Chicago Symphony Orchestra

Financial Report
June 30, 2023

Contents

RSM

RSM US LLP

Independent Auditor's Report

Board of Trustees
Chicago Symphony Orchestra

Opinion

We have audited the financial statements of Chicago Symphony Orchestra (the Corporation), which comprise the statement of financial position as of June 30, 2023 and 2022, 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 the Corporation 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation 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 Corporation's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

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 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 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 control 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 Corporation'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 Corporation'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.

RSM US LLP

Chicago, Illinois
October 23, 2023

Chicago Symphony Orchestra

Statement of Financial Position
June 30, 2023
(In Thousands)

	Without Donor-Imposed Restrictions				With Donor-Imposed Restrictions		
	Operating	Property	Board-Designated	Total	Purpose and Time Restricted	Perpetual in Nature	Grand Total
Assets							
Current assets:							
Cash and cash equivalents	$ 8,707	$ -	$ -	$ 8,707	$ -	$ -	$ 8,707
Accounts and interest receivable—net	159	76	-	235	-	453	688
Short-term contributions receivable—net	1,236	1,968	-	3,204	3,480	3,096	9,780
Prepaid expenses and other current assets	1,633	5	-	1,638	-	-	1,638
Total current assets	11,735	2,049	-	13,784	3,480	3,549	20,813
Long-term contributions receivable—net	-	5,660	-	5,660	3,002	10,966	19,628
Assets held for deferred compensation	341	-	-	341	-	-	341
Beneficial interest in trusts	-	-	-	-	-	8,156	8,156
Endowment investments	-	-	146,404	146,404	47,472	165,874	359,750
Other investments	-	33,531	-	33,531	-	-	33,531
Land, buildings and property—net	-	72,968	-	72,968	-	-	72,968
Total assets	$ 12,076	$ 114,208	$ 146,404	$ 272,688	$ 53,954	$ 188,545	$ 515,187
Liabilities and Net Assets							
Current liabilities:							
Accounts payable and other accrued expenses	$ 6,225	$ 644	$ 101	$ 6,970	$ -	$ 23	$ 6,993
Interfund obligations (receivables)	45,542	(39,124)	(4,842)	1,576	(1,733)	157	-
Advance ticket sales and other deferred revenue	11,250	-	-	11,250	-	-	11,250
Bonds payable, short-term	-	2,300	-	2,300	-	-	2,300
Total current liabilities	63,017	(36,180)	(4,741)	22,096	(1,733)	180	20,543
Bonds payable, long-term, net of unamortized issuance costs	-	117,073	-	117,073	-	-	117,073
Pension benefits	27,556	-	-	27,556	-	-	27,556
Interest rate swap contracts	-	6,137	-	6,137	-	-	6,137
Other long-term liabilities	418	75	-	493	-	634	1,127
Total liabilities	90,991	87,105	(4,741)	173,355	(1,733)	814	172,436
Net assets (deficit)	(78,915)	27,103	151,145	99,333	55,687	187,731	342,751
Total liabilities and net assets	$ 12,076	$ 114,208	$ 146,404	$ 272,688	$ 53,954	$ 188,545	$ 515,187

See notes to financial statements.

Chicago Symphony Orchestra

Statement of Financial Position
June 30, 2022
(In Thousands)

	Without Donor-Imposed Restrictions				With Donor-Imposed Restrictions		
	Operating	Property	Board-Designated	Total	Purpose and Time Restricted	Perpetual in Nature	Grand Total
Assets							
Current assets:							
Cash and cash equivalents	$ 13,312	$ -	$ -	$ 13,312	$ -	$ -	$ 13,312
Accounts and interest receivable—net	233	104	-	337	-	292	629
Short-term contributions receivable—net	1,399	3,152	-	4,551	2,952	3,100	10,603
Prepaid expenses and other current assets	1,340	5	-	1,345	-	-	1,345
Total current assets	16,284	3,261	-	19,545	2,952	3,392	25,889
Long-term contributions receivable—net	63	7,273	-	7,336	4,082	13,249	24,667
Assets held for deferred compensation	247	-	-	247	-	-	247
Beneficial interest in trusts	-	-	-	-	-	7,794	7,794
Endowment investments	-	-	139,524	139,524	42,255	162,621	344,400
Other investments	-	53,024	-	53,024	-	-	53,024
Land, buildings and property—net	-	74,869	-	74,869	-	-	74,869
Total assets	$ 16,594	$ 138,427	$ 139,524	$ 294,545	$ 49,289	$ 187,056	$ 530,890
Liabilities and Net Assets							
Current liabilities:							
Accounts payable and other accrued expenses	$ 7,901	$ 506	$ 147	$ 8,554	$ -	$ 20	$ 8,574
Interfund obligations (receivables)	45,093	(36,607)	(5,340)	3,146	(3,151)	5	-
Advance ticket sales and other deferred revenue	10,668	-	-	10,668	-	-	10,668
Bonds payable, short-term	-	2,300	-	2,300	-	-	2,300
Total current liabilities	63,662	(33,801)	(5,193)	24,668	(3,151)	25	21,542
Bonds payable, long-term, net of unamortized issuance costs	-	131,834	-	131,834	-	-	131,834
Pension benefits	34,739	-	-	34,739	-	-	34,739
Interest rate swap contracts	-	11,120	-	11,120	-	-	11,120
Other long-term liabilities	336	-	-	336	-	900	1,236
Total liabilities	98,737	109,153	(5,193)	202,697	(3,151)	925	200,471
Net assets (deficit)	(82,143)	29,274	144,717	91,848	52,440	186,131	330,419
Total liabilities and net assets	$ 16,594	$ 138,427	$ 139,524	$ 294,545	$ 49,289	$ 187,056	$ 530,890

See notes to financial statements.

Chicago Symphony Orchestra

Statement of Activities
Year Ended June 30, 2023
(In Thousands)

	Without Donor-Imposed Restrictions				With Donor-Imposed Restrictions		
	Operating	Property	Board-Designated	Total	Purpose and Time Restricted	Perpetual in Nature	Grand Total
Operating revenue:							
Chicago Symphony Orchestra concerts	$ 24,381	$ -	$ -	$ 24,381	$ -	$ -	$ 24,381
Media and royalty	82	-	-	82	-	-	82
SCP concerts	4,428	-	-	4,428	-	-	4,428
Civic orchestra	90	-	-	90	-	-	90
Education concerts and activities	281	-	-	281	-	-	281
Symphony Center rentals and net food service	(81)	-	-	(81)	-	-	(81)
Symphony Center retail operations	395	-	-	395	-	-	395
Other	212	-	-	212	-	-	212
Total operating revenue	29,788	-	-	29,788	-	-	29,788
Operating expenses:							
Program services:							
Chicago Symphony Orchestra concerts	$ 51,736	$ 1,732	$ -	$ 53,468	$ -	$ -	$ 53,468
Media and royalty	620	11	-	631	-	-	631
SCP concerts	4,443	273	-	4,716	-	-	4,716
Civic orchestra	2,214	169	-	2,383	-	-	2,383
Education concerts and activities	2,021	141	-	2,162	-	-	2,162
Symphony Center rentals	2,033	664	-	2,697	-	-	2,697
Symphony Center retail operations	378	12	-	390	-	-	390
Other	133	-	-	133	-	-	133
Total program services	63,578	3,002	-	66,580	-	-	66,580
Marketing, promotion and sales	2,979	-	-	2,979	-	-	2,979
General and administrative	6,118	-	-	6,118	-	-	6,118
Debt service expense	15	576	4	595	-	-	595
Total operating expenses	72,690	3,578	4	76,272	-	-	76,272
Net operating results	(42,902)	(3,578)	(4)	(46,484)	-	-	(46,484)

(Continued)

Chicago Symphony Orchestra

Statement of Activities (Continued)
Year Ended June 30, 2023
(In Thousands)

	Without Donor-Imposed Restrictions				With Donor-Imposed Restrictions		
	Operating	Property	Board-Designated	Total	Purpose and Time Restricted	Perpetual in Nature	Grand Total
Support:							
Contributions	$ 15,119	$ 4,322	$ -	$ 19,441	$ 3,284	$ 1,238	$ 23,963
In-kind contributions	816	-	-	816	27	-	843
Revenue from fundraising events	480	-	-	480	-	-	480
Less direct fundraising event expenses	(425)	-	-	(425)	-	-	(425)
Investment return, net of investment management fees	498	2,635	18,634	21,767	11,595	362	33,724
Net assets released:							
For endowment withdrawal	17,974	-	(11,595)	6,379	(6,379)	-	-
For other investment withdrawal	5,600	(5,600)	-	-	-	-	-
Through satisfaction of restrictions	5,787	100	(607)	5,280	(5,280)	-	-
Total support	45,849	1,457	6,432	53,738	3,247	1,600	58,585
Less fundraising expenses	4,373	50	-	4,423	-	-	4,423
Net support	41,476	1,407	6,432	49,315	3,247	1,600	54,162
Change in net assets before changes in pension plan assets and benefit obligations	(1,426)	(2,171)	6,428	2,831	3,247	1,600	7,678
Changes in pension plan assets and benefit obligations	4,654	-	-	4,654	-	-	4,654
Change in net assets	3,228	(2,171)	6,428	7,485	3,247	1,600	12,332
Net assets (deficit) at beginning of year	(82,143)	29,274	144,717	91,848	52,440	186,131	330,419
Net assets (deficit) at end of year	$ (78,915)	$ 27,103	$ 151,145	$ 99,333	$ 55,687	$ 187,731	$ 342,751

See notes to financial statements.

