

THE CHAMBER MUSIC SOCIETY
OF LINCOLN CENTER

ANNUAL REPORT 2008



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ANNUAL REPORT 2008

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FROM THE CHAIRMAN AND THE EXECUTIVE DIRECTOR



The 2007–08 season found the Chamber Music Society performing in temporary quarters, at the New York Society for Ethical Culture. The graciousness of this neighboring institution gave us the opportunity to present our usual main stage series of concerts only a few blocks from Alice Tully Hall, which was under renovation. It was a highly successful season, built on the distinctive programming of David Finckel and Wu Han, performed by an intergenerational mix of artists. Their rich programming concepts included a festival of American chamber music, showcases for music by Fauré and Rachmaninov, and another popular Baroque Festival. CMS was honored to have Joan Tower, the first woman to win the prestigious Grawemeyer award for musical composition, as its Season Composer; and

pleased to celebrate Elliott Carter’s 100th birthday year with the Pacifica Quartet’s performance of all five of his string quartets. Our stages were also brightened with a stimulating array of world and New York premieres, and mezzo-soprano Stephanie Blythe’s residency added a special vocal radiance to the season. The musicians who displayed such a high level of artistry throughout the season included our celebrated veteran artists, many illustrious guests, and our very own young CMS Two artists, who are engaged in a three-year residency with the Society. In all, CMS presented a season of 28 concerts at The New York Society for Ethical Culture, three concerts at Jazz at Lincoln Center’s Rose Theater, 41 additional performances, lectures, and master classes in the Rose Studio, 28 receptions, benefits, and patron events, and 25 tour concerts across the U.S. and Canada.

The wide-ranging education department continued to produce its flagship program, Chamber Music Beginnings, for third to sixth graders in schools in all five boroughs, along with six other programs for families, teens, and adults. A profusion of developments on the media front enabled us to connect with music lovers outside the

concert hall, from our first in-house recording label, CMS Studio Recordings, to streaming video on the CMS website, to pages on Facebook and MySpace, which have become such an important part of electronic communication today.

The Board is most grateful to the artistic directors, the musicians, and the staff for their accomplishments this season. We would also like to thank all supporters of the Chamber Music Society for their invaluable assistance in helping CMS keep its focus on what matters most—music, artistic excellence, and the capacity to share our pleasure in them as broadly and deeply as we can.

Peter Frelinghuysen

Norma Hurlburt

ARTISTS OF THE SOCIETY

GILBERT KALISH piano/harpsichord
ANNE-MARIE McDERMOTT piano
ANDRÉ-MICHEL SCHUB piano
WU HAN piano
ANI KAVAFIAN violin
IDA KAVAFIAN violin
CHO-LIANG LIN violin
JOSEPH SILVERSTEIN violin
PAUL NEUBAUER viola
DAVID FINCKEL cello
GARY HOFFMAN cello
FRED SHERRY cello
EDGAR MEYER double bass
RANSOM WILSON flute
STEPHEN TAYLOR oboe/english horn
DAVID SHIFRIN clarinet
MILAN TURKOVIC bassoon
THE ORION STRING QUARTET
DANIEL PHILLIPS violin
TODD PHILLIPS violin
STEVEN TENENBOM viola
TIMOTHY EDDY cello

CHAMBER MUSIC SOCIETY TWO
INON BARNATAN piano
GILLES VONSATTEL piano
LILY FRANCIS violin
ERIN KEEFE violin
YOON KWON violin
SUSIE PARK violin
ARNAUD SUSSMANN violin
BETH GUTERMAN viola
DAVID KIM viola
TENG LI viola
JULIE ALBERS cello
EFE BALTACIGIL cello
PRISCILLA LEE cello
DAXUN ZHANG double bass
JOSE FRANCH-BALLESTER clarinet
PETER KOLKAY bassoon
AYANO KATAOKA percussion
ESCHER STRING QUARTET
ADAM BARNETT-HART violin
WU JIE violin
PIERRE LAPOINTE viola
ANDREW JANSS cello
JUPITER STRING QUARTET
NELSON LEE violin
MEG FREIVOGEL violin
LIZ FREIVOGEL viola
DANIEL McDONOUGH cello



GUEST ARTISTS

BARBARA HANNIGAN soprano
HEIDI GRANT MURPHY soprano
STEPHANIE BLYTHE mezzo-soprano
MONICA GROOP mezzo-soprano
LAURIE RUBIN mezzo-soprano
MORRIS ROBINSON bass
ALAN FEINBERG piano
WARREN JONES piano
JEFFREY KAHANE piano
KEVIN MURPHY piano
KEN NODA piano
MENAHEM PRESSLER piano
ORION WEISS piano
KENNETH COOPER harpsichord
ANTHONY NEWMAN harpsichord
LAURENCE KAPTAIN cimbalom
ELMAR OLIVEIRA violin
IAN SWENSEN violin
JOSEPH SWENSEN violin
KYOKO TAKEZAWA violin
RICHARD O'NEILL viola
CARTER BREY cello
COLIN CARR cello
ANDRÉS DÍAZ cello
RALPH KIRSHBAUM cello
KURT MURKI double bass
TARA HELEN O'CONNOR flute
PAULA ROBISON flute
RANDALL ELLIS oboe

MARK HILL oboe
ELIZABETH KOCH oboe
ALLAN VOGEL oboe
FRANK MORELLI bassoon
ANGELA CORDELL horn
DANIEL GRABOIS horn
DAVID JOLLEY horn
WILLIAM PURVIS horn
STEWART ROSE horn
JOHN DAVID SMITH horn
LOUIS HANZLIK trumpet
JOHN DENT trumpet
DAVID WASHBURN trumpet
DAVID TAYLOR trombone
JOHN FERRARI percussion
TOM KOLOR percussion

ENSEMBLES

ALBAN BERG QUARTET
ARTEMIS QUARTET
ST. PETERSBURG STRING QUARTET
GUARNERI STRING QUARTET
PACIFICA QUARTET
ST. LAWRENCE STRING QUARTET
WINDSCAPE

SEASON COMPOSER

JOAN TOWER



Left to right: Daniel Phillips, Ani Kavafian, Paul Neubauer, Yoon Kwon, Priscilla Lee, Ransom Wilson, Daxun Zhang, Stephen Taylor, Peter Kolkay; David Finckel, David Kim; Ani Kavafian, Arnaud Sussmann, Wu Han, Fred Sherry, Paul Neubauer.



“It seemed fitting to us, during our time away from home, to immerse ourselves in the spirit of musical exploration, and nowhere is that spirit more vividly heard than in the music of our country. In America, composers have always enjoyed the freedom to chart their own courses, and the resulting repertoire, showcased in our Winter Festival *American Voices*, is as richly diverse as our nation.”

—David Finckel and Wu Han
Artistic Directors

REPORT on the season

As the renovation of Alice Tully Hall continued, the Chamber Music Society spent the 2007-08 season in exile, performing its main stage concerts at the New York Society for Ethical Culture. It was nonetheless a year full of accomplishments. Mezzo-soprano Stephanie Blythe brought her supreme artistry to one of the most memorable of Opening Nights; the Winter Festival:

Opening Night

A tribute to the adventurous American spirit, the Opening Night concert at Jazz at Lincoln Center’s Frederick P. Rose Hall announced the strong presence of American music in the season ahead. CMS performed works by Charles Ives, three contemporary American composers—Joan Tower, Bruce Adolphe, and Alan Louis Smith—as well as Igor Stravinsky and Antonín Dvořák, who were among the first non-native composers

American Voices 1750-2008 offered revelations for audiences, musicians, and reviewers alike; and composer showcases on Fauré and Rachmaninov brought several neglected masterpieces to light. The Chamber Music Society also presented five world premieres, including two by distinguished CMS Season Composer Joan Tower.

to explore American musical idioms. Season Composer Joan Tower’s *And...They’re Off* for Piano Trio evoked horse-racing, and Bruce Adolphe’s *Crossing Broadway* for Chamber Ensemble, receiving its world premiere performance, dramatized the CMS journey to its temporary home at the New York Society for Ethical Culture. Alan Louis Smith’s song cycle for voice and piano, *Vignettes: Ellis Island* portrayed the most



Left to right: Wu Han, David Finckel; Peter Wiley, Michael Tree, and John Dalley of the Guarneri Quartet; Ayano Kataoka.



