salaries	$ 519,737	$ 234,328	$ 527,493	$ 180,653	$ 325,819	$ 1,788,030	$ 650,587	$ 654,029	$ 1,304,616	$ 3,092,646
Payroll taxes and employee benefits (Note 12)	128,637	56,622	136,302	40,406	81,379	443,346	186,730	160,958	347,688	791,034
Total Salaries and Related Costs	648,374	290,950	663,795	221,059	407,198	2,231,376	837,317	814,987	1,652,304	3,883,680
Consultants (Note 18)	204,969	58,375	94,577	13,520	-	371,441	209,087	42,335	251,422	622,863
Professional services	-	-	-	-	-	-	51,390	-	51,390	51,390
Awards/professional development	621,750	300	-	-	400	622,450	-	69	69	622,519
Meeting expenses	193,613	3,865	989	1,149	4,083	203,699	39,033	39,830	78,863	282,562
Travel and lodging	74,076	1,248	3,159	3,314	15,953	97,750	30,948	25,920	56,868	154,618
Printing, production and copying	4,298	-	38,667	-	-	42,965	298	9,549	9,847	52,812
Postage and delivery	5,225	-	10,301	129	-	15,655	3,152	5,162	8,314	23,969
Supplies	1,143	24,974	15,146	40	30,733	72,036	5,219	8,854	14,073	86,109
Occupancy (Note 10)	-	-	-	-	-	-	291,844	-	291,844	291,844
Telecommunications	16,819	3,952	22,993	132,264	7,102	183,130	44,004	87,123	131,127	314,257
Equipment rental and repairs (Note 10)	1,541	-	-	-	-	1,541	28,762	-	28,762	30,303
Insurance	-	-	-	23	-	23	21,999	-	21,999	22,022
Staff training, recruitment and support	11,739	-	6,147	-	-	17,886	2,394	5,205	7,599	25,485
Bank charges and fees	-	-	-	-	-	-	82,592	703	83,295	83,295
Miscellaneous	14	-	10	-	-	24	1,638	25	1,663	1,687
Bad debt (Note 2G)	-	-	-	-	-	-	38,571	-	38,571	38,571
Depreciation and amortization (Notes 2E and 9)	1,771	458	45,600	176	190	48,195	107,657	1,105	108,762	156,957
TOTAL EXPENSES	$ 1,785,332	$ 384,122	$ 901,384	$ 371,674	$ 465,659	$ 3,908,171	$ 1,795,905	$ 1,040,867	$ 2,836,772	$ 6,744,943

AMERICAN SYMPHONY ORCHESTRA LEAGUE
(d/b/a LEAGUE OF AMERICAN ORCHESTRAS)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (451,698)	$ (155,472)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	151,274	156,957
Bad debt expense	56,443	38,571
Discount to net present value on contributions receivable	15,401	-
Net realized/unrealized gain on investments	(587,168)	(447,562)
Noncash lease expense	325,338	322,724
Gain from modification of lease	(253,183)	-
Subtotal	(743,593)	(84,782)
Changes in operating assets and liabilities:		
(Increase) or decrease in assets:		
Accounts receivable	(153,714)	(289,891)
Contributions receivable	(317,259)	1,127,073
Prepaid expenses and other assets	(147,682)	88,370
(Decrease) or increase in liabilities:		
Accounts payable and accrued expenses	86,669	232,465
Deferred revenue	11,990	62,252
Operating lease liabilities	(314,526)	(298,844)
Net Cash Provided by (used in) Operating Activities	(1,578,115)	836,643
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings from line of credit	500,000	-
Net Cash Provided by Financing Activities	500,000	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(34,321)	(1,581)
Proceeds from sales of investments	382,507	299,463
Purchases of investments	(212,687)	(170,151)
Net Cash Provided by Investing Activities	135,499	127,731
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(942,616)	964,374
Cash and cash equivalents - beginning of year	2,062,744	1,098,370
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,120,128	$ 2,062,744
Supplemental Disclosure of Cash Flow Information:		
Reduction of right-of-use asset related to modification of lease	$ 1,967,251	$ -
Reduction of operating lease liability related to modification of lease	$ 2,220,434	$ -
Cash paid for interest	$ 16,604	$ -

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, except cash equivalents held as part of the League's investment portfolio.