Chicago Symphony Orchestra

Statement of Activities
Year Ended June 30, 2022
(In Thousands)

	Without Donor-Imposed Restrictions				With Donor-Imposed Restrictions		
	Operating	Property	Board-Designated	Total	Purpose and Time Restricted	Perpetual in Nature	Grand Total
Operating revenue:							
Chicago Symphony Orchestra concerts	$ 17,066	$ -	$ -	$ 17,066	$ -	$ -	$ 17,066
Media and royalty	72	-	-	72	-	-	72
SCP concerts	2,620	-	-	2,620	-	-	2,620
Civic orchestra	66	-	-	66	-	-	66
Education concerts and activities	195	-	-	195	-	-	195
Symphony Center rentals and net food service	778	-	-	778	-	-	778
Symphony Center retail operations	303	-	-	303	-	-	303
Other	170	-	-	170	-	-	170
Total operating revenue	21,270	-	-	21,270	-	-	21,270
Operating expenses:							
Program services:							
Chicago Symphony Orchestra concerts	$ 46,168	$ 1,831	$ -	$ 47,999	$ -	$ -	$ 47,999
Media and royalty	485	10	-	495	-	-	495
SCP concerts	3,252	243	-	3,495	-	-	3,495
Civic orchestra	2,011	155	-	2,166	-	-	2,166
Education concerts and activities	1,619	107	-	1,726	-	-	1,726
Symphony Center rentals	1,529	642	-	2,171	-	-	2,171
Symphony Center retail operations	313	12	-	325	-	-	325
Other	100	-	-	100	-	-	100
Total program services	55,477	3,000	-	58,477	-	-	58,477
Marketing, promotion and sales	2,604	-	-	2,604	-	-	2,604
General and administrative	5,629	-	-	5,629	-	-	5,629
Debt service expense	15	(6,223)	5	(6,203)	-	-	(6,203)
Total operating expenses	63,725	(3,223)	5	60,507	-	-	60,507
Net operating results	(42,455)	3,223	(5)	(39,237)	-	-	(39,237)

(Continued)

Chicago Symphony Orchestra

Statement of Activities (Continued)
Year Ended June 30, 2022
(In 000's)

	Without Donor-Imposed Restrictions				With Donor-Imposed Restrictions		
	Operating	Property	Board-Designated	Total	Purpose and Time Restricted	Perpetual in Nature	Grand Total
Support:							
Contributions	$ 27,874	$ 8,909	$ -	$ 36,783	$ 7,645	$ 17,516	$ 61,944
In-kind contributions	777	-	-	777	1	-	778
Revenue from fundraising events	413	-	-	413	-	-	413
Less direct fundraising event expenses	(444)	-	-	(444)	-	-	(444)
Investment return (loss), net of investment management fees	388	(7,909)	(28,301)	(35,822)	(16,996)	(1,416)	(54,234)
Net assets released:							
For endowment withdrawal	15,520	-	(11,401)	4,119	(4,119)	-	-
Through satisfaction of restrictions	3,347	-	-	3,347	(3,347)	-	-
Total support	47,875	1,000	(39,702)	9,173	(16,816)	16,100	8,457
Less fundraising expenses	3,757	-	-	3,757	-	-	3,757
Net support	44,118	1,000	(39,702)	5,416	(16,816)	16,100	4,700
Change in net assets before changes in pension plan assets and benefit obligations	1,663	4,223	(39,707)	(33,821)	(16,816)	16,100	(34,537)
Changes in pension plan assets and benefit obligations	16,301	-	-	16,301	-	-	16,301
Change in net assets	17,964	4,223	(39,707)	(17,520)	(16,816)	16,100	(18,236)
Net assets (deficit) at beginning of year	(100,107)	25,051	184,424	109,368	69,256	170,031	348,655
Net assets (deficit) at end of year	$ (82,143)	$ 29,274	$ 144,717	$ 91,848	$ 52,440	$ 186,131	$ 330,419

See notes to financial statements.

Chicago Symphony Orchestra

Statement of Functional Expenses
Year Ended June 30, 2023
(In Thousands)

	Chicago Symphony Orchestra Concerts	Media and Royalty	SCP Concerts	Civic Orchestra	Education Concerts and Activities	Symphony Center Rentals and Commissions	Symphony Center Retail Operations	Other	Allocated Program Administration	Total Program Services
Salaries and benefits	$ 32,369	$ 433	$ 406	$ 592	$ 1,293	$ 409	$ 135	$ -	$ 7,263	$ 42,900
Guest conductors, artists and composers	4,808	32	1,819	63	93	-	-	-	-	6,815
Civic stipends	-	-	-	987	47	-	-	-	-	1,034
Concert production	414	35	100	30	20	17	-	-	406	1,022
Office expenses	266	9	65	15	36	5	43	-	335	774
Facilities expenses	1,728	8	300	185	177	918	13	-	(1,090)	2,239
Rental expense	25	-	8	-	3	-	-	-	16	52
Advertising, promotions, direct mail and telemarketing	2,656	26	722	57	92	-	4	74	221	3,852
Professional fees	86	4	-	8	43	572	-	-	113	826
In-kind professional fees	-	-	-	-	-	-	-	-	-	-
Travel	1,786	-	2	26	128	-	-	-	83	2,025
Receptions and meetings	8	-	-	3	3	-	-	-	2	16
Business insurance	-	-	-	-	-	-	-	-	-	-
Other	58	20	25	39	52	8	181	-	1,036	1,419
Depreciation, amortization and loss on sale of property	1,732	54	273	173	141	752	14	-	467	3,606
Debt service	-	-	-	-	-	-	-	-	-	-
Allocated program administration	7,532	10	996	205	34	16	-	59	(8,852)	-
Total	**$ 53,468**	**$ 631**	**$ 4,716**	**$ 2,383**	**$ 2,162**	**$ 2,697**	**$ 390**	**$ 133**	**$ -**	**$ 66,580**

(Continued)

Chicago Symphony Orchestra

Statement of Functional Expenses (Continued)
Year Ended June 30, 2023
(In Thousands)

	Total Program Services	Marketing Promotion and Sales	General and Administrative and Debt Service	Fundraising	Total Support Services	June 30, 2023 Total
Salaries and benefits	$ 42,900	$ 2,312	$ 3,474	$ 3,005	$ 8,791	$ 51,691
Guest conductors, artists and composers	6,815	-	-	1	1	6,816
Civic stipends	1,034	-	-	1	1	1,035
Concert production	1,022	-	138	-	138	1,160
Office expenses	774	177	162	195	534	1,308
Facilities expenses	2,239	103	141	274	518	2,757
Rental expense	52	-	-	-	-	52
Advertising, promotions, direct mail and telemarketing	3,852	109	102	472	683	4,535
Professional fees	826	181	1,195	22	1,398	2,224
In-kind professional fees	-	-	159	-	159	159
Travel	2,025	30	58	67	155	2,180
Receptions and meetings	16	1	-	31	32	48
Business insurance	-	-	351	-	351	351
Other	1,419	66	78	355	499	1,918
Depreciation, amortization and loss on sale of property	3,606	-	260	-	260	3,866
Debt service	-	-	595	-	595	595
Allocated program administration	-	-	-	-	-	-
Total	**$ 66,580**	**$ 2,979**	**$ 6,713**	**$ 4,423**	**$ 14,115**	**$ 80,695**

See notes to financial statements.

Chicago Symphony Orchestra

Statement of Functional Expenses
Year Ended June 30, 2022
(In Thousands)

	Chicago Symphony Orchestra Concerts	Media and Royalty	SCP Concerts	Civic Orchestra	Education Concerts and Activities	Symphony Center Rentals and Commissions	Symphony Center Retail Operations	Other	Allocated Program Administration	Total Program Services
Salaries and benefits	$ 29,490	$ 339	$ 312	$ 484	$ 1,076	$ 298	$ 121	$ -	$ 7,135	$ 39,255
Guest conductors, artists and composers	4,066	5	1,206	28	90	-	-	-	-	5,395
Civic stipends	-	-	-	871	29	-	-	-	-	900
Concert production	241	101	79	17	63	9	-	-	430	940
Office expenses	203	6	31	15	26	5	41	-	253	580
Facilities expenses	1,828	9	267	170	141	1,024	14	-	(1,090)	2,363
Rental expense	19	-	41	-	1	-	-	-	56	117
Advertising, promotions, direct mail and telemarketing	2,692	-	618	32	76	-	1	56	183	3,658
Professional fees	89	5	-	3	45	140	-	-	180	462
In-kind professional fees	-	-	-	-	-	-	-	-	-	-
Travel	88	-	2	19	44	-	-	-	56	209
Receptions and meetings	4	-	3	-	1	-	-	-	1	9
Business insurance	-	-	-	-	-	-	-	-	-	-
Other	19	2	9	29	22	3	134	-	824	1,042
Depreciation, amortization and loss on sale of property	1,831	16	243	160	107	683	14	-	493	3,547
Debt service	-	-	-	-	-	-	-	-	-	-
Allocated program administration	7,429	12	684	338	5	9	-	44	(8,521)	-
Total	$ 47,999	$ 495	$ 3,495	$ 2,166	$ 1,726	$ 2,171	$ 325	$ 100	$ -	$ 58,477

(Continued)

Chicago Symphony Orchestra

Statement of Functional Expenses (Continued)
Year Ended June 30, 2022
(In Thousands)

	Total Program Services	Marketing Promotion and Sales	General and Administrative and Debt Service	Fundraising	Total Support Services	June 30, 2022 Total
Salaries and benefits	$ 39,255	$ 1,846	$ 3,302	$ 2,701	$ 7,849	$ 47,104
Guest conductors, artists and composers	5,395	-	-	1	1	5,396
Civic stipends	900	-	-	1	1	901
Concert production	940	-	119	-	119	1,059
Office expenses	580	158	168	202	528	1,108
Facilities expenses	2,363	101	142	275	518	2,881
Rental expense	117	-	-	-	-	117
Advertising, promotions, direct mail and telemarketing	3,658	101	70	400	571	4,229
Professional fees	462	221	1,071	25	1,317	1,779
In-kind professional fees		-	113	-	113	113
Travel	209	23	22	10	55	264
Receptions and meetings	9	-	-	36	36	45
Business insurance	-	-	316	-	316	316
Other	1,042	154	35	106	295	1,337
Depreciation, amortization and loss on sale of property	3,547	-	271	-	271	3,818
Debt service	-	-	(6,203)	-	(6,203)	(6,203)
Allocated program administration	-	-	-	-	-	-
Total	$ 58,477	$ 2,604	$ (574)	$ 3,757	$ 5,787	$ 64,264

See notes to financial statements.