Top to bottom: Elmar Oliveira; Richard O'Neill, André-Michel Schub, Andrés Díaz; Inon Barnatan, Gilles Vonsattel; Ida Kavafian, Lily Francis, Erin Keefe, Arnaud Sussmann, Julie Albers, Fred Sherry.

resonant of American journeys, the immigrant experience. Celebrated mezzo-soprano Stephanie Blythe, in residence with CMS for the season, gave an arresting performance of Mr. Smith's work, bringing the concert to a powerful conclusion. All three contemporary composers were in attendance, and joined the post-concert reception with artists and patrons.

The evening raised more than one million dollars for CMS artistic and educational programs. The pre-concert dinner and award presentation took place in Jazz at Lincoln Center's Allen Room overlooking Central Park. CMS honored three New York City luminaries for their contributions to public life. MetLife Chairman, President, and Chief Executive Officer Robert Henrikson received the Award for Corporate Citizenship; Philip Howard, founder of the bi-partisan coalition Common Good and author of *The Death of Common Sense*, received the Award for Civic Leadership; and tenor Robert White, who has performed in concert halls and opera houses around the world, received the Award for Artistic Excellence.

Winter Festival: *American Voices* 1750-2008

Five February concerts, along with related events throughout the season, offered a survey of American chamber music from colonial times to the present. In what *The New York Times* called "an admirably expansive overview," the *American Voices* festival presented a host of discoveries and rediscoveries such as Founding Father

Benjamin Franklin's *Quartet No 2* in F major for Three Violins and Cello (date unknown); Anthony Philip Heinrich's *Sylvan Scene in Kentucky, or the Barbecue Divertimento* (1825-26); and Henry Cowell's *The Banshee* for Piano Strings (1925). The festival also highlighted women composers' part in the country's musical history, with performances of Amy Cheney Beach's *Piano Quintet in F-sharp minor* (1907) and Ruth Crawford Seeger's *String Quartet* (1931). Lukas Foss attended the February 10 concert to hear the Chamber Music Society's performance of his *Time Cycle* for Soprano and Ensemble (1960).

Composer Showcases

CMS paid tribute to two composers—Fauré and Rachmaninov—whose chamber works, curiously, have been neglected. The acclaimed fall Fauré program featured guest tenor Paul Groves's moving renditions of a selection of the composer's songs, including *Le Papillon, Mai, Rêve d'amour, L'aurore, Dans les ruines d'une abbaye*, and *L'absent*. The Rachmaninov showcase in the spring encompassed two Rose Studio concerts and a main stage program at the New York Society for Ethical Culture. At both performances of the program, CMS Two pianists Inon Barnatan and Gilles Vonsattel gave such virtuoso performances of Rachmaninov's *Suite No. 2* for Two Pianos that CMS recorded it on video for release on YouTube, to make it available for tour presenters and on the CMS website.

Baroque Festival

David Finckel and Wu Han have extended the success of the Chamber Music Society's holiday performances of Bach's Brandenburg Concertos by creating an annual Baroque Festival around them. In addition to the Brandenburgs, this year's festival included a *Baroque Collection* concert offering an array of works by French, English, German, and Italian composers; and two Bach masterworks: *The Art of Fugue* and the *Goldberg Variations*. The Orion String Quartet and guest wind quintet Windscape performed *The Art of Fugue* in Samuel Baron's arrangement for mixed winds and strings; and guest pianist Jeffrey Kahane preceded his performance of the Goldberg Variations with a conversation about his perspective on the work.

Orion String Quartet: 20th Anniversary Concert

In celebration of its 20th anniversary as an ensemble, The Orion String Quartet, which has been associated with the Chamber Music Society since 1994, performed an all-Beethoven program: the Quartet in E-flat major, Op. 74, "Harp;" the Quartet in F major, Op. 135; and the Quartet in B-flat major, Op. 130, ending with the magnificent *Grosse Fuge*.

Rose Studio Concerts

CMS expanded this series of six concerts of repertoire classics in the Daniel and Joanna S. Rose Studio by presenting the October 25 and November 29 programs not only at the

usual 6:30 p.m. time, but at 9:30 p.m., as well. This was done as an experiment, to draw a new audience, and the results were very positive. During the course of the season, CMS Artists Joseph Silverstein, Ida Kavafian, David Shifrin, and guest hornist David Jolley variously performed Schubert, Brahms, Mendelssohn, and von Weber together with Chamber Music Society Two musicians Inon Barnatan, Gilles Vonsattel, Lily Francis, Erin Keefe, Yoon Kwon, Susie Park, Beth Guterman, Teng Li, Julie Albers, Efe Baltacigil, Priscilla Lee, Daxun Zhang, Peter Kolkay, and the Escher and Jupiter String Quartets.

International String Quartet Series

These five concerts demonstrated the broad range of the string quartet literature as well as the individuality of outstanding string ensembles. In October, the St. Petersburg Quartet performed Tchaikovsky, Borodin, and Zurab Nadarejshvili, a Georgian composer whose music it has long championed. A month later, Canada's St. Lawrence String Quartet performed Schumann, Chausson, Franck, and the New York Premiere of Roberto Sierra's haunting *Songs from the Diaspora* for Soprano and Piano Quintet, a CMS co-commission that Mr. Sierra composed for acclaimed guest soprano Heidi Grant Murphy.

For a celebration of Elliott Carter's 100th birthday year in January, the Chicago-based Pacifica Quartet—CMS Two alumni—performed all five of the composer's string quartets. Mr. Carter

himself proceeded to the stage following the performance, receiving the ovations from the audience, and acknowledging the formidable achievement of the Quartet. In February, Vienna's celebrated Alban Berg Quartet honored the Chamber Music Society with the final New York performance of its career in a program of Haydn, Berg, and Beethoven; and in April, Berlin's Artemis Quartet made its CMS debut with a performance of Beethoven, Nikolai Kapustin, and Tchaikovsky.



Top to bottom: The Orion String Quartet: Todd Phillips, Daniel Phillips, Timothy Eddy, Steven Tenenbom; Pacifica Quartet: Simin Ganatra, Sibbi Bernhardsson, Brandon Vamos, Masumi Per Rostad.

Commissions

Contributing new work to the chamber music literature is an important part of the CMS mission, and the 2007-08 season offered five significant additions to the repertoire, either commissioned or co-commissioned by CMS. The Chamber Music Society commissioned Mario Davidovsky's Piano Septet (Gilbert Kalish, pianist); and Alan Louis Smith's song cycle *Vignettes: Covered Wagon Woman (from the Daily Journal of Margaret Ann Alsip Frink, 1850)* for Mezzo-Soprano and Piano Trio (written for and performed by mezzo-soprano Stephanie Blythe).

The Chamber Music Society presented two commissions from Season Composer Joan Tower in a premiere program: *Simply Purple*, for Viola Solo (written for and performed by violist Paul Neubauer) and *Trio Cavany* for Piano Trio (performed by pianist André-Michel Schub, violinist Cho-Liang Lin, and cellist Gary Hoffman).