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. Realized/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 $1,000 or more, equipment with a cost of $1,000 or more, software with a cost of $2,500 or more and a useful life of greater than one year and any office renovations and repairs with a cost of $5,000 or more that extends the useful life of the asset. Amortization of leasehold improvements is provided using the straight-line method over the shorter of the asset's useful life or the lease term.

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, 2022 were $131,531 and $565,908, respectively.

G. ***Allowance for Credit Losses*** – The League determines whether an allowance should be provided for accounts receivable. The League adopted measurement of credit losses on financial instruments in 2024 and the measurement is based on management's assessment of the aged basis of its accounts, current economic conditions, subsequent receipts and historical information (See Note 2M). Accounts receivable are written off against the allowance for credit losses when all reasonable collection efforts have been exhausted. As of June 30, 2024 and 2023, there was an allowance for credit losses recorded of $24,245 and $9,612, respectively. During 2024 and 2023, the League wrote off accounts receivable of $41,810 and $0, respectively.

Balance, beginning of year	$ 9,612
Written off	(41,810)
Bad debt expense	56,443
Balance, end of year	$ 24,245

H. ***Leases*** – The League accounts for its leases pursuant to Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 842 *Leases*, which requires the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position for operating leases. Under the standard, the disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases.

The League elected the available practical expedients to account for the existing operating lease as an operating lease under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether the classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

The League leases office space and equipment under long-term leases (see Note 10). The League determines if an arrangement is a lease at the lease's inception. The operating leases are included in operating lease ROU assets and operating lease liabilities on the statements of financial position at June 30, 2024 and 2023.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. ***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, 2024 and 2023.

Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved. The discount to net present value was $15,401 and $0 as of June 30, 2024 and 2023, respectively.

As of June 30, 2024 and 2023, the League determined that allowances of $21,811 and $22,089 are needed for uncollectible contributions receivable, respectively. 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. During 2024 and 2023, the League wrote off contributions receivable of $278 and $6,870, respectively.

J. ***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.

K. ***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.

L. ***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.

M. ***Recent Accounting Pronouncements –*** FASB Accounting Standards Update ("ASU") No. 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* was adopted for the year ended June 30, 2024. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology.

CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts. Financial assets held by the League that are subject to the guidance in ASU 2016-13 are accounts receivables. See Note 2G.

N. ***Reclassifications –*** Certain items in the June 30, 2023 financial statements have been reclassified to conform with the June 30, 2024 presentation. These reclassifications had no impact on the change in net assets for the year ended June 30, 2023.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

As of June 30, 2024 and 2023, the financial assets available to meet general expenditures over the next 12 months were as follows:

	2024	2023
Cash and cash equivalents	$ 1,120,128	$ 2,062,744
Accounts receivable, net	524,022	404,940
Contributions receivable, net	1,259,111	979,064
Investments at fair value	1,954,650	1,537,302
Total	4,857,911	4,984,050
Less: Purpose and time restricted net assets including contributions receivable due in more than one year	(2,349,752)	(2,765,350)
Total financial assets available	$ 2,508,159	$ 2,218,700

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 13, 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	6/30/2023 Balance	Additions	Withdrawal	6/30/2024 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	273,750	150,000	-	423,750
Reserve Total		$ 1,173,750	$ 150,000	$ -	$ 1,323,750

	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

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.

NOTE 5 – NET ASSETS WITHOUT DONOR RESTRICTIONS

The League reported a decrease of $36,100 and an increase of $244,182 for the years ended June 30, 2024 and 2023, respectively. The change in net assets includes noncash transactions and adjustments as follows:

	2024	2023
(Decrease) increase in net assets without donor restrictions	$ (36,100)	$ 244,182
Add: noncash items		
Depreciation and amortization	151,274	156,957
Discount to net present value on contributions receivable	15,401	-
Net realized/unrealized gain on invesments	(252,769)	(62,362)
Bad debt expense	56,443	38,571
Noncash lease expense	325,338	322,724
Less: gain from modification of lease	(253,183)	-
Increase in net assets without donor restrictions after effect of noncash items	$ 6,404	$ 700,072

NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consist of the following as of June 30:

	2024	2023
Mutual funds	$ 4,997,651	$ 4,473,991
Equities	442,971	460,695
Investments other than cash and cash equivalents	5,440,622	4,934,686
Cash and cash equivalents	75,159	163,747
Total investments	$ 5,515,781	$ 5,098,433

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

	2024	2023
Interest and dividends	$ 134,298	$ 141,948
Interest on cash and cash equivalents	434	456
Net realized/unrealized gain on investments	587,168	447,562
	721,900	589,966
Less: investment fees	(28,603)	(26,968)
Total investment income	$ 693,297	$ 562,998

NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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, 2024 and 2023, there were no transfers.