Chicago Symphony Orchestra

Statements of Cash Flows
Years Ended June 30, 2023 and 2022
(In Thousands)

	2023	2022
Cash flows from operating activities:		
Change in net assets	**$ 12,332**	$ (18,236)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	**3,850**	3,818
Interest and dividends	**(6,159)**	(4,396)
Net realized (gain) loss and change in unrealized gains on investments	**(26,954)**	59,023
Interest rate swap fair value adjustments	**(4,983)**	(10,837)
Loss on sale of land, buildings and equipment	**18**	-
Changes in pension plan assets and benefit obligations	**(4,654)**	(16,301)
Net periodic pension cost—service cost	**703**	991
Contributions restricted for investment in endowment	**(1,238)**	(17,516)
Change in assets and liabilities:		
Accounts and interest receivable	**(59)**	72
Short-term contributions receivable	**819**	(2,915)
Prepaid expenses and other current assets	**(293)**	(13)
Long-term contributions receivable	**2,756**	(298)
Assets held for deferred compensation	**(94)**	11
Accounts payable and other accrued expenses	**(1,581)**	(5,614)
Advance ticket sales and other deferred revenue	**582**	9,511
Employer pension contribution	**(3,232)**	(1,978)
Other long-term liabilities	**(109)**	(85)
Net cash used in operating activities	**(28,296)**	(4,763)
Cash flows from investing activities:		
Proceeds from sale of land, buildings, and equipment	**1**	-
Purchases of land, building and equipment	**(1,968)**	(683)
Proceeds from sale of investments	**120,345**	96,240
Purchases of investments	**(83,451)**	(93,721)
Net cash provided by investing activities	**34,927**	1,836
Cash flows from financing activities:		
Repayment of line of credit	**-**	(1,000)
Redemption of bonds payable	**(14,800)**	(2,300)
Contributions restricted for investment in endowment	**3,525**	13,043
Amortization of bond issuance costs	**39**	39
Net cash (used in) provided by financing activities	**(11,236)**	9,782
Net (decrease) increase in cash	**(4,605)**	6,855
Cash and cash equivalents:		
Beginning of year	**13,312**	6,457
End of year	**$ 8,707**	$ 13,312

(Continued)

Chicago Symphony Orchestra

Statements of Cash Flows (Continued)
Years Ended June 30, 2023 and 2022
(In Thousands)

	2023	2022
Supplemental disclosures of cash flow information:		
Cash paid during the fiscal year for:		
Interest payments on bonds payable	**$ 3,514**	$ 639
Interest payments on lines of credit	**$ -**	$ 1
Interest payments on swap arrangement	**$ 1,095**	$ 3,160

See notes to financial statements.

Note 1. Nature of Activities and Summary of Significant Accounting Policies

Nature of activities: The Chicago Symphony Orchestra (the Corporation) is a nonprofit corporation incorporated in the State of Illinois in 1890. With the Chicago Symphony Orchestra at its core, the mission of the Corporation is to enrich, inspire and transform lives through music, community engagement and education—locally, nationally and internationally. Governance of the Corporation is vested in the Board of Trustees (Board), as elected by the Governing Members and its directives are implemented by the Corporation’s officers.

The Corporation’s operations reflect the activities of the following programs: Chicago Symphony Orchestra (CSO), the Chicago Symphony Chorus, Symphony Center Presents (SCP), and the Negaunee Music Institute (Institute), which includes the Civic Orchestra of Chicago. Concerts and related activities are performed year-round at Symphony Center (owned and operated by the Corporation), during the summer by the CSO at Ravinia Park, as contracted by the Ravinia Festival Association and at various times at other local, national and international venues. Ancillary operating activity includes media and recording, facility rentals, food service and retail store operations.

The Corporation is exempt from federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and applicable state law unless it has income from unrelated business activities.

Basis of accounting and presentation: The financial statements of the Corporation have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Corporation maintains its accounts on a fund accounting basis. Under this method of accounting, resources for various purposes are grouped into funds based on the existence or absence of donor-imposed restrictions and are classified into two classes of net assets: those with and those without donor-imposed restrictions.

Cash and cash equivalents: The Corporation considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid instruments restricted to endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Foreign currency is translated using year-end exchange rates. Transactional gains and losses are included in investment return (loss), net of investment management fees, in the statements of activities.

Receivables: Accounts and interest receivable consist primarily of amounts due related to program services. Unconditional promises to give (short-and long-term contribution receivables) that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows using a discount rate based on treasury yields of similar maturity. Discount accretion is included in contribution revenue. Bequest receivables are recorded when the estate clears probate and amounts are known or can be reasonably estimated. Conditional promises to give are not included as support until the conditions on which they depend are substantially met.

An allowance for uncollectible receivables is provided based on management’s judgment including specific identification of uncollectible accounts, historical experience, an assessment of economic conditions and a review of subsequent collections. Receivables are written off when deemed uncollectible.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Prepaid expenses and other current assets: Expenses paid in the current fiscal year, which relate to events or activities that will occur in the subsequent fiscal year, are recorded as prepaid expenses. These prepaid expenses are recognized as expense in the year in which the related event or activity occurs. Other current assets include store inventory, which is comprised of program-related merchandise held for sale and stated at the lower of cost or market determined by the first-in, first-out method, net of a reserve for inventory obsolescence. Its carrying value does not differ materially from its estimated fair value.

Assets held for deferred compensation: For certain eligible employees, the Corporation offers an unfunded non-qualified deferred compensation plan (The Chicago Symphony Orchestra Association 457(b) Plan). The 457(b) plan assets are held in a custodial account. Per terms of this plan, in general, assets cannot be withdrawn until the employee’s severance from employment with the Corporation has occurred. Consequently, these assets are recorded as assets held for deferred compensation by the Corporation and the associated liability is included in other long-term liabilities.

Beneficial interest in trusts: The Corporation has been named as an irrevocable beneficiary of two perpetual trusts held and administered by independent trustees. Perpetual trusts provide for the distribution of the net income of the trusts to the Corporation, which is recorded in the without donor-imposed restrictions operating fund as investment return. The fair value of the Corporation’s beneficial interest in the trusts is recorded in the financial statements based upon the Corporation’s proportional interest in the fair value of the underlying trust assets. The underlying trust assets are either readily marketable and have fair values which are determined by obtaining quoted market prices in active markets or are determined by the trusts using information provided by the related investment managers.

Split-interest agreements (charitable gift annuities and pooled income funds): These assets are included in endowment investments. A liability for split-interest obligations is recorded when the agreement is established at the estimated net present value of future cash flows using a risk-adjusted discount rate commensurate with the duration of the estimated payments. This liability is included in other long-term liabilities.

Investments: The Corporation records investment purchases at cost on the trade date. Thereafter, investments are reported at their fair value in the statements of financial position. Investment income, realized gains (losses) and change in unrealized gains (losses) are reflected in the statements of activities as investment return (loss), net of investment management fees. Interest income is recognized on the accrual basis and dividend income is recognized on the ex-dividend date. Sales of investments are recorded on the trade date. Donated investments are recorded at their fair value at the date of receipt and then sold immediately thereafter. The difference between their fair value and their sales proceeds are recognized as realized gains (losses).

Land, buildings and property: Long-lived assets are stated at cost and consist of land, land improvements, buildings, building improvements, equipment, music, instruments, trademarks and capitalized interest. The Corporation capitalizes additions and improvements to existing property and equipment over $5,000 and having a useful life of more than one year. General maintenance and repairs are charged to expense. Depreciation and amortization expense is recorded using the straight-line method, based on the estimated useful lives of the related assets, which range from three to 40 years. Depreciation expense related to real property is recorded in the property fund and the balance of depreciation is recorded in the operating fund.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Leases: Prior to July 1, 2022, the Corporation followed the lease accounting guidance in FASB ASC Topic 840. Effective July 1, 2022, the Corporation follows the new lease accounting guidance in FASB ASC Topic 842. The Corporation determines if an arrangement is a lease at inception of the contract. Under Topic 842, a lease is a contract, or part of a contract, that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For all leases, the Corporation recognizes a lease liability equal to the present value of the remaining lease payments, and a right of use asset equal to the lease liability, subject to certain adjustments, such as for prepaid rents. When the rate implicit in the lease is not readily determinable, the Corporation has made a policy election to use a risk-free rate, based on the United States Treasury rates, to determine the present value of the lease payments for all classes of assets.

Interest rate swap contracts: To reduce exposure to adjustable interest rates on variable rate debt, the Corporation has entered into two interest rate swap contracts based on the London Interbank Offered Rate (LIBOR) swap rate. Effective, July 1, 2023, the LIBOR rate was replaced with the Secured Overnight Financing Rate (SOFR). These contracts have the effect of fixing the rate of interest for a portion of the Corporation's variable rate bond debt. The related unrealized gains or losses are included in the statements of activities.

Pension benefit obligations: The pension benefit obligations consider anticipated payout patterns as well as investment returns on available assets prior to payment. The discount rate used to value this obligation is a risk-adjusted rate commensurate with the duration of anticipated payments. Various inputs are used in valuing the Corporation's pension plan investments.

The current year's service cost component of net periodic benefit cost is reported in the same statement of activities line item as other employee compensation costs arising from services rendered during the period. Other components of net period benefit cost are aggregated and presented separately and outside of net operating results and net support on the statements of activities.

Net assets: Net assets, revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor-imposed restrictions: These net assets include all resources not subject to donor-imposed restrictions. These include unrestricted resources available to support the Corporation's operations and net assets set aside by the Board for specific purposes, including accumulating investment assets for future benefit, and for the acquisition of capital assets and related activities.

Net assets with donor-imposed restrictions: Net assets subject to donor-imposed restrictions are presented in the following categories:

- Purpose and time restricted net assets represent contributions and investment earnings with donor-imposed restrictions that have not yet been met either by actions of the Corporation (purpose) or the passage of time. Expirations of these restrictions are reported as net assets released from restrictions in the statement of activities.

- Perpetual in nature net assets are subject to donor-imposed restrictions and represent contributions invested in perpetuity, the earnings from which are available to support activities of the Corporation. These net assets include the Corporation's endowment investments, beneficial interest in irrevocable charitable trusts and receivables for contributions with restrictions permanent in nature.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Measure of operations: The operating results in the statements of activities (called change in net assets before changes in pension plan assets and benefit obligations) reflect all transactions attributable to the Corporation's ongoing programs and support which increase or decrease net assets without donor-imposed restrictions. Transactions associated with long-term investments, depreciation associated with real property, changes in the fair value of interest rate swaps and changes in postretirement benefit obligations other than the current-year's service cost are not included in the Corporation's measure of operations.