CMS also commissioned Bruce Adolphe's *Crossing Broadway* for Chamber Ensemble (performed Opening Night by twelve CMS and guest musicians), and Roberto Sierra's *Songs from the Diaspora* for Soprano and Piano Quintet (written for and performed by guest soprano Heidi Grant Murphy, with pianist Kevin Murphy and the St. Lawrence String Quartet).

New Music in the Rose

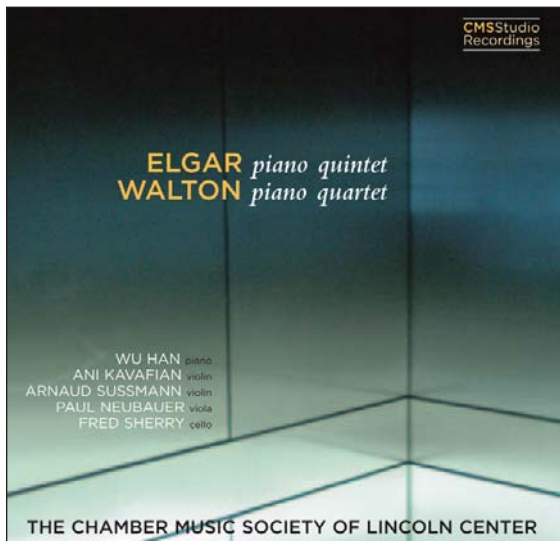
The Chamber Music Society's commitment to new music extends beyond commissioning and premiering new works, to presenting works by living composers that

have already become part of the repertoire. In its New Music in the Rose series, three concerts spread throughout the season presented the music of twelve living composers: Thomas Adès, George Perle, Jennifer Higdon, David Schiff, Nicholas Scherzinger, Éric Tanguy, Joan Tower, Paul Moravec, Norio Fukushi, Gabriela Lena Frank, Elliott Carter, and Keeril Makan.

All composers are invited to attend the performance of their music, and post-concert interviews with those in attendance enrich the concert experience for audiences and musicians alike. Composer David Schiff attended the November 1 New Music in the Rose concert which presented his *Divertimento* from *Gimpel the Fool* for Clarinet, Violin, Cello, and Piano; and he discussed it afterward. Season Composer Joan Tower, Nicholas Scherzinger, and Paul Moravec attended the January 17 performance of Ms. Tower's *For Daniel* for Piano Trio; Mr. Scherzinger's *Elegy* for Violin and Piano; and Mr. Moravec's *Tempest Fantasy* for Clarinet, Violin, Cello, and Piano; and CMS Resident Lecturer Bruce Adolphe joined them for a lively post-concert conversation. Composers Keeril Makan and Gabriela Lena Frank attended the April 10 concert featuring their work. Mr. Makan discussed his *Target* for Soprano, Clarinet, Violin, Cello, and Percussion; and after the performance of her *Sueños de Chambi: Snapshots for an Andean Album* for Violin and Piano, Ms. Frank described its inspiration in the work of Peruvian photographer Martin Chambi, as images of his photographs were projected beside her.



Top to bottom: Heidi Grant Murphy (center), Kevin Murphy (at piano), and the St. Lawrence String Quartet; Season Composer Joan Tower; Yoon Kwon, David Kim, Gilbert Kalish, Fred Sherry, Jeffrey Milarsky, Daxun Zhang, David Shifrin, Tara Helen O'Connor.



MEDIA

The Chamber Music Society made significant strides in using technology to connect more intimately with subscribers and music lovers, whether or not they are in CMS performance halls. With the inauguration of its CMS Studio Recordings label, streaming video of educational

events on the CMS website, CMS AudioNotes, DG iTunes concert downloads, and a growing on-line audience for radio broadcasts, CMS offered many avenues for enhancing understanding and enjoyment of its artistic programs.

CMS Studio Recordings

The Chamber Music Society launched its in-house record label, CMS Studio Recordings, which captures CMS performances of commissioned, classic, and infrequently recorded works. Strong collaboration between the artists and Grammy Award-winning engineer Da-Hong Seetoo resulted in recordings of very high quality.

The first CMS Studio CD, released on Opening Night, featured pianist and Artistic Director Wu Han, violinists Erin Keefe and Arnaud Sussmann, violist Beth Guterman, and cellist and Artistic Director David Finckel performing Beethoven's Piano Quartet in E-flat major, and two works by Dvořák: the Terzetto in C major for Two Violins and Viola, Op. 74; and the Piano Quartet in E-flat major, Op. 87; "Debut it may be," wrote *Gramophone* magazine of the release, "but this is no beginner's effort....the performances exemplify the expressive generosity and cohesive artistry that are the hallmarks of these musicians."

CMS subsequently released a second CD featuring pianist Wu Han, violinists Ani Kavafian and Arnaud Sussmann, violist Paul Neubauer, and cellist Fred Sherry performing the Walton Piano Quartet and the Elgar Piano Quintet. CMS Studio Recordings will continue to issue releases about once a year. All of them are available at CMS concerts in New York and on tour, on the CMS website, and on Amazon.com.

CMS EdWeb

CMS launched a streaming video project which allowed online viewers to share the experience of master classes and lectures such as *New Yorker* critic Alex Ross on 20th century music and Resident Lecturer Bruce Adolphe on Tchaikovsky and Rachmaninov. As the project got under way, more than 1,200 unique viewers in 50 U.S. and foreign cities tuned in to the Chamber Music Society's twelve posted educational events.



Top to bottom: Elgar/Walton, the second CMS Studio Recording release; Resident Lecturer Bruce Adolphe appears on CMS EdWeb.

AudioNotes

CMS again produced three complimentary AudioNotes for subscribers and ticket holders. Designed to enhance the experience of listening to live performances, the informative CDs are sent in advance of select concerts. The first one presented *Russian Voices*, including discussions and musical examples of works by Mussorgsky,



Top to bottom: One of three live recordings on the DG Concerts imprint on iTunes; Composer Elliott Carter, interviewed for both the symposium *Elliott Carter: A Centennial Investigation* and the AudioNotes disc about his string quartets.

Tchaikovsky, and Rachmaninov; the next offered a chronological treatment of composers highlighted in the American festival; and the third, devoted to Elliott Carter, included an original interview with the composer.

DG Concerts imprint on iTunes

For a second year, the Chamber Music Society partnered with Deutsche Grammophon to release live recordings through the label's digital-only DG Concerts imprint on iTunes. The imprint released live recordings of three CMS concerts: Bach's *Art of Fugue*; an *American Voices* festival concert; and a concert featuring pianist Menahem Pressler, founder of the Beaux Arts Trio.

Radio Broadcasts

CMS produced its annual radio series of 26 one-hour shows hosted by Elliott Forrest, which is broadcast on more than 150 stations across the country and locally on WQXR-FM. The programming derives from live recordings of CMS concerts; Elliott Forrest discusses the music and performance with the musicians who performed it and/or the artistic directors. For the first time, the CMS series was picked up for distribution by the European Broadcasting Union, increasing its listenership worldwide.

Music-lovers could also hear excerpts from more than 30 Chamber Music Society concerts on American Public Media's nationally syndicated program *Performance*

Today. This season, *Performance Today* began making its broadcasts available on the program's website for a full week after their airdates. Notably, the 2007–08 season marked a decade of MetLife Foundation sponsorship, and the eleventh year of broadcasts on *Performance Today*.

The CMS radio series and the *Performance Today* program each reach more than one million listeners nationwide.

