BUFFALO PHILHARMONIC ORCHESTRA
SOCIETY, INC. AND SUBSIDIARY

Consolidated Financial Statements and
Supplemental Information

August 31, 2025 and 2024

(With Independent Auditors' Report Thereon)

BUFFALO PHILHARMONIC ORCHESTRA SOCIETY, INC. AND SUBSIDIARY

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EFPR GROUP, CPAs PLLC
Certified Public Accountants

6390 Main Street, Suite 200
Williamsville, New York 14221

P 716.634.0700
TF 800.546.7556
W EFPRadvisory.com

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Buffalo Philharmonic Orchestra Society, Inc. and Subsidiary:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of the Buffalo Philharmonic Orchestra Society, Inc. and Subsidiary (the BPO) (a nonprofit organization) which comprise the consolidated statements of financial position as of August 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Buffalo Philharmonic Orchestra Society, Inc. and Subsidiary as of August 31, 2025 and 2024, and the changes in their consolidated net assets and their consolidated 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the BPO 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the BPO's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BPO'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the BPO'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 audits.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental information on pages 19 and 20 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

EFPR Group, CPAs, PLLC

Williamsville, New York
February 18, 2026

BUFFALO PHILHARMONIC ORCHESTRA SOCIETY, INC. AND SUBSIDIARY
Consolidated Statements of Financial Position
August 31, 2025 and 2024

Assets	2025	2024
Current assets:		
Cash	$ 1,218,733	2,597,779
Investments	1,015,687	846,562
Pledges receivable	938,440	103,711
Grants and other receivables	66,337	106,186
Prepaid expenses and other current assets	326,916	277,148
Total current assets	3,566,113	3,931,386
Property and equipment, at cost	4,057,137	3,991,891
Less accumulated depreciation	(1,655,620)	(1,504,928)
Net property and equipment	2,401,517	2,486,963
Noncurrent portion of pledges receivable, net	485,549	-
Assets held in trust	54,169,449	47,620,471
Total assets	$ 60,622,628	54,038,820
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	245,800	362,522
Accrued expenses	92,013	159,257
Due to Buffalo Philharmonic Orchestra Foundation, Inc.	42,285	26,418
Funds held on behalf of others	285,651	262,487
Deferred revenue	1,848,444	2,246,452
Total current liabilities	2,514,193	3,057,136
Net assets:		
Without donor restrictions	1,737,748	2,382,392
With donor restrictions	56,370,687	48,599,292
Total net assets	58,108,435	50,981,684
Total liabilities and net assets	$ 60,622,628	54,038,820

See accompanying notes to consolidated financial statements.

BUFFALO PHILHARMONIC ORCHESTRA SOCIETY, INC. AND SUBSIDIARY
Consolidated Statements of Activities
Years ended August 31, 2025 and 2024

	2025	2024
Changes in net assets without donor restrictions:		
Revenue and other support:		
Concert revenue	$ 4,121,146	4,312,678
Private support	5,404,253	4,830,360
Public support	1,464,084	1,189,769
Endowment income	2,521,935	2,449,158
Other income	197,966	165,324
Net assets released from restrictions	15,000	17,500
Total revenue and other support	13,724,384	12,964,789
Expenses:		
Program services:		
Orchestra	7,670,429	7,533,072
Artistic	1,376,403	1,276,546
Production	1,631,805	1,361,399
Total program services	10,678,637	10,171,017
Supporting services:		
Marketing	1,306,993	1,513,864
Management and general	1,493,540	1,529,152
Fundraising	889,858	825,265
Total supporting services	3,690,391	3,868,281
Total expenses	14,369,028	14,039,298
Change in net assets without donor restrictions	(644,644)	(1,074,509)
Changes in net assets with donor restrictions:		
Contributions	2,913,640	177,058
Investment income, net	4,872,755	4,822,347
Net assets released from restrictions	(15,000)	(17,500)
Change in net assets with donor restrictions	7,771,395	4,981,905
Change in net assets	7,126,751	3,907,396
Net assets at beginning of year	50,981,684	47,074,288
Net assets at end of year	$ 58,108,435	50,981,684

See accompanying notes to consolidated financial statements.