COVID-19: The Corporation's measure of operations was significantly impacted in the year ended June 30, 2022 due to the coronavirus (COVID-19) pandemic and the Corporation received a Shuttered Venue Operator Grant under a federal grant program administered by the U.S. Small Business Administration. The $10 million grant received by the Corporation was fully used to support eligible payroll costs incurred during that year and was accounted for as contribution revenue in the related statement of activities. During fiscal year 2023, there were no longer any restrictions on large gatherings or limitations associated with the public health emergency that significantly impacted the operations of the Corporation.

Revenue and revenue recognition: Revenue from contracts with customers is derived primarily from ticketing for performances, other performance-related fees, Symphony Center rentals and commissions and retail operations.

The Corporation recognizes revenue based on the satisfaction of performance obligations. Performance obligations are determined based on the goods or services provided by the Corporation. The following explains the performance obligations related to each major revenue stream and the pattern in which the related revenue is recognized.

The majority of single ticket and subscription revenue is received in advance of the concert. Advance ticket sales are recorded as deferred revenue and are subsequently recognized as revenue in the period the performance takes place. Other related performance fees received are recognized in the period the performance takes place. Rental and commission revenues received are recognized in the period or periods the customer or vendor is utilizing the Corporation's space. Revenues received for streaming sales are recorded in the period the performance link is delivered to the patron. Royalty revenue is recognized in the period when the Corporation's material is made available to the customer. Sales at the Symphony Store, including web sales and CD sales are recorded at the time of purchase when goods are transferred to the customer.

Contribution revenue: Contributions, including unconditional promises to give, are recorded in the period received as increases in net assets with or without donor-imposed restrictions, depending on the existence or nature of any donor-imposed restrictions. When a donor-imposed restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), the related net assets are reclassified to net assets without donor-imposed restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are recorded as support without donor-imposed restrictions.

In-kind contributions: For the year ended June 30, 2023, contributed non-financial assets included pro bono legal services, advertising, architectural design and airline travel vouchers. For the year ended June 30, 2022, contributed non-financial assets included pro bono legal services, advertising, airline travel vouchers and COVID-19 testing kits. All contributed non-financial assets were utilized in the Corporation's operations.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Contributed services such as pro bono legal services and advertising are recognized at their estimated fair value when received if the services received: (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed services are valued based on current rates for similar services. Pro bono legal services and advertising were utilized to support various administrative and program activities.

Contributed goods are recorded at fair value at the date of donation. Contributed goods consisted of airline travel vouchers and COVID-19 testing kits. In valuing contributed goods, the Corporation estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products. Airline travel vouchers and COVID-19 testing kits were utilized to support various program activities.

Functional allocation of expenses: Certain costs have been allocated among the programs and supporting services benefited, as shown on the statement of functional expenses. Major expenses that are allocated include salaries (based on time and effort), benefits (eligibility), facilities costs (square footage with headcount or performance space usage) and program administration (number of performances/ticket sales/direct expenses). The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities.

Income taxes: The Corporation follows the standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Corporation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Corporation, continued tax-exempt status of bonds payable, and various positions related to the potential sources of unrelated business taxable income. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the reporting periods presented in the financial statements.

The Corporation files Form 990 in the U.S. federal jurisdiction and the state of Illinois.

Use of estimates: In preparing financial statements in conformity with U.S. GAAP, management makes estimates and assumptions affecting the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Credit risk: The Corporation manages deposit concentration risk by placing cash, which is primarily various checking accounts and a short-term investment account for excess cash funds, with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits. The Corporation has not experienced any loss of such accounts and management believes that the Corporation is not exposed to any significant risk on cash. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts due are from Board members, long-time donors and patrons, renters, and corporations and foundations supportive of the Corporation's mission. Investments are made by diversified investment managers whose performance is monitored by the investment committee of the Board. Although the fair value of investments is subject to fluctuation on a year-to-year basis, management and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Corporation.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Adopted accounting pronouncements: In fiscal year 2023, the Corporation adopted ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months, as well as disclose key qualitative and quantitative information about leasing arrangements.

The Corporation adopted ASU 2016-02 on July 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior period financial statements. Under this transition provision, the Corporation has applied ASU 2016-02 to reporting periods beginning on July 1, 2022, while prior periods continue to be reported and disclosed in accordance with the legacy guidance under ASC Topic 840, Leases, (ASC 840). The adoption did not result in a cumulative-effect adjustment to the opening balance of net assets.

In addition to policy election choices, FASB ASC Topic 842 includes practical expedient choices. The Corporation elected the package of practical expedients available in the standard and as a result, did not reassess the lease classification of existing leases, whether a preexisting contract is deemed to be or to include a lease or the initial direct costs associated with existing leases. The Corporation did not elect the hindsight practical expedient, and so did not re-evaluate lease terms for existing leases and therefore has measured the right-of-use asset and lease liability using the remaining portion of the lease term at adoption on July 1, 2022.

Subsequent events: The contract with the Chicago Federation of Musicians expired on September 17, 2023. On September 19, 2023, the Chicago Symphony Orchestra Association Board of Trustees and members of the Chicago Symphony Orchestra represented by the Chicago Federation of Musicians each voted to ratify terms of a new collective bargaining agreement. The new agreement expires on September 13, 2026.

The Corporation has evaluated subsequent events for potential recognition and/or disclosure through October 23, 2023, the date the financial statements were available to be issued.

Note 2. Liquidity and Availability of Resources

The following reflects the Corporation’s financial assets available for general use within one year of the June 30, 2023 and 2022, statement of financial position dates, respectively.

(In Thousands)	2023	2022
Financial assets at year-end:		
Cash and cash equivalents	$ 8,707	$ 13,312
Accounts and interest receivable	688	629
Short-term contributions receivable	9,780	10,603
Other investments	33,531	53,024
Subtotal	52,706	77,568
Plus the following year’s estimated endowment draw	18,279	17,951
Less board-designated net assets for working capital and instrument loan guarantees	(3,867)	(3,757)
Financial assets available to meet cash needs for general expenditures within one year	$ 67,118	$ 91,762

Note 2. Liquidity and Availability of Resources (Continued)

The Corporation has various sources of liquidity at its disposal, including operating cash, receivables, short-term investments, and equity and fixed income securities without donor-imposed restrictions. The Corporation manages its liquidity and availability of resources in order to operate within a prudent range of financial stability, to maintain adequate liquid assets to fund operating needs for the next 12 months, to meet liquidity covenants under its debt agreements and to provide reasonable assurance that it will be able to fulfill its obligations. To help manage unanticipated obligations and cash liquidity needs, the Corporation also maintains a $5 million committed line of credit, which it could draw upon if needed. As of June 30, 2023, the full $5 million of this committed line of credit was available for use.

The Corporation's endowment fund, which consists of donor-restricted endowments and funds designated by the Board as a quasi-endowment, is not included in available financial assets, except for an estimated annual endowment draw. This draw is based on a 5% Board-approved spendable objective.

Note 3. Fair Value Measurements and Disclosures

The Corporation reports certain assets and liabilities at fair value in the financial statements. Fair value is defined as 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. U.S. GAAP establishes a three-level fair value hierarchy and specifies that a valuation technique used to measure fair value maximize the use of observable inputs and minimize the use of unobservable inputs. Assets and liabilities recorded at fair value are categorized within the fair value hierarchy based upon the level of judgment associated with the inputs used to measure fair value. Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access as of the measurement date.

Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly. Fair value is determined through the use of models or other valuation methodologies. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3: Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

Note 3. Fair Value Measurements and Disclosures (Continued)

In some cases, the inputs used to measure fair value of an asset or liability might be categorized within different levels of the fair value hierarchy. In those cases, for disclosure purposes, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Corporation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. The inputs or methodology used for valuing financial instruments are not necessarily an indication of the risks associated with investing in those instruments.

The Corporation's interests in alternative investment funds such as hedged equities, absolute return, real assets and private equity are generally reported at the net asset value (NAV) reported by the fund managers, which is used as a practical expedient to estimate the fair value, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. In determining fair value, the Corporation utilizes the valuation reflected on the financial statements and other financial reports of the underlying investment funds. The underlying investment funds value securities and other financial instruments at fair value based upon market price, when possible, or at fair value determined by the respective funds' investment manager when no market price is determinable. Although the Corporation and the underlying investment manager use their best judgment in estimating the fair value of investments in funds, there are inherent limitations in any estimated technique. The estimated fair values of certain investments of the underlying investment funds, which may include derivatives, securities and other designated or side pocketed investments for which prices are not readily available, may not reflect amounts that could be realized upon immediate sale, nor amounts that may be ultimately realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments, and differences could be material. Funds measured at NAV are not categorized by level in the fair value hierarchy table. The Corporation reflects these investments using NAV within the fair value measurement table to permit reconciliation of the fair value hierarchy to the amounts presented on the statement of financial position.

The fair value of two swap contracts, as recorded in the financial statements, is the estimated amount that the Corporation would have to pay or receive to terminate the agreements as of June 30, 2023 and 2022, respectively, taking into account current interest rates and the current creditworthiness of the swap counterparty.

