

**THE BROOKLYN QUEENS**  
**CONSERVATORY OF MUSIC**

**JUNE 30, 2015**

**OWEN J. FLANAGAN & COMPANY, LLP**

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DONALD F. SCHERER

Independent Auditor's Report

To the Board of Directors of  
The Brooklyn Queens Conservatory of Music

We have audited the accompanying financial statements of The Brooklyn Queens Conservatory of Music (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of The Brooklyn Queens Conservatory of Music as of June 30, 2015 and, the changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Summarized Comparative Information***

We have previously audited The Brooklyn Queens Conservatory of Music's June 30, 2014 financial statements, and we have expressed an unmodified opinion on those audited financial statements in our report dated January 13, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Other Matter***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Schedule 1, Schedule of Functional Expenses, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

*Owen J. Flanagan & Co*

January 15, 2016  
New York, NY

THE BROOKLYN QUEENS CONSERVATORY OF MUSIC  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2015  
(WITH COMPARATIVE TOTALS FOR 2014)

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Cash	\$ 212,809	\$ 89,986
Unconditional promises to give	143,910	218,193
Tuition receivable, net of allowance for uncollectible amounts of (\$80,006 and \$78,656 in 2015 and 2014, respectively)	417,995	349,827
Prepaid expenses and other receivables	38,487	20,508
Investments	48,434	15,075
Property and equipment (net)	1,418,498	1,497,128
Security deposits	<u>3,798</u>	<u>3,798</u>
<u>Total Assets</u>	<u>\$2,283,931</u>	<u>\$2,194,515</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities</u>		
Accounts payable and accrued expenses	\$ 217,868	\$ 110,590
Line of credit	-	250,000
Deferred tuition revenue	838,474	767,076
Deferred performance revenue	-	3,750
Loans payable	<u>443,670</u>	<u>-</u>
<u>Total Liabilities</u>	<u>1,500,012</u>	<u>1,131,416</u>
 <u>Net Assets</u>		
Unrestricted	650,720	859,682
Temporarily restricted	84,750	133,806
Permanently restricted	<u>48,449</u>	<u>69,611</u>
<u>Total Net Assets</u>	<u>783,919</u>	<u>1,063,099</u>
<u>Total Liabilities and Net Assets</u>	<u>\$2,283,931</u>	<u>\$2,194,515</u>

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

THE BROOKLYN QUEENS CONSERVATORY OF MUSIC  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2015  
(WITH COMPARATIVE TOTALS FOR 2014)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2015</u>	<u>Total 2014</u>
<u>Revenue (Before Public Support)</u>					
Tuition, net of scholarships and discounts	\$1,818,573			\$1,818,573	\$1,411,405
Music Partners service fees	528,219			528,219	592,633
Box office income	23,219			23,219	32,954
Rental income	28,641			28,641	23,356
Investment income	2,345	\$ 5		2,350	2
Special event (net of expenses of \$154,430)	88,542			88,542	235,343
Other income	14,384			14,384	88,730
<u>Total Revenue (Before Public Support)</u>	<u>2,503,923</u>	<u>5</u>	<u>\$ -</u>	<u>2,503,928</u>	<u>2,384,423</u>
<u>Public Support</u>					
Government	181,190	20,500		201,690	478,000
Foundation	151,261	35,000		186,261	177,300
Corporate	11,149			11,149	22,596
Board	2,856	14,250		17,106	30,176
In-Kind	-			-	9,000
Individual	47,987			47,987	25,919
<u>Total Public Support</u>	<u>394,443</u>	<u>69,750</u>	<u>-</u>	<u>464,193</u>	<u>742,991</u>
<u>Total Revenue and Public Support</u>	<u>2,898,366</u>	<u>69,755</u>	<u>-</u>	<u>2,968,121</u>	<u>3,127,414</u>
Net Assets Released from Endowment	21,162			-	-
Net Assets Released From Restrictions	118,811	(118,811)	(21,162)	-	-
<u>Expenses</u>					
Program services	2,353,709			2,353,709	2,412,471
Supporting services					
Management and general	799,911			799,911	621,419
Fundraising	93,681			93,681	66,956
	<u>893,592</u>			<u>893,592</u>	<u>688,375</u>