Social Media

The Chamber Music Society created *Friend* and *Fan* pages on the social networking websites *Facebook* and *MySpace*. CMS posts attractive offers on the sites, such as free downloads of CMS tracks for members who bring in friends as new members. Some “fans” write reviews of CMS concerts or tracks they have downloaded, and others consult these pages to find further information, which is regularly updated. All listed concerts are linked to the CMS website.

Social media supplement other marketing efforts. When CMS cultivated readers of the satirical weekly *The Onion*, for instance, it used Facebook as well as e-mail to inform readers of a “Baroque and Beverages” post-concert reception. In this new media world, permission-based communication—in which users of different kinds of media opt to receive news and marketing messages from CMS—is augmenting traditional mass communication.

EDUCATION

In 2007-08 the Chamber Music Society's extensive education programs served more than 17,000 children, teens, and adults. Whether for children, families, or adults, the

programs reflected the Artistic Directors' overall vision of the season, with repertoire and lecture topics linked to repertoire performed in the main stage series.

Chamber Music Beginnings

The Chamber Music Society's flagship education program brought over 10,000 students aged 6–10 an introduction to classical music in a series of four concerts that were supplemented by study materials and by teaching artists' classroom visits. With repertoire largely drawn from the *American Voices* Festival, the *CMB* programs focused on American music while highlighting many musical and cultural traditions.

To widen the impact of its work, CMS added *CMB* performances in both the Kumble Theater at Brooklyn's Long Island University and the Lovinger Theatre at Lehmann College in the Bronx, thus presenting the series in all five boroughs for the first time.

Meet the Music!

Four CMS programs for families with children aged 6 to 10 were also inspired by *American Voices*. Director of Family Programs Bruce Adolphe conceived and hosted a year of *Exploring America!* programs, including *Inspector Pulse Investigates the Entire Country of America*; *The Girl Who Loved Wild Horses*; *George Antheil: the Bad Boy of American Music*; and *Composers R US*.

The Student Producers

The season's *Student Producers* committee included ten students, whose mission was to attract teenaged audiences to chamber music. This committee's members were all amateur musicians—from eight public and two private high schools in the New York City area—and new members were chosen by the previous season's graduating seniors. With guidance from CMS mentors, the *Student Producers* programmed, marketed, and produced four chamber music concerts for teenagers only, drawing a total audience of more than 300 of their peers. To end the season, the *Student Producers* opened the doors to adults, producing *Offbeat*, a gala benefit concert that invited support of the program. The evening included the producers' own self-defining video, a brief concert by the Jupiter String Quartet, and a reception, raising nearly \$20,000.

The *Student Producers* also received exceptional media attention from their feature appearance on Channel One, a new NBC Internet television program broadcast to high schools across the country.



Top to bottom: *Chamber Music Beginnings* concert host Justin Hines holds the microphone as a student helps cellist Andrew Janss play; a father and daughter at a *Meet the Music!* concert; a winning *Young Musicians* quartet performs at the Society for Ethical Culture.

Young Musicians and Young Ensembles

These competitive CMS programs for high schools and middle schools encourage young musicians learning how to play in chamber music groups. On April 15, the eleven winning high school ensembles, which had each received three coaching sessions with a CMS artist, performed in the professionally produced *Young Musicians* concert at the New York Society for Ethical Culture. Ensembles from New York's Dalton School; Fiorello H. LaGuardia High School of Music & Art and Performing Arts; Syosset High School; Trinity School; and William A. Shine Great Neck South High School performed with groups from New Jersey's Fort Lee High School; Ridgewood High School; and Tenafly High School. The diverse program included Beethoven's Quartet in F major, the Brahms Clarinet Quintet, and *Cymbalectomy* by contemporary composer Chris Crockarell.

Chamber music ensembles from seven area middle schools won the competition to receive two coaching sessions with a CMS artist and the opportunity to perform at the Chamber Music Society's Rose Studio. The May 8 *Young Ensembles* concert featured New York State groups from W. Tresper Clarke Middle School; Herricks Middle School; Home School; Richard S. Sherman-Great Neck North Middle School; Special Music School; and Mark Twain Intermediate School No. 239; as well as a New Jersey group from Tenafly Middle School in a program ranging from Vivaldi to Bartók.

Inside Chamber Music

Every season, Resident Lecturer Bruce Adolphe gives eight in-depth lectures on repertoire he has selected from the season's programming. Witty and erudite, and a composer himself, Mr. Adolphe has a unique perspective on what goes into creating a work. With musicians illustrating his observations with live performances, Mr. Adolphe has made *Inside Chamber Music* a popular series.

In his four fall lectures, Mr. Adolphe presented *The Russians Are Coming*, devoted to Romantic masterpieces by Tchaikovsky, Borodin, and Rachmaninov as well as Stravinsky's cubist miniatures. Mr. Adolphe's spring series of lectures, *Music Ho!*, presented trailblazers of American music drawn from the *American Voices* Festival, focusing on Ruth Crawford Seeger, George Antheil, Henry Cowell, and Louis Gruenberg.

Chamber Music Essentials

This series of five Sunday afternoon lectures offered an informal season-length course designed to teach the basics of chamber music appreciation and history to new listeners. The roster of eminent lecturers included UCLA Music professor Robert Winter, known for his national radio programs on Mozart and Beethoven; *New Yorker* music critic Alex Ross, author of the National Book Critics Circle Award-winning history of 20th century music *The Rest is Noise*; Dean of The Juilliard School Ara Guzelimian; CMS Resident Lecturer Bruce

Adolphe; and violist of the American Chamber Players Miles Hoffman, music commentator for NPR's *Morning Edition*.

Master Classes

CMS master classes give young or less-experienced performers an opportunity to learn from master performer-interpreters while at the same time allowing audience members to observe the process. This season, aspiring local conservatory musicians



Top to bottom: Kenneth Cooper instructs a young singer in a master class; *Live From Lincoln Center* broadcast: Arnaud Sussmann, Erin Keefe, David Finckel, Priscilla Lee, Teng Li, David Kim.

participated in well-attended master classes with cellist Ralph Kirshbaum, harpsichordist Kenneth Cooper, and pianist Menahem Pressler.

Symposia

The 2007-08 CMS symposia provided in-depth music investigations in two areas.

Elliott Carter: A Centennial Investigation was presented the day before the Pacifica Quartet performed Mr. Carter's complete string quartets. The symposium included a lecture-demonstration by Dean of The Juilliard School Ara Guzelimian, a master class by the Pacifica Quartet, and a lively panel discussion among Mr. Guzelimian; founding member of The Juilliard String Quartet Robert Mann; Composer's String Quartet violinist Anahid Ajemian; CMS cellist Fred Sherry; musicologist John Link; and the Pacifica Quartet. The symposium concluded with just as lively an interview with Mr. Carter.

In the symposium *American Frontier/ The Creation of Vignettes: Covered Wagon Woman (from the Daily Journal of Margaret Ann Alsip Frink)* Artistic Director Wu Han led a wide-ranging conversation with mezzo-soprano Stephanie Blythe, pianist Warren Jones, and composer Alan Louis Smith about the evolution of the work, their responses to the text, and the artists' harmonious collaboration with the composer. In a separate master class, Ms. Blythe coached six talented young singers in American art songs, of which she is a great proponent.

CMS Two

The *Chamber Music Society Two* program, through a rigorous competition, identifies leading post-conservatory artists desiring careers in chamber music and offers them opportunities to participate in all areas of CMS activity. This includes performance with CMS Artists of the Season on Lincoln Center stages; touring, recording, radio and television broadcasts; and educational outreach. At the same time, these young artists make a tremendous contribution to CMS. "CMS Two musicians bring to our performances a freshness, a youthful perspective that we more senior players cannot provide," says cellist and Artistic Director David Finckel. "They are with us in order to ensure that the pan-generational chemistry so vital to artistic development is always felt."

