ASSOCIATION OF PERFORMING ARTS PROFESSIONALS, INC.

Financial Statements Together with Report of Independent Public Accountants

For the Years Ended June 30, 2024 and 2023

ASSOCIATION OF PERFORMING ARTS PROFESSIONALS, INC.

Financial Statements Together with
Report of Independent Public Accountants

JUNE 30, 2024 AND 2023

CONTENTS

SBC Certified Public Accountants & Business Advisors

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS
ON THE AUDIT OF THE FINANCIAL STATEMENTS

To the Board of Directors of
Association of Performing Arts Professionals, Inc.

Opinion

We have audited the statements of financial position of the Association of Performing Arts Professionals, Inc. (the Association), as of June 30, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Association 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 controls 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 Association's ability to continue as a going concern for one year after the date the financial statements are available for issuance.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 controls. 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 audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal controls. 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 Association's ability to continue as a going concern one year after the issuance date or the date the financial statements are available for issuance.

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 controls-related matters that we identified during the audit.

Washington, D.C.
November 8, 2024

SB & Company, LLC

ASSOCIATION OF PERFORMING ARTS PROFESSIONALS, INC.

Statements of Financial Position
As of June 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	$ 1,610,818	$ 2,103,705
Investments	2,136,605	1,954,671
Accounts receivable, net	25,912	316,309
Pledges and grants receivable	286,650	6,914
Prepaid expenses and other assets	64,958	42,656
Property and equipment, net	20,717	16,039
Right-of-use-asset - operating	1,312,958	1,527,772
Total Assets	$ 5,458,618	$ 5,968,066
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 295,713	$ 525,911
Deferred revenue	467,472	412,647
Grants payable	17,387	-
Lease payable - operating	1,552,280	1,773,323
Total Liabilities	2,332,852	2,711,881
Net Assets		
Without donor restrictions	1,409,774	1,273,201
With donor restrictions	1,715,992	1,982,984
Total Net Assets	3,125,766	3,256,185
Total Liabilities and Net Assets	$ 5,458,618	$ 5,968,066

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

Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2024 and 2023

	2024	2023
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue and Support		
Grants and contributions	**$ 360,765**	$ 361,047
Annual conference	**1,662,381**	1,861,037
Membership dues	**888,657**	728,911
Investment income, net	**49,266**	34,096
Other income	**145,706**	93,989
Total Revenue	**3,106,775**	3,079,080
Net assets released from restrictions	**814,460**	825,831
Total Revenue and Support	**3,921,235**	3,904,911
Expenses		
Program services:		
Membership services	**360,843**	381,279
Conference	**1,596,728**	1,318,770
Professional development	**729,070**	511,896
Public affairs and communications	**126,732**	128,621
Arts forward	**-**	453,499
Total program services	**2,813,373**	2,794,065
Supporting services:		
Management and general	**784,992**	598,119
Fundraising	**186,297**	46,729
Total supporting services	**971,289**	644,848
Total Expenses	**3,784,662**	3,438,913
Change in Net Assets Without Donor Restrictions	**136,573**	465,998
NET ASSETS WITH DONOR RESTRICTIONS		
Grants and contributions	**400,000**	225,150
Investment income, net	**147,468**	118,643
Net assets released from restrictions	**(814,460)**	(825,831)
Change in Net Assets With Donor Restrictions	**(266,992)**	(482,038)
Changes in net assets	**(130,419)**	(16,040)
Net assets, beginning of year	**3,256,185**	3,272,225
Net Assets, End of Year	**$ 3,125,766**	$ 3,256,185

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

ASSOCIATION OF PERFORMING ARTS PROFESSIONALS, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2024, with Comparative Totals for 2023

