

**The Edward Said National Conservatory of Music (ESNCM)**

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**Financial Statements  
And  
Independent Auditors' Report  
For the Year ended August 31, 2012**

# **The Edward Said National Conservatory of Music (ESNCM)**

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**The Edward Said National Conservatory of Music (ESNCM)**  
**Statement of Financial Position**  
**As of August 31, 2012**

Assets	Note	2012 USD	2011 USD
Cash on hand and deposits with banks	3	323,231	146,657
Grants receivable	4	196,175	462,205
Accounts receivable	5	162,744	96,046
Prepaid expenses	6	430,058	311,795
Inventory of musical instruments, CDs and books		47,226	54,070
Fixed assets - net of accumulated depreciation	7	1,425,948	444,855
Buildings in progress	8	1,657,948	1,136,874
<b>Total Assets</b>		<b>4,243,330</b>	<b>2,652,502</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities:</b>			
Payables and accruals	9	195,697	139,940
Tuition fees received in advance		113,908	109,024
Reserve for severance pay	10	296,482	336,305
Loan payable	11	200,000	200,000
Interest payable	11	10,151	-
<b>Total Liabilities</b>		<b>816,238</b>	<b>785,269</b>
<b>Net Assets:</b>			
<b>Unrestricted:</b>			
General fund (deficit)		(105,103)	(159,822)
Investment in fixed assets		3,083,896	1,581,729
Total unrestricted	Statement-C	2,978,793	1,421,907
Temporarily restricted	Statement-C	448,299	445,326
<b>Total Net Assets</b>		<b>3,427,092</b>	<b>1,867,233</b>
<b>Total Liabilities and Net Assets</b>		<b>4,243,330</b>	<b>2,652,502</b>

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Ms. Rima Tarazi  
Chairman of Supervisory Board

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Mr. Suheil Khoury  
General Director

See Notes to Financial Statements

**The Edward Said National Conservatory of Music (ESNCM)**  
**Statement of Activities**  
**For the Year Ended August 31, 2012**

	Note	Unrestricted	Temporary	Total	
		Fund	Restricted	2012	2011
		USD	USD	USD	USD
<b>Revenues:</b>					
Grants	13&15	52,685	2,971,631	3,024,316	2,119,846
<b>Total grants</b>		<b>52,685</b>	<b>2,971,631</b>	<b>3,024,316</b>	<b>2,119,846</b>
<b>Releases from restrictions:</b>					
Releases to cover scholarships		134,418	(134,418)	-	-
Releases to cover operating expenses		2,834,240	(2,834,240)	-	-
<b>Net assets released from restrictions</b>	15	<b>2,968,658</b>	<b>(2,968,658)</b>	-	-
<b>Operating income:</b>					
Tuition and registration fees	12	430,467	-	430,467	430,816
Concerts revenue		56,737	-	56,737	73,392
Sales of CD's, books, and musical instruments		16,644	-	16,644	21,577
Rent of premises - Birzeit		22,231	-	22,231	6,646
<b>Total operating income</b>		<b>526,079</b>	-	<b>526,079</b>	<b>532,431</b>
<b>Total revenues</b>		<b>3,547,422</b>	<b>2,973</b>	<b>3,550,395</b>	<b>2,652,277</b>
<b>Expenses:</b>					
<b>Program expenses :</b>					
Teaching		979,231	-	979,231	1,120,305
Programs		917,141	-	917,141	992,150
<b>Total program expenses</b>	Statement-E	<b>1,896,372</b>	-	<b>1,896,372</b>	<b>2,112,455</b>
Administrative and general	Statement-E	28,500	-	28,500	24,000
<b>Total program and administrative expenses</b>		<b>1,924,872</b>	-	<b>1,924,872</b>	<b>2,136,455</b>
Depreciation	7	108,243	-	108,243	143,560
Difference of currency		(25,153)	-	(25,153)	(7,064)
Interest expense		10,151	-	10,151	-
<b>Total expenses</b>		<b>2,018,113</b>	-	<b>2,018,113</b>	<b>2,272,951</b>
<b>Change in net assets for the year</b>		<b>1,529,309</b>	<b>2,973</b>	<b>1,532,282</b>	<b>379,326</b>

See Notes to Financial Statements