BUFFALO PHILHARMONIC ORCHESTRA SOCIETY, INC. AND SUBSIDIARY
Consolidated Statement of Functional Expenses
Year ended August 31, 2025
with comparative totals for 2024

	Program Services				Supporting Services				Total	
	Orchestra	Artistic	Production	Total program services	Marketing	Management and general	Fund-raising	Total supporting services	2025	2024
Wages	$ 5,667,584	41,000	801,115	6,509,699	491,895	725,699	623,629	1,841,223	8,350,922	8,047,494
Employee benefits	1,442,715	10,225	100,347	1,553,287	70,799	91,647	42,819	205,265	1,758,552	1,713,321
Guest artist/conductor expenses	-	1,321,110	-	1,321,110	-	-	-	-	1,321,110	1,217,814
Production expenses	-	-	635,596	635,596	-	-	-	-	635,596	491,958
Payroll taxes	522,724	4,068	64,025	590,817	45,284	67,026	36,671	148,981	739,798	725,091
Advertising	-	-	-	-	228,901	-	-	228,901	228,901	423,954
Office expenses	11,144	-	18,340	29,484	9,378	115,586	9,363	134,327	163,811	150,803
Marketing and promotion	-	-	-	-	82,869	-	29,161	112,030	112,030	120,059
Bank service fees	-	-	-	-	126,881	11,803	12,687	151,371	151,371	191,176
Special events	-	-	-	-	-	-	103,904	103,904	103,904	65,813
Depreciation	982	-	3,879	4,861	7,364	135,031	3,436	145,831	150,692	139,004
Repairs and maintenance	-	-	-	-	22,125	29,965	22,125	74,215	74,215	71,077
Insurance	-	-	-	-	-	55,417	-	55,417	55,417	97,011
Consultants	-	-	-	-	69,083	-	-	69,083	69,083	58,669
Travel	413	-	7,933	8,346	6	2,010	224	2,240	10,586	8,069
Interest	-	-	-	-	-	7,360	-	7,360	7,360	2,911
Gift shop inventory	-	-	-	-	-	17,050	-	17,050	17,050	25,644
Pre/post concert expenses	-	-	-	-	60,787	-	-	60,787	60,787	57,688
Professional fees	5,960	-	-	5,960	-	23,000	-	23,000	28,960	30,510
Building expenses	-	-	-	-	-	133,918	-	133,918	133,918	154,924
Meals and entertainment	17,303	-	570	17,873	175	16,027	-	16,202	34,075	32,648
Payroll processing fees	-	-	-	-	-	25,104	-	25,104	25,104	26,172
Dues and registration fees	-	-	-	-	-	24,605	1,955	26,560	26,560	20,251
Bad debt	-	-	-	-	-	-	-	-	-	25,000
Miscellaneous	1,604	-	-	1,604	91,446	12,292	3,884	107,622	109,226	142,237
Total expenses	$ 7,670,429	1,376,403	1,631,805	10,678,637	1,306,993	1,493,540	889,858	3,690,391	14,369,028	14,039,298

See accompanying notes to consolidated financial statements.

BUFFALO PHILHARMONIC ORCHESTRA SOCIETY, INC. AND SUBSIDIARY
Consolidated Statement of Functional Expenses
Year ended August 31, 2024

	Program Services				Supporting Services				
	Orchestra	Artistic	Production	Total program services	Marketing	Management and general	Fund-raising	Total supporting services	Total
Wages	$ 5,547,980	40,839	707,801	6,296,620	457,301	710,733	582,840	1,750,874	8,047,494
Employee benefits	1,430,536	13,757	69,242	1,513,535	63,611	101,242	34,933	199,786	1,713,321
Guest artist/conductor expenses	-	1,217,814	-	1,217,814	-	-	-	-	1,217,814
Production expenses	-	-	491,958	491,958	-	-	-	-	491,958
Payroll taxes	512,723	4,136	66,007	582,866	46,177	57,839	38,209	142,225	725,091
Advertising	-	-	-	-	423,954	-	-	423,954	423,954
Office expenses	11,665	-	17,285	28,950	7,012	110,688	4,153	121,853	150,803
Marketing and promotion	-	-	-	-	93,680	-	26,379	120,059	120,059
Bank service fees	-	-	-	-	161,945	12,005	17,226	191,176	191,176
Special events	-	-	-	-	-	-	65,813	65,813	65,813
Depreciation	784	-	3,135	3,919	5,878	126,464	2,743	135,085	139,004
Repairs and maintenance	-	-	-	-	23,410	24,717	22,950	71,077	71,077
Insurance	-	-	-	-	-	97,011	-	97,011	97,011
Consultants	-	-	-	-	58,669	-	-	58,669	58,669
Travel	1,030	-	5,797	6,827	18	1,096	128	1,242	8,069
Interest	-	-	-	-	-	2,911	-	2,911	2,911
Gift shop inventory	-	-	-	-	-	25,644	-	25,644	25,644
Pre/post concert expenses	-	-	-	-	57,688	-	-	57,688	57,688
Professional fees	9,510	-	-	9,510	-	21,000	-	21,000	30,510
Building expenses	-	-	-	-	-	154,924	-	154,924	154,924
Meals and entertainment	12,533	-	174	12,707	95	19,846	-	19,941	32,648
Payroll processing fees	-	-	-	-	-	26,172	-	26,172	26,172
Dues and registration fees	-	-	-	-	-	19,181	1,070	20,251	20,251
Bad debt	-	-	-	-	-	-	25,000	25,000	25,000
Miscellaneous	6,311	-	-	6,311	114,426	17,679	3,821	135,926	142,237
Total expenses	7,533,072	1,276,546	1,361,399	10,171,017	1,513,864	1,529,152	825,265	3,868,281	14,039,298

