



**The Elaine Kaufman Cultural Center/Lucy Moses
School for Music and Dance and Affiliate**

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

Years Ended August 31, 2021 and 2020

MARKS PANETH

ACCOUNTANTS & ADVISORS

**THE ELAINE KAUFMAN CULTURAL CENTER/
LUCY MOSES SCHOOL FOR MUSIC AND DANCE
AND AFFILIATE**

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

YEARS ENDED AUGUST 31, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Elaine Kaufman Cultural Center/
Lucy Moses School for Music and Dance and Affiliate

We have audited the accompanying consolidated financial statements of The Elaine Kaufman Cultural Center/ Lucy Moses School For Music and Dance and Affiliate (the "Center"), which comprise the consolidated statements of financial position as of August 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Elaine Kaufman Cultural Center/ Lucy Moses School For Music and Dance and Affiliate as of August 31, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating schedules (shown on pages 16-19) are presented for the purposes of additional analysis of the consolidated financial statements, rather than to present the financial position, change in net assets and cash flows of the individual companies, and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Marks Paneth LLP

New York, NY
February 1, 2022

**THE ELAINE KAUFMAN CULTURAL CENTER/
LUCY MOSES SCHOOL FOR MUSIC AND DANCE AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF AUGUST 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents (Notes 2C and 13)	\$ 5,554,291	\$ 3,431,795
Investments (Notes 2G and 4)	10,216,790	9,190,959
Accounts receivable, net (Note 2E)	3,793	9,618
Contributions receivable (Notes 2D and 5)	1,224,494	1,075,565
Government grants receivable (Note 2M)	48,150	58,050
Accrued interest and other receivables	90,584	126,429
Prepaid expenses and other assets	201,524	144,050
Property and equipment, net (Notes 2F and 6)	9,915,846	9,427,369
Total assets	<u>\$ 27,255,472</u>	<u>\$ 23,463,835</u>
 Liabilities		
Accounts payable and accrued expenses	\$ 140,952	\$ 163,228
Accrued salaries payable	166,865	195,773
Deferred revenue - ticket sales (Note 2K)	168,356	115,206
Deferred revenue - tuition and other fees (Note 2I)	590,863	261,412
Deferred grant revenue (Note 7)	2,560,298	-
Loan payable (Note 7)	37,950	54,980
Total liabilities	<u>3,665,284</u>	<u>790,599</u>
 Commitment and Contingencies (Note 8)		
 Net Assets (Note 2B)		
Without donor restrictions	14,361,115	13,786,971
With donor restrictions (Notes 9 and 10)	9,229,073	8,886,265
Total net assets	<u>23,590,188</u>	<u>22,673,236</u>
Total liabilities and net assets	<u>\$ 27,255,472</u>	<u>\$ 23,463,835</u>

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

**THE ELAINE KAUFMAN CULTURAL CENTER/
LUCY MOSES SCHOOL FOR MUSIC AND DANCE AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2021 AND 2020**

	Year Ended August 31, 2021			Year Ended August 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support						
Tuition and related revenues (Notes 2I and 2J) (net of scholarships of \$143,983 in 2021 and \$271,496 in 2020)	\$ 2,437,730	\$ -	\$ 2,437,730	\$ 3,427,918	\$ -	\$ 3,427,918
Presentation/facilities services (Note 2K)	372,082	-	372,082	764,525	-	764,525
Contributions (Notes 2H, 2M and 7)	3,447,745	1,050,867	4,498,612	3,786,624	1,382,962	5,169,586
Special events (net of direct expenses of \$62,396 in 2021 and \$0 in 2020)	569,326	-	569,326	470,310	-	470,310
Rental income (Notes 2L and 11)	762,825	-	762,825	735,965	-	735,965
Government grants (Notes 2M and 7)	371,589	-	371,589	283,750	-	283,750
Contracted services	37,860	-	37,860	114,385	-	114,385
Investment return (Notes 2G and 4)	33,681	1,287,881	1,321,562	44,055	577,801	621,856
Other income	12,214	-	12,214	951	-	951
Net assets released from restrictions (Notes 2B and 9)	1,995,940	(1,995,940)	-	1,294,306	(1,294,306)	-
Total revenues, gains and other support	10,040,992	342,808	10,383,800	10,922,789	666,457	11,589,246
Expenses (Note 2N)						
Program expenses	8,086,905	-	8,086,905	8,646,080	-	8,646,080
Supporting services:						
Management and general	278,190	-	278,190	238,976	-	238,976
Fundraising	1,101,753	-	1,101,753	1,234,655	-	1,234,655
Total supporting services	1,379,943	-	1,379,943	1,473,631	-	1,473,631
Total expenses	9,466,848	-	9,466,848	10,119,711	-	10,119,711
Change in Net Assets	574,144	342,808	916,952	803,078	666,457	1,469,535
Net Assets, Beginning of Year	13,786,971	8,886,265	22,673,236	12,983,893	8,219,808	21,203,701
Net Assets, End of Year	\$ 14,361,115	\$ 9,229,073	\$ 23,590,188	\$ 13,786,971	\$ 8,886,265	\$ 22,673,236

**THE ELAINE KAUFMAN CULTURAL CENTER/
LUCY MOSES SCHOOL FOR MUSIC AND DANCE AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2021
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2020)**

