



**The Elaine Kaufman Cultural Center  
Lucy Moses School for Music and Dance  
d/b/a Kaufman Music Center**

**Financial Statements  
(Together with Independent Auditors' Report)  
and Supplementary Information**

**Years Ended August 31, 2023 and 2022**

THE ELAINE KAUFMAN CULTURAL CENTER  
LUCY MOSES SCHOOL FOR MUSIC AND DANCE  
d/b/a KAUFMAN MUSIC CENTER

FINANCIAL STATEMENTS  
(Together with Independent Auditors' Report)  
AND SUPPLEMENTARY INFORMATION

YEARS ENDED AUGUST 31, 2023 AND 2022

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
The Elaine Kaufman Cultural Center  
Lucy Moses School for Music and Dance  
d/b/a Kaufman Music Center  
New York, NY

### **Opinion**

We have audited the financial statements of The Elaine Kaufman Cultural Center/ Lucy Moses School for Music and Dance (the "Kaufman Music Center"), which comprise the statements of financial position as of August 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Kaufman Music Center as of August 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Kaufman Music Center 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.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, effective September 1, 2022, the Kaufman Music Center's interest in Opus 118 Harlem School of Music ("Opus 118") has been terminated. Prior to the termination, the Kaufman Music Center's accounts were consolidated with Opus 118. The termination resulted in a change in reporting entity, thus, the accounts of Opus 118 are no longer consolidated with the Kaufman Music Center as of September 1, 2022. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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### ***Auditors' Responsibilities for the Audits of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Kaufman Music Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Kaufman Music Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Report on Supplemental Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information shown on pages 16-18 as of and for the year ended August 31, 2022, is presented for purposes of additional analysis of the basic consolidated financial statements, rather than to present the financial position, change in net assets and cash flows of the individual companies, and is not a required part of the basic 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 audit 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Mayer Roffman McCann CPAs*

New York, NY  
February 26, 2024

**THE ELAINE KAUFMAN CULTURAL CENTER  
LUCY MOSES SCHOOL FOR MUSIC AND DANCE  
d/b/a KAUFMAN MUSIC CENTER  
STATEMENTS OF FINANCIAL POSITION  
AS OF AUGUST 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		<b>(Consolidated)</b>
Cash and cash equivalents (Notes 2C,3 and 13)	\$ 1,916,982	\$ 3,468,040
Investments (Notes 2G and 4)	17,340,872	12,079,030
Accounts receivable, net (Note 2E)	13,282	11,747
Contributions receivable, net (Notes 2D and 5)	1,955,398	5,804,735
Government grants receivable, net (Note 2M)	101,370	96,930
Lease receivable - operating (Note 2P)	107,440	-
Accrued interest and other receivables	158,085	96,019
Prepaid expenses and other assets	102,533	255,501
Property and equipment, net (Notes 2F and 6)	9,295,814	10,053,283
Total assets	\$ 30,991,776	\$ 31,865,285
 <b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 178,816	\$ 190,089
Accrued salaries payable	115,277	232,653
Deferred revenue - ticket sales (Note 2K)	386,828	319,450
Deferred revenue - tuition and other fees (Note 2I)	849,783	803,285
Total liabilities	1,530,704	1,545,477
 <b>Commitments and Contingencies</b> (Note 8)		
 <b>Net Assets</b> (Note 2B)		
Without donor restrictions	16,698,240	17,774,936
With donor restrictions (Notes 9 and 10)	12,762,832	12,544,872
Total net assets	29,461,072	30,319,808
Total liabilities and net assets	\$ 30,991,776	\$ 31,865,285

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

**THE ELAINE KAUFMAN CULTURAL CENTER  
LUCY MOSES SCHOOL FOR MUSIC AND DANCE  
d/b/a KAUFMAN MUSIC CENTER  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED AUGUST 31, 2023 AND 2022**

	Year Ended August 31, 2023			Year Ended August 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions (Consolidated)	Total
<b>Revenues, Gains and Other Support</b>						
Tuition and related revenues (Notes 2I and 2J) (net of scholarships of \$124,659 in 2023 and \$154,099 in 2022)	\$ 3,122,272	\$ -	\$ 3,122,272	\$ 2,889,965	\$ -	\$ 2,889,965
Presentation/facilities services (Note 2K)	1,584,412	-	1,584,412	936,775	-	936,775
Contributions (Notes 2H, 2M and 7)	1,691,135	928,498	2,619,633	5,120,678	5,901,805	11,022,483
Contributions-in-kind (Note 2H)	53,073	-	53,073	39,509	-	39,509
Special events (Note 2O) (net of direct expenses of \$116,155 in 2023 and \$123,983 in 2022)	561,951	-	561,951	377,842	-	377,842
Rental income (Notes 2L and 11)	966,960	-	966,960	762,825	-	762,825
Government grants (Notes 2M and 7)	321,895	-	321,895	2,839,548	-	2,839,548
Contracted services	64,572	-	64,572	33,315	-	33,315
Investment return (loss) (Notes 2G and 4)	31,848	712,916	744,764	(86,808)	(1,355,829)	(1,442,637)
Other income	2,578	-	2,578	10,956	-	10,956
Net assets released from restrictions (Notes 2B and 9)	1,385,553	(1,385,553)	-	1,230,177	(1,230,177)	-
<b>Total revenues, gains and other support</b>	<b>9,786,249</b>	<b>255,861</b>	<b>10,042,110</b>	<b>14,154,782</b>	<b>3,315,799</b>	<b>17,470,581</b>
<b>Expenses (Note 2N)</b>						
Program expenses	9,361,164	-	9,361,164	9,148,716	-	9,148,716
Supporting services:						
Management and general	285,272	-	285,272	386,213	-	386,213
Fundraising	1,077,103	-	1,077,103	1,206,032	-	1,206,032
<b>Total supporting services</b>	<b>1,362,375</b>	<b>-</b>	<b>1,362,375</b>	<b>1,592,245</b>	<b>-</b>	<b>1,592,245</b>
<b>Total expenses</b>	<b>10,723,539</b>	<b>-</b>	<b>10,723,539</b>	<b>10,740,961</b>	<b>-</b>	<b>10,740,961</b>
Excess (deficiency) of revenues, gains (losses) and other support over expenses	(937,290)	255,861	(681,429)	3,413,821	3,315,799	6,729,620
Other changes in net assets						
Note receivable forgiveness (Note 14)	(65,281)	-	(65,281)	-	-	-
Termination of interest in Opus 118 (Notes 1 and 14)	(74,125)	(37,901)	(112,026)	-	-	-
<b>Change in Net Assets</b>	<b>(1,076,696)</b>	<b>217,960</b>	<b>(858,736)</b>	<b>3,413,821</b>	<b>3,315,799</b>	<b>6,729,620</b>
<b>Net Assets, Beginning of Year</b>	<b>17,774,936</b>	<b>12,544,872</b>	<b>30,319,808</b>	<b>14,361,115</b>	<b>9,229,073</b>	<b>23,590,188</b>
<b>Net Assets, End of Year</b>	<b>\$ 16,698,240</b>	<b>\$ 12,762,832</b>	<b>\$ 29,461,072</b>	<b>\$ 17,774,936</b>	<b>\$ 12,544,872</b>	<b>\$ 30,319,808</b>