See accompanying notes to consolidated financial statements.

BUFFALO PHILHARMONIC ORCHESTRA SOCIETY, INC. AND SUBSIDIARY
Consolidated Statements of Cash Flows
Years ended August 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 7,126,751	3,907,396
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	150,692	139,004
Restricted contributions	(2,913,640)	(177,058)
Net realized and unrealized gain on investments	(74,577)	(158,980)
Net appreciation of assets held in trust	(4,798,178)	(4,663,367)
Changes in present value of pledges receivable	(67,160)	(2,020)
Changes in:		
Pledges receivable	1,330,522	258,059
Grants and other receivables	39,849	20,774
Prepaid expenses and other current assets	(49,768)	73,483
Accounts payable	(116,722)	230,486
Accrued expenses	(67,244)	(22,786)
Due to Buffalo Philharmonic Orchestra Foundation, Inc.	15,867	4,962
Funds held on behalf of others	23,164	15,016
Deferred revenue	(398,008)	238,103
Net cash provided by (used in) operating activities	201,548	(136,928)
Cash flows from investing activities:		
Purchases of property and equipment	(65,246)	(51,253)
Proceeds (purchases) of investments	(94,548)	37,544
Purchases of assets held in trust	(1,750,800)	(175,038)
Net cash used in investing activities	(1,910,594)	(188,747)
Cash flows from financing activities - cash received from restricted contributions	330,000	-
Net change in cash and equivalents	(1,379,046)	(325,675)
Cash and equivalents at beginning of year	2,597,779	2,923,454
Cash and equivalents at end of year	$ 1,218,733	2,597,779
Supplemental schedules of cash flow information - cash paid for interest	$ 7,360	2,911

See accompanying notes to consolidated financial statements.

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

Buffalo Philharmonic Orchestra Society, Inc. (the Society) maintains a world-class symphonic orchestra serving Western New York State and the Niagara Frontier region. The Society performs classical, pop, progressive and educational concerts to enrich the cultural interests and stimulate the economy in the community in which it operates.

786 Delaware, LLC (the Corporation), a nonprofit organization, is a wholly-owned subsidiary of the Society. The Corporation was formed to manage the operations and maintenance of the building for its tenants, including the Society.

(b) Principles of Consolidation

The consolidated financial statements include the financial statements of the Society and its wholly-owned subsidiary, the Corporation (collectively, the BPO). All significant intercompany accounts and transactions have been eliminated in consolidation.

(c) Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(d) Basis of Presentation

The BPO reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions represents resources available for the general support of the BPO's activities. Net assets with donor restrictions are those whose use has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the BPO.

(e) Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(f) Cash and Equivalents

For purposes of reporting consolidated cash flows, the BPO considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash and equivalents.

(g) Concentration of Credit Risk

Financial instruments that potentially subject the BPO to concentration of credit risk consist principally of cash accounts in financial institutions. The BPO maintains financial instruments at financial institutions which periodically may exceed federally insured limits. At August 31, 2025 and 2024, the BPO had $803,474 and $1,368,049, respectively, in excess of federally insured limits.

(1) Summary of Significant Accounting Policies, Continued

(h) Receivables and Bad Debts

The BPO's receivables are primarily derived from concerts. At each statement of financial position date, the BPO recognizes an expected allowance for credit losses. This estimate is calculated on a pooled basis where similar characteristics exist and individually when there are no shared characteristics.