	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	Opus 118 Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	2021	2020
Salaries	\$ 1,797,766	\$ 849,554	\$ 615,738	\$ 248,527	\$ 751,633	\$ 151,172	\$ 7,056	\$ 40,575	\$ 120,336	\$ 4,582,357	\$ 90,361	\$ 705,180	\$ 795,541	\$ 5,377,898	\$ 6,117,751
Payroll taxes and employee benefits (Note 12)	318,263	155,636	96,318	37,861	151,090	19,890	1,652	16,355	12,516	809,581	35,374	122,157	157,531	967,112	1,096,439
Total salaries and related expenses	2,116,029	1,005,190	712,056	286,388	902,723	171,062	8,708	56,930	132,852	5,391,938	125,735	827,337	953,072	6,345,010	7,214,190
Supplies and printing	9,330	1,617	574	3,465	52,084	131	13	5,829	264	73,307	2,909	35,524	38,433	111,740	200,349
Office expenses	14,935	3,265	691	2,507	26,908	846	84	184	89	49,509	2,633	18,398	21,031	70,540	87,095
Equipment rental and maintenance	26,954	13,844	747	747	25,399	741	187	-	-	68,619	7,341	19,006	26,347	94,966	98,617
Professional services	44,375	19,786	9,574	21,985	140,338	46,896	516	256,843	11,340	551,653	119,204	102,397	221,601	773,254	481,856
Advertising promotional materials	-	-	-	-	-	-	-	-	-	-	18,577	-	18,577	18,577	32,059
Cultivation expenses	304	-	133	-	-	368	-	868	-	1,673	586	8,900	9,486	11,159	42,452
Piano tuning and instrumental	9,734	5,977	3,146	1,330	30,047	-	-	3,610	-	53,844	-	380	380	54,224	72,802
Graphic artist	-	-	-	-	-	-	-	-	-	-	-	3,300	3,300	3,300	5,150
Artists' fees	-	-	-	11,880	31,266	905	-	395,780	-	439,831	-	-	-	439,831	274,668
Publication and conventions	2,195	-	-	-	-	-	824	2,349	-	5,368	2,167	918	3,085	8,453	34,335
Concession expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,078
Service charges	46,496	1,658	328	3,478	4,668	1,282	-	-	-	57,910	-	26,758	26,758	84,668	92,659
Space rental	-	-	-	-	-	1,396	-	-	-	1,396	1,379	-	1,379	2,775	24,523
Insurance	-	-	-	-	1,900	-	-	-	8,715	10,615	9,684	968	10,652	21,267	30,751
Marketing expenses	41,498	12,296	3,074	3,074	58,404	3,074	-	-	-	121,420	-	32,276	32,276	153,696	166,004
Building expense	149,073	232,851	1,817	22,182	161,417	1,817	4,700	-	-	573,857	12,532	40,229	52,761	626,618	532,413
Depreciation (Note 6)	176,974	276,433	2,157	26,334	191,629	2,157	5,579	-	-	681,263	26,458	47,758	74,216	755,479	759,051
Bad debt	-	-	-	-	-	-	-	-	-	-	5,842	-	5,842	5,842	7,248
Bank charges	-	-	-	-	-	-	-	-	3,921	3,921	1,947	-	1,947	5,868	1,076
Sundry	-	-	-	-	151	630	-	-	-	781	-	-	-	781	2,259
Other expenses	-	-	-	-	-	-	-	-	-	-	2,135	-	2,135	2,135	4,224
Catering and event planning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,112
Subtotal	2,637,897	1,572,917	734,297	383,370	1,626,934	231,305	20,611	722,393	157,181	8,086,905	339,129	1,164,149	1,503,278	9,590,183	10,174,971
Less investment advisory fees	-	-	-	-	-	-	-	-	-	-	(60,939)	-	(60,939)	(60,939)	(55,260)
Less direct special events expenses (Note 20)	-	-	-	-	-	-	-	-	-	-	-	(62,396)	(62,396)	(62,396)	-
Total Expenses	\$ 2,637,897	\$ 1,572,917	\$ 734,297	\$ 383,370	\$ 1,626,934	\$ 231,305	\$ 20,611	\$ 722,393	\$ 157,181	\$ 8,086,905	\$ 278,190	\$ 1,101,753	\$ 1,379,943	\$ 9,466,848	\$ 10,119,711

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

**THE ELAINE KAUFMAN CULTURAL CENTER/
LUCY MOSES SCHOOL FOR MUSIC AND DANCE AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2020**