A highlight of the CMS Two experience for five young members was the opportunity to appear on a *Live From Lincoln Center* broadcast. Violinists Erin Keefe and Arnaud

Sussmann, violists David Kim and Teng Li, and cellist Priscilla Lee played Arnold Schoenberg's ravishing *Verklärte Nacht* together with David Finckel in a Kaplan Penthouse concert.

The 2007-08 season saw the largest number of applications for the residency, with a total of 240 applications from 13 countries. At the completion of the live auditions for the 11-member jury, David Finckel and Wu Han announced the winners, who will begin their three-year residency in the 2009-10 season. These gifted musicians, all aged between 21 and 31, are: pianists Alessio Bax and Juho Puhjonen; violinists Bella Hristova, Jessica Lee, Jung-Min Amy Lee, Kristin Lee, and Yura Lee; violist Mark Holloway; cellists Nicholas Altstaedt, Andreas Brantelid, Nicholas Canellakis, and Jakob Koranyi; flutist Sooyun Kim; and harpist Bridget Kibbey.



"CMS Two has been fantastic for us, not only because we perform in great places but in terms of collaborating with the senior artists. We had the opportunity to play Brahms's Viola Quintet in G major with Ida Kavafian, which was an amazing experience. Because she plays both violin and viola, she had performed four of the five parts, and we learned a tremendous amount from her experienced perspective on the piece."

—Nelson Lee, violinist, Jupiter String Quartet

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IN REMEMBRANCE

Donaldson C. Pillsbury

With the passing of Don Pillsbury, we lost a true friend and a vital advocate of the arts. His passionate leadership within the CMS Board inspired us; his wisdom and experience guided us; and his warmth and human touch endeared him to all of us, the staff, his fellow board members, and the musicians. Ever a faithful concertgoer, Don's twinkling eyes lit our halls with the enthusiasm, open-mindedness, and friendly spirit that epitomize the chamber music experience; behind the scenes, his unwavering support of CMS strengthened us beyond measure.

We pledge to Don's friends and family to continue to strive for the vision and ideals at CMS that would make him proud to have served the organization so generously and faithfully. He will be greatly missed, but long remembered.

Catherine G. Curran

An esteemed member of the board, a great patron of the arts and education, Cathie brought a highly cultured and sophisticated view to our organization. Her thoughtful intelligence and great equanimity made her a wonderful colleague, and her longstanding generosity will always be remembered and appreciated. We will miss this gracious friend.

John W. Straus

John W. Straus was our trustee and trustee emeritus for 38 years. John's lifelong love of the arts, in particular his stalwart belief in music education programs, led him to be a thoughtful and generous champion of chamber music. We will remember with gratitude and affection the pleasure of his friendship and the many years he devoted to our organization.

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As of June 30, 2008

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Top to bottom: Chuck Hamilton, Don Pillsbury, Peter Frelinghuysen;
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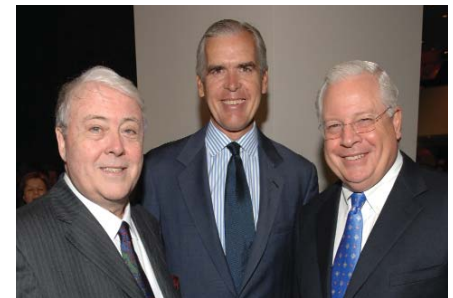
The Chamber Music Society celebrates special events throughout the year. These festivities—and the concerts, music, and educational activities they support—would not be possible without the contributions of many friends. CMS is pleased to recognize them.

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September 19, 2007
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Top to bottom: James and Melissa O'Shaughnessy, Elaine and Alan Weiler; Opening Night pre-concert dinner in the Allen Room; Opening Night honorees Robert White, Philip K. Howard, C. Robert Henrikson; Peter Frelinghuysen, Helen Levine, Barbara and Harry Kamen, Priscilla Kauff.



Top to bottom: Dr. Annette Rickel, Mrs. Salvador J. Assael; Wu Han addressing patrons at a post-concert reception; Rich Miller, Norma Hurlburt; Lovestruck Benefit.

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Student Producers Gala

May 12, 2008

The Stanley H. Kaplan Penthouse
The Rose Building, Lincoln Center

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Top to bottom: Bill Samuels, Jenny Slayton and Justin Hays Green, Karen Mehiel, Marie Samuels, Melissa Berger, Lisa and Saar Banin, Lise Evans, Dan Berger; Paul and Mary Lambert, Don Pillsbury; Linda Keen, Jonathan Brezin, Joan Amron, Larry Birnbach, Bernice Mitchell; The Student Producers.

INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS

Independent Auditors' Report

To The Board of Directors of
The Chamber Music Society of Lincoln Center, Inc.

We have audited the accompanying statements of financial position of The Chamber Music Society of Lincoln Center, Inc. (the "Society") as of June 30, 2008 and June 30, 2007 and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Chamber Music Society of Lincoln Center, Inc. at June 30, 2008 and June 30, 2007 and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Condon O'Meara, McDermott & Donnelly LLP

November 18, 2008

	<u>June 30</u>	
	<u>2008</u>	<u>2007</u>
Current assets		
Cash and cash equivalents	\$ 4,688,388	\$ 1,907,268
Contributions receivable (note 2)	375,691	595,536
Prepaid expenses and other current assets	220,495	311,351
Real estate held for sale (note 6)	<u>550,000</u>	<u>730,000</u>
Total current assets	5,834,574	3,544,155
Contributions receivable, net of current portion	269,038	246,582
Property and equipment, net of accumulated depreciation and amortization (note 4)	2,810,757	3,008,226
Unamortized Lincoln Center Redevelopment Project Costs (note 5)	5,000,000	3,750,000
Investments (note 3)	<u>36,440,754</u>	<u>40,679,217</u>
Total assets	<u>\$ 50,355,123</u>	<u>\$ 51,228,180</u>
	Liabilities and Net Assets	
Current liabilities		
Accounts payable, taxes payable and accrued expenses	\$ 799,553	\$ 577,214
Lincoln Center Redevelopment Project (note 5)	1,250,000	1,050,000
Advance box office receipts	<u>475,836</u>	<u>640,399</u>
Total current liabilities	2,525,389	2,267,613
Net assets		
Unrestricted		
Operating	384,392	205,612
Other (note 1)	<u>26,617,249</u>	<u>27,930,364</u>
Total unrestricted	27,001,641	28,135,976
Temporarily restricted (note 8)	4,080,943	4,177,691
Permanently restricted (note 8)	<u>16,747,150</u>	<u>16,646,900</u>
Total net assets	<u>47,829,734</u>	<u>48,960,567</u>
Total liabilities and net assets	<u>\$ 50,355,123</u>	<u>\$ 51,228,180</u>

See notes to financial statements.