Financial assets carried at fair value consisted of the following and were all classified as Level 1 investments in the fair value hierarchy as of June 30:

	2024	2023
Mutual funds	$ 4,997,651	$ 4,473,991
Equities	442,971	460,695
Investments, at Fair Value	$ 5,440,622	$ 4,934,686

NOTE 7 – ACCOUNTS RECEIVABLE, NET

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

	2024	2023
Membership dues	$ 392,171	$ 277,469
Symphony magazine advertising	92,695	87,372
Other	63,401	49,711
Less allowance for credit losses	(24,245)	(9,612)
Total accounts receivable, net	$ 524,022	$ 404,940

NOTE 8 – CONTRIBUTIONS RECEIVABLE, NET

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

	2024	2023
Contributions receivable:		
Due within 1 year	$ 971,323	$ 801,153
Due within 2 to 5 years	325,000	200,000
Less present value discount	(15,401)	-
Less allowance for doubtful contributions	(21,811)	(22,089)
Total contributions receivable, net	$ 1,259,111	$ 979,064

NOTE 9 – PROPERTY AND EQUIPMENT, NET

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

	2024	2023	Estimated Useful Lives
Leasehold improvements	$ 318,238	$ 1,223,161	2-4 years
Furniture and fixtures	154,477	371,214	7-10 years
Computer hardware and software	585,875	1,824,909	5 years
Total cost	1,058,590	3,419,284	
Less: accumulated depreciation and amortization	(640,084)	(2,883,825)	
Net book value	$ 418,506	$ 535,459	

Depreciation and amortization expense amounted to $151,274 and $156,957 for the years ended June 30, 2024 and 2023, respectively. The league disposed of fully depreciated fixed assets amount of $2,395,015 during 2024.

NOTE 10 – LEASES

The League leases certain office space and equipment. As of June 30, 2024 and 2023, the ROU asset had a balance of $114,576 and $ 2,407,165, as shown in the statements of financial position; respectively, the lease liability totaled $114,576 and $ 2,649,536 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, 5.3% for leases commencing in January 2020 and August 2020, and 7.56% for the modified office lease in June 2024.

The League's office space lease was 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 were not reasonably certain to exercise that option. The lease was modified during 2024 with a new termination date of September 30, 2024. As a result of the modification, the corresponding ROU asset and lease liability were reduced by $1,967,251 and $2,220,434, respectively. The early termination of lease resulted in a gain of $253,183, which is recorded as other income in the statement of activities for the year ended June 30, 2024. In June 2024, the League entered into a lease agreement for new office space commencing on October 1, 2024. The new lease has a term of 68 months and will expire on May 31, 2030. The total minimum payments due under this lease are approximately $654,000.

The League's Washington D.C. licensed space lease was for a period of two years and five months with no renewal options, the lease expired in December 2023, and the League did not renew. 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, 2024 and 2023 were approximately $446,000 and $430,000, respectively, and were included in occupancy and equipment rental and repairs in the accompanying statements of functional expenses. In July 2023, the League negotiated a discount of approximately 50% with their landlord for their New York City office lease which resulted in a $199,787 reduction in the League's rental payments for the year ended June 30, 2024. 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. For the years ended June 30, 2024 and 2023, total cash paid by the League in the determination of the lease liability was $435,297 before landlord rent discounts of $199,787, and $436,689 before landlord rent discounts of $195,306, respectively. The League did not consider this to be a lease modification because it was discounted due to pandemic related events. The weighted averages of the remaining lease term as of June 30, 2024 and 2023 were 0.29 and 5.82 years, respectively. The weighted average discount rate was 7.23% and 4.9% for the years ended June 30, 2024 and 2023, respectively.