	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	Opus 118 Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	2020
Salaries	\$ 2,333,536	\$ 938,632	\$ 582,428	\$ 194,961	\$ 841,775	\$ 204,835	\$ 9,127	\$ 10,817	\$ 232,386	\$ 5,348,497	\$ 42,888	\$ 726,366	\$ 769,254	\$ 6,117,751
Payroll taxes and employee benefits (Note 12)	393,885	161,301	95,867	40,774	187,379	35,337	1,741	11,706	35,278	963,268	9,198	123,973	133,171	1,096,439
Total salaries and related expenses	2,727,421	1,099,933	678,295	235,735	1,029,154	240,172	10,868	22,523	267,664	6,311,765	52,086	850,339	902,425	7,214,190
Supplies and printing	35,547	3,316	1,876	19,258	74,700	2,848	15	1,875	71	139,506	5,745	55,098	60,843	200,349
Office expenses	21,005	4,838	2,188	4,786	23,860	5,537	1,262	-	-	63,476	5,273	18,346	23,619	87,095
Equipment rental and maintenance	27,982	14,404	783	783	27,719	1,345	196	-	-	73,212	5,857	19,548	25,405	98,617
Professional services	56,473	15,350	6,812	13,668	55,679	33,456	739	40,485	32,060	254,722	135,087	92,047	227,134	481,856
Advertising promotional materials	-	-	-	-	-	-	-	-	-	-	31,094	965	32,059	32,059
Cultivation expenses	5,750	945	411	452	1,472	1,364	-	261	-	10,655	2,829	28,968	31,797	42,452
Piano tuning and instrumental	16,980	9,102	5,453	3,040	21,444	2,813	-	-	1,208	60,040	12,347	415	12,762	72,802
Graphic artist	-	-	-	750	-	-	-	-	-	750	100	4,300	4,400	5,150
Artists' fees	-	-	200	112,750	83,926	13,552	-	54,000	-	264,428	-	10,240	10,240	274,668
Publication and conventions	11,559	-	-	1,949	375	7,463	712	52	-	22,110	1,058	11,167	12,225	34,335
Concession expense	-	-	-	-	7,078	-	-	-	-	7,078	-	-	-	7,078
Service charges	56,102	1,961	265	3,689	4,419	1,262	-	-	-	67,698	-	24,961	24,961	92,659
Space rental	-	-	-	200	-	18,540	-	-	4,344	23,084	1,439	-	1,439	24,523
Insurance	-	-	-	-	5,508	-	-	49	22,586	28,143	1,353	1,255	2,608	30,751
Marketing expenses	44,821	13,280	3,320	3,320	63,082	3,320	-	-	-	131,143	-	34,861	34,861	166,004
Building expense	126,661	197,845	1,544	18,847	137,150	1,544	3,993	-	-	487,584	10,648	34,181	44,829	532,413
Depreciation (Note 6)	177,727	277,609	2,166	26,446	192,444	2,166	5,603	-	11,987	696,148	14,941	47,962	62,903	759,051
Bad debt	-	-	-	-	-	-	-	-	-	-	7,248	-	7,248	7,248
Bank charges	-	-	-	-	-	-	-	-	-	-	1,076	-	1,076	1,076
Sundry	-	135	-	-	291	-	-	-	-	426	1,831	2	1,833	2,259
Other expenses	-	-	-	-	-	-	-	-	-	-	4,224	-	4,224	4,224
Catering and event planning	-	-	-	-	-	-	-	-	4,112	4,112	-	-	-	4,112
Subtotal	3,308,028	1,638,718	703,313	445,673	1,728,301	335,382	23,388	119,245	344,032	8,646,080	294,236	1,234,655	1,528,891	10,174,971
Less investment advisory fees	-	-	-	-	-	-	-	-	-	-	(55,260)	-	(55,260)	(55,260)
Less direct special events expenses (Note 20)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	\$ 3,308,028	\$ 1,638,718	\$ 703,313	\$ 445,673	\$ 1,728,301	\$ 335,382	\$ 23,388	\$ 119,245	\$ 344,032	\$ 8,646,080	\$ 238,976	\$ 1,234,655	\$ 1,473,631	\$ 10,119,711

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

**THE ELAINE KAUFMAN CULTURAL CENTER/
LUCY MOSES SCHOOL FOR MUSIC AND DANCE AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 916,952	\$ 1,469,535
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	755,479	759,051
Realized gain on investments	(14,626)	(557,543)
Unrealized (gain) loss on investments	(1,179,905)	95,038
Loan forgiveness	(12,156)	-
Bad debt	5,842	7,248
Subtotal	471,586	1,773,329
(Increase) decrease in assets:		
Accounts receivable	(17)	(5,384)
Contributions receivable	(148,929)	(147,245)
Government grants receivable	9,900	(8,011)
Accrued interest and other receivables	35,845	(17,075)
Prepaid expenses and other assets	(57,474)	11,585
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(22,276)	30,156
Accrued salaries payable	(28,908)	69,798
Deferred revenue	382,601	(559,760)
Deferred grant revenue	2,560,298	-
Net Cash Provided by Operating Activities	3,202,626	1,147,393
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property and equipment acquisitions	(1,243,956)	(84,937)
Proceeds from sales and redemptions of investments	1,757,107	1,941,606
Purchases of investments	(1,588,407)	(1,714,686)
Net Cash (Used in) Provided by Investing Activities	(1,075,256)	141,983
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loan proceeds	3,040	54,980
Repayments of loan	(7,914)	-
Net Cash (Used in) Provided by Financing Activities	(4,874)	54,980
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,122,496	1,344,356
Cash and cash equivalents - beginning of year	3,431,795	2,087,439
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 5,554,291	\$ 3,431,795

**THE ELAINE KAUFMAN CULTURAL CENTER/
LUCY MOSES SCHOOL FOR MUSIC AND DANCE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020**

NOTE 1—DESCRIPTION OF THE ORGANIZATION

These consolidated financial statements consist of the following individually incorporated entities: The Elaine Kaufman Cultural Center/Lucy Moses School for Music and Dance (the “Kaufman Center”) and Opus 118 Harlem School of Music (“Opus 118”), collectively (the “Center”).

