

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

**Financial Statements and
Independent Auditor's Report
For the Year Ended August 31, 2022**

The Edward Said National Conservatory of Music (ESNCM)

Table of Contents

	Page
Independent Auditor’s Report	1-3
Statement of Financial Position	4
Statement of Activities	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Schedule of Functional Expenses	8
Notes to Financial Statements	9-19

The Edward Said National Conservatory of Music (ESNCM)

Statement of financial position

As of August 31, 2022

(All amounts in USD)

	Notes	2022 USD	2021 USD
Assets			
Cash on hand and deposits with banks	5	333,102	488,737
Grants receivable	6	145,949	-
Accounts receivable	7	289,529	243,620
Total current assets		768,580	732,357
Property, plant and equipment, Net	8	3,656,183	3,521,703
Total Assets		4,424,763	4,254,060
Liabilities and Net Assets			
Liabilities:			
Payables and accruals	9	646,026	444,335
Due to Banks	10	94,872	57,607
Tuition fees received in advance		102,671	237,619
Deferred Revenues	12	168,075	-
Scholarships Liability		52,547	54,251
Total current liabilities		1,064,191	793,812
Reserve for severance pay	11	636,203	622,280
Loan payable	13	200,000	200,000
Interest payable	13	56,161	51,040
Total Liabilities		1,956,555	1,667,132
Net Assets:			
Unrestricted:			
General fund (deficit)		(1,076,180)	(855,386)
Currency differentials from financial statements translation		(233,896)	(274,396)
Investment in Property, plant and equipment		3,656,183	3,521,703
Total unrestricted		2,346,107	2,391,921
Temporarily restricted	17	122,101	195,007
Total Net Assets		2,468,208	2,586,928
Total Liabilities and Net Assets		4,424,763	4,254,060

The Accompanying Notes Form an Integral Part of these Financial Statements and should be read with them.

Mr. Ghassan Mustaklem
Chairman of Supervisory Board

Ms. Sima Khoury Odeh
Executive Director



The Edward Said National Conservatory of Music (ESNCM)

Statement of Activities
For the year ended August 31, 2022
(All amounts in USD)

	Note	Unrestricted	Temporary	Total	
		Fund	Restricted	2022	2021
		USD	USD	USD	USD
Revenues:					
Grants	15,17	462,332	740,956	1,203,288	790,661
Total Grants		462,332	740,956	1,203,288	790,661
Releases from restrictions:					
Releases to cover operating expenses	17	813,862	(813,862)	-	-
		813,862	(813,862)	-	-
Operating income:					
Tuition and registration fees	14	852,079	-	852,079	854,524
Concerts revenue		79,689	-	79,689	88,514
Sales of CD's, books, and musical instruments		8,027	-	8,027	12,726
Other Income		93,647	-	93,647	53,073
Scholarship revenue		-	-	-	2,661
		1,033,442	-	1,033,442	1,011,498
Total revenues		2,309,636	(72,906)	2,236,730	1,802,159
Expenses:					
Teaching		(1,726,763)	-	(1,726,763)	(1,413,117)
Projects		(361,975)	-	(361,975)	(321,515)
Total operating expenses (Statement of Functional Expenses)		(2,088,738)	-	(2,088,738)	(1,734,632)
Provision for bad debts	7	(78,539)	-	(78,539)	(116,228)
Interest expense		(15,346)	-	(15,346)	(15,416)
Net excess before depreciation and Difference of currency		127,013	(72,906)	54,107	(64,117)
Depreciation	8	(181,577)	-	(181,577)	(186,155)
(Loss) Gain from Difference of currency		(31,750)	-	(31,750)	4,327
Net (deficit) for the year		(86,314)	(72,906)	(159,220)	(245,945)

The Accompanying Notes Form an Integral Part of these Financial Statements and should be read with them.