Statements of Activities
Year Ended June 30, 2008
(with Summarized Comparative Financial Information for the year ended June 30, 2007)

	Unrestricted			Temporarily Restricted	Permanently Restricted	2008 Total	2007 Total
	Operating	Other	Total				
Support and revenue							
Contributions	\$ 1,584,412	\$ 347,956	\$ 1,932,368	\$ 401,416	\$ 100,250	\$ 2,434,034	\$ 4,908,987
Box office receipts	861,759	-	861,759	-	-	861,759	858,048
Touring	414,799	-	414,799	-	-	414,799	110,569
Long-term investment return designated for current operations	1,851,087	-	1,851,087	-	-	1,851,087	1,734,352
Long-term investment return in excess (deficiency) of spending rate	-	(1,273,765)	(1,273,765)	6,127	-	(1,267,638)	3,746,631
Other investments	7,175	(145,543)	(138,368)	-	-	(138,368)	61,725
Rent, royalties and miscellaneous	70,772	(1,125)	69,647	-	-	69,647	95,695
Benefits	1,179,984	-	1,179,984	-	-	1,179,984	426,017
Less: Direct benefits expenses	(299,179)	-	(299,179)	-	-	(299,179)	(327,137)
	5,670,809	(1,072,477)	4,598,332	407,543	100,250	5,106,125	11,614,887
Net assets released from restrictions (note 8)	479,291	25,000	504,291	(504,291)	-	-	-
Total support and revenue	6,150,100	(1,047,477)	5,102,623	(96,748)	100,250	5,106,125	11,614,887
Expenses							
Program services							
Performances	3,278,171	128,356	3,406,527	-	-	3,406,527	3,207,293
Touring	480,401	8,551	488,952	-	-	488,952	173,939
Education	639,150	23,494	662,644	-	-	662,644	497,808
Commissioning new music	19,167	-	19,167	-	-	19,167	39,332
Recording-production/distribution	303,417	6,218	309,635	-	-	309,635	298,639
Stoeger Prize for composers	-	25,000	25,000	-	-	25,000	26,965
Total program services	4,720,306	191,619	4,911,925	-	-	4,911,925	4,243,976
Supporting services							
Management and general	545,016	36,627	581,643	-	-	581,643	574,357
Fund-raising	705,998	37,392	743,390	-	-	743,390	646,225
Total supporting services	1,251,014	74,019	1,325,033	-	-	1,325,033	1,220,582
Total expenses	5,971,320	265,638	6,236,958	-	-	6,236,958	5,464,558
Increase (decrease) in net assets	178,780	(1,313,115)	(1,134,335)	(96,748)	100,250	(1,130,833)	6,150,329
Net assets, beginning of year	205,612	27,930,364	28,135,976	4,177,691	16,646,900	48,960,567	42,810,238
Net assets, end of year	\$ 384,392	\$ 26,617,249	\$ 27,001,641	\$ 4,080,943	\$ 16,747,150	\$ 47,829,734	\$ 48,960,567

See notes to financial statements.

Statements of Functional Expenses
Year Ended June 30, 2008
(with Summarized Comparative Financial Information for year ended June 30, 2007)

	2008					2007		
	Program Services							
	Performances	Touring	Education	Commissioning New Music	Recording- Production/ Distribution	Stoeger Prize	Total	Total
Salaries and benefits	\$ 976,650	\$ 74,458	\$ 251,367	\$ -	\$ 54,594	\$ -	\$1,357,069	\$1,783,144
Artists' fees	552,749	352,957	182,202	-	59,261	-	1,147,169	820,398
Travel	91,875	32,270	18,522	-	894	-	143,561	69,336
Marketing and promotion	708,057	7,432	6,674	-	41,480	-	763,643	628,755
Box office	23,978	-	-	-	-	-	23,978	22,850
Hall rental and labor	342,374	-	45,229	-	5,789	-	393,392	650,847
Music purchase and rental	2,123	-	2,708	-	-	-	4,831	13,328
Programs, brochures and inserts	224,086	2,767	40,964	-	4,280	-	272,097	193,974
Professional fees	24,513	-	14,150	19,167	65,641	-	123,471	284,886
Dues, conferences, subscriptions	-	1,750	325	-	-	-	2,075	3,524
Catering and hospitality	11,689	-	6,170	-	610	-	18,469	92,662
Supporting services	-	-	-	-	-	-	-	20,301
Non-Staff compensation	-	-	-	-	-	-	-	1,663
Insurance	-	-	-	-	-	-	-	33,714
Messengers, postage, mailing	63,594	43	452	-	-	-	64,089	70,334
Software	-	-	-	-	-	-	-	19,921
Telephone	-	-	-	-	-	-	-	16,473
Furniture, equipment and maintenance	4,904	-	-	-	-	-	4,904	15,396
Stoeger prize	-	-	-	-	-	25,000	25,000	26,965
Depreciation	128,356	8,551	23,494	-	6,218	-	166,619	232,517
Rose Studio maintenance	114,679	6,773	20,164	-	3,541	-	145,157	197,259
Tuning and other production	131,139	1,800	33,425	-	56,256	-	222,620	133,210
CDs, materials, and reference	696	-	15,783	-	-	-	16,479	24,942
Office supplies and miscellaneous	5,065	151	1,015	-	11,071	-	17,302	68,159
Contributions	-	-	-	-	-	-	-	40,000
Total functional expenses	<u>\$3,406,527</u>	<u>\$ 488,952</u>	<u>\$ 662,644</u>	<u>\$ 19,167</u>	<u>\$ 309,635</u>	<u>\$ 25,000</u>	<u>\$4,911,925</u>	<u>\$5,464,558</u>

See notes to financial statements.

Notes to Financial Statements
June 30, 2008

THE CHAMBER MUSIC SOCIETY OF LINCOLN CENTER, INC.

Statements of Cash Flows

	Years Ended	
	June 30	
	2008	2007
Cash flows from operating activities		
Increase (decrease) in net assets	\$ (1,130,833)	\$ 6,150,329
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation	219,636	232,517
Net realized and unrealized (gains) on long-term investments	(710,137)	(5,280,207)
Legacy gift of interest in gas/oil leases	-	(209,129)
Permanently restricted endowment contributions	(100,250)	-
(Increase) decrease in assets		
Contributions receivable	197,389	(262,154)
Prepaid expenses and other current assets	90,856	(85,655)
Real estate held for sale	180,000	(730,000)
Increase (decrease) in liabilities		
Accounts payable, taxes payable and accrued expenses	222,339	175,933
Advance box office receipts	(164,562)	117,392
Net cash provided by (used in) operating activities	<u>(1,195,562)</u>	<u>109,026</u>
Cash flows from investing activities		
Proceeds from sale of investments	17,076,908	5,482,531
Purchase of investments	(12,128,309)	(2,288,110)
Purchases of property and equipment	(22,167)	(120,755)
Unamortized Lincoln Center redevelopment project costs, net of payable	<u>(1,050,000)</u>	<u>(1,450,000)</u>
Net cash provided by investing activities	<u>3,876,432</u>	<u>1,623,666</u>
Cash flows from financing activities		
Permanently restricted endowment contributions	<u>100,250</u>	<u>-</u>
Net increase in cash and cash equivalents	2,781,120	1,732,692
Cash and cash equivalents, beginning of year	<u>1,907,268</u>	<u>174,576</u>
Cash and cash equivalents, end of year	<u>\$ 4,688,388</u>	<u>\$ 1,907,268</u>

Note 1 – Organization and summary of significant accounting policies

Nature of organization

The Chamber Music Society of Lincoln Center, Inc. (the “Society”) seeks to stimulate and support the production, performance, and composition of chamber music through live concerts (local and tours), education, maintenance of a music library, and commissioning new works.