The Kaufman 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, Face the Music and a vibrant musical theater program.

Opus 118 was founded in 1991. Opus 118 remains committed to its mission of providing quality music instruction and teacher development in an environment that nurtures excellence and creativity.

Effective September 1, 2014, the Kaufman Center became the sole member of Opus 118.

The Kaufman Center and Opus 118 are not-for-profit organizations exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and are publicly supported organizations as described in Section 509(a). The Kaufman Center and Opus 118 are funded primarily through tuition, contributions and special events.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. ***Basis of Presentation*** – The consolidated financial statements are prepared on the accrual basis of accounting and include the financial statements of the Kaufman Center and Opus 118. All material inter-affiliate balances and transactions have been eliminated in the consolidation. The Center adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”).
- B. ***Net Asset Presentation*** – The Center’s net assets and revenues, gains and other support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Center 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 Directors has discretionary control.
 - With donor restrictions – represents net assets whose use by the 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 consolidated 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.

THE ELAINE KAUFMAN CULTURAL CENTER/
LUCY MOSES SCHOOL FOR MUSIC AND DANCE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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, 2021 and 2020, management determined that an allowance of \$16,538 and \$10,696, respectively, was necessary for accounts receivable. No allowance was necessary for contributions and government grants receivable.
- 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 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 consolidated financial statements. The consolidated 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 Center records contributed goods and services at their fair value on the date of receipt. It is the policy of the Center to record the estimated fair value of certain in-kind donations as property and equipment in its consolidated financial statements, and similarly increase contribution revenue by a like amount. Donated goods and services amounted to approximately \$67,000 and \$0 for the years ended August 31, 2021 and 2020, respectively.
- 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 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 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.

- J. **Scholarships** – The policy of the 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 consolidated statements of activities.

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NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- K. **Presentation/Facilities Services** – Presentation/facilities services includes concert division revenues, which the 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 Center did not receive advances from the governmental grants as of August 31, 2021 and 2020. For the year ended August 31, 2021, the Center was awarded a conditional grant of \$2,655,138. (see Note 7). Such grant has not been recognized in the accompanying consolidated financial statements as it is for future periods and will be recognized as revenue when contract barriers are overcome. Revenues from government contracts are subject to audit and negotiations between the Center and the government agencies.
- N. **Functional Allocation of Expenses** – The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of functional expenses. The consolidated 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 consolidated 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 consolidated statements of activities. For example, meals and facilities rental are considered direct costs of special events.
- P. **Use of Estimates** – The preparation of consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated 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.
- Q. **Reclassifications** – Certain line items in the August 31, 2020 consolidated financial statements have been reclassified to conform to the August 31, 2021 presentation. Such reclassification did not have an impact on net assets.

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NOTE 3—LIQUIDITY AND AVAILABILITY

The 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 Center has various sources of liquidity at its disposal, including cash and cash equivalents and receivables that provides funding for operations. In addition to financial assets available to meet general expenditures over the next 12 months, the Center anticipates collecting sufficient revenue to cover general expenditures.

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

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 5,554,291	\$ 3,431,795
Contributions receivable	1,224,494	1,075,565
Government grants receivable	48,150	58,050
Accounts receivable, net	<u>3,793</u>	<u>9,618</u>
Total financial assets	6,830,728	4,575,028
Less: contributions receivable in more than one year	<u>583,740</u>	<u>576,685</u>
Financial assets available	<u>\$ 6,246,988</u>	<u>\$ 3,998,343</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 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 Center currently does not have Level 3 investments included in its investment portfolio.

The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of August 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash Equivalents	\$ 795,173	\$ -	\$ 795,173
Corporate Bonds	-	3,759,622	3,759,622
Municipal Bonds	-	415,648	415,648
Common Stock	4,602,814	-	4,602,814
Mutual Funds	<u>643,533</u>	<u>-</u>	<u>643,533</u>
	<u>\$ 6,041,520</u>	<u>\$ 4,175,270</u>	<u>\$ 10,216,790</u>

The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of August 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash Equivalents	\$ 1,365,641	\$ -	\$ 1,365,641
Corporate Bonds	-	3,925,014	3,925,014
Municipal Bonds	-	288,478	288,478
Common Stock	2,963,321	-	2,963,321
Mutual Funds	<u>648,505</u>	<u>-</u>	<u>648,505</u>
	<u>\$ 4,977,467</u>	<u>\$ 4,213,492</u>	<u>\$ 9,190,959</u>

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NOTE 4—INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

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

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 187,970	\$ 214,611
Realized gain on investments	14,626	557,543
Unrealized loss on investments	<u>1,179,905</u>	<u>(95,038)</u>
	1,382,501	677,116
Less: investment advisory fees	<u>(60,939)</u>	<u>(55,260)</u>
Net investment income	<u>\$ 1,321,562</u>	<u>\$ 621,856</u>

NOTE 5—CONTRIBUTIONS RECEIVABLE

Contributions receivable are due to be collected as follows:

2022	\$ 640,754
2023	482,740
2024	<u>101,000</u>
Total	<u>\$ 1,224,494</u>

NOTE 6—PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following at August 31:

	<u>2021</u>	<u>2020</u>
Land	\$ 993,154	\$ 993,154
Building	3,799,308	3,799,308
Building Improvements	19,496,193	18,383,987
Furniture, equipment and instruments	<u>2,541,282</u>	<u>2,699,538</u>
	26,829,937	25,875,987
Less: accumulated depreciation	<u>(16,914,091)</u>	<u>(16,448,618)</u>
Property and equipment, net	<u>\$ 9,915,846</u>	<u>\$ 9,427,369</u>

For the years ended August 31, 2021 and 2020, depreciation expense amounted to \$755,479 and \$759,051, respectively. During the years ended August 31, 2021 and 2020, the Center disposed of fully depreciated assets amounting to \$290,006 and \$0, respectively.

NOTE 7—GRANTS AND LOAN PAYABLE

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program (“PPP”). Participating in the PPP enables the business to obtain a loan from the Small Business Administration (“SBA”) sector of the government. If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven.

In accounting for the terms of the PPP loans, the Kaufman Center and Opus 118 are guided by FASB Accounting Standards Codification (“ASC”) Topic 470 *Debt*, and ASC Topic 958-605 *Not-for-Profit Entities: Revenue Recognition*. Accordingly, the Kaufman Center and Opus 118 accounted for the loans under ASC Topic 958-605.

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NOTE 7— GRANTS AND LOAN PAYABLE (CONTINUED)

The Kaufman Center applied for this loan through an SBA authorized lender and received \$1,057,455 in April 2020. At August 31, 2020, the Kaufman Center incurred sufficient qualifying expenses and met other conditions for forgiveness and accordingly recorded a contribution of \$1,002,473 in the accompanying consolidated statements of activities. The Kaufman Center applied for forgiveness in 2021 and forgiveness was granted in June 2021 in the amount of \$1,014,629. The additional forgiveness of \$12,156 was recorded as a contribution in 2021. The remaining balance on the PPP loan amounted to \$34,910 and \$54,980 as of August 31, 2021 and 2020, respectively. The Kaufman Center is required to repay the remaining balance plus interest accrued at 1% per annum in equal monthly installments. Principal and interest payments will be required through the maturity date of April 20, 2022.

Opus 118 applied for this loan through an SBA authorized lender and received \$66,000 in May 2020 and recognized \$66,000 as a contribution for the year ended August 31, 2020. During 2021, Opus 118 applied for forgiveness and in October 2021 forgiveness was granted for \$62,960, accordingly \$3,040 is included as loan payable in the accompanying consolidated statement of financial position with an interest rate of 1% and maturity date of May 3, 2022. In addition, during 2021, Opus 118 applied for the Second Draw Paycheck Protection Program loan and received \$50,900 during 2021 and recognized the full amount as a contribution for the year ended August 31, 2021.

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 business through a program called the Shuttered Venue Operators Grant (“SVOG”). In July 2021, the Center applied for the SVOG and was awarded \$2,655,138, of which \$94,839 has been recognized as government grants in the accompanying consolidated financial statements. 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 are considered conditional, the remaining balance of \$2,560,299 is for future periods and will be recognized as revenue to the extent that eligible expenses have been incurred at a given reporting date..

NOTE 8—COMMITMENTS AND CONTINGENCIES

- A. The Center believes it has no uncertain tax positions as of August 31, 2021 and 2020, in accordance with FASB ASC Topic 740, *Income Taxes*, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- B. The COVID-19 pandemic continues to have an unpredictable effect on the economy and businesses. The extent of the impact of COVID-19 on the Center’s business and financial results will be affected by future developments, including the effectiveness of vaccines, duration and spread of new strains, potential shutdowns, and changes in future government funding. The Center is currently unable to fully determine the extent of COVID-19’s impact on its business in future periods. The Center continues to monitor evolving economic and general business conditions and the actual and potential impacts on the Center’s financial position and results.

NOTE 9—NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2021</u>	<u>2020</u>
Subject to spending policy and appropriations		
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	3,980,590	3,980,590
Scholarship	910,477	880,477
Special Music School	167,472	167,472
Unappropriated endowment earnings	<u>899,290</u>	<u>-</u>
Total subject to spending policy and appropriations	<u>7,161,660</u>	<u>6,232,370</u>

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NOTE 9—NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Subject to expenditure for specified purpose and the passage of time

	<u>2021</u>	<u>2020</u>
Special Music School	\$ 609,000	\$ 124,750
Music and arts programs	292,719	159,481
Capital Building	27,247	1,132,000
Capital Building (New York City)	1,110,447	1,206,664
Reserve Fund (loans)	25,000	25,000
Special Projects	<u>3,000</u>	<u>6,000</u>

Total subject to expenditure for specified purpose and the passage of time

<u>2,067,413</u>	<u>2,653,895</u>
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Total net assets with donor restrictions

<u>\$ 9,229,073</u>	<u>\$ 8,886,265</u>
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Net assets released from donor restrictions by either passage of time or meeting the donors' restrictions amounted to \$1,995,940 and \$1,294,306 for the years ended August 31, 2021 and 2020, respectively.