THE ELAINE KAUFMAN CULTURAL CENTER  
LUCY MOSES SCHOOL FOR MUSIC AND DANCE  
d/b/a KAUFMAN MUSIC CENTER  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED AUGUST 31, 2023  
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2022)

	Program Services								Supporting Services			Total		
	Lucy Music School	Special Music School K-8	Special Music School H.S.	Theatre Program	Presentations/Facilities Services	Face The Music/Luna Lab	Library	Special Projects	Total Program Services	Management and General	Fundraising	Total Supporting Services	2023	2022
Salaries	\$ 2,372,531	\$ 1,023,239	\$ 695,861	\$ 313,553	\$ 1,099,320	\$ 123,125	\$ 14,020	\$ 22,691	\$ 5,664,340	\$ 53,571	\$ 687,612	\$ 741,183	\$ 6,405,523	\$ 6,176,087
Payroll taxes and employee benefits (Note 12)	407,208	193,045	126,604	48,532	254,954	14,621	3,116	14,638	1,062,718	11,188	139,467	150,655	1,213,373	1,239,161
Total salaries and related expenses	2,779,739	1,216,284	822,465	362,085	1,354,274	137,746	17,136	37,329	6,727,058	64,759	827,079	891,838	7,618,896	7,415,248
Supplies and printing	32,729	2,824	4,689	17,912	83,813	896	755	1,361	144,979	2,864	30,230	33,094	178,073	176,814
Office expenses	11,628	2,736	4,567	1,617	14,051	97	358	86	35,140	9,151	21,997	31,148	66,288	77,212
Equipment rental and maintenance	29,382	15,118	1,419	804	34,599	1,420	201	-	82,943	7,672	20,246	27,918	110,861	105,123
Professional services	83,741	18,292	35,034	30,722	106,529	3,391	889	209	278,807	171,680	118,939	290,619	569,426	762,753
Advertising promotional materials	-	-	-	-	-	-	-	-	-	41,460	-	41,460	41,460	5,782
Cultivation expenses	5,540	3,287	1,079	776	3,750	635	-	-	15,067	6,543	18,115	24,658	39,725	22,863
Piano tuning and instrumental	21,954	10,233	6,967	3,200	59,696	400	550	480	103,480	-	600	600	104,080	89,926
Graphic artist	-	-	-	-	-	-	-	-	-	-	-	-	-	3,350
Artists' fees	-	-	-	78,995	142,864	4,718	-	53,000	279,577	-	1,600	1,600	281,177	290,110
Publication and conventions	195	46	269	4,097	3,488	-	-	-	8,095	1,349	1,725	3,074	11,169	49,007
Concession expense	184	-	-	-	13,498	-	-	-	13,682	-	-	-	13,682	2,234
Service charges	65,208	1,763	-	6,182	34,301	673	-	-	108,127	71	17,367	17,438	125,565	108,389
Space rental	-	835	-	-	-	-	1,025	-	1,860	-	-	-	1,860	4,000
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	23,310
Marketing expenses	45,630	13,520	3,380	3,380	64,219	3,380	-	-	133,509	-	35,490	35,490	168,999	185,362
Building expense	168,616	263,378	2,055	25,090	182,579	2,055	5,316	-	649,089	14,176	45,503	59,679	708,768	767,175
Depreciation (Note 6)	201,462	314,683	2,456	29,978	218,144	2,456	6,351	-	775,530	16,936	54,367	71,303	846,833	805,916
Bad debt	-	-	-	-	-	-	-	-	-	15,495	-	15,495	15,495	22,709
Bank charges	3	-	-	12	46	-	-	-	61	2,407	-	2,407	2,468	5,431
Sundry	42	700	-	-	3,418	-	-	-	4,160	6,070	-	6,070	10,230	4,027
Subtotal	3,446,053	1,863,699	884,380	564,850	2,319,269	157,867	32,581	92,465	9,361,164	360,633	1,193,258	1,553,891	10,915,055	10,926,741
Less: investment advisory fees	-	-	-	-	-	-	-	-	-	(75,361)	-	(75,361)	(75,361)	(61,797)
Less: direct special events expenses	-	-	-	-	-	-	-	-	-	-	(116,155)	(116,155)	(116,155)	(123,983)
Total Expenses	\$ 3,446,053	\$ 1,863,699	\$ 884,380	\$ 564,850	\$ 2,319,269	\$ 157,867	\$ 32,581	\$ 92,465	\$ 9,361,164	\$ 285,272	\$ 1,077,103	\$ 1,362,375	\$ 10,723,539	\$ 10,740,961

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

**THE ELAINE KAUFMAN CULTURAL CENTER  
LUCY MOSES SCHOOL FOR MUSIC AND DANCE  
d/b/a KAUFMAN MUSIC CENTER  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED AUGUST 31, 2022  
(Consolidated)**