The allowance method is derived from a review of the BPO's historical losses based on an aging of receivables. Historical losses have been consistent. This estimate is adjusted for management's assessment of current conditions, forecasts of future events, and other factors deemed relevant risk factors. As a result, management has determined that the allowance for credit losses is needed.

The BPO writes off receivables when there is information that indicates that there is no possibility of collection. If any recoveries are made from any accounts receivable previously written off, they will be recognized in revenue. There were no write-offs for the years ended August 31, 2025 and 2024.

(i) Investments

Investments are reported at their fair values based on quoted market prices. Donated investments are recorded at fair value at the date of donation. Realized and unrealized gains and losses are included in the consolidated statements of activities as changes in net assets without donor restrictions, unless their use is restricted by explicit donor stipulations or by law.

(j) Fair Value Measurements and Disclosures

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the BPO has the ability to access.
- Level 2 - Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in inactive markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the assets or liabilities; and
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

(1) Summary of Significant Accounting Policies, Continued

(j) Fair Value Measurements and Disclosures, Continued

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at August 31, 2025 and 2024.

(k) Capitalization and Depreciation

Property and equipment are recorded at cost or fair market value at the date of the gift in the case of donated property and equipment. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property and equipment, the appropriate property and equipment accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the consolidated statements of activities.

(l) Deferred Revenue and Revenue Recognition

(i) Contracts with Customers

Under Accounting Standards Update (ASU) No. 2014-09 (Topic 606) - Revenue from Contracts with Customers, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the BPO expects to be entitled in exchange for these good or services. The primary sources of revenue from contracts with customers for the BPO are as follows:

Concert revenue is recognized in the period in which the concert is performed. Concert revenue is typically refundable up until a certain point before the concert date.

	2025	2024	2023
Deferred revenue	$ 1,732,131	1,803,286	1,745,501
Concert revenue	$ 4,121,146	4,312,678	4,170,081

(ii) Contributions and Grants

Under ASU No. 2018-08 - Clarifying the Scope of Accounting Guidance for Contributions Received and Contributions Made, grant awards accounted for as exchange transactions are recorded as revenue when expenditures have been incurred in compliance with grant restrictions. Amounts unspent are recorded in the consolidated statements of financial position as deferred revenue.

(1) Summary of Significant Accounting Policies, Continued

(m) Contributed Nonfinancial Assets

Donated materials and supplies are reflected in the consolidated financial statements based on the fair market value at the time of the donation.

Donated personal services meeting the requirements for recognition in the consolidated financial statements were not material and have not been recorded. However, many individuals volunteer their time and perform a variety of tasks that assist the Society.

(n) Functional Allocation of Expenses

The costs of providing the BPO's various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are allocated based on direct allocation where related items are allocated to program services and office related items are allocated to management and general.

(o) Promises to Give

Contributions are recognized when the donor makes an unconditional promise to give to the BPO. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

(p) Income Taxes

The BPO is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), therefore, no provision for income taxes is reflected in the consolidated financial statements. The BPO has been classified as a publicly supported organization that is not a private foundation under 509(a) of the Code. The BPO presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the BPO has taken no uncertain tax positions that require adjustment in its consolidated financial statements. U.S. Forms 990 filed by the BPO is subject to examination by taxing authorities. 786 Delaware, LLC is a single-member LLC and a qualified non-profit organization exempt from income taxes under Section 501(a) of the Internal Revenue Code. Accordingly, no provision has been reflected in the accompanying consolidated financial statements.

(q) Subsequent Events

The BPO has evaluated subsequent events through the date of the report which is the date that the consolidated financial statements were available to be issued.

(r) Reclassifications

Reclassifications have been made to certain 2024 balances in order to conform them to the 2025 presentation.

(2) Liquidity

The BPO has $3,239,197 of financial assets available within one year of the consolidated statement of financial position date consisting of $1,218,733 in cash and equivalents, $1,105,687 of investments, $938,440 of pledges receivable and $66,337 in grants and other receivables at August 31, 2025. It is anticipated that grants and other receivables will be collected and utilized within one year of the consolidated statement of financial position date. Of the $3,239,197 financial assets available within one year of the consolidated statement of financial position date above, $1,330,658 have contract or donor imposed restrictions. As described further in note 7, the BPO has three available lines of credit for borrowings up to $1,000,000, which could be drawn on in the event of an unanticipated liquidity need.