	2024									
	Program Services					Supporting Services				
	Membership Services	Conference	Professional Development	Public Affairs	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total	2023 Totals
Salaries and other payroll related costs	$ 216,446	$ 304,949	$ 204,950	$ 18,704	$ 745,049	$ 405,803	$ 113,303	$ 519,106	$ 1,264,155	$ 1,107,933
Information technology	26,912	151,509	26,866	42,338	247,625	50,456	14,088	64,544	312,169	242,830
Equipment rental	3,903	291,608	4,803	337	300,651	7,317	2,043	9,360	310,011	234,930
Consulting	26,826	55,294	93,001	33,806	208,927	50,294	16,292	66,586	275,513	340,393
Other services	1,626	-	268,409	141	270,176	3,049	851	3,900	274,076	164,210
Hotel and catering	808	249,671	9,946	70	260,495	1,516	423	1,939	262,434	169,629
Occupancy	42,569	59,975	40,308	3,679	146,531	79,811	22,284	102,095	248,626	258,691
Conference services	-	246,854	-	-	246,854	-	-	-	246,854	247,843
Professional services	220	1,461	208	19	1,908	126,219	115	126,334	128,242	137,483
Bank and credit card fees	9,739	77,003	9,222	2,680	98,644	18,257	5,098	23,355	121,999	113,065
Office expenses	13,667	47,050	16,344	15,180	92,241	22,383	6,250	28,633	120,874	127,694
Travel	11,358	73,319	17,314	1,061	103,052	11,006	3,073	14,079	117,131	169,757
Honorarium	-	-	29,250	4,200	33,450	-	-	-	33,450	43,971
Regranting	-	25,550	3,200	-	28,750	-	-	-	28,750	-
Depreciation	2,746	3,869	2,600	237	9,452	5,150	1,435	6,585	16,037	47,862
Insurance	1,990	2,804	1,884	172	6,850	3,731	1,042	4,773	11,623	24,844
Print art	2,033	5,812	765	4,108	12,718	-	-	-	12,718	7,778
Total	$ 360,843	$ 1,596,728	$ 729,070	$ 126,732	$ 2,813,373	$ 784,992	$ 186,297	$ 971,289	$ 3,784,662	$ 3,438,913

The accompanying notes are an integral part of this financial statement.

ASSOCIATION OF PERFORMING ARTS PROFESSIONALS, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2023

	2023									
	Program Services						Supporting Services			
	Membership Services	Conference	Professional Development	Public Affairs and Communications	Arts Forward	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries and other payroll related costs	$ 223,915	$ 295,160	$ 180,848	$ 20,356	$ 72,138	$ 792,417	$ 295,160	$ 20,356	$ 315,516	$ 1,107,933
Other services	1,023	-	109,629	93	52,024	162,769	1,348	93	1,441	164,210
Hotel and catering	963	136,059	5,839	88	25,323	168,272	1,269	88	1,357	169,629
Occupancy	56,912	75,020	41,391	5,174	-	178,497	75,020	5,174	80,194	258,691
Information technology	23,995	116,562	17,451	50,586	425	209,019	31,630	2,181	33,811	242,830
Conference services	-	247,843	-	-	-	247,843	-	-	-	247,843
Consulting	24,849	54,006	61,294	25,084	127,357	292,590	32,756	15,047	47,803	340,393
Honorarium	374	493	26,721	5,034	10,822	43,444	493	34	527	43,971
Professional services	-	27,125	-	-	-	27,125	110,358	-	110,358	137,483
Depreciation	10,530	13,880	7,658	957	-	33,025	13,880	957	14,837	47,862
Bank and credit card fees	11,164	74,909	8,120	3,140	-	97,333	14,717	1,015	15,732	113,065
Office expenses	11,415	18,614	10,133	16,372	61,703	118,237	8,847	610	9,457	127,694
Equipment rental	4,734	187,226	13,193	430	22,676	228,259	6,241	430	6,671	234,930
Insurance	2,906	15,467	2,113	264	-	20,750	3,830	264	4,094	24,844
Print art	940	5,617	553	636	32	7,778	-	-	-	7,778
Travel	7,559	50,789	26,953	407	80,999	166,707	2,570	480	3,050	169,757
Total	$ 381,279	$ 1,318,770	$ 511,896	$ 128,621	$ 453,499	$ 2,794,065	$ 598,119	$ 46,729	$ 644,848	$ 3,438,913

Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Changes in net assets	**$ (130,419)**	$ (16,040)
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation	**16,037**	47,862
Realized and unrealized gain on investments	**(123,305)**	(112,000)
Interest and dividends reinvested	**(74,688)**	(44,116)
Change in the measurement of leases	**(6,229)**	399
Effect of changes in non-cash operating assets and liabilities:		
Accounts receivable, net	**290,397**	(308,865)
Pledges and grants receivable	**(279,736)**	444,317
Prepaid expenses and other assets	**(22,302)**	28,321
Accounts payable and accrued expenses	**(250,913)**	412,029
Deferred revenue	**54,825**	118,275
Grants payable	**17,387**	(438,679)
Net Cash from Operating Activities	**(508,946)**	131,503
Cash Flows from Investing Activities		
Purchase of investments	**-**	(3,151)
Proceeds from sale of investments	**16,059**	264,922
Net Cash from Investing Activities	**16,059**	261,771
Net change in cash and cash equivalents	**(492,887)**	393,274
Cash and cash equivalents, beginning of year	**2,103,705**	1,710,431
Cash and Cash Equivalents, End of Year	**$ 1,610,818**	$ 2,103,705
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Fixed assets acquired by incurring accounts payable	**$ 20,715**	$ -