Net asset classifications

The Society reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

- Unrestricted net assets are not restricted by donors, or the donor-imposed restrictions have been fulfilled. As reflected in the accompanying statement of financial position, the Society has designated unrestricted net assets to operating and other unrestricted net assets. The operating net assets consist primarily of ongoing activities of the Society. At the Society’s year-end of June 30th, the balance of operating net assets consists of the historical cumulative increase in net assets. The following is a summary of other unrestricted net assets as of June 30, 2008 and June 30, 2007:

	<u>2008</u>	<u>2007</u>
Board designated	\$ 3,705,255	\$ 3,503,199
Plant funds	2,613,004	2,832,640
Special operating	247,852	247,852
Long-term gains	<u>20,051,138</u>	<u>21,346,673</u>
Total	<u>\$ 26,617,249</u>	<u>\$ 27,930,364</u>

- Temporarily restricted net assets contain donor-imposed restrictions that permit the Society to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by action of the Society.
- Permanently restricted net assets contain donor-imposed restrictions that stipulate the principal be maintained permanently, but permit the Society to use, or expend part or all of the income derived from the donated assets for either specified or unspecified purposes.

Note 1 – Organization and summary of significant accounting policies (continued)

Measure of operations

The Society includes in its measure of operations or operating results all revenues and expenses that are an integral part of its programs and supporting activities. The measure of operations includes investment return equal to \$1,851,087 and \$1,734,352 for fiscal 2008 and 2007, respectively, as determined by a spending rate policy of 5% of a twelve-quarter rolling average of the market value of the endowment. The measure of operations excludes investment return in excess of that amount, bequests in excess of \$25,000 or unrestricted net assets that are board designated, depreciation on property and equipment, investment expenses, unrelated business income taxes, expenses related to the Lincoln Center redevelopment project and expenses related to the Stoeger Prize.

Contributions

Unconditional promises to contribute are recognized as income at their fair value. Bequests are recorded as income when the legally binding obligation is received and when a fair value can reasonably be determined.

The Society records contributions and investment return as temporarily restricted if they are received with donor stipulations that limit their use, either through purpose or time restrictions and those stipulations have not been fulfilled. When donor restrictions are fulfilled in subsequent years, that is, when a purpose restriction is met or a time restriction ends, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions and investment return received with donor stipulations that limit their uses, which are fulfilled in the same reporting period, are recorded as unrestricted contributions and investment return.

The Society has volunteers who provide periodic administrative support to the subscriptions and development department. Such contributed services do not meet the criteria for recognition of contributed services as prescribed by accounting principles generally accepted in the United States of America and, accordingly, are not reflected in the accompanying financial statements.

The Society is a beneficiary under various wills and trust agreements, the total realizable amounts of which are not presently determinable. The Society's share of such bequests is recorded when the probate courts declare the testamentary instrument valid and the proceeds are measurable.

Cash equivalents

The Society considers all liquid financial instruments purchased with original maturity of three months or less to be cash equivalents.

Investments

The Society carries its investments at fair value. The value of the limited partnerships is determined by the Society's share in the underlying net assets of the partnerships, as reported by the management of the partnerships, which may differ from the value that would have been used had a ready market for the investments existed. The investments in the partnerships represent approximately 78.9% and 83.4% of the value of the Society's investments as of June 30, 2008 and June 30, 2007, respectively.

The limited partnerships can from time-to-time make capital calls requiring the Society to make additional deposits in such investments. The potential future capital calls as of June 30, 2008 totaled \$2,600,000. In addition, certain of these investments require that the Society remain invested for a certain agreed upon period of time ("lock-up periods"). As of June 30, 2008, such lock-up periods expire at various times through 2010. A majority of the limited partnerships can be liquidated within 10 to 90 days from the date of notification to the specific partnership.

Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Property and equipment

Property and equipment are capitalized at cost and depreciated and amortized using the straight-line method over the estimated useful lives of the assets.

Advertising costs

Except for certain telemarketing costs for the subscription concert series, which are deferred until the following year, advertising costs are expensed as incurred and amounted to \$442,794 and \$436,524 in the 2008 and 2007 fiscal years, respectively.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from these estimates.

Functional classification of expenses

The costs of providing program and supporting services have been summarized in the accompanying statement of activities. Program services include costs of performances, touring, educational, broadcasting, recording, and commissioning of new chamber music. Management and general expenses include executive and financial administration, and an allocable portion of building maintenance and security.

Note 1 – Organization and summary of significant accounting policies (continued)

Functional classification of expenses (continued)

Fundraising activities of the Society includes salaries and employee benefits of program staff who develop proposals for fundraising; solicit contributions for those needs and for endowment purposes from individuals, corporations, government agencies and foundations; and conduct special fundraising events. Fundraising costs are expensed as incurred except for certain telemarketing costs for the subscription concert series, which are deferred until the following year.

Concentration of credit risk

The Society's financial instruments that are potentially exposed to concentration of credit risk consist of cash, cash equivalents, investments, contributions and grants receivable and other receivables. The Society places its cash and cash equivalents with what it believes to be quality financial institutions. At times, bank balances may be in excess of the FDIC insurance limit. However, the Society has not experienced any losses in these bank accounts to date. The Society's investments consist of debt obligations, equities and limited partnerships. Investments are exposed to various risks such as interest rate, market volatility, liquidity and credit risks. Due to the level of uncertainty related to the foregoing risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position at June 30, 2008. The Society routinely assesses the financial strength of its cash, cash equivalents and investment portfolio. Management of the Society monitors the collectibility of contributions and grants receivable and other receivables. As a consequence, concentrations of credit risk are limited.

Recent accounting pronouncements

In September 2006, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* ("SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value, and expands disclosure about fair value measurement. SFAS No. 157 also emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and sets out a fair value hierarchy with the highest priority being quoted prices in active markets. Under SFAS No. 157, fair value measurements are disclosed by level within that hierarchy. This Statement is effective for fiscal years beginning after November 15, 2007. The Society is currently assessing the potential effect of SFAS No. 157 on its financial statements and does not believe the adoption will have a material impact.

Note 2 – Contributions receivable

Contributions receivable are due to be collected as follows, as of June 30, 2008 and June 30, 2007:

	<u>2008</u>	<u>2007</u>
Due in fiscal 2008	\$ -	\$ 595,536
Due in fiscal 2009	375,691	88,789
Due in fiscal 2010	123,206	82,022
Due in fiscal 2011	112,914	75,771
Due in fiscal 2012	16,860	-
Due in fiscal 2013	<u>16,058</u>	<u>-</u>
Total	<u>\$ 644,729</u>	<u>\$ 842,118</u>

Amounts expected to be collected in over a year are discounted to present value at 5% in 2008 and 8.25% in 2007.

Note 3 – Investments

Investments as of June 30, 2008 and June 30, 2007 consisted of the following:

	<u>2008</u>		<u>2007</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
International bonds and U.S. Treasury Notes	\$ 3,182,347	\$ 4,326,252	\$ 4,488,701	\$ 4,514,273
Schroder Commodity	2,000,000	3,143,803	2,000,000	2,042,584
Interest in Oil/Gas Leases*	209,129	209,129	209,129	209,129
Investments in limited partnerships	<u>20,978,309</u>	<u>28,761,570</u>	<u>19,174,999</u>	<u>33,913,231</u>
Total long-term investments	<u>\$ 26,369,785</u>	<u>\$ 36,440,754</u>	<u>\$ 25,872,829</u>	<u>\$ 40,679,217</u>

* Interest in oil/gas leases is reflected at their donated value.

The Society invests in limited partnerships that invest in stocks, bonds, options, and other financial instruments. The investment objectives are to preserve capital and provide a satisfactory return with an effort to maintain a low risk profile, through various hedging strategies.

Derivative financial instruments, primarily puts and calls, were used by the Society in fiscal 2008 and 2007 to provide a protective collar to hedge a portion of its investment portfolio. These instruments will mature in December 2008. This off-statement of financial position exposure represents a strategy to reduce the market risk inherent in a portion of the Society's investment program. Changes in the market values of these financial instruments are recognized in the statement of activities.