(3) Investments

The following table presents information about the BPO's assets that are measured at fair value on a recurring basis as of August 31, 2025 and 2024, and indicates the fair value hierarchy of the valuation techniques the BPO utilized to determine such fair value:

		2025	2024
Level 1			
Equities	$	537,731	555,306
Exchange-traded products		477,956	291,256
Total	$	1,015,687	846,562

The following are included within investment income and are classified in the consolidated statements of activities as net assets with donor restrictions for the years ended August 31, 2025 and 2024:

		2025	2024
Net realized and unrealized gain on investments, dividends and interest, net of fees	$	74,577	158,980
Assets held in trust appreciation - Community Foundation for Greater Buffalo		789,850	633,123
Assets held in trust appreciation - Buffalo Philharmonic Orchestra Foundation, Inc.		4,294,839	4,303,670
		5,159,266	5,095,773
Less investment expenses of assets held in trust		(286,511)	(273,426)
	$	4,872,755	4,822,347

(4) Pledges Receivable

Pledges receivable are composed of the following at August 31, 2025 and 2024:

	2025	2024
Gross unconditional promises to give	$ 1,548,438	161,000
Less unamortized discount	(69,449)	(2,289)
Less allowance for uncollectible pledges	(55,000)	(55,000)
	$ 1,423,989	103,711
Amounts due in:		
Less than one year	938,440	103,711
One to five years	609,998	57,289
	$ 1,548,438	161,000

Additionally, as of August 31, 2025 and 2024, the Society was notified of bequest intentions totaling $13,332,346 and $15,840,177, respectively. These intentions to give are not recognized in the accompanying consolidated financial statements since there is no written unconditional promise to give.

Pledges due in more than one year are reflected at the present value of estimated future cash flows using a discount rate consistent with the United States Prime Lending Rate (7.50% as of August 31, 2025 and 8.50% as of August 31, 2024) with the amortized discount over the life of the pledges.

(5) Property and Equipment

Property and equipment consisted of the following at August 31, 2025 and 2024:

	2025	2024
Land	$ 255,000	255,000
Building	2,167,500	2,167,500
Computer software and equipment	775,595	756,742
Furniture, fixtures and equipment	813,475	767,082
Leasehold improvements	45,567	45,567
	4,057,137	3,991,891
Less accumulated depreciation	(1,655,620)	(1,504,928)
	$ 2,401,517	2,486,963

Depreciation expense amounted to $150,692 and $139,004 for the years ended August 31, 2025 and 2024, respectively.

(6) Assets Held in Trust

Assets held in trust consisted of the following at August 31, 2025 and 2024:

	2025	2024
The Buffalo Philharmonic Orchestra Foundation, Inc.	$ 45,486,941	41,192,102
The Society's permanent endowment fund held at the Community Foundation for Greater Buffalo	8,682,508	6,428,369
	$ 54,169,449	47,620,471

The Buffalo Philharmonic Orchestra Foundation, Inc. (the Foundation), a related party, is a not-for-profit corporation whose primary purpose is to receive contributions and maintain a permanent endowment fund for the benefit of the BPO. The Foundation may, at the discretion of its independent Board of Directors, make unrestricted distributions to the BPO not to exceed an amount determined by a formula based on 5% of historical asset fair value averages at the determination date.

Amounts held by the Foundation consist primarily of pledges receivable and a variety of pooled investments sponsored by the Commonfund and Wilmington Trust, organizations that provide a full array of investment advisory services to foundations, endowments, health care institutions and certain other tax exempt institutional investors. Distributions received from the Foundation totaled $1,824,405 and $1,754,311 for the years ended August 31, 2025 and 2024, respectively, and are included in endowment income in the accompanying consolidated statements of activities.

The BPO maintains an agency endowment fund at the Community Foundation for Greater Buffalo (CFGB) to accommodate donors who wish to support the BPO through an endowment fund held by a community foundation. The Fund is pooled with other CFGB investment assets and includes money market funds, marketable securities and alternative investments stated at fair value. Values of amounts held by the CFGB are based on the BPO's contributions, plus its allocable share of CFGB net investment earnings, as defined, less any withdrawals or distributions.