NOTE 10—ENDOWMENT FUNDS

The Board of the 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 explicitly appropriated all earnings as of and prior to September 17, 2010, whether deemed spent or not, as without restrictions. All unappropriated earnings on donor-restricted endowment funds after September 17, 2010, that would otherwise be considered without restrictions by the donor, are reflected as donor-restricted assets until appropriated.

The Board of Directors has interpreted NYPMIFA as allowing the Center to appropriate for expenditure or accumulate so much of an endowment fund as the 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 Directors.

As a result of this interpretation, the Center has not changed the way net assets restricted in perpetuity are classified. The remaining portion of the donor-restricted endowment fund that is not classified as restricted in perpetuity is classified as net assets with donor restrictions, until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA.

To satisfy its long-term objectives, the 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 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 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 Center, as enforced by the Investment Committee of the Board of Directors.

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

**THE ELAINE KAUFMAN CULTURAL CENTER/
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NOTE 10—ENDOWMENT FUNDS (CONTINUED)

The following table summarizes the changes in the Center endowment net assets for the years ended August 31, 2021 and 2020:

Endowment net assets, August 31, 2019	\$ 6,212,370
Appropriation for expenditures	(577,801)
Contributions	20,000
Interest and dividends	172,370
Investment return	<u>405,431</u>
Endowment net assets, August 31, 2020	6,232,370
Appropriation for expenditures	(388,591)
Contributions	30,000
Interest and dividends	151,209
Investment return	<u>1,136,672</u>
Endowment net assets, August 31, 2021	<u>\$ 7,161,660</u>

NOTE 11—RENTAL INCOME

On August 31, 2012, the Center signed an extension of the license agreement with The New York City School Construction Authority (“Authority”) for the Special Music School for ten additional years, expiring September 1, 2022. The Authority has the option to terminate the lease upon providing 30 days’ notice.

Future minimum rental income, presuming no election to terminate the lease, is as follows:

2022	\$ <u>762,824</u>
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NOTE 12—EMPLOYEE BENEFIT PLAN

The 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, 2021 and 2020 was \$141,215 and \$149,078, respectively.

NOTE 13—CONCENTRATIONS

Cash and cash equivalents that potentially subject the 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, 2021 and 2020, there was approximately \$4,960,000 and \$2,779,000, respectively, of cash and cash equivalents held by banks that exceeded FDIC limits. Such excess includes outstanding checks.

NOTE 14—RELATED PARTY TRANSACTIONS

On June 22, 2012, the Center signed an agreement to loan \$50,000 to Opus 118. The funds were transferred to Opus 118 on August 13, 2012. Interest accrues annually at a rate of 3%. Interest expense for each of the years ended August 31, 2021 and 2020 amounted to \$1,500. The entire principal and interest balance are due thirty days after written demand by the Center. The note is secured by an interest in Opus 118’s personal property. The Center had not demanded payment on the loan and accrued interest as of August 31, 2021 and 2020.

The Center charged Opus 118 \$37,800 for administrative services during each of the years ended August 31, 2021 and 2020. Opus 118 owed the Center \$6,915 and \$8,059 as of August 31, 2021 and 2020, respectively, for expenses that the Center paid on behalf of Opus 118.

Such inter-affiliate balances and transactions have been eliminated in the consolidation.

NOTE 15—SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 1, 2022, the date the consolidated financial statements were available to be issued.

**THE ELAINE KAUFMAN CULTURAL CENTER/
LUCY MOSES SCHOOL FOR MUSIC AND DANCE AND AFFILIATE
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF AUGUST 31, 2021
(With Comparative Totals as of August 31, 2020)**

	<u>Center</u>	<u>Opus 118</u>	<u>Eliminations</u>	<u>2021 Total</u>	<u>2020 Total</u>
Assets					
Cash and cash equivalents	\$ 5,357,940	\$ 196,351	\$ -	\$ 5,554,291	\$ 3,431,795
Investments	10,216,790	-	-	10,216,790	9,190,959
Accounts receivable, net	3,793	-	-	3,793	9,618
Contributions receivable	1,224,494	-	-	1,224,494	1,075,565
Government grants receivable	39,050	9,100	-	48,150	58,050
Note receivable from Opus 118	50,000	-	(50,000)	-	-
Accrued interest and other receivables	104,365	-	(13,781)	90,584	126,429
Prepaid expenses and other assets	201,524	-	-	201,524	144,050
Due from Opus 118	6,915	-	(6,915)	-	-
Property and equipment, net	9,881,426	34,420	-	9,915,846	9,427,369
Total assets	<u>\$ 27,086,297</u>	<u>\$ 239,871</u>	<u>\$ (70,696)</u>	<u>\$ 27,255,472</u>	<u>\$ 23,463,835</u>
Liabilities					
Accounts payable and accrued expenses	\$ 139,452	\$ 1,500	\$ -	\$ 140,952	\$ 163,228
Accrued salaries payable	166,865	-	-	166,865	195,773
Accrued interest payable	-	13,781	(13,781)	-	-
Note payable to the Center	-	50,000	(50,000)	-	-
Due to the Center	-	6,915	(6,915)	-	-
Deferred revenue - ticket sales	168,356	-	-	168,356	115,206
Deferred revenue - tuition and other fees	579,015	11,848	-	590,863	261,412
Deferred grant revenue	2,560,298	-	-	2,560,298	-
Loan payable	34,910	3,040	-	37,950	54,980
Total liabilities	<u>3,648,896</u>	<u>87,084</u>	<u>(70,696)</u>	<u>3,665,284</u>	<u>790,599</u>
Net Assets					
Without donor restrictions	14,254,569	106,546	-	14,361,115	13,786,971
With donor restrictions	9,182,832	46,241	-	9,229,073	8,886,265
Total net assets	<u>23,437,401</u>	<u>152,787</u>	<u>-</u>	<u>23,590,188</u>	<u>22,673,236</u>
Total liabilities and net assets	<u>\$ 27,086,297</u>	<u>\$ 239,871</u>	<u>\$ (70,696)</u>	<u>\$ 27,255,472</u>	<u>\$ 23,463,835</u>