	Program Services										Supporting Services			2022	
	Lucy Music School	Special Music School K-8	Special Music School H.S.	Theatre Program	Presentations/Facilities Services	Face The Music/Luna Lab	Library	Special Projects	Opus 118 In-School	Opus 118 After-School	Total Program Services	Management and General	Fundraising		Total Supporting Services
Salaries	\$ 2,085,177	\$ 965,649	\$ 664,197	\$ 302,912	\$ 1,017,355	\$ 142,964	\$ 13,269	\$ 13,922	\$ 41,710	\$ 83,611	\$ 5,330,766	\$ 97,339	\$ 747,982	\$ 845,321	\$ 6,176,087
Payroll taxes and employee benefits (Note 12)	394,341	200,810	106,495	49,174	253,516	27,067	4,228	14,323	1,424	6,947	1,058,325	35,388	145,448	180,836	1,239,161
Total salaries and related expenses	2,479,518	1,166,459	770,692	352,086	1,270,871	170,031	17,497	28,245	43,134	90,558	6,389,091	132,727	893,430	1,026,157	7,415,248
Supplies and printing	34,263	6,533	12,904	12,249	78,845	1,917	9	2,853	832	335	150,740	2,510	23,564	26,074	176,814
Office expenses	23,963	3,031	1,351	4,248	16,169	449	90	11	-	3,079	52,391	6,288	18,533	24,821	77,212
Equipment rental and maintenance	29,440	14,954	1,731	1,307	29,988	1,115	204	-	-	-	78,739	6,221	20,163	26,384	105,123
Professional services	138,701	19,942	14,073	22,093	84,164	88,264	224	9,860	-	-	377,321	200,609	184,823	385,432	762,753
Advertising promotional materials	-	-	-	-	-	-	-	-	-	-	-	5,782	-	5,782	5,782
Cultivation expenses	1,446	474	461	-	1,031	8,701	-	-	-	-	12,113	4,579	6,171	10,750	22,863
Piano tuning and instrumental	19,900	9,812	5,436	950	49,308	2,090	-	1,520	60	470	89,546	-	380	380	89,926
Graphic artist	-	-	-	-	-	-	-	-	-	-	-	-	3,350	3,350	3,350
Artists' fees	-	-	350	43,850	105,800	1,310	-	138,800	-	-	290,110	-	-	-	290,110
Publication and conventions	50	2,025	-	714	6,368	24,301	682	-	-	-	34,140	5,991	8,876	14,867	49,007
Concession expense	-	-	-	-	2,234	-	-	-	-	-	2,234	-	-	-	2,234
Service charges	58,876	1,553	483	4,685	20,133	1,091	-	-	-	-	86,821	18	21,550	21,568	108,389
Space rental	-	-	-	-	-	4,000	-	-	-	-	4,000	-	-	-	4,000
Insurance	-	-	-	-	-	-	-	-	-	-	-	23,310	-	23,310	23,310
Marketing expenses	50,048	14,829	3,707	3,707	70,438	3,707	-	-	-	-	146,436	-	38,926	38,926	185,362
Building expense	182,511	285,082	2,225	27,158	197,624	2,225	5,754	-	-	-	702,579	15,343	49,253	64,596	767,175
Depreciation (Note 6)	188,973	295,175	2,304	28,120	204,621	2,304	5,958	-	-	-	727,455	27,465	50,996	78,461	805,916
Bad debt	-	-	-	-	-	-	-	-	-	-	-	12,709	10,000	22,709	22,709
Bank charges	-	-	-	-	-	-	-	-	-	3,663	3,663	1,768	-	1,768	5,431
Sundry	-	135	-	-	1,202	-	-	-	-	-	1,337	2,690	-	2,690	4,027
Subtotal	3,207,689	1,820,004	815,717	501,167	2,138,796	311,505	30,418	181,289	44,026	98,105	9,148,716	448,010	1,330,015	1,778,025	10,926,741
Less investment advisory fees	-	-	-	-	-	-	-	-	-	-	-	(61,797)	-	(61,797)	(61,797)
Less direct special events expenses (Note 20)	-	-	-	-	-	-	-	-	-	-	-	-	(123,983)	(123,983)	(123,983)
Total Expenses	\$ 3,207,689	\$ 1,820,004	\$ 815,717	\$ 501,167	\$ 2,138,796	\$ 311,505	\$ 30,418	\$ 181,289	\$ 44,026	\$ 98,105	\$ 9,148,716	\$ 386,213	\$ 1,206,032	\$ 1,592,245	\$ 10,740,961

**THE ELAINE KAUFMAN CULTURAL CENTER  
LUCY MOSES SCHOOL FOR MUSIC AND DANCE  
d/b/a KAUFMAN MUSIC CENTER  
STATEMENTS OF CASH FLOWS  
YEARS ENDED AUGUST 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		<b>(Consolidated)</b>
Change in net assets	\$ (858,736)	\$ 6,729,620
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	846,833	805,916
Realized loss (gain) on investments	201,620	(161,955)
Unrealized (gain) loss on investments	(722,431)	1,734,095
Bad debt expense	15,495	22,709
Subtotal	(517,219)	9,130,385
(Increase) decrease in assets:		
Accounts receivable	(17,030)	(30,663)
Contributions receivable	3,849,337	(4,580,241)
Government grants receivable	(4,440)	(48,780)
Lease receivable - operating	(107,440)	-
Accrued interest and other receivables	(62,066)	(5,435)
Prepaid expenses and other assets	152,968	(53,977)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(11,273)	49,137
Accrued salaries payable	(117,376)	65,788
Deferred revenue - ticket sales	67,378	151,094
Deferred revenue - tuition and other fees	46,498	212,422
Deferred grant revenue	-	(2,560,298)
<b>Net Cash Provided by Operating Activities</b>	<b>3,279,337</b>	<b>2,329,432</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property and equipment acquisitions	(89,364)	(943,353)
Proceeds from sales and redemptions of investments	1,501,970	1,079,807
Purchases of investments	(6,243,001)	(4,514,187)
<b>Net Cash Used in Investing Activities</b>	<b>(4,830,395)</b>	<b>(4,377,733)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of loans	-	(37,950)
<b>Net Cash Used in Financing Activities</b>	-	(37,950)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,551,058)	(2,086,251)
Cash and cash equivalents - beginning of year	3,468,040	5,554,291
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 1,916,982</b>	<b>\$ 3,468,040</b>
<b>NON-CASH TRANSACTIONS</b>		
Termination of interest in Opus 118	\$ 112,026	-
Note receivable forgiveness - Related party, Opus 118	\$ 65,281	-