1. DESCRIPTION OF THE ORGANIZATION

In 1957, thirty-five campus presenting professionals founded the Association of College and University Concert Managers. It expanded to include all presenting professionals, touring artists and their collaborators in the early 1980's, and the organization was renamed the Association of Performing Arts Presenters in 1988 and renamed the Association of Performing Arts Professionals (hereafter, the Association) in January 2017. The Association's mission is to develop and support all aspects of the presenting field and the professionals who work within it. This is accomplished through the annual Association of Performing Arts Professionals NYC conference each January in New York City, year-round workshops, webinars, forums, resources, publications, in-depth leadership training, travel-based opportunities, innovative practice grants, and online opportunities for professionals to gain knowledge and guidance to improve their work and advance the presenting industry. The membership includes presenters, touring artists, producers, educators, artist managers, agents, and presenting support organizations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the Association are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue, support, and expenses during the reporting period. Accordingly, actual results could differ from those estimates and assumptions.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investment funds, which have a maturity of 90 days or less. Cash equivalents as of June 30, 2024 and 2023, consisted of money market funds.

The Association maintains its cash in a bank deposit account, which, at times, may exceed Federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor per institution. The Association has not experienced any losses in their bank deposit accounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements

Accounting standards generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under generally accepted accounting principles are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Financial instruments consist of investments, receivables, and payables. The carrying value of the Association's financial instruments approximates their respective fair values as of June 30, 2024 and 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable, Net

Accounts receivable are primarily amounts due from vendors and are recorded at their estimated net realizable value. The Association records an allowance for doubtful accounts equal to estimated losses that will be incurred in the collection of receivables. The estimated losses are based on historical collection experience and the review of the current status of existing receivables. Based on management's review of uncollectible accounts receivables, an allowance for doubtful accounts was established in the amount of $21,341 and $1,000 for years ended June 30, 2024 and 2023, respectively.

Pledges and Grants Receivable

Pledges and grants receivable represent grants from individuals and foundations. The Association records an allowance for doubtful accounts equal to estimated losses that will be incurred in the collection of receivables. The estimated losses are based on historical collection experience and the review of the current status of existing receivables. No allowance was recorded as of June 30, 2024 and 2023, as management deemed all pledges and grants receivable to be fully collectible.

Property and Equipment

Property and equipment purchased in excess of $1,500, with an estimated useful life of more than one year are capitalized at cost. Donated property and equipment are capitalized at the estimated fair market value on the date received. Depreciation is recognized using the straight-line method over the estimated useful life of the assets. Expenditures for major repairs and improvements are capitalized; expenditures for minor repairs and maintenance are expensed as incurred.

Right-of-Use Asset and Lease Liability

APAP recorded a right-of-use asset related to the office facilities where the Association conducts its operations. APAP's 122-month lease was recorded at $1,979,017, which represented its present value of the total remaining lease payments on July 1, 2021, at adoption. The right-of-use asset is being amortized over the term of the lease. During the year ended June 30, 2024 and 2023, the amortization expense related to the right-of-use asset was $214,815 and $222,065, respectively.

The lease liability represents the future commitments for the APAP's office lease. The term of a lease is assessed as the non-cancellable period of the lease, plus any extension options that the Association is reasonably certain to exercise. The lease liability is discounted using the organization's estimated borrowing rate. Costs related to maintenance and other janitorial services are expensed as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets

Net assets without donor restrictions are assets and contributions that are not restricted by donors or for which restrictions have expired.

Net assets with donor restrictions are those whose use by the Association has been limited by donors, primarily for a specific time period or purpose. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions. If a donor restriction is met in the same reporting period in which the contribution is received, the contribution (to the extent that the restrictions have been met) is reported as net assets without donor restrictions.