Note 3. Fair Value Measurements and Disclosures (Continued)

The following table presents the Corporation's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2023:

(In Thousands)		Fair Value Measurements Using			
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valued Using NAV
Assets:					
Cash and cash equivalents:					
Cash and money market funds	$ 33,442	$ 33,442	$ -	$ -	$ -
Assets held for deferred compensation	341	341	-	-	-
Beneficial interest in trusts	8,156	-	-	8,156	-
Global equities:					
Exchange traded funds	52,831	52,831	-	-	-
Limited partnerships	60,325	-	-	-	60,325
Mutual funds	30,598	30,598	-	-	-
Stocks	28,403	28,403	-	-	-
Trust funds	42,134	-	-	-	42,134
Fixed income:					
Exchange traded funds	5,871	5,871	-	-	-
Mutual funds	60,856	60,856	-	-	-
Alternative investments:					
Absolute return	31,322	-	-	-	31,322
Real assets	11,198	-	-	-	11,198
Private equity	45,008	-	-	-	45,008
	$ 410,485	$ 212,342	$ -	$ 8,156	$ 189,987
Liabilities:					
Interest rate swap contracts	$ 6,137	$ -	$ 6,137	$ -	$ -

Note 3. Fair Value Measurements and Disclosures (Continued)

The following table presents the Corporation's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2022:

(In Thousands)		Fair Value Measurements Using			
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valued Using NAV
Assets:					
Cash and cash equivalents:					
Cash and money market funds	$ 25,320	$ 25,320	$ -	$ -	$ -
Assets held for deferred compensation	247	247	-	-	-
Beneficial interest in trusts	7,794	-	-	7,794	-
Global equities:					
Exchange traded funds	47,427	47,427	-	-	-
Limited partnerships	61,843	-	-	-	61,843
Mutual funds	32,303	32,303	-	-	-
Stocks	23,349	23,349	-	-	-
Trust funds	43,980	-	-	-	43,980
Fixed income:					
Asset backed securities	3,911	-	3,911	-	-
Corporate bonds	6,521	-	6,521	-	-
Exchange traded funds	237	237	-	-	-
Government bonds	4,503	4,503	-	-	-
Mortgage-backed securities	2,608	-	2,608	-	-
Mutual funds	44,016	44,016	-	-	-
Alternative investments:					
Hedged equities	26,636	-	-	-	26,636
Absolute return	32,623	-	-	-	32,623
Real assets	10,283	-	-	-	10,283
Private equity	45,176	-	-	-	45,176
	$ 418,777	$ 177,402	$ 13,040	$ 7,794	$ 220,541
Liabilities:					
Interest rate swap contracts	$ 11,120	$ -	$ 11,120	$ -	$ -

Note 3. Fair Value Measurements and Disclosures (Continued)

Investments consist of the following:

Global equities: securities consist of equity instruments, exchange-traded funds, limited partnerships and mutual and trust funds traded on national securities exchanges which are stated at the last reported sales price on the day of valuation (Level 1).

This category also includes investments in common trust funds, limited partnerships and trust funds, which are valued using NAV and focus on:

- Long-only international equities: The underlying assets are liquid, and the fund's managers provide details of those assets. As of June 30, 2023, 91% of the investments in this category can be redeemed with no restrictions on a weekly or monthly basis with five to 30 days' notice. The remaining 9% can be redeemed annually at calendar year end with 60 days' notice.

- Long-only domestic equities: 63% of the assets can be redeemed on a monthly basis with 30 days' notice. The remaining 37% of the assets can be redeemed quarterly with 45 to 90 days' notice.

Fixed income: securities consist of debt instruments which are stated at the last reported sales price on the day of valuation (Level 1). Debt instruments for which no sale price was reported on that date are stated at the last reported bid price (Level 2).

Alternative investments: NAV consist of the following:

- *Absolute return:* includes multi-strategy absolute return investments focused on analyzing the probability-adjusted returns of individual securities and assets and risk in mispriced assets/securities across conventional and alternative financial strategies. Management of the absolute return investments initiates long and short positions targeting absolute risk-adjusted returns. As of June 30, 2023, all of the investments in this category have passed their initial lock up period. Approximately 88% of the investments can be redeemed quarterly with 65-90 days' notice and the remaining 12% can be redeemed annually with 90 days' notice.

- *Real assets:* includes investments in funds that focus on inflation protection. The funds contain, but are not limited to, investments in both U.S. and global equity securities, bonds and commodities. The underlying assets are liquid and the fund's managers provide details of those assets. All of the investments in the category can be redeemed without restrictions on a daily basis.

- *Private equity:* includes private equity funds and limited liability partnerships that have a diversified program of U.S. and global private equity, venture capital and natural resources. These investments are not redeemable. Instead, the nature of the investments in this category is that distributions are received through the liquidation of the underlying assets in the fund. Of the private equity managers who have disclosed investment terms, the term for those investments is within a 10-year range, some with allowable extensions up to three additional years.

The Corporation has unfunded capital commitments for alternative investments totaling approximately $7,686,000 and $12,031,000 as of June 30, 2023 and 2022, respectively.

Note 4. Contributions Receivable

Unconditional promises to give as of June 30, 2023 and 2022, are summarized as follows:

(In Thousands)	2023			
	Without Donor-imposed Restrictions	With Donor-imposed Restrictions: Purpose and Time Restricted	With Donor-imposed Restrictions: Perpetual in Nature	Total
Up to one year	$ 3,267	$ 3,480	$ 3,096	$ 9,843
One to seven years	5,892	3,308	12,047	21,247
Gross	9,159	6,788	15,143	31,090
Less present value discount (rates up to 5.27%)	(232)	(306)	(1,081)	(1,619)
Allowance for uncollectible receivables	(63)	-	-	(63)
Net	$ 8,864	$ 6,482	$ 14,062	$ 29,408

(In Thousands)	2022			
	Without Donor-imposed Restrictions	With Donor-imposed Restrictions: Purpose and Time Restricted	With Donor-imposed Restrictions: Perpetual in Nature	Total
Up to one year	$ 4,611	$ 2,952	$ 3,100	$ 10,663
One to seven years	7,615	4,432	14,433	26,480
Gross	12,226	7,384	17,533	37,143
Less present value discount (rates up to 2.94%)	(279)	(350)	(1,184)	(1,813)
Allowance for uncollectible receivables	(60)	-	-	(60)
Net	$ 11,887	$ 7,034	$ 16,349	$ 35,270

Note 5. Other Investments

Other investments at June 30, 2023 and 2022, consist of:

(In Thousands)	2023	2022
Money market funds	$ 12,011	$ 4,574
Global equities	6,821	27,784
Fixed income	14,699	20,666
	$ 33,531	$ 53,024

These investments are without donor-imposed restrictions and available for working capital needs of the Corporation. Nevertheless, the overall investment objective of the Corporation is to invest these assets in a prudent manner that will achieve a long-term rate of return sufficient for future funding needs and increase investment value after inflation. The Corporation diversifies its investments among various asset classes incorporating multiple strategies and using external investment managers. Major investment decisions are authorized by the Board’s investment committee, which oversees the Corporation’s investment program in accordance with established guidelines.

Note 5. Other Investments (Continued)

Investment return (loss), net of investment management fees, for the years ended June 30, 2023 and 2022, is as follows:

(In Thousands)	2023	2022
Interest and dividends	$ 856	$ 681
Net realized (losses) gains	(2,084)	1,414
Net change in unrealized gains	3,940	(9,894)
Investment management fees	(83)	(110)
	$ 2,629	$ (7,909)

Note 6. Land, Buildings and Property

Land, buildings and property as of June 30, 2023 and 2022, are summarized as follows:

(In Thousands)	2023	2022
Land	$ 25,475	$ 25,475
Building and improvements	126,328	125,837
Equipment	15,731	14,682
Right-of-use assets related to leased properties	416	258
Music and instruments and other assets	8,802	8,574
Trademarks	262	259
Capitalized interest, net	1,925	2,054
	178,939	177,139
Less accumulated depreciation and amortization	(105,971)	(102,270)
	$ 72,968	$ 74,869

Depreciation and amortization expense was $3,850,000 and $3,818,000 for the years ended June 30, 2023 and 2022, respectively.

Note 7. Line of Credit

The Corporation has a $5,000,000 working capital line of credit, which matures on March 22, 2024. Terms include interest tied to term-based SOFR (the Secured Overnight Financing Rate) or a floating prime rate, with financial covenants substantively equivalent to those contained in the Bonds' stand-by letters of credit and direct placement. Commitment fees for the years ended June 30, 2023 and 2022, were approximately $15,000 for both years. During the fiscal year ended June 30, 2022, $1,000,000 of prior borrowings on the line of credit were repaid. There were no borrowings on the line of credit during the fiscal years ended June 30, 2023 and 2022. Interest expense on the draws for the years ended June 30, 2023 and 2022, were approximately $0 and $900, respectively.

Note 8. Employee Benefits

The Corporation has a 403(b) plan for administrative staff (Chicago Symphony Orchestra Association 403(b) Plan for Administrative Employees). It includes, for certain eligible employees, a nondiscretionary 3% contribution of total eligible compensation and a 50% employer match on employee contributions of up to 2% of total eligible compensation. The 403(b) qualified plan is subject to limitations imposed by the Internal Revenue Service (IRS) as to contributions and compensation. For certain eligible employees, the Corporation also offers an unfunded non-qualified deferred compensation plan (The Chicago Symphony Orchestra Association 457(b) plan), the assets of which are recorded as assets held for deferred compensation with its associated liability included in other long-term liabilities. Total expenses incurred for both plans for the years ended June 30, 2023 and 2022, were $364,000 and $335,000, respectively.

The Corporation has a Defined Contribution plan for Members of the CSO (Chicago Symphony Orchestra Defined Contribution Plan) which began on July 1, 2020. The plan is subject to limitations imposed by the IRS as to contributions and compensation. The plan provides for a nondiscretionary 7.5% contribution of eligible compensation for certain employees. It does not permit participants to make salary deferrals into the plan. Total expenses incurred for the plan for the years ended June 30, 2023 and 2022, were $1,319,000 and $1,379,000, respectively.

Note 9. Defined Benefit Pension Plans

The Corporation sponsors two non-contributory, defined benefit pension plans (the Plans). Members of the CSO participate in the Chicago Symphony Orchestra Pension Plan (the CSO Plan), the terms of which are largely determined through labor negotiations. As a result of collective bargaining, participants in the CSO Plan were offered an option to freeze their defined benefits in the plan as of June 30, 2020, or June 30, 2023. Certain participants of the CSO Plan elected the earlier of the two dates and these participants have entered into the Chicago Symphony Orchestra Defined Contribution Plan (DC Plan) as of July 1, 2020. For these participants, no further benefits will accrue under the CSO Plan. This action does not affect benefits accrued prior to June 30, 2020, or participants' vesting in benefits accrued prior to that date. The members of the CSO Plan that continued to accrue benefits after this initial transition had their defined benefit frozen on June 30, 2023, and entered the defined contribution plan on July 1, 2023. Members of the CSO who commence employment after June 30, 2020, are not eligible for the CSO Plan and participate only in the DC Plan. The cost of the investment protection annuity conversion feature (IPACF) in the CSO Plan has been established as new prior period service cost to be recognized over the remaining future service accrual period. Various estimates and assumptions related to the CSO plan, as outlined below, reflect this partial freeze.