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

**THE ELAINE KAUFMAN CULTURAL CENTER  
LUCY MOSES SCHOOL FOR MUSIC AND DANCE  
d/b/a KAUFMAN MUSIC CENTER  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2023 AND 2022**

**NOTE 1—DESCRIPTION OF THE ORGANIZATION**

The Elaine Kaufman Cultural Center/ Lucy Moses School for Music and Dance (“the Kaufman Music Center”), founded on the belief that the arts are essential to the human experience and a vital component of education for everyone, is a unique and innovative center for music education and performance in New York City, providing music education and performance programs for more than 75,000 New Yorkers of all ages and ability levels each year through the Lucy Moses School, Special Music School, Merkin Concert Hall, and a vibrant musical theater program.

The Kaufman Music Center is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is a publicly supported organization as described in Section 509(a). The Kaufman Music Center’s activities are funded primarily through tuition, contributions, and special events.

In 2012, Opus 118 Harlem School of Music (“Opus 118”) entered into a partnership with the Kaufman Music Center. This relationship enabled Opus 118 to share the Kaufman Music Center’s administrative resources and better position Opus 118 to meet growing student needs, ensuring that Opus 118 continued to provide affordable, high-quality music instruction to the next generation of students in the Harlem community.

Effective September 1, 2014, the Kaufman Music Center became the sole member of Opus 118. Effective September 1, 2022, the Kaufman Music Center’s interest in Opus 118 has been terminated. Opus 118 now operates as an independent organization (See Note 14).

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. ***Basis of Presentation*** – The preparation of financial statements in conformity accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.
- B. ***Net Asset Presentation*** – Net assets and revenues, gains and other support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets and changes therein are classified and reported as follows:
- Without donor restrictions – net assets that are not subject to donor-imposed stipulations over which the Board of Trustees has discretionary control.
  - With donor restrictions – represents net assets whose use by the Kaufman Music Center is limited by donor-imposed restrictions as to a specific purpose or time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. In addition, this class includes assets with donor-imposed restrictions on the corpus of the gifts specifying they be maintained in perpetuity and unappropriated earnings on endowment.
- C. ***Cash and Cash Equivalents*** – Cash and cash equivalents consist of highly liquid investments with maturities of three months or less at the time of purchase.
- D. ***Contributions Receivable*** – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

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E. **Accounts Receivable and Allowance for Doubtful Accounts** – Accounts receivable consist primarily of unpaid tuition and other fees. Accounts receivable are presented net of allowances for doubtful accounts. Management evaluates the need for an allowance for doubtful accounts applicable to its accounts based on various factors including age of the receivable, a review of payments subsequent to year-end, and management’s evaluation of the collectability of the related accounts. As of August 31, 2023 and 2022, management determined that an allowance of \$33,309 and \$21,190, respectively, was necessary for accounts receivable. There was no allowance for contributions and government grants receivable needed as of August 31, 2023 and 2022.

F. **Property and Equipment** – Property and equipment is stated at cost less accumulated depreciation. These amounts do not purport to represent replacement or realizable values. Depreciation is recognized using the straight-line method over the estimated useful lives of the respective assets. The Kaufman Music Center capitalizes property and equipment with a cost of \$1,000 or more and a useful life greater than one year. Management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Building	40 years
Building improvements	25 - 40 years
Furniture, equipment and instruments	5 - 10 years

G. **Investments and Fair Value Measurements** – Investments are carried at estimated fair value in the accompanying financial statements. The statements of activities include net return on investments consisting of interest and dividend income, realized and unrealized gains and losses, net of management and custodial fees. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis.

Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 4.

H. **Donated Goods and Services** – The Kaufman Music Center records contributed goods and services at their fair value on the date of receipt. It is the policy of the Kaufman Music Center to record the estimated fair value of certain in-kind donations as property and equipment in its financial statements, and similarly increase contribution revenue by a like amount. Donated goods, consisting of musical instruments, amounted to approximately \$53,000 and \$39,500 for the years ended August 31, 2023 and 2022, respectively, and were used for program activities and valued using the fair value method.

I. **Program Service Revenue** – Service revenue is derived from contracts with customers. Revenue is reported at the amount that reflects the consideration to which the Kaufman Music Center expects to be entitled in exchange for providing the contracted services. Service revenue from tuition and fees is recognized after the services are performed or after the Kaufman Music Center has completed its portion of the contract. Receivables are due in full when performance obligations are satisfied.

Tuition and related revenues are recognized on the accrual basis. Tuition and related revenues are billed in advance of services rendered, and revenues are recognized as lessons and the related services are provided. Payments received in advance are recorded as deferred income and recognized in the fiscal year that educational services are provided.

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**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- J. **Scholarships** – The policy of the Kaufman Music Center has been to award scholarships to deserving students in lieu of accepting only students who have the ability to pay full tuition. Scholarships are netted against revenues in the statements of activities.
- K. **Presentation/Facilities Services** – Presentation/facilities services include concert division revenues, which the Kaufman Music Center recognizes when events occur. Payments received in advance of the events are deferred until recognized.
- L. **Rental Income** – Rental income is recorded in accordance with the terms of the agreement. Deferred rental income is recorded when it is material.
- M. **Government Grants** – Government grants are nonexchange transactions and accounted for under Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2018-08. Grants are recognized as revenue when barriers within the contract are overcome, and there is no right of return. The Kaufman Music Center did not receive advances from the governmental grants as of August 31, 2023 and 2022.
- N. **Functional Allocation of Expenses** – The costs of program and supporting services activities have been summarized on a functional basis in the statements of functional expenses. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, insurance, and other, which are allocated on the basis of estimates of time and effort.