Net assets with donor restrictions also consist of contributions received from donors to be maintained by the Association in perpetuity.

Revenue and Support

The Association recognizes grants and contributions when an unconditional promise to give is received. Conditional promises to give, with measurable performance or other barriers and right of return, are not recognized until the conditions on which they depend have been met.

Grants and contributions received are recorded as net assets without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donations for which the Association may spend the interest earnings, but must maintain the principal in perpetuity, are recorded as net assets with donor restrictions in perpetuity.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when some stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restriction.

Revenue and the related costs of the conference and continuing education are recognized in the period in which the conference or seminars are held. Accordingly, sponsorships paid by sponsors in advance of the conference period are reported as deferred revenue in the accompanying statements of financial position.

The Association recognizes revenue from membership dues over the membership period. The performance obligation consists of a number of services, programming, and connection to develop and support the performing arts industry. Accordingly, dues paid by members in advance of the membership period are reported as deferred revenue in the accompanying statements of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Support (continued)

Investment gains/losses include both realized and unrealized gains and losses on investments. Realized gains and losses are calculated based on the difference between the cost of the investments and the proceeds received from the sale of the respective investments. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Investment income is classified as with and without donor restrictions, based on the purpose of the underlying investments.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities and changes in net assets and statements of functional expenses. Accordingly, certain costs have been allocated among the program, management and general, and fundraising services that benefit from those costs. Management and general and fundraising expenses include those expenses that are not directly identified with any other specific function but provide for the overall support and direction of the association. Employee time/salary allocation is considered a representative measure of the organizational effort applied to joint objectives and serves as the basis for allocation of shared expenses.

Income Taxes

The Association is a not-for-profit organization exempt from Federal income tax, other than net unrelated business income taxes, under the provisions of Section 501(c)(3) of the Internal Revenue Code and is recognized as such by the Internal Revenue Service.

The provisions included in accounting principles generally accepted in the United States of America provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return. The Association performed an evaluation of uncertain tax positions as of June 30, 2024 and 2023, and determined that there were no matters that would require recognition in the accompanying financial statements or which may have any effect on its tax-exempt status.

As of June 30, 2024, the statute of limitations for fiscal years 2021 through 2024 remains open with the U.S. Federal jurisdiction or the various state and local jurisdiction in which the Association files tax returns. It is the Association's policy to recognize interest and/or penalties related to uncertain tax positions, if any, as income tax expense in the statements of activities and changes in net assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Liquidity and Availability of Resources

The following reflects the Association's financial assets as of June 30, 2024 and 2023, reduced by amounts not available for general use within one year because of donor-imposed restrictions.

	2023	2022
Cash and cash equivalents	**$ 1,610,818**	$ 2,103,705
Investments	**2,136,605**	1,954,671
Accounts receivable, net	**25,912**	316,309
Pledges and grants receivable	**286,650**	6,914
Financial assets, at year-end	**4,059,985**	4,381,599
Less: those unavailable for general expenditures within one year, due to:		
Purpose restricted	**904,878**	1,171,870
Restricted in perpetuity	**811,114**	811,114
Financial assets available to meet cash needs for general expenses within one year	**$ 2,343,993**	$ 2,398,615

The Association operates within certain guidelines to ensure financial stability and adequate liquid resources to fund general expenses. The Association manages its liquidity requirements through the following methods:

1. Management monitors the Association's cash balance by performing a monthly cash analysis. This analysis reviews changes in liquid cash, short/long-term investments, net assets with and without donor restrictions as related to net income, future usage, and anticipated expenditures.

2. The Association maintains a Board mandated reserve fund governed by a statement of investment policy specifically designed to address liquidity, risks, operating deficits, capital initiatives, and investment income to support operations.

Subsequent Events

The Association's management evaluated the accompanying financial statements for subsequent events and transactions through November 8, 2024, the date these financial statements were available for issue, and has determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

3. INVESTMENTS

The following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used as of June 30, 2024 and 2023.

Money market funds, equity and fixed income mutual funds: Valued at the fair value of the investments based on the price per the active market on which the securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth, by level, the fair value hierarchy of the Association's investments at fair value as of June 30, 2024 and 2023.