Other eligible Corporation employees, excluding certain union employees who participate in external pension plans, participate in The Orchestral Association Retirement Plan for Administrative Employees (the Admin Plan), which was frozen as of July 1, 2006.

Due to the American Rescue Plan Act of 2021 (the Act), the Corporation elected to take advantage of amortization relief and default interest rate stabilization offered by the Act beginning with the plan year ending June 30, 2021. This is reflected in the estimates and assumptions outlined below.

The Corporation's funding policy is to contribute annually at least the minimum amount required by law. The current estimated required contribution for the year ending June 30, 2024, is $3,156,000 for the CSO Plan and $488,000 for the Admin Plan.

Note 9. Defined Benefit Pension Plans (Continued)

The Plans use a June 30 measurement date. Certain financial disclosures follow:

(In Thousands)	2023		2022	
	CSO Plan	Admin Plan	CSO Plan	Admin Plan
At June 30:				
Projected benefit obligations	$ (79,598)	$ (15,394)	$ (82,350)	$ (16,159)
Fair value of plan assets	54,401	13,035	51,770	12,000
Funded status	$ (25,197)	$ (2,359)	$ (30,580)	$ (4,159)
Accumulated benefit obligations	$ (79,598)	$ (15,383)	$ (82,350)	$ (16,127)

(In Thousands)	2023		2022	
	CSO Plan	Admin Plan	CSO Plan	Admin Plan
For the year ended June 30:				
Net periodic benefit cost—service cost	$ 681	$ 22	$ 965	$ 25
Employer contributions	2,869	363	1,759	219
Plan participants' contributions	54	-	42	-
Benefits paid	4,460	627	4,281	498
Amounts recognized in the statement of financial position as noncurrent liabilities	$ (25,197)	$ (2,359)	$ (30,580)	$ (4,159)
Other changes in plan assets and benefit obligations recognized in changes in net assets without donor-imposed restrictions:				
New net (gain)	$ (3,246)	$ (1,466)	$ (13,042)	$ (1,230)
Interest cost	3,631	718	2,410	477
Expected return on plan assets	(3,580)	(711)	(4,013)	(903)
Net (gain) loss recognized in net assets without donor-imposed restrictions	$ (3,195)	$ (1,459)	$ (14,645)	$ (1,656)

The following assumptions were used in accounting for the Plans:

	2023		2022	
	CSO Plan	Admin Plan	CSO Plan	Admin Plan
Weighted-average assumptions used to determine net benefit obligations as of June 30:				
Discount rate (for service cost)	5.44%	5.47%	4.82%	4.83%
Rate of compensation increase	N/A	3.00%	N/A	3.00%
Weighted-average assumptions used to determine net benefit cost for years ended June 30:				
Discount rate (for service cost)	4.83%	4.82%	3.17%	2.84%
Discount rate (for interest cost)	4.53%	4.55%	2.35%	2.36%
Rate of compensation increase	N/A	3.00%	N/A	3.00%
Expected long-term return on plan assets	7.00%	6.00%	7.00%	6.25%

The expected rate of return on plan assets is determined by the plan assets' historical long-term investment performance, current asset allocation and estimates of future long-term returns by asset class.

Note 9. Defined Benefit Pension Plans (Continued)

The Corporation uses an alternative spot rate approach in determining the service cost and interest cost components of pension expense, which changes the timing of when the underlying obligation is recognized in the financial statements but does not change the amount of that obligation. It provides a more detailed measurement of service and interest costs by improving the relationship between projected benefit cash flows to the corresponding yield curve rates.

The following table presents the CSO Plan's fair value hierarchy for investments measured at fair value on a recurring basis as of June 30, 2023:

		CSO Plan			
		Fair Value Measurements Using			
(In Thousands)	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valued Using NAV
Assets:					
Investments:					
Money market funds	$ 654	$ 654	$ -	$ -	$ -
Global equities:					
Common institutional funds	25,105	-	-	-	25,105
Limited partnerships	3,730	-	-	-	3,730
Mutual funds	3,251	3,251	-	-	-
Fixed income:					
Corporate bonds	3,046	-	3,046	-	-
Government agencies	557	557	-	-	-
Government bonds	2,354	2,354	-	-	-
Mortgage-backed securities	2,511	-	2,511	-	-
Alternative investments:					
Global infrastructure	3,827	-	-	-	3,827
Private equity	6,230	-	-	-	6,230
Real estate	3,057	-	-	-	3,057
	$ 54,322	$ 6,816	$ 5,557	$ -	$ 41,949

Alternative investments liquidity: The investments in the global infrastructure category are in a soft lockup until December 2025 after which they can be redeemed on a semi-annual basis with 90 days' notice.

Within the private equity category, 51% of the investments can be redeemed quarterly with 12 months' notice. Of the remaining 49%, the nature of the investments is that distributions are received through the liquidation of the underlying assets in the fund. The term for these investments is up to 11 years, with allowable extensions.

Note 9. Defined Benefit Pension Plans (Continued)

All of the investments in the real estate category can be redeemed with no restrictions on a quarterly basis with 90 days' notice.

The following table presents the CSO Plan's fair value hierarchy for investments measured at fair value on a recurring basis as of June 30, 2022:

(In Thousands)	Total	CSO Plan Fair Value Measurements Using Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valued Using NAV
Assets:					
Investments:					
Money market funds	$ 672	$ 672	$ -	$ -	$ -
Global equities:					
Common institutional funds	24,067	-	-	-	24,067
Limited partnerships	3,417	-	-	-	3,417
Fixed income:	2,753	2,753	-	-	-
Corporate bonds					
Government agencies	3,239	-	3,239	-	-
Government bonds	150	150	-	-	-
Mortgage-backed securities	2,481	2,481	-	-	-
Alternative investments:	2,749	-	2,749	-	-
Absolute returns	387	-	-	-	387
Global infrastructure	3,415	-	-	-	3,415
Private Equity	4,780	-	-	-	4,780
Real estate	3,598	-	-	-	3,598
	$ 51,708	$ 6,056	$ 5,988	$ -	$ 39,664

The following table presents the Admin Plan's fair value hierarchy for investments measured at fair value on a recurring basis as of June 30, 2023:

(In Thousands)	Total	Admin Plan Fair Value Measurements Using Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valued Using NAV
Assets:					
Investments:					
Money market funds	$ 104	$ 104	$ -	$ -	$ -
Global equities:					
Mutual funds	6,415	6,415	-	-	-
Stocks	1,976	1,976	-	-	-
Fixed income:					
Mutual funds	3,391	3,391	-	-	-
Alternative investments:					
Real assets	1,140	-	-	-	1,140
	$ 13,026	$ 11,886	$ -	$ -	$ 1,140

Note 9. Defined Benefit Pension Plans (Continued)

As of June 30, 2023, the investments in the real assets category can be redeemed with no restrictions on a daily basis.

The following table presents the Admin Plan's fair value hierarchy for investments measured at fair value on a recurring basis as of June 30, 2022:

(In Thousands)	Total	Admin Plan Fair Value Measurements Using Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valued Using NAV
Assets:					
Investments:					
Money market funds					
Global equities:	$ 103	$ 103	$ -	$ -	$ -
Limited partnerships					
Mutual funds	5,862	5,862	-	-	-
Stocks	1,539	1,539	-	-	-
Fixed income:					
Mutual funds	3,454	3,454	-	-	-
Alternative investments:					
Real assets	1,046	-	-	-	1,046
	$ 12,004	$ 10,958	$ -	$ -	$ 1,046

The Corporation's investment policies and target allocations are reviewed periodically and are designed to balance risk and achieve a long-term rate of return on assets consistent with actuarial assumptions.

Long-term target allocation ranges at June 30, 2023, are as follows:

	CSO Plan	Admin Plan
Cash and cash equivalents	0%	0%
Global equities	40-80%	47-77%
Fixed income	15-25%	25-35%
Alternative investments:		
Global infrastructure	2-10%	
Private equity	3-10%	
Real assets		3-13%
Real estate	0-10%	

Note 9. Defined Benefit Pension Plans (Continued)

The benefits expected to be paid for the next 10 years are as follows for the years ending June 30:

(In Thousands)

	CSO Plan	Admin Plan
Years ending June 30:		
2024	$ 5,153	$ 751
2025	5,238	844
2026	5,390	1,041
2027	5,480	1,106
2028	5,431	1,106
2029-2033	26,538	5,757
	$ 53,230	$ 10,605

Note 10. Multiemployer Retirement Plans

The Corporation contributes to a number of multiemployer defined benefit pension plans under the terms of collective-bargaining agreements that cover its union-represented employees. The risks of participating in these multiemployer plans are different from single-employer plans in the following aspects:

a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.

b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

c. If the Corporation chooses to stop participating in some of its multiemployer plans, the Corporation may be required to pay those plans an amount based upon the underfunded status of the plan, referred to as a withdrawal liability.

The Corporation's participation in these plans for the annual period ended June 30, 2023, is outlined in the table below. The EIN/Pension Plan Number column provides the Employer Identification Number (EIN) and three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2023 and 2022 is for the plan's year-end at March 31, 2023 and March 31, 2022, respectively. The zone status is based upon information that the Corporation received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded and plans in the green zone are at least 80% funded. The FIP/RP Status Pending/Implemented column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration dates of the collective-bargaining agreements to which the plans are subject. Finally, there have been no significant changes that affect the comparability of 2023 and 2022 contributions.

The Corporation was not listed as contributing more than 5% for any plan.