See Independent Auditors' Report.

**THE ELAINE KAUFMAN CULTURAL CENTER/
LUCY MOSES SCHOOL FOR MUSIC AND DANCE AND AFFILIATE
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2021
(With Comparative Totals For the Year Ended August 31, 2020)**

	Without Donor Restrictions				With Donor Restrictions			
	Center	Opus 118	Eliminations	Total	Center	Opus 118	Total 2021	Total 2020
Revenues, Gains and Other Support								
Tuition and related revenues	\$ 2,472,710	\$ 109,003	\$ -	\$ 2,581,713	\$ -	\$ -	\$ 2,581,713	\$ 3,699,414
Less scholarships	(85,841)	(58,142)	-	(143,983)	-	-	(143,983)	(271,496)
Presentation/facilities services	372,082	-	-	372,082	-	-	372,082	764,525
Contributions	3,330,241	117,504	-	3,447,745	930,367	120,500	4,498,612	5,169,586
Special events (net of direct expenses of \$62,396 in 2021 and \$0 in 2020)	569,326	-	-	569,326	-	-	569,326	470,310
Rental income	762,825	-	-	762,825	-	-	762,825	735,965
Government grants	371,589	-	-	371,589	-	-	371,589	283,750
Contracted services	75,660	-	(37,800)	37,860	-	-	37,860	114,385
Investment return	35,181	-	(1,500)	33,681	1,287,881	-	1,321,562	621,856
Other income	12,156	58	-	12,214	-	-	12,214	951
Net assets released from restrictions	1,867,213	128,727	-	1,995,940	(1,867,213)	(128,727)	-	-
Total revenues, gains and other support	9,783,142	297,150	(39,300)	10,040,992	351,035	(8,227)	10,383,800	11,589,246
Expenses								
Program expenses	7,929,724	157,181	-	8,086,905	-	-	8,086,905	8,646,080
Supporting services:								
Management and general	159,576	157,914	(39,300)	278,190	-	-	278,190	238,976
Fundraising	1,070,158	31,595	-	1,101,753	-	-	1,101,753	1,234,655
Total supporting services	1,229,734	189,509	(39,300)	1,379,943	-	-	1,379,943	1,473,631
Total expenses	9,159,458	346,690	(39,300)	9,466,848	-	-	9,466,848	10,119,711
Change in Net Assets	623,684	(49,540)	-	574,144	351,035	(8,227)	916,952	1,469,535
Net Assets, Beginning of Year	13,630,885	156,086	-	13,786,971	8,831,797	54,468	22,673,236	21,203,701
Net Assets, End of Year	\$ 14,254,569	\$ 106,546	\$ -	\$ 14,361,115	\$ 9,182,832	\$ 46,241	\$ 23,590,188	\$ 22,673,236

**THE ELAINE KAUFMAN CULTURAL CENTER/
LUCY MOSES SCHOOL FOR MUSIC AND DANCE AND AFFILIATE
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2021
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2020)**