Note 3 – Investments (continued)

Investment return and its classification in the statement of activities for the year ended June 30, 2008 were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Dividends and interest	\$ 288,850	\$ 6,127	\$ 294,977
Royalties from oil/gas leases	20,051	-	20,051
Net realized and unrealized gains	<u>710,137</u>	<u>-</u>	<u>710,137</u>
Net return on long-term investments	1,019,038	6,127	1,025,165
Interest on short-term investments	<u>21,581</u>	<u>-</u>	<u>21,581</u>
Net return on investments	1,040,619	6,127	1,046,746
Less: Amounts designated for current operations			
Long-term investment return	(1,851,087)	-	(1,851,087)
Other investment income	(41,632)	-	(41,632)
Investment advisory fees	(83,107)	-	(83,107)
Unrelated business income tax	<u>(338,558)</u>	<u>-</u>	<u>(338,558)</u>
Long-term investment loss after deduction of amounts designated for current operations	<u>\$(1,273,765)</u>	<u>\$ 6,127</u>	<u>\$(1,267,638)</u>

Note 4 – Property and equipment

Property and equipment consisted of the following as of June 30, 2008 and June 30, 2007:

	<u>Depreciable Life</u>	<u>2008</u>	<u>2007</u>
Furniture, pianos and equipment	5-20 years	\$ 397,570	\$ 375,403
Rose Building: interior	20 years	2,469,785	2,469,785
Rose Building: core and shell	20-40 years	2,542,138	2,542,138
Alice Tully Hall leasehold improvements and others	14 years	<u>136,139</u>	<u>136,139</u>
Subtotal		5,545,632	5,523,465
Less: Accumulated depreciation and amortization		<u>3,015,522</u>	<u>2,795,886</u>
Subtotal		2,530,110	2,727,579
Land		<u>280,647</u>	<u>280,647</u>
Total		<u>\$2,810,757</u>	<u>\$3,008,226</u>

Note 5 – Commitments

The Society entered into various commitments for compositions, hall rentals, and artists' contracts. As of June 30, 2008 the following is a summary of the annual future commitments:

<u>Fiscal year</u>	<u>Amount</u>
2009	\$1,841,155

The Society's agreement for space in Alice Tully Hall that expired on December 31, 2007 has been extended to the earlier of December 31, 2008 or the date of execution of the Proposed Constituency Agreement with Lincoln Center for the Performing Arts. During this term, both parties agree to fully perform all of their obligations under the lease, except to the extent that such obligations have been modified or suspended by the ongoing renovation of the Concert Hall. Under this agreement, the Society has agreed to pay its pro-rata share of any deficit, which may result from the yearly operation of Alice Tully Hall. As a result of the closure of the Concert Hall throughout the 2008 fiscal year, no deficit was incurred during the year. The Society's share of the deficit in fiscal year 2007 amounted to \$197,323.

The Society is a party to the Final Participants Agreement (the "Agreement"), dated May 19, 1987. As a part of the Agreement, the Society has a proprietary lease agreement with Lincoln Center for the Performing Arts ("Lincoln Center") for its occupancy in the Rose Building. The lease continues through December 31, 2085, at which time the Society has the option to renew. Under the agreement, the Society is obligated to pay its share of the costs of operating the building. Such costs totaled \$171,744 and \$172,238 in the 2008 and 2007 fiscal years, respectively.

On March 8, 2006, the Society entered into an agreement with Lincoln Center for the Performing Arts (LCPA) along with certain other Lincoln Center constituent organizations ("65th Street Constituents") to redevelop a portion of the Lincoln Center complex located at or near West 65th Street in New York, New York ("the 65th Street Redevelopment"). The new construction and renovation includes the Juilliard School Building, Alice Tully Hall, and the main entrance to the Rose Building. The Society has agreed to pay to LCPA \$5 million toward the cost of that portion of the 65th Street Redevelopment related to the renovation, modernization, and expansion of Alice Tully Hall.

Except as to its share of continuing carrying costs incurred during the Alice Tully Hall construction period, or unless the Society requires enhancements to the Project, the agreement stipulates that the \$5 million amount shall be the only amount required to be paid by the Society toward the Alice Tully Hall Project. Payments in the amount of \$3,750,000 have been made to LCPA as of June 30, 2008, and the remaining balance due of \$1,250,000 was paid to LCPA in September 2008.

The Society has capitalized the cost of the 65th Street Redevelopment Project at June 30, 2008 in the amount of \$5,000,000. Upon completion of the Project, the total cost of \$5,000,000 will be amortized over the estimated useful life of the renovation.

Note 6 – Real estate held for sale

During the 2007 fiscal year, as part of a bequest, the Society received real estate with a fair value of \$730,000. Subsequent to the 2008 fiscal year, the Society entered into an agreement for the sale of the property in the amount of \$550,000. The contract for the sale of the property is expected to be finalized by the end of November 2008.

Note 7 – Pension plan

The Society participates in a multi-employer defined benefit pension plan maintained by Lincoln Center covering substantially all of its employees. The Society made contributions of \$31,640 and \$18,226 for the 2008 and 2007 fiscal years, respectively.

Note 8 – Net assets

The following is a summary of the net assets released from restrictions and the temporarily restricted net assets as of and for the year ended June 30, 2008:

	Balance June 30, 2007	Contributions and Investment Return	Net Assets Released from Restrictions	Balance June 30, 2008
A combination of new productions, new performances, tours, educational or audience outreach programs	\$2,358,038	\$ -	\$ -	\$2,358,038
Time restricted for future years – general operations	1,643,999	401,416	479,291	1,566,124
Stoeger Prize for composers	<u>175,654</u>	<u>6,127</u>	<u>25,000</u>	<u>156,781</u>
Total temporarily restricted net assets	<u>\$4,177,691</u>	<u>\$ 407,543</u>	<u>\$ 504,291</u>	<u>\$4,080,943</u>

The Society may expend the restricted net assets for program activities shown in the first line above, subject to certain conditions, including there being an extraordinary need and meeting certain matching gift requirements.

Permanently restricted net assets as of June 30, 2008 and June 30, 2007 consisted of the following endowment funds:

	2008	2007
A combination of new productions, new performances, tours, educational or audience outreach programs	\$ 9,432,151	\$ 9,432,151
Chairs	1,729,494	1,729,494
Stoeger Prize for composers	445,442	445,192
Media	500,000	500,000
Taplin commissioning	463,054	463,054
Rose building maintenance	118,731	118,731
General	<u>4,058,278</u>	<u>3,958,278</u>
Total permanently restricted net assets	<u>\$ 16,747,150</u>	<u>\$ 16,646,900</u>

Note 9 – Litigation

The Society is currently involved in a legal proceeding arising in the ordinary course of business. The Society believes it has a defense for this proceeding and is vigorously defending the action. In the opinion of management, after consultation with outside legal counsel, the final disposition of this matter will not have a material effect on the Society's financial statements.

Note 10 – Tax status

The Society is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code"). In addition, the Society has been classified by the Internal Revenue Service as an organization, which is not a private foundation within the meaning of Section 509(a)(1) of the Code. The Society qualifies for the maximum charitable contribution deduction by donors.



Left to right: Todd Phillips; Steven Tenenbom; David Shifrin; Timothy Eddy; Joseph Silverstein; Bruce Adolphe; Gary Hoffman; Wu Han; Anne-Marie McDermott; David Finckel; Ransom Wilson; Ani Kavafian; Stephen Taylor; Ida Kavafian; Fred Sherry; Paul Neubauer; Daniel Phillips; Cho-Liang Lin; André-Michel Schub; Milan Turkovic; Edgar Meyer.