	June 30, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Money market funds	**$ 862,166**	**$ -**	**$ -**	**$ 862,166**
Fixed income mutual funds:				
Short-term	**107,622**	**-**	**-**	**107,622**
High yield	**61,995**	**-**	**-**	**61,995**
Government	**24,287**	**-**	**-**	**24,287**
Equity mutual funds:				
Large value	**522,695**	**-**	**-**	**522,695**
Large growth	**93,887**	**-**	**-**	**93,887**
Foreign	**93,800**	**-**	**-**	**93,800**
Emerging markets	**84,703**	**-**	**-**	**84,703**
Mid-cap growth	**245,636**	**-**	**-**	**245,636**
Small-cap growth	**39,809**	**-**	**-**	**39,809**
Total	**$ 2,136,605**	**$ -**	**$ -**	**$ 2,136,605**

	June 30, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Money market funds	$ 811,004	$ -	$ -	$ 811,004
Fixed income mutual funds:				
Short-term	105,993	-	-	105,993
High yield	59,510	-	-	59,510
Government	24,554	-	-	24,554
Equity mutual funds:				
Large value	456,288	-	-	456,288
Large growth	77,502	-	-	77,502
Foreign	92,780	-	-	92,780
Emerging markets	75,854	-	-	75,854
Mid-cap growth	215,004	-	-	215,004
Small-cap growth	36,182	-	-	36,182
Total	$ 1,954,671	$ -	$ -	$ 1,954,671

3. INVESTMENTS (continued)

Earnings on investments for the years ended June 30, 2024 and 2023, were as follows:

	2024	2023
Dividends and interest	**$ 89,485**	$ 55,661
Realized and unrealized gain	**123,305**	112,000
Less: investment management fees	**(16,056)**	(14,922)
	$ 196,734	$ 152,739

The Board of Directors has a Target Reserve goal for the Association. That reserve balance is established annually. The Target Reserve goal as of June 30, 2024 and 2023, was $637,598 and $674,091, respectively. The Association's Target Reserve funds are invested in certificates of deposit and money market funds, which represent $712,207 and $677,740, respectively, of the total invested funds as of June 30, 2024 and 2023.

4. PROPERTY AND EQUIPMENT, NET

As of June 30, 2024 and 2023 property and equipment consisted of the following:

	2024	2023	Useful Life
Website platform	**$ 317,021**	$ 317,021	3 to 5 years
Office equipment and furniture	**81,772**	81,772	3 to 5 years
Computer equipment	**1,744**	1,744	3 years
Computer software	**24,367**	3,648	3 years
AMS database	**513,353**	513,353	5 years
	938,253	917,538	
Less: accumulated depreciation	**917,536**	901,499	
Property and Equipment, Net	**$ 20,717**	$ 16,039	

Depreciation expense was $16,037 and $47,862, for the years ended June 30, 2024 and 2023, respectively.

5. OPERATING LEASE LIABILITY

On October 1, 2017, the Association entered into a lease agreement of intent to lease office space in the downtown business district of Washington, D.C. The ten-year and six-month lease was set to expire on March 31, 2028, and included a 7-month abatement at the start. In December 2020, the Association renewed the lease, extending the term of the lease for an additional period of three years and four months. The lease now expires on August 31, 2031 and included a 4-month abatement starting on the renewal date. The lease provides for annual rent increases of 2.5% over the term of the lease.

5. OPERATING LEASE LIABILITY (continued)

In connection with this lease, the Association recorded a right of use asset and a corresponding operating lease liability using an interest rate of 3.10%. The right-of-use asset and operating lease liability are being amortized over the life of the lease agreement. As of June 30, 2024 and 2023, the unamortized operating lease liability was $1,552,280 and $1,773,323 respectively.

Future minimum lease payments under the agreement as of June 30, 2024, were as follows:

Years Ending June 30,	Amount
2025	$ 245,125
2026	251,253
2027	257,535
2028	265,077
2029	273,352
Thereafter	616,233
Total	1,908,575
Less: present value discount	(356,295)
Total	**$ 1,552,280**

6. ENDOWMENT FUNDS

The Board of Directors of the Association has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as net assets with donor restrictions in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions in perpetuity is classified as net assets with donor restrictions for appropriation until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by endowment guidelines.

The Association's endowment consists of two funds established for its programs. Its endowment includes donor-restricted endowment funds. As required by generally accepted accounting principles in the United States, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

6. ENDOWMENT FUNDS (continued)

In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- the duration and preservation of the fund;
- the purposes of the Association and the donor-restricted endowment fund;
- general economic conditions;
- the possible effect of inflation and deflation;
- the expected total return from income and the appreciation of investments;
- other resources of the Association; and
- the investment policies of the Association.