Under the terms of an agreement with the CFBG, the BPO receives a distribution based upon the quarterly market value of the Fund in accordance with CFBG's current spending policy percentage, which is 5.25%. Earnings from the endowment fund are recorded as revenue with donor restrictions until appropriated for spending. Distributions received by the BPO, which were available for unrestricted purposes, during the years ended August 31, 2025 and 2024 totaled $259,280 and $264,532, respectively, and are included in endowment income in the accompanying consolidated statements of activities.

(6) Assets Held in Trust, Continued

The BPO is also a beneficiary of $6,462,828 of funds not recorded in these consolidated financial statements, but held in trusts established by others at the CFBG. The income earned on these funds is without donor restrictions and remitted annually to the BPO. Distributions received by the BPO during 2025 and 2024, are included in endowment income in the accompanying consolidated statements of activities and totaled $256,980 and $235,901, respectively.

Additional funds of approximately $2,800,000 are earmarked by the Foundation for Jewish Philanthropies and Louis P. Ciminelli Family Foundation to earn income for the benefit of the BPO. These amounts are also not recorded in these consolidated financial statements. Distributions received by the BPO and included in endowment income during the years ended August 31, 2025 and 2024, amounted to $142,516 and $194,414, respectively.

(7) Lines of Credit

The BPO has three working capital lines of credit with total availability of $1,000,000.

The first line of credit has a maximum availability of $200,000, which bears interest at the prime rate plus 1.75% (9.25% at August 31, 2025). There was no outstanding balance on the line at August 31, 2025 and 2024.

The second line of credit has a maximum availability of $300,000, which bears interest at the prime rate plus 1.00% (8.50% at August 31, 2025). There was no outstanding balance on the line at August 31, 2025 and 2024.

The third line of credit has a maximum availability of $500,000, which bears interest at the prime rate plus 0.50% (8.00% at August 31, 2025). There was no outstanding balance on the line at August 31, 2025 and 2024. The Foundation has guaranteed this line in the aggregate amount of $500,000.

(8) Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following at August 31, 2025 and 2024:

	2025	2024
Cumulative appreciation of endowment assets held at the CFGB	$ 5,415,067	3,160,928
Pledges received for future operational purposes	1,185,551	37,711
Montgomery assets held	1,015,687	941,110
Net assets held in trust by the Foundation	45,486,941	41,192,102
Endowment assets held at CFGB	3,267,441	3,267,441
	$ 56,370,687	48,599,292

(8) Net Assets With Donor Restrictions, Continued

Pledges of $15,000 and $17,500 were released from net assets with donor restrictions to net assets without donor restrictions during the years ended August 31, 2025 and 2024, respectively.

The BPO's Board of Trustees has evaluated the New York State Prudent Management of Institutional Funds Act (NYPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this evaluation, the BPO classifies net assets with donor restrictions as (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of a donor gift instrument at the time the accumulation is added to the fund.

Investment earnings of endowment assets held at the CFGB, including interest, dividends, realized gains (losses), and appreciation (depreciation), are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Society in a manner consistent with the standards of prudence prescribed by NYPMIFA.

Undistributed net appreciation or depreciation of net assets held in trust by the Foundation are presented as adjustments to net assets with donor restrictions.

(9) Retirement Plans

The BPO has a contributory, tax-deferred annuity plan covering substantially all employees. Contributions to this plan amounted to $82,779 and $68,792 for the years ended August 31, 2025 and 2024, respectively.

Additionally, the BPO contributions to the American Federation of Musicians and Employers' Pension Fund on behalf of employees covered by the "Agreement for Collectively Bargained Employees." The Plan is a defined benefit multiemployer plan pursuant to the terms of the collective bargaining agreement, and requires contributions based upon specified percentages of scale wages earned. The risks of participating in the multiemployer plan are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to a plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the BPO chooses to stop participating in a multiemployer plan, the BPO may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

(9) Retirement Plans, Continued

For an individually significant plan, the BPO is required to disclose the Plan's zone status, based upon information received from the Plan and certified by the Plan's actuary. The zone status is based upon criteria outlined in the Pension Protection Act of 2006 (PPA). Based upon this criteria and 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. Funds that are designated in the yellow and red zones are required to have a financial improvement plan (FIP) or rehabilitation plan (RP) pending or implemented. Required annual contributions represent less than 5% of total contributions to the Plan.