THE BROOKLYN QUEENS CONSERVATORY OF MUSIC  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2015  
(WITH COMPARATIVE TOTALS FOR 2014)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2015</u>	<u>Total 2014</u>
<u>Total Expenses</u>	<u>3,247,301</u>	<u>—</u>	<u>—</u>	<u>3,247,301</u>	<u>3,100,846</u>
Change in Net Assets for Year	(208,962)	(49,056)	(21,162)	(279,180)	26,568
Net Assets, beginning of year	<u>859,682</u>	<u>133,806</u>	<u>69,611</u>	<u>1,063,099</u>	<u>1,036,531</u>
Net Assets, End of Year	<u>\$ 650,720</u>	<u>\$ 84,750</u>	<u>\$ 48,449</u>	<u>\$ 783,919</u>	<u>\$1,063,099</u>

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

THE BROOKLYN QUEENS CONSERVATORY OF MUSIC  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2015  
(WITH COMPARATIVE TOTALS FOR 2014)

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets for Year	\$(279,180)	\$ 26,568
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation expense	87,204	87,123
Changes in assets		
Unconditional promises to give	74,283	(19,588)
Tuition receivable	(68,168)	(9,784)
Prepaid expenses and other receivables	(17,979)	(8,528)
Security deposits	-	(298)
Change in liabilities		
Accounts payable and accrued expenses	107,278	(78,141)
Deferred performance revenue	(3,750)	(1,860)
Deferred tuition	71,398	67,330
Other liabilities	-	(30,257)
	<u>(28,914)</u>	<u>32,565</u>
<u>Net Cash (Used in) Provided by Operating Activities</u>		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(8,574)	(38,769)
Sale of property and equipment	-	1,500
Purchase of investments	(93,510)	(11,293)
Proceeds from sale of investments	<u>60,151</u>	<u>-</u>
	<u>(41,933)</u>	<u>(48,562)</u>
<u>Net Cash Used in Investing Activities</u>		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loans	928,000	300,000
Repayment of loans	<u>(734,330)</u>	<u>(300,000)</u>
	<u>193,670</u>	<u>-</u>
<u>Net Cash Provided by Financing Activities</u>		
Net Increase (Decrease) in Cash for Year	122,823	(15,997)
Cash, beginning of year	<u>89,986</u>	<u>105,983</u>
Cash, End of Year	<u>\$ 212,809</u>	<u>\$ 89,986</u>
Supplemental Information:		
Interest expense	\$ 20,971	\$ 14,926

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

THE BROOKLYN QUEENS CONSERVATORY OF MUSIC  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

**NOTE 1 Organization and Summary of Significant Accounting Policies**

**Organization**

The Brooklyn Queens Conservatory of Music (the "Conservatory") is a not-for-profit corporation founded in 1897 and incorporated under the laws of the State of New York and granted a charter by the New York State Board of Regents in 1909. The Conservatory promotes individual and community growth through music. By presenting free and subsidized music instruction and concerts in its facilities and in the community, the Conservatory makes music accessible to people of all ages, backgrounds and skill levels.

The Conservatory provides music instruction at its location in Park Slope, Brooklyn. Through its Music Partners program, music instruction is provided to school children in the New York City public schools. The Conservatory also presents over 100 public performances each year, featuring world-class artists, local musicians and student performers.

**Contributions and Unconditional Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Conservatory that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Conservatory uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

**Tuition Revenue**

Tuition revenue is recognized when earned. An allowance for uncollectible receivables is provided based on management's evaluation of potential uncollectible receivables.

Tuition income received, but not earned, is reflected as deferred tuition revenue.

**Investment Policy**

The Conservatory maintains a conservative investment policy, investing in short term money markets in order to preserve the original value of permanently restricted gifts as well as provide a stable stream of income on unrestricted net assets.

**Investments**

The Conservatory reflects investments at fair value in the statement of financial position. Unrealized gains and losses on investments are reflected in the statement of activities as increases and decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. Investment income that is restricted by the donor is reported as an increase in temporarily restricted net assets until appropriated for expenditure.



THE BROOKLYN QUEENS CONSERVATORY OF MUSIC

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

**NOTE 1 Organization and Summary of Significant Accounting Policies ( Continued)**

Fair value is an estimate of the exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e. the exit price at the measurement date). Fair value measurements are not adjusted for transactions costs. The fair value hierarchy prioritizes inputs to valuation techniques used to measure fair value into three levels.