NOTE 10 – LEASES (Continued)

Future minimum rental payments under these leases for the year ending subsequent to June 30, 2024 are as follows:

2025	$ 115,425
Less: interest	(849)
Present value of lease liabilities	$ 114,576

Future minimum rental payments under the lease which commenced in October 2024 for the five years ending subsequent to June 30, 2024 are as follows:

2025	$ 82,307
2026	111,800
2027	114,595
2028	117,459
2029	120,396
	$ 546,557

NOTE 11 – 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 15, as of June 30, 2024 and 2023, are available for the following purposes:

	2024	2023
Leadership Program	$ 1,213,782	$ 1,001,857
Other Research and Development/Learning and Leadership Development Programs	4,000	224,000
Other	99,746	39,748
Catalyst Fund	126,000	735,000
Women's Composer Initiative	247,068	517,745
Time restricted - Campaign	659,156	247,000
Total net assets with donor restrictions	$ 2,349,752	$ 2,765,350

During the years ended June 30, 2024 and 2023, the League released net assets with donor restrictions by incurring program expenses or the passage of time, as follows:

	2024	2023
Leadership Program	$ 200,000	$ 94,310
Other Research and Development/Learning and Leadership Development Programs	220,000	405,000
Other	130,000	47,000
Getty Membership Preservation	-	300,000
Catalyst Fund	609,000	715,000
Women's Composer Initiative	270,679	121,060
Time restricted	272,844	129,952
Total net assets released from restrictions	$ 1,702,523	$ 1,812,322

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 the years ended June 30, 2024 and 2023, the League made a discretionary contribution of approximately $93,000 and $94,000, 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 – LINE OF CREDIT

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. The line of credit was further renewed on February 18, 2024 with a maturity date of February 18, 2026. 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%). The line of credit is secured by the assets of the League. The effective interest rate at June 30, 2024 was 7.56% and the Organization incurred interest expense of $16,604 and $-0- for the years ended June 30, 2024 and 2023, respectively. As of June 30, 2024, related debt outstanding is $500,000 and the amount of unused line of credit is $1,500,000.

NOTE 14 – 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, 2024 and 2023, there was approximately $817,000 and $1,782,000, 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, 2024 and 2023, the League derived a significant portion of its contributions from one donor. Such revenue approximates 6% and 13% of total contributions and grants revenue for the years ended June 30, 2024 and 2023, respectively. The League carried a significant portion of its contributions receivable from a single donor. Such receivables approximate 16% and 36% of total contributions receivable as of June 30, 2024 and 2023, respectively.

NOTE 15 – 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, 2024 and 2023.

NOTE 15 – 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, 2024, are as follows:

	Undistributed Endowment Earnings	Perpetual In Nature	Total
Investment activity:			
Interest and dividends	$ 105,678	$ -	$ 105,678
Net realized/unrealized gain	306,247	-	306,247
Total investment activity	411,925	-	411,925
Appropriations	(200,000)	-	(200,000)
Change in endowment net assets	211,925	-	211,925
Endowment net assets, beginning of year	1,001,857	3,561,131	4,562,988
Endowment net assets, end of year	$ 1,213,782	$ 3,561,131	$ 4,774,913

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

NOTE 16 – UNCERTAIN TAX POSITIONS

The League believes it has no uncertain tax positions as of June 30, 2024 and 2023, in accordance with FASB ASC Topic 740 "Income Taxes", which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 17 – LEASE INCOME

During the year ended June 30, 2023, the League entered into a sublease agreement with a tenant for certain space in the League's New York office, effective January 1, 2023, with the lease term expiring on December 31, 2027. Rental income is recognized on a straight-line basis over the respective lease term of the underlying agreement. Payments were due monthly from the tenant in equal monthly installments of $5,000.

In 2024, the tenant moved out, and the sublease was terminated in July 2023.

For the years ended June 30, 2024 and 2023, the sublease income amount was approximately $1,000 and $50,000, respectively, which is included in other income on the statements of activities.

NOTE 18 – 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 for each of the years ended June 30, 2024 and 2023.

NOTE 19 – SUBSEQUENT EVENTS

The League has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through November 22, 2024, the date the financial statements were available to be issued.