- O. **Special Events Direct Costs** – The direct costs of special events include expenses for the benefit of the donor and are included net of contribution revenue on the accompanying statements of activities. For example, meals and facilities rental are considered direct costs of special events.
- P. **Recently Adopted Accounting Standards** – Kaufman Music Center adopted FASB ASU 2016-02, Leases, (Topic 842) for the year ended August 31, 2023. The adoption of Topic 842 required the recognition of lease receivables of \$107,440 as of August 31, 2023. There are no lease liabilities as of that date. The adoption of Topic 842 had no effect on net assets as previously reported for the year ended August 31, 2022.

**NOTE 3—LIQUIDITY AND AVAILABILITY**

The Kaufman Music Center regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Kaufman Music Center has various sources of liquidity at its disposal, including cash and cash equivalents and receivables that provide funding for operations. In addition to financial assets available to meet general expenditures over the next 12 months, the Kaufman Music Center anticipates collecting sufficient revenue to cover general expenditures.

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**NOTE 3—LIQUIDITY AND AVAILABILITY (CONTINUED)**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following as of August 31:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,916,982	\$ 3,468,040
Investments	17,340,872	12,079,030
Contributions receivable	1,955,398	5,804,735
Government grants receivable	101,370	96,930
Accounts receivable, net	<u>13,282</u>	<u>11,747</u>
Total financial assets	21,327,904	21,470,482
Less: endowment funds	11,074,648	10,761,900
Less: contributions receivable in more than one year	<u>862,252</u>	<u>1,490,806</u>
Financial assets available	<u>\$ 9,391,004</u>	<u>\$ 9,217,776</u>

**NOTE 4—INVESTMENTS AND FAIR VALUE MEASUREMENTS**

The fair value hierarchy defines three levels as follows:

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

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the assets or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of August 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash Equivalents	\$ 5,961,868	\$ -	\$ -	\$ 5,961,868
Corporate Bonds	2,936,751	541,916	1,030	3,479,697
Municipal Bonds	25,670	262,773	-	288,443
Common Stock	7,069,511	-	-	7,069,511
Mutual Funds	<u>541,353</u>	<u>-</u>	<u>-</u>	<u>541,353</u>
	<u>\$ 16,535,153</u>	<u>\$ 804,689</u>	<u>\$ 1,030</u>	<u>\$ 17,340,872</u>

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**NOTE 4—INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of August 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash Equivalents	\$ 3,855,864	\$ -	\$ -	\$ 3,855,864
Corporate Bonds	2,547,899	958,969	15,416	3,522,284
Municipal Bonds	-	317,335	-	317,335
Common Stock	3,567,682	-	-	3,567,682
Mutual Funds	<u>815,865</u>	<u>-</u>	<u>-</u>	<u>815,865</u>
	<u>\$ 10,787,310</u>	<u>\$ 1,276,304</u>	<u>\$ 15,416</u>	<u>\$ 12,079,030</u>

Investment activity consisted of the following for the years ended August 31:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 299,314	\$ 191,300
Realized (loss)/gain on investments	(201,620)	161,955
Unrealized gain/(loss) on investments	<u>722,431</u>	<u>(1,734,095)</u>
	820,125	(1,380,840)
Less: investment advisory fees	<u>(75,361)</u>	<u>(61,797)</u>
Net investment income (loss)	<u>\$ 744,764</u>	<u>\$ (1,442,637)</u>

**NOTE 5—CONTRIBUTIONS RECEIVABLE**

Contributions receivable are due to be collected as follows:

2024	\$ 1,093,146
2025	413,500
2026	253,500
2027	251,000
2028	<u>1,000</u>
	2,012,146
Less discount to present value (at 4.5%)	<u>(56,748)</u>
Total	<u>\$ 1,955,398</u>

**NOTE 6—PROPERTY AND EQUIPMENT, NET**

Property and equipment consisted of the following on August 31:

	<u>2023</u>	<u>2022</u>
Land	\$ 993,154	\$ 993,154
Building	3,799,308	3,799,308
Building Improvements	20,214,398	20,199,588
Furniture, equipment and instruments	<u>2,752,579</u>	<u>2,781,240</u>
	27,759,439	27,773,290
Less: accumulated depreciation	<u>(18,463,625)</u>	<u>(17,720,007)</u>
Property and equipment, net	<u>\$ 9,295,814</u>	<u>\$ 10,053,283</u>

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**NOTE 6—PROPERTY AND EQUIPMENT, NET (CONTINUED)**

For the years ended August 31, 2023 and 2022, depreciation expense amounted to \$846,833 and \$805,916, respectively. As described in Note 1, the Kaufman Music Center’s interest in Opus 118 was terminated effective September 1, 2022 and Kaufman Music Center’s accounts are no longer consolidated with Opus 118. Accordingly, Opus 118’s furniture, equipment and instruments of \$126,055 and accumulated depreciation of \$103,215 were removed from property and equipment as reported above as of that date.

**NOTE 7—GRANTS AND LOAN PAYABLE**

In response to COVID-19, the federal government passed the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act to provide relief to qualifying businesses through a program called the Shuttered Venue Operators Grant (“SVOG”). In July 2021, the Kaufman Music Center applied for the SVOG and was awarded \$2,655,138, of which \$94,840 was recognized in 2021 as government grants revenue. Grantees are not required to repay the funds as long as they are used for eligible costs incurred between March 1, 2020 and June 30, 2022. Since the proceeds under the SVOG were considered conditional, the remaining balance of \$2,560,298 was recognized as government grant revenue in 2022, in the accompanying financial statements, as eligible expenses were incurred.