Note 10. Multiemployer Retirement Plans (Continued)

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status 2023	Pension Protection Act Zone Status 2022	FIP/RP Status Pending/ Implemented	Contributions of the Corporation 6/30/2023	Contributions of the Corporation 6/30/2022	Surcharge Imposed	Expiration Date of Collective Bargaining Agreements
American Federation of Musicians and Employers' Pension Plan	51-6120204/001	Red (1)	Red (1)	Yes (2)	$ 460,000	$ 313,000	No	9/13/2026
Stagehands Local Two Pension Plan	36-6099766/001	Green (3)	Green (3)	No	165,000	125,000	No	10/8/2024
Electrical Contractors Association & Local Union No. 134								
I.B.E.W. Joint Pension Trust of Chicago Pension Plan No.2	51-6030753/002	Green (4)	Green (4)	No	55,000	50,000	No	6/2/2024
National Electrical Benefit Fund	53-0181657/001	Green (5)	Green (5)	No	9,000	8,000	No	6/2/2024
Central Pension Fund of the International Union of Operating Engineers and Participating Employers	36-6052390/001	Green (6)	Green (6)	No	50,000	47,000	No	5/17/2026
IATSE National Pension Fund Plan C	13-1849172/001	Green (7)	Green (7)	No	9,000	7,000	No	8/31/2024
					$ 748,000	$ 550,000		

(1) For the years beginning April 1, 2019, April 1, 2020, April 1, 2021 and April 1, 2022, the Plan's actuaries have certified that the Plan is in critical and declining status as defined in the Multi-employer Pension Reform Act of 2014 (MPRA).

(2) Pursuant to the Preservation of Access to Care for Medicare Beneficiaries and the Pension Relief Act of 2010, the Plan elected to: (i) extend from 15 to 29 years the amortization period for 2008 net investment losses (i.e., net investment losses for the Plan Year ended March 31, 2009); (ii) smooth those net investment losses over 10 years in the actuarial value of assets and (iii) allow the actuarial value of assets used by the Plan to be as much as 130% of the market value of assets for the plan years beginning April 1, 2009 and 2010. A rehabilitation plan was adopted on April 15, 2010. The rehabilitation plan was subsequently updated on June 27, 2016, and August 1, 2018.

(3) Information was received for plan year ended December 31, 2022. During the 2022 Plan Year, the Plan reported a Green funding status.

(4) Information was received for the plan year ended June 30, 2022. During the plan year ended June 30, 2022, the Plan reported a Green status. Information for the plan year ended June 30, 2023, was not available at the time these financial statements were issued. The Electrical Insurance Trustees Employees' Retirement Plan merged into the plan during the 2021 plan year. The plan merger had no material impact upon the liabilities or assets of the Plan.

(5) Information was received for plan year ended December 31, 2022. During the 2022 plan year, the Plan reported a Green funding status.

(6) Information was received for plan year ended January 31, 2023. During the plan year ended January 31, 2023, the Plan reported a Green funding status.

(7) Information was received for plan year ended December 31, 2022. During the 2022 plan year, the Plan reported a Green funding status.

Note 11. Bonds Payable

Bonds payable at June 30, 2023 and 2022, consist of the following:

(In Thousands)	2023	2022
Illinois Finance Authority Adjustable Rate Demand Revenue Bonds, Series 2008, due May 1, 2048	$ 83,015	$ 83,015
Illinois Finance Authority Revenue Refunding Bond, Series 2018, due December 1, 2028	36,900	39,200
Illinois Development Finance Authority Variable/Fixed Rate Demand Revenue Bonds, Series 1999, originally due December 1, 2033	-	12,500
Total bonds payable	119,915	134,715
Less unamortized bond issuance costs	(542)	(581)
Bonds payable, net of unamortized bond issuance costs	119,373	134,134
Less portion of 2018 bond to be redeemed	(2,300)	(2,300)
Long-term bonds payable, net of unamortized bond issuance costs	$ 117,073	$ 131,834

The Series 2008 Bonds function in a floating rate mode, with interest being reset on a weekly basis. At June 30, 2023, the interest rate for the Series 2008 Bonds was 3.96%. At June 30, 2022, the interest rate for the Series 2008 Bonds was 0.91%. The Series 2008 Bonds are supported by a stand-by letter of credit, which expires on April 3, 2026. To maintain this support, the Corporation agrees to certain covenants involving debt ratios and operating results.

The Series 2018 Bond functions under a direct placement. Terms include a monthly floating rate (5.1% at June 30, 2023, and 1.9% at June 30, 2022) plus a scheduled principal repayment of $2,300,000 per year, starting on July 1, 2019, and ending on July 1, 2028. To maintain this support, the Corporation agrees to certain covenants involving debt ratios and operating results.

The Corporation optionally redeemed in full $12,500,000 of the Series 1999 Bonds on February 14, 2023, using proceeds from other investments. The stand-by letter of credit supporting the Series 1999 Bonds was also cancelled as of that date. At June 30, 2022, the interest rate for the Series 1999 Bonds was 0.95%.

Bond interest expense for the years ended June 30, 2023 and 2022, for all Bond Series was approximately $3,784,000 and $724,000, respectively. Fees associated with the credit facilities, broker/dealers and remarketers of the Bond Series were approximately $726,000 and $733,000 for the years ended June 30, 2023 and 2022, respectively.

The Series 2008 Bonds' issuance costs of $675,000 are amortized over 39.922 years. The Series 2018 Bond's issuance costs of $237,000 are amortized over 10.6 years. Accumulated amortization is $369,000 and $330,000 for the years ended June 30, 2023 and 2022, respectively.

Note 11. Bonds Payable (Continued)

Debt service expense included in the statements of activities for the years ended June 30, 2023 and 2022 are as follows:

(In Thousands)	2023	2022
Interest expense and other debt service costs	$ 5,578	$ 4,634
Interest rate swap fair value adjustments	(4,983)	(10,837)
	$ 595	$ (6,203)

Note 12. Interest Rate Swap Contracts

The Corporation has two interest rate swap contracts with Goldman Sachs Mitsui Marine Derivative Products, L.P. (Goldman Sachs) for notional amounts of $50,000,000 and $40,000,000, respectively, to reduce the impact of changes in interest rates on its bonds payable. The Corporation has agreed to pay Goldman Sachs a fixed rate of interest equal to 3.561% and 3.782%, respectively, with the counterparty paying a floating rate based on 67% of one-month LIBOR. Effective, July 1, 2023, LIBOR was replaced with SOFR. The contracts do not require any collateral from the Corporation and there are no offsets to the derivative liability. Swap interest expense for the years ended June 30, 2023 and 2022, was $905,000 and $3,096,0000, respectively. The $50,000,000 notional amount declines, starting in 2028 and terminates in 2033, and the $40,000,000 notional amount terminates in 2028. Both contracts are subject to early termination at the Corporation's option.

The interest rate swap liability impact on the statements of financial position as of June 30, 2023 and 2022, is:

	Fair Value	
(In Thousands)	2023	2022
Liability derivatives:		
$50 million interest rate swap contract	$ (3,902)	$ (6,740)
$40 million interest rate swap contract	(2,235)	(4,380)
	$ (6,137)	$ (11,120)

The impact of the interest rate swap contracts fair value adjustments on the statements of activities for the years ended June 30, 2023 and 2022, are:

	Fair Value	
(In Thousands)	2023	2022
$50 million interest rate swap contract	$ 2,839	$ 6,493
$40 million interest rate swap contract	2,144	4,344
	$ 4,983	$ 10,837

Note 13. Endowment

Endowment investments at June 30, 2023 and 2022, consist of:

(In Thousands)	2023	2022
Money market fund	$ 12,724	$ 7,434
Global equities	207,470	181,118
Fixed income	52,028	41,130
Alternative investments:		
Hedged equities	-	26,636
Absolute return	31,322	32,623
Real assets	11,198	10,283
Private equity	45,008	45,176
	$ 359,750	$ 344,400

The Corporation's endowment consists of individual funds established or supported by donors for specific activities and/or general operations, and funds designated by the Board to function as a quasi-endowment. Net assets associated with those funds are classified and reported as with or without donor-imposed restrictions based on the existence or absence of such restrictions.

Endowment net asset composition as of June 30, 2023:

(In Thousands)	Without Donor-imposed Restrictions	With Donor-imposed Restrictions: Purpose and Time Restrictions	With Donor-imposed Restrictions: Perpetual in Nature	Total
Board-designated	$ 146,303	$ -	$ -	$ 146,303
Donor-restricted	-	47,472	179,574	227,046
Total funds	$ 146,303	$ 47,472	$ 179,574	$ 373,349

Endowment net asset composition as of June 30, 2022:

(In Thousands)	Without Donor-imposed Restrictions	With Donor-imposed Restrictions: Purpose and Time Restrictions	With Donor-imposed Restrictions: Perpetual in Nature	Total
Board-designated	$ 139,378	$ -	$ -	$ 139,378
Donor-restricted	-	42,255	178,336	220,591
Total funds	$ 139,378	$ 42,255	$ 178,336	$ 359,969

Note 13. Endowment (Continued)

The Board interprets the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the historical 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, the Corporation retains in perpetuity: (a) the original value of initial and subsequent gifts (including promises to give net of discount and allowance for uncollectible accounts) donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Earnings from donor-restricted endowment funds are subject to appropriation for expenditure by the Corporation in a manner consistent with the standard of prudence prescribed by UPMIFA, considering the following factors:

- The duration and preservation of the fund
- The purposes of the Corporation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- Expected total return from income and the appreciation of investments
- Other resources of the Corporation
- The investment policies of the Corporation

The investment committee, which oversees all the Corporation’s investments, operates under investment and spending policies for endowment assets. Under these policies, the endowment assets are invested in a manner that, over time, will meet the long-term objective of a 5% real return on assets. To accomplish this objective, a significant proportion of the investments is invested in equities. The asset allocation emphasizes diversification to lower year-to-year volatility and endeavors to achieve the highest expected total return relative to portfolio risk. The annual spendable objective, which is calculated as 5% of the average fair value of assets over the 12-quarter period ending on the prior December 31, is to be met through the use of interest, dividends, and, to the extent appropriate, accumulated capital gains. The Board approves any adjustments to the spendable objective.