The Kaufman Center													
	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
Salaries	\$ 1,797,766	\$ 849,554	\$ 615,738	\$ 248,527	\$ 751,633	\$ 151,172	\$ 7,056	\$ 40,575	\$ 4,462,021	\$ 33,873	\$ 686,115	\$ 719,988	\$ 5,182,009
Payroll taxes and employee benefits	318,263	155,636	96,318	37,861	151,090	19,890	1,652	16,355	797,065	8,153	120,428	128,581	925,646
Total salaries and related expenses	2,116,029	1,005,190	712,056	286,388	902,723	171,062	8,708	56,930	5,259,086	42,026	806,543	848,569	6,107,655
Supplies and printing	9,330	1,617	574	3,465	52,084	131	13	5,829	73,043	885	29,342	30,227	103,270
Office expenses	14,935	3,265	691	2,507	26,908	846	84	184	49,420	2,070	18,047	20,117	69,537
Equipment rental and maintenance	26,954	13,844	747	747	25,399	741	187	-	68,619	7,341	19,006	26,347	94,966
Professional services	44,375	19,786	9,574	21,985	140,338	46,896	516	256,843	540,313	111,664	102,397	214,061	754,374
Advertising promotional materials	-	-	-	-	-	-	-	-	-	18,577	-	-	18,577
Cultivation expenses	304	-	133	-	-	368	-	868	1,673	586	8,900	9,486	11,159
Piano tuning and instrumental	9,734	5,977	3,146	1,330	30,047	-	-	3,610	53,844	-	380	380	54,224
Graphic artist	-	-	-	-	-	-	-	-	-	-	-	-	-
Artists' fees	-	-	-	11,880	31,266	905	-	395,780	439,831	-	-	-	439,831
Publication and conventions	2,195	-	-	-	-	-	824	2,349	5,368	2,167	918	3,085	8,453
Concession expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges	46,496	1,658	328	3,478	4,668	1,282	-	-	57,910	-	26,758	26,758	84,668
Space rental	-	-	-	-	-	1,396	-	-	1,396	-	-	-	1,396
Insurance	-	-	-	-	1,900	-	-	-	1,900	-	-	-	1,900
Marketing expenses	41,498	12,296	3,074	3,074	58,404	3,074	-	-	121,420	-	32,276	32,276	153,696
Building expense	149,073	232,851	1,817	22,182	161,417	1,817	4,700	-	573,857	12,532	40,229	52,761	626,618
Depreciation	176,974	276,433	2,157	26,334	191,629	2,157	5,579	-	681,263	14,878	47,758	62,636	743,899
Bad debt	-	-	-	-	-	-	-	-	-	5,842	-	5,842	5,842
Bank charges	-	-	-	-	-	-	-	-	-	1,947	-	1,947	1,947
Sundry	-	-	-	-	151	630	-	-	781	-	-	-	781
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Catering and event planning	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	2,637,897	1,572,917	734,297	383,370	1,626,934	231,305	20,611	722,393	7,929,724	220,515	1,132,554	1,353,069	9,282,793
Less: investment advisory fees	-	-	-	-	-	-	-	-	-	(60,939)	-	(60,939)	(60,939)
Less: direct special events expenses	-	-	-	-	-	-	-	-	-	-	(62,396)	(62,396)	(62,396)
Total Expenses	\$ 2,637,897	\$ 1,572,917	\$ 734,297	\$ 383,370	\$ 1,626,934	\$ 231,305	\$ 20,611	\$ 722,393	\$ 7,929,724	\$ 159,576	\$ 1,070,158	\$ 1,229,734	\$ 9,159,458

**THE ELAINE KAUFMAN CULTURAL CENTER/
LUCY MOSES SCHOOL FOR MUSIC AND DANCE AND AFFILIATE
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2021
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2020)**

	Opus 118						Consolidated Total 2021	Consolidated Total 2020
	Opus 118 After-School	Total Program Services	Management and General	Fundraising	Total Opus 118	Eliminations		
Salaries	\$ 120,336	\$ 120,336	\$ 56,488	\$ 19,065	\$ 195,889	\$ -	\$ 5,377,898	\$ 6,117,751
Payroll taxes and employee benefits	12,516	12,516	27,221	1,729	41,466	-	967,112	1,096,439
Total salaries and related expenses	132,852	132,852	83,709	20,794	237,355	-	6,345,010	7,214,190
Supplies and printing	264	264	2,024	6,182	8,470	-	111,740	200,349
Office expenses	89	89	563	351	1,003	-	70,540	87,095
Equipment rental and maintenance	-	-	-	-	-	-	94,966	98,617
Professional services	11,340	11,340	46,840	-	58,180	(39,300)	773,254	481,856
Advertising promotional materials	-	-	-	-	-	-	18,577	32,059
Cultivation expenses	-	-	-	-	-	-	11,159	42,452
Piano tuning and instrumental	-	-	-	-	-	-	54,224	72,802
Graphic artist	-	-	-	3,300	3,300	-	3,300	5,150
Artists' fees	-	-	-	-	-	-	439,831	274,668
Publication and conventions	-	-	-	-	-	-	8,453	34,335
Concession expense	-	-	-	-	-	-	-	7,078
Service charges	-	-	-	-	-	-	84,668	92,659
Space rental	-	-	1,379	-	1,379	-	2,775	24,523
Insurance	8,715	8,715	9,684	968	19,367	-	21,267	30,751
Marketing expenses	-	-	-	-	-	-	153,696	166,004
Building expense	-	-	-	-	-	-	626,618	532,413
Depreciation	-	-	11,580	-	11,580	-	755,479	759,051
Bad debt	-	-	-	-	-	-	5,842	7,248
Bank charges	3,921	3,921	-	-	3,921	-	5,868	1,076
Sundry	-	-	-	-	-	-	781	2,259
Other expenses	-	-	2,135	-	2,135	-	2,135	4,224
Catering and event planning	-	-	-	-	-	-	-	4,112
Subtotal	157,181	157,181	157,914	31,595	346,690	(39,300)	9,590,183	10,174,971
Less: investment advisory fees	-	-	-	-	-	-	(60,939)	(55,260)
Less: direct special events expenses	-	-	-	-	-	-	(62,396)	-
Total Expenses	<u>\$ 157,181</u>	<u>\$ 157,181</u>	<u>\$ 157,914</u>	<u>\$ 31,595</u>	<u>\$ 346,690</u>	<u>\$ (39,300)</u>	<u>\$ 9,466,848</u>	<u>\$ 10,119,711</u>