**NOTE 8—COMMITMENTS AND CONTINGENCIES**

The Kaufman Music Center believes it has no uncertain tax positions as of August 31, 2023 and 2022, in accordance with FASB ASC Topic 740, *Income Taxes*, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

**NOTE 9—NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the purposes listed below as of August 31:

	<u>2023</u>	<u>2022</u>
<b>Donor restricted endowment subject to spending policy and appropriations</b>		
Chorale	\$ 150,000	\$ 150,000
Library	553,831	553,831
Lucy Moses School	300,000	300,000
Merkin Concert Hall	200,000	200,000
Operating (including contributions receivable)	8,881,237	8,433,489
Scholarship	822,108	957,108
Special Music School	<u>167,472</u>	<u>167,472</u>
Total subject to spending policy and appropriations	<u>11,074,648</u>	<u>10,761,900</u>
<b>Subject to expenditure for specified purpose and the passage of time</b>		
Special Music School	489,000	\$ 422,000
Music and arts programs	256,171	321,742
Capital Building (New York City)	918,013	1,014,230
Reserve Fund (loans)	<u>25,000</u>	<u>25,000</u>
Total subject to expenditure for specified purpose and the passage of time	<u>1,688,184</u>	<u>1,782,972</u>
<b>Total net assets with donor restrictions</b>	<u>\$ 12,762,832</u>	<u>\$ 12,544,872</u>

Net assets released from donor restrictions by either passage of time or meeting the donors’ restrictions amounted to \$1,385,553 and \$1,230,177 for the years ended August 31, 2023 and 2022, respectively.

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**NOTE 10—ENDOWMENT FUNDS**

The Board of the Kaufman Music Center recognizes that New York State adopted the New York Prudent Management of Institutional Funds Act ("NYPMIFA") on September 17, 2010. NYPMIFA replaced the prior law which was the Uniform Management of Institutional Funds Act ("UMIFA"). NYPMIFA created a rebuttable presumption of imprudence if an organization appropriates more than 7% of a donor-restricted endowment fund's fair value (averaged over a period of not less than the preceding five years) in any year. Any unappropriated earnings that would otherwise be considered without donor restrictions will be reflected as net assets with donor restrictions until appropriated.

The Board of Trustees has interpreted NYPMIFA as allowing the Kaufman Music Center to appropriate for expenditure or accumulate so much of an endowment fund as the Kaufman Music Center determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in a donor-restricted endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board of Trustees.

To satisfy its long-term objectives, the Kaufman Music Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Kaufman Music Center targets a diverse asset allocation that places an equal emphasis on equity-based and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

The Kaufman Music Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the funds; availability of other funding sources; general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation/depreciation of investments; and the investment policy of the Kaufman Music Center, as enforced by the Finance Committee of the Board of Trustees.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Kaufman Music Center to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature, if they occur, are reported in net assets with donor restrictions. The deficiencies may result from unfavorable market fluctuations that occur in the economy as a whole that may affect the donor restricted endowment fund where the fair market value of the donor restricted endowment fund falls below the amount that is required to be retained permanently. At August 31, 2023, funds with original gift values of \$1,725,939, fair values of \$1,523,036 and deficiencies of \$202,903 were reported in net assets with donor restrictions. As August 31, 2022, funds with original gift values of \$1,660,939, fair values of \$1,485,283, and deficiencies of \$175,656 were reported in net assets with donor restrictions. During the years ended August 31, 2023 and 2022, the Board of Trustees appropriated \$55,700 and \$48,200, respectively, from underwater endowment funds.

The Kaufman Music Center appropriates for use the investment income from donor-restricted endowment net assets. In establishing this policy, the Kaufman Music Center considered the long-term expected return on its endowment.

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**NOTE 10—ENDOWMENT FUNDS (CONTINUED)**

The following table summarizes the changes in the Kaufman Music Center's endowment net assets for the years ended August 31, 2023 and 2022:

<b>Endowment net assets, August 31, 2021</b>	<b>\$ 7,161,660</b>
Appropriation for expenditures	(412,494)
Contributions	5,368,563
Interest and dividends	153,842
Investment loss	<u>(1,509,671)</u>
<b>Endowment net assets, August 31, 2022</b>	<b><u>\$ 10,761,900</u></b>
Appropriation for expenditures	(465,660)
Contributions	65,492
Interest and dividends	249,324
Investment return	<u>463,592</u>
<b>Endowment net assets, August 31, 2023</b>	<b><u>\$ 11,074,648</u></b>

**NOTE 11—RENTAL INCOME**

On August 31, 2012, the Kaufman Music Center signed an extension of the license agreement with The New York City School Construction Authority (the "Authority") for use of space for the Special Music School for ten years, expiring September 1, 2022. On August 10, 2023, the Kaufman Music Center and the Authority, extended a renewal license agreement for a ten-year term commencing August 31, 2022, expiring on September 1, 2032. The Authority has the option to terminate the licensing agreement upon providing a 30 days' notice of intent.

Lease income is included in the statement of activities as part of rental income and is recognized on a straight-line basis over the term of the license agreement. Cash receipts from the lease are classified within cash flows from operating activities on the statement of cash flows. For the years ended August 31, 2023 and 2022, the amount of lease income recognized was \$966,960 and \$762,825, respectively.

The lease space consists of approximately 21,500 square feet of interior space and approximately 3,300 square feet of exterior space, which is included in the Kaufman Music Center property and equipment as noted in Note 6.

Future minimum payments presuming no election to terminate the agreement are as follows:

2024	\$ 859,520
2025	913,240
2026	913,240
2027	966,960
2028	966,960
Thereafter	4,190,160

**NOTE 12—EMPLOYEE BENEFIT PLAN**

The Kaufman Music Center has a defined contribution plan with Teachers Insurance and Annuity Association ("TIAA"). Eligible employees may receive up to a 7% annual contribution depending on length of service. Pension expense for the years ended August 31, 2023 and 2022 was \$157,891 and \$153,971, respectively.

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**NOTE 13—CONCENTRATIONS**

Cash and cash equivalents that potentially subject the Kaufman Music Center to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. Accounts are insured up to \$250,000 per depositor. As of August 31, 2023 and 2022, there was approximately \$1,324,000 and \$4,960,000, respectively, of cash and cash equivalents held by banks that exceeded FDIC limits. Such excess includes outstanding checks.