The BPO contributed to the following multiemployer plan for pension, health and welfare benefits for each of the years ended August 31, 2025 and 2024:

Plan Name	EIN/Plan Number	Act Zone Status	Pending/ Implemented	Surcharge Imposed	Total Contributions 2025	Total Contributions 2024
American Federation of Musicians and Employers' Pension Fund	51-6120204	Red	Yes	No	$ 451,023	443,629

(10) Related Party Transactions

The BPO uses the facility at Kleinhans Music Hall for concerts and other large group events. Pursuant to an agreement, the BPO has certain exclusive use rights. The BPO rents the facility on an event-by-event basis. Based on agreement, activity and balances with Kleinhans Music Hall are as follows at August 31, 2025 and 2024:

	2025	2024
Accounts payable	$ 22,901	23,253
Funds held on behalf of others	$ 285,651	262,487

Schedule 1

BUFFALO PHILHARMONIC ORCHESTRA SOCIETY, INC. AND SUBSIDIARY
Consolidating Schedule of Financial Position
August 31, 2025

Assets	Buffalo Philharmonic Orchestra Society, Inc.	786 Delaware LLC	Eliminations	Total
Current assets:				
Cash	$ 1,096,298	122,435	-	1,218,733
Investments	1,015,687	-	-	1,015,687
Pledges receivable	938,440	-	-	938,440
Grants and other receivables	63,020	3,317	-	66,337
Prepaid expenses and other current assets	326,916	-	-	326,916
Total current assets	3,440,361	125,752	-	3,566,113
Property and equipment, at cost	1,470,413	2,586,724	-	4,057,137
Less accumulated depreciation	(1,203,254)	(452,366)	-	(1,655,620)
Net property and equipment	267,159	2,134,358	-	2,401,517
Noncurrent portion of pledges receivable, net	485,549	-	-	485,549
Assets held in trust	54,169,449	-	-	54,169,449
Total assets	$ 58,362,518	2,260,110	-	60,622,628
Liabilities and Net Assets				
Current liabilities:				
Accounts payable	245,499	301	-	245,800
Accrued expenses	92,013	-	-	92,013
Due to Buffalo Philharmonic Orchestra Foundation, Inc.	42,285	-	-	42,285
Funds held on behalf of others	285,651	-	-	285,651
Deferred revenue	1,848,444	-	-	1,848,444
Total current liabilities	2,513,892	301	-	2,514,193
Net assets:				
Without donor restrictions	(522,061)	2,259,809	-	1,737,748
With donor restrictions	56,370,687	-	-	56,370,687
Total net assets	55,848,626	2,259,809	-	58,108,435
Total liabilities and net assets	$ 58,362,518	2,260,110	-	60,622,628

Schedule 2

BUFFALO PHILHARMONIC ORCHESTRA SOCIETY, INC. AND SUBSIDIARY
Consolidating Schedule of Activities
Year ended August 31, 2025

	Buffalo Philharmonic Orchestra Society, Inc.	786 Delaware LLC	Eliminations	Total
Changes in net assets without donor restrictions:				
Revenue and other support:				
Concert revenue	$ 4,121,146	-	-	4,121,146
Private support	5,404,253	-	-	5,404,253
Public support	1,464,084	-	-	1,464,084
Endowment income	2,521,935	-	-	2,521,935
Other income	133,534	155,572	(91,140)	197,966
Net assets released from restrictions	15,000	-	-	15,000
Total revenue and other support	13,659,952	155,572	(91,140)	13,724,384
Expenses:				
Program services:				
Orchestra	7,670,429	-	-	7,670,429
Artistic	1,376,403	-	-	1,376,403
Production	1,631,805	-	-	1,631,805
Total program services	10,678,637	-	-	10,678,637
Supporting services:				
Marketing	1,306,993	-	-	1,306,993
General and administrative	1,381,973	202,707	(91,140)	1,493,540
Fundraising	889,858	-	-	889,858
Total supporting services	3,578,824	202,707	(91,140)	3,690,391
Total expenses	14,257,461	202,707	(91,140)	14,369,028
Change in net assets without donor restrictions	(597,509)	(47,135)	-	(644,644)
Change in net assets with donor restrictions:				
Contributions	2,913,640	-	-	2,913,640
Investment income, net	4,872,755	-	-	4,872,755
Net assets released from restrictions	(15,000)	-	-	(15,000)
	7,771,395	-	-	7,771,395
Change in net assets	7,173,886	(47,135)	-	7,126,751
Net assets at beginning of year	48,674,740	2,306,944	-	50,981,684
Net assets at end of year	$ 55,848,626	2,259,809	-	58,108,435