Return Objectives and Risk Parameters

The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Association must hold in perpetuity. Under this policy, as approved by the Board of Directors, the primary objective in the investment management for fund assets is the preservation of purchasing power after spending to achieve returns in excess of the rate of inflation plus spending over the investment horizon in order to preserve purchasing power of fund assets. Actual returns in any given year may vary from this amount.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Association has a policy, in accordance with the endowment guidelines, of appropriating for the distribution up to 5% of its donor-restricted endowment fund's portfolio value. In establishing this policy, the Association considered the long-term expected return on its endowment. Accordingly, over the long term, the Association expects the current spending policy to allow its endowment to grow at the rate of inflation annually. This is consistent with the Association's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specific term as well as to provide real growth through new gifts and investment return.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). For donor-restricted endowments, the Association targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

6. ENDOWMENT FUNDS (continued)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Association to retain as a fund of perpetual duration. There were no deficiencies as of June 30, 2024 and 2023.

Composition of the Endowment by Net Assets

As of June 30, 2024 and 2023, the composition of the endowment funds was as follows:

	2024		
	With Donor Restrictions - For Appropriations	With Donor Restrictions - Held in Perpetuity	Total
Donor-restricted endowment funds	$ 556,618	$ 811,114	$ 1,367,732

	2023		
	With Donor Restrictions - For Appropriations	With Donor Restrictions - Held in Perpetuity	Total
Donor-restricted endowment funds	$ 467,442	$ 811,114	$ 1,278,556

Changes in Endowment Net Assets

For the years ended June 30, 2024 and 2023, the changes in endowment net assets were as follows:

	2024		
	With Donor Restrictions - For Appropriations	With Donor Restrictions - Held in Perpetuity	Total
Endowment net assets, beginning of year	$ 467,442	$ 811,114	$ 1,278,556
Investment return:			
Investment income	24,221	-	24,221
Net appreciation (realized and unrealized)	123,247	-	123,247
Appropriation of endowment assets for expenditure	(58,292)	-	(58,292)
Endowment Net Assets, End of Year	$ 556,618	$ 811,114	$ 1,367,732

6. ENDOWMENT FUNDS (continued)

Changes in Endowment Net Assets (continued)

	2023		
	With Donor Restrictions - For Appropriations	With Donor Restrictions - Held in Perpetuity	Total
Endowment net assets, beginning of year	$ 361,329	$ 811,114	$ 1,172,443
Contributions	150	-	150
Investment return:			
Investment income	7,573	-	7,573
Net appreciation (realized and unrealized)	111,070	-	111,070
Appropriation of endowment assets for expenditure	(12,680)	-	(12,680)
Endowment Net Assets, End of Year	$ 467,442	$ 811,114	$ 1,278,556

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes as of June 30, 2024 and 2023:

	2024	2023
Endowment Earnings	**$ 556,619**	$ 467,442
National Organization Initiative	**277,544**	261,885
Other Programs	**-**	2,545
Capacity Building	**-**	314,998
Technology projects	**70,715**	125,000
Total	**$ 904,878**	$ 1,171,870

As of June 30, 2024 and 2023, the Association held the following net assets with donor restriction in perpetuity:

	2024	2023
Classical Connections	**$ 644,544**	$ 644,544
William Dawson Fund	**166,570**	166,570
Total	**$ 811,114**	$ 811,114

8. COMMITMENTS AND CONTINGENCIES

Contracts

The Association has entered into an agreement with the New York Hilton Midtown to provide conference facilities and room accommodation for its annual conference through 2027. The agreement contains various clauses whereby the Association is liable for liquidated damages in the event of cancellation or lower than anticipated attendance. The Management of the Association does not believe any losses will be incurred under this contract. As of June 30, 2024, the maximum possible amount of liquidation damages per year is listed below:

Years Ending June 30,	Amount
2025	$ 869,904
2026	628,882
2027	494,853
Total	**$ 1,993,639**

9. PENSION PLAN

The Association has a tax-deferred annuity plan available to employees who have completed one year of service and are scheduled to work twenty hours or more per week. Under this plan, the Association contributes 1% of the eligible employee's annual salary to the annuity program. Employees are 100% vested in employer contributions. For the years ended June 30, 2024 and 2023, $9,528 and $0, in employer contributions were made to the plan.