**NOTE 14—RELATED PARTY TRANSACTIONS/CHANGE IN REPORTING ENTITY**

On June 22, 2012, the Kaufman Music Center signed an agreement to loan \$50,000 to Opus 118. The funds were transferred to Opus 118 on August 13, 2012. Interest accrued annually at a rate of 3%. The entire principal and interest balance were due thirty days after written demand by the Kaufman Music Center. The note was secured by an interest in Opus 118’s personal property. The Kaufman Music Center had not demanded payment on the loan in prior years.

The Kaufman Music Center charged Opus 118 \$33,185 for administrative services during the year ended August 31, 2022. Opus 118 owed the Kaufman Music Center \$2,261 as of August 31, 2022 for expenses that the Kaufman Music Center paid on behalf of Opus 118.

As described in Note 1, effective September 1, 2022, the Kaufman Music Center terminated its interest in Opus 118 and Opus 118 now operates as an independent organization. As part of the termination, balances owed by Opus 118 to the Kaufman Music Center in the amount of \$65,281, were forgiven effective September 1, 2022.

**NOTE 15—SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 26, 2024, the date the financial statements were available to be issued.

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CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
AS OF AUGUST 31, 2022**

	<u>Center</u>	<u>Opus 118</u>	<u>Eliminations</u>	<u>2022 Total</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 3,317,957	\$ 150,083	\$ -	\$ 3,468,040
Investments	12,079,030	-	-	12,079,030
Accounts receivable, net	11,747	-	-	11,747
Contributions receivable	5,804,735	-	-	5,804,735
Government grants receivable	76,350	20,580	-	96,930
Note receivable from Opus 118	50,000	-	(50,000)	-
Accrued interest and other receivables	111,300	-	(15,281)	96,019
Prepaid expenses and other assets	255,501	-	-	255,501
Due from Opus 118	2,261	-	(2,261)	-
Property and equipment, net	10,030,443	22,840	-	10,053,283
Total assets	<u>\$ 31,739,324</u>	<u>\$ 193,503</u>	<u>\$ (67,542)</u>	<u>\$ 31,865,285</u>
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 187,813	\$ 2,276	\$ -	\$ 190,089
Accrued salaries payable	232,653	-	-	232,653
Accrued interest payable	-	15,281	(15,281)	-
Note payable to the Center	-	50,000	(50,000)	-
Due to the Center	-	2,261	(2,261)	-
Deferred revenue - ticket sales	319,450	-	-	319,450
Deferred revenue - tuition and other fees	791,626	11,659	-	803,285
Total liabilities	<u>1,531,542</u>	<u>81,477</u>	<u>(67,542)</u>	<u>1,545,477</u>
<b>Net Assets</b>				
Without donor restrictions	17,700,811	74,125	-	17,774,936
With donor restrictions	<u>12,506,971</u>	<u>37,901</u>	<u>-</u>	<u>12,544,872</u>
Total net assets	<u>30,207,782</u>	<u>112,026</u>	<u>-</u>	<u>30,319,808</u>
Total liabilities and net assets	<u>\$ 31,739,324</u>	<u>\$ 193,503</u>	<u>\$ (67,542)</u>	<u>\$ 31,865,285</u>

See Independent Auditors' Report.

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CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2022**

	Without Donor Restrictions			With Donor Restrictions			
	Center	Opus 118	Eliminations	Total	Center	Opus 118	Total
<b>Revenues, Gains and Other Support</b>							
Tuition and related revenues	\$ 2,915,219	\$ 129,745	\$ -	\$ 3,044,964	\$ -	\$ -	\$ 3,044,964
Less scholarships	(101,199)	(53,800)	-	(154,999)	-	-	(154,999)
Presentation/facilities services	936,775	-	-	936,775	-	-	936,775
Contributions	4,953,791	166,887	-	5,120,678	5,836,805	65,000	11,022,483
Contributions-in-kind	39,509	-	-	39,509	-	-	39,509
Special events (net of direct expenses of \$123,983 in 2022 and \$62,396 in 2021)	377,842	-	-	377,842	-	-	377,842
Rental income	762,825	-	-	762,825	-	-	762,825
Government grants	2,839,548	-	-	2,839,548	-	-	2,839,548
Contracted services	66,500	-	(33,185)	33,315	-	-	33,315
Investment return	(85,308)	-	(1,500)	(86,808)	(1,355,829)	-	(1,442,637)
Other income	10,940	16	-	10,956	-	-	10,956
Net assets released from restrictions	1,156,837	73,340	-	1,230,177	(1,156,837)	(73,340)	-
Total revenues, gains and other support	<u>13,873,279</u>	<u>316,188</u>	<u>(34,685)</u>	<u>14,154,782</u>	<u>3,324,139</u>	<u>(8,340)</u>	<u>17,470,581</u>
<b>Expenses</b>							
Program expenses	9,006,585	142,131	-	9,148,716	-	-	9,148,716
Supporting services:							
Management and general	245,157	175,741	(34,685)	386,213	-	-	386,213
Fundraising	1,175,295	30,737	-	1,206,032	-	-	1,206,032
Total supporting services	<u>1,420,452</u>	<u>206,478</u>	<u>(34,685)</u>	<u>1,592,245</u>	<u>-</u>	<u>-</u>	<u>1,592,245</u>
Total expenses	<u>10,427,037</u>	<u>348,609</u>	<u>(34,685)</u>	<u>10,740,961</u>	<u>-</u>	<u>-</u>	<u>10,740,961</u>
<b>Change in Net Assets</b>	3,446,242	(32,421)	-	3,413,821	3,324,139	(8,340)	6,729,620
<b>Net Assets, Beginning of Year</b>	<u>14,254,569</u>	<u>106,546</u>	<u>-</u>	<u>14,361,115</u>	<u>9,182,832</u>	<u>46,241</u>	<u>23,590,188</u>
<b>Net Assets, End of Year</b>	<u>\$ 17,700,811</u>	<u>\$ 74,125</u>	<u>\$ -</u>	<u>\$ 17,774,936</u>	<u>\$ 12,506,971</u>	<u>\$ 37,901</u>	<u>\$ 30,319,808</u>