Spendable objective for the years ended June 30, 2023 and 2022:

(In Thousands)	2023	2022
Base spendable objective	$ 17,974	$ 16,620
Actual draw	17,974	15,520
Total draw as a percentage of beginning fair value investments	5.2%	4.0%

From time to time, certain donor-restricted endowment investments may have fair values below the level required to be maintained by donors or by law (underwater investments). While UPMIFA permits spending from underwater investments in accordance with prudent measures required under law, the Corporation’s policy is not to do so. At June 30, 2023, funds with original gift values of $931,000, fair values of $906,000, and deficiencies of $25,000 were reported in net assets without donor restrictions. At June 30, 2022, funds with original gift values of $13,182,000, fair values of $12,566,000 and deficiencies of $616,000 were reported in net assets with donor restrictions.

Note 13. Endowment (Continued)

Changes in endowment net assets for the year ended June 30, 2023:

(In Thousands)	Without Donor-imposed Restrictions	With Donor-imposed Restrictions: Purpose and Time Restrictions	With Donor-imposed Restrictions: Perpetual in Nature	Total
Endowment net assets, beginning of year	$ 139,378	$ 42,255	$ 178,336	$ 359,969
Investment return:				
Investment income	3,137	2,160	-	5,297
Net realized gains	13,360	9,112	-	22,472
Net unrealized gains	2,512	653	-	3,165
Investment management fees	(488)	(330)	-	(818)
Total investment return	18,521	11,595	-	30,116
Contributions	-	-	1,238	1,238
Appropriation of endowment assets for expenditure	(11,595)	(6,379)	-	(17,974)
Other	(1)	1	-	-
Endowment net assets, end of year	$ 146,303	$ 47,472	$ 179,574	$ 373,349

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

(In Thousands)	Without Donor-imposed Restrictions	With Donor-imposed Restrictions: Purpose and Time Restrictions	With Donor-imposed Restrictions: Perpetual in Nature	Total
Endowment net assets, beginning of year	$ 179,085	$ 63,370	$ 160,820	$ 403,275
Investment return:				
Investment income	2,271	1,444	-	3,715
Net realized gains	8,122	5,185	-	13,307
Net unrealized losses	(38,140)	(23,275)	-	(61,415)
Investment management fees	(559)	(350)	-	(909)
Total investment return	(28,306)	(16,996)	-	(45,302)
Contributions	-	-	17,516	17,516
Appropriation of endowment assets for expenditure	(11,401)	(4,119)	-	(15,520)
Other	-	-	-	-
Endowment net assets, end of year	$ 139,378	$ 42,255	$ 178,336	$ 359,969

Note 14. Net Assets With Donor-Imposed Restrictions

Net assets with donor-imposed restrictions that are restricted for the following purposes or time periods were attributable to the following as of June 30, 2023 and 2022:

(In Thousands)	June 30, 2022	Net Contributions, Transfers and Earnings	Release From Restrictions	June 30, 2023
Archives	$ 486	$ 69	$ (43)	$ 512
Brass solo concerts	1,540	155	(90)	1,605
Carnegie Hall concerts	101	186	(117)	170
Chicago Symphony Chorus	-	141	(141)	-
Civic orchestra stipends and operations	20,315	2,692	(1,345)	21,662
Classical music innovations	59	33	(5)	87
Community engagement programs	-	152	(152)	-
Education concerts	720	166	-	886
Grainger ballroom	1,620	238	(67)	1,791
Institute programs	10,816	2,204	(799)	12,221
Main Series concerts	3,284	3,367	(3,046)	3,605
Media Initiatives	306	(83)	(117)	106
Music commissioning funds	2,809	364	(130)	3,043
Orchestra and artistic administration chairs	2,191	1,620	(1,438)	2,373
Music director	-	663	(663)	-
Principal and guest conductors	2,438	666	(472)	2,632
Program notes	-	4	(4)	-
SCP concerts	191	581	(583)	189
Tour support	575	500	(575)	500
Other purpose or time restrictions	4,989	1,188	(1,872)	4,305
	$ 52,440	$ 14,906	$ (11,659)	$ 55,687

(In Thousands)	June 30, 2021	Net Contributions, Transfers and Earnings	Release From Restrictions	June 30, 2022
Archives	$ 633	$ (108)	$ (39)	$ 486
Brass solo concerts	1,786	(230)	(16)	1,540
Carnegie Hall concerts	496	(290)	(105)	101
Civic orchestra stipends and operations	25,185	(3,774)	(1,096)	20,315
Classical music innovations	100	(41)	-	59
Community engagement programs	242	(242)	-	-
Education concerts	967	(247)	-	720
Grainger ballroom	1,984	(355)	(9)	1,620
Institute programs	11,498	14	(696)	10,816
Main Series concerts	8,332	(2,652)	(2,396)	3,284
Media Initiatives	306	-	-	306
Music commissioning funds	3,428	(549)	(70)	2,809
Orchestra and artistic administration chairs	5,572	(2,467)	(914)	2,191
Music director	1,186	(1,006)	(180)	-
Principal and guest conductors	3,847	(1,034)	(375)	2,438
Program notes	14	(7)	(7)	-
SCP concerts	217	144	(170)	191
Tour support	50	525	-	575
Other purpose or time restrictions	3,413	2,969	(1,393)	4,989
	$ 69,256	$ (9,350)	$ (7,466)	$ 52,440

Note 14. Net Assets With Donor-Imposed Restrictions (Continued)

Net assets with donor-imposed restrictions that are perpetual in nature were attributable to the following purposes as of June 30, 2023 and 2022:

(In Thousands)	June 30, 2022	Net Contributions, Transfers and Earnings	Release From Restrictions	June 30, 2023
Archives	$ 350	$ -	$ -	$ 350
Brass solo concerts	332	-	-	332
Carnegie Hall concerts	2,148	-	-	2,148
Chicago Symphony Chorus	5,013	-	-	5,013
Civic orchestra stipends and operations	11,935	28	200	12,163
Classical music innovations	350	-	75	425
Community engagement programs	2,000	-	-	2,000
Education concerts	1,288	-	-	1,288
Grainger ballroom	1,260	-	-	1,260
Institute programs	16,497	-	1,750	18,247
Main Series concerts	26,226	131	-	26,357
Media initiatives	250	250	-	500
Music commissioning funds	1,591	-		1,591
Orchestra and artistic administration chairs	20,112	-	750	20,862
Music director	8,000	-	-	8,000
Principal and guest conductors	5,600	-	-	5,600
Program notes	50	-	-	50
SCP concerts	323	-	-	323
General operating support	66,457	378	326	67,161
Endowment receivables (discounted)	16,349	813	(3,101)	14,061
	$ 186,131	$ 1,600	$ -	$ 187,731

(In Thousands)	June 30, 2021	Net Contributions, Transfers and Earnings	Release From Restrictions	June 30, 2022
Archives	$ 350	$ -	$ -	$ 350
Brass solo concerts	302	30	-	332
Carnegie Hall concerts	2,148	-	-	2,148
Chicago Symphony Chorus	-	5,013	-	5,013
Civic orchestra stipends and operations	9,278	2,216	441	11,935
Classical music innovations	275	75	-	350
Community engagement programs	150	1,111	739	2,000
Education concerts	1,288	-	-	1,288
Grainger ballroom	1,260	-	-	1,260
Institute programs	16,007	(1,010)	1,500	16,497
Main Series concerts	25,909	317	-	26,226
Media initiatives	-	250	-	250
Music commissioning funds	1,591	-		1,591
Orchestra and artistic administration chairs	18,535	100	1,477	20,112
Music director	8,000	-	-	8,000
Principal and guest conductors	5,600	-	-	5,600
Program notes	50	-	-	50
SCP concerts	323	-	-	323
General operating support	67,090	(733)	100	66,457
Endowment receivables (discounted)	11,875	8,731	(4,257)	16,349
	$ 170,031	$ 16,100	$ -	$ 186,131

Note 15. Net Assets Without Donor-Imposed Restrictions

Net assets (deficits) without donor-imposed restrictions consisted of the following funds at June 30:

(In Thousands)	2023	2022
Unrestricted operating	$ (78,915)	$ (82,143)
Property	27,103	29,274
Board-designated:		
Artistic excellence	975	1,582
Endowment	146,305	139,378
Instrument loan guarantee	31	36
Working capital	3,834	3,721
	$ 99,333	$ 91,848

Note 16. Operating Leases and Contingent Liabilities

The Corporation has an operating lease for warehouse storage space through October 31, 2025. As of June 30, 2023, maturities of the Corporation's lease liabilities are as follows:

(In Thousands)	
Years ending June 30:	
2024	$ 56
2025	57
2026	19
Total lease payments	132
Less present value discount	(7)
Lease liability	$ 125

Rent expense recognized for the year ended June 30, 2022, under previous guidance, FASB ASC Topic 840, Leases, was $117,000.

As previously reported, as of June 30, 2022, the Corporation's future minimum lease commitments, under previous leasing guidance, FASB ASC Topic 840, Leases were:

(In Thousands)	
Years ending June 30:	
2023	$ 53
2024	56
2025	57
2026	19
	$ 185

The Corporation is guarantor for musical instrument loans, made by a bank to certain members of the CSO, totaling approximately $400,000 and $492,000, as of June 30, 2023 and 2022, respectively, and these loans are not reflected in the Corporation's financial statements.

Note 16. Operating Leases and Contingent Liabilities (Continued)

The Corporation is occasionally party to claims arising out of the conduct of its business. The Corporation is of the opinion that these liabilities, if any, will not have a material effect on the Corporation's financial statements.

More than 50% of the Corporation's full-time employees are covered by collective bargaining agreements. The current contract with the Chicago Federation of Musicians expires on September 13, 2026.

Note 17. Related-Party Transactions

Certain business relationships are maintained by the Corporation that might reasonably be expected to give rise to a possible conflict between the business, financial or economic interests of the Corporation and those of Trustees, members of Trustee committees, members of the executive committees of the volunteer groups associated with the Corporation, senior management of the Corporation or nonprofit organizations on whose boards such individuals may serve. The Corporation has a policy that such individuals will not vote on, or use their personal influence in connection with, the resolution of any issue or matter in which those persons or their immediate family members have business, financial or economic interests. Management believes that the Corporation adhered to this policy for the years ended June 30, 2023 and 2022, and the Audit Committee of the Board reviews these business relationships annually.