THE ELAINE KAUFMAN CULTURAL CENTER  
LUCY MOSES SCHOOL FOR MUSIC AND DANCE AND AFFILIATE  
d/b/a KAUFMAN MUSIC CENTER  
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED AUGUST 31, 2022

	The Kaufman Center											Opus 118					Eliminations	Consolidated Total			
	Lucy Music School	Special Music School K-8	Special Music School H.S.	Theatre Program	Presentations/Facilities Services	Face The Music/Luna Lab	Library	Special Projects	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total The Kaufman Center	Opus 118 In-School	Opus 118 After-School	Total Program Services			Management and General	Fundraising	Total Opus 118
Salaries	\$ 2,085,177	\$ 965,649	\$ 664,197	\$ 302,912	\$ 1,017,355	\$ 142,964	\$ 13,269	\$ 13,922	\$ 5,205,445	\$ 46,486	\$ 728,082	\$ 774,568	\$ 5,980,013	\$ 41,710	\$ 83,611	\$ 125,321	\$ 50,853	\$ 19,900	\$ 196,074	\$ -	\$ 6,176,087
Payroll taxes and employee benefits	394,341	200,810	106,495	49,174	253,516	27,067	4,228	14,323	1,049,954	11,530	141,360	152,890	1,202,844	1,424	6,947	8,371	23,858	4,088	36,317	-	1,239,161
Total salaries and related expenses	2,479,518	1,166,459	770,692	352,086	1,270,871	170,031	17,497	28,245	6,255,399	58,016	869,442	927,458	7,182,857	43,134	90,558	133,692	74,711	23,988	232,391	-	7,415,248
Supplies and printing	34,263	6,533	12,904	12,249	78,845	1,917	9	2,853	149,573	870	20,574	21,444	171,017	832	335	1,167	1,640	2,990	5,797	-	176,814
Office expenses	23,963	3,031	1,351	4,248	16,169	449	90	11	49,312	5,769	18,394	24,163	73,475	-	3,079	3,079	519	139	3,737	-	77,212
Equipment rental and maintenance	29,440	14,954	1,731	1,307	29,988	1,115	204	-	78,739	6,221	20,163	26,384	105,123	-	-	-	-	-	-	-	105,123
Professional services	138,701	19,942	14,073	22,093	84,164	88,264	224	9,860	377,321	171,607	184,823	356,430	733,751	-	-	-	62,187	-	62,187	(33,185)	762,753
Advertising promotional materials	-	-	-	-	-	-	-	-	-	5,782	-	5,782	5,782	-	-	-	-	-	-	-	5,782
Cultivation expenses	1,446	474	461	-	1,031	8,701	-	-	12,113	4,579	5,901	10,480	22,593	-	-	-	-	270	270	-	22,863
Piano tuning and instrumental	19,900	9,812	5,436	950	49,308	2,090	-	1,520	89,016	-	380	380	89,396	60	470	530	-	-	530	-	89,926
Graphic artist	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,350	3,350	-	3,350
Artists' fees	-	-	350	43,850	105,800	1,310	-	138,800	290,110	-	-	-	290,110	-	-	-	-	-	-	-	290,110
Publication and conventions	50	2,025	-	714	6,368	24,301	682	-	34,140	5,991	8,876	14,867	49,007	-	-	-	-	-	-	-	49,007
Concession expense	-	-	-	-	2,234	-	-	-	2,234	-	-	-	2,234	-	-	-	-	-	-	-	2,234
Service charges	58,876	1,553	483	4,685	20,133	1,091	-	-	86,821	18	21,550	21,568	108,389	-	-	-	-	-	-	-	108,389
Space rental	-	-	-	-	-	4,000	-	-	4,000	-	-	-	4,000	-	-	-	-	-	-	-	4,000
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,310	-	23,310	-	23,310
Marketing expenses	50,048	14,829	3,707	3,707	70,438	3,707	-	-	146,436	-	38,926	38,926	185,362	-	-	-	-	-	-	-	185,362
Building expense	182,511	285,082	2,225	27,158	197,624	2,225	5,754	-	702,579	15,343	49,253	64,596	767,175	-	-	-	-	-	-	-	767,175
Depreciation	188,973	295,175	2,304	28,120	204,621	2,304	5,958	-	727,455	15,885	50,996	66,881	794,336	-	-	-	11,580	-	11,580	-	805,916
Bad debt	-	-	-	-	-	-	-	-	-	12,709	10,000	22,709	22,709	-	-	-	-	-	-	-	22,709
Bank charges	-	-	-	-	-	-	-	-	1,474	-	1,474	1,474	1,474	-	3,663	3,663	294	-	3,957	-	5,431
Sundry	-	135	-	-	1,202	-	-	-	1,337	-	2,690	4,027	4,027	-	-	-	-	-	-	-	4,027
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500	-	-	1,500	(1,500)	-
Subtotal	3,207,689	1,820,004	815,717	501,167	2,138,796	311,505	30,418	181,289	9,006,585	306,954	1,299,278	1,606,232	10,612,817	44,026	98,105	142,131	175,741	30,737	348,609	(34,685)	10,926,741
Less: investment advisory fees	-	-	-	-	-	-	-	-	-	(61,797)	-	(61,797)	(61,797)	-	-	-	-	-	-	-	(61,797)
Less: direct special events expenses	-	-	-	-	-	-	-	-	-	-	(123,983)	(123,983)	(123,983)	-	-	-	-	-	-	-	(123,983)
Total Expenses	\$ 3,207,689	\$ 1,820,004	\$ 815,717	\$ 501,167	\$ 2,138,796	\$ 311,505	\$ 30,418	\$ 181,289	\$ 9,006,585	\$ 245,157	\$ 1,175,295	\$ 1,420,452	\$ 10,427,037	\$ 44,026	\$ 98,105	\$ 142,131	\$ 175,741	\$ 30,737	\$ 348,609	\$ (34,685)	\$ 10,740,961