Unadjusted quoted prices in active markets for identical assets or liabilities are referred to as Level 1 inputs. An asset or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The values assigned to these investments are reported based on available information and do not necessarily represent amounts that might be realized if sold and such differences could be material. The ultimate realization of such amounts depends on future events and circumstances and therefore, valuation estimates may differ from the value realized upon disposition of individual positions.

**Property and Equipment**

Property and equipment are recorded at cost. Depreciation and amortization is provided on a straight line basis over the estimated useful lives of the assets, or for leasehold improvements, over the shorter of the length of the lease or the estimated useful lives. The estimated useful lives of assets are 30 ½ - 40 years for capital building replacements, 5 to 10 years for furniture, equipment, software and instruments.

**Basis of Presentation**

The Conservatory's financial statements have been prepared on the accrual basis of accounting. Revenue is recorded when earned, contributions are recorded when pledges are received and expenses are recorded when incurred.

Net assets are recorded as either unrestricted, temporarily restricted or permanently restricted based on donor restrictions or lack thereof. Earnings on permanently restricted net assets are classified as temporarily restricted until appropriated.

**Cash and Cash Equivalents**

Cash and cash equivalents consists of cash in checking accounts.

**Tax Status**

The Conservatory is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

**Estimates**

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

THE BROOKLYN QUEENS CONSERVATORY OF MUSIC  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

**NOTE 1 Organization and Summary of Significant Accounting Policies ( Continued)**

**Subsequent Events**

The Conservatory has evaluated for subsequent events after the statement of financial position date of June 30, 2015 through January 15, 2016, the date the financial statements were available to be issued.

**Functional Allocation of Expenses**

The cost of providing various programs and other activities has been summarized on a functional benefit on the statement of activities and on the schedule of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Conservatory.

**NOTE 2 Unconditional Promises to Give**

The Conservatory's unconditional promises to give are expected to be collected as follows:

2016	\$129,660
2017	<u>15,000</u>
	\$144,660
Less: Discount to present value	<u>(750)</u>
	<u>\$143,910</u>

The Conservatory discounts its long term pledges receivable at a rate of 5% per annum. There is no allowance for uncollectible pledges recorded, as the conservatory believes all its pledges are collectible.

**NOTE 3 Investments**

At June 30, 2015 and 2014 investments, all of which are Level 1 within the fair value hierarchy, consists of:

	2015		2014	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents held in money market accounts	<u>\$48,434</u>	<u>\$48,434</u>	<u>\$15,075</u>	<u>\$15,075</u>

THE BROOKLYN QUEENS CONSERVATORY OF MUSIC

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

**NOTE 4 Property and Equipment**

At June 30, 2015 and 2014, property and equipment consist of:

	2015	2014
Land	\$ 15,000	\$ 15,000
Building and improvements	2,714,147	2,711,477
Computer equipment and software	50,261	48,968
Software	40,245	40,245
Library	1,782	1,782
Furniture and fixtures	163,846	159,235
Piano and instruments	251,370	251,370
Website	<u>15,768</u>	<u>15,768</u>
	3,252,419	3,243,845
Less: Accumulated depreciation	<u>(1,833,921)</u>	<u>(1,746,717)</u>
	<u>\$1,418,498</u>	<u>\$1,497,128</u>

Depreciation expense for the years ended June 30, 2015 and 2014 was \$87,204 and \$87,123, respectively.

**NOTE 5 Line of Credit**

The Conservatory had a \$250,000 line of credit which was renewed annually, with an interest rate of the prime rate plus the 1% per annum. In March 2015, the bank ceased borrowings from the line of credit and converted the balance due to a loan with scheduled payments.

**NOTE 6 Loans Payable**

As of June 30, 2015, the Conservatory has two loans payable. The first is a 3 month \$200,000 loan payable on August 25, 2015 with a one time 1.5% finance fee. The second loan was a line of credit which the bank terminated and has instituted a repayment plan over the next six years bearing an interest rate of the prime rate plus 1% per annum. The expected repayment of these loans are as follows:

2016	\$230,786
2017	41,592
2018	43,394
2019	45,275
2020	47,237
2021	<u>35,386</u>
	<u>\$443,670</u>

THE BROOKLYN QUEENS CONSERVATORY OF MUSIC

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

**NOTE 7 Endowment Funds**

The Conservatory's endowment consists of funds received from donors for which the earnings are restricted to provide scholarships. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Consistent with New York not-for-profit corporation law, the Conservatory classifies contributions received with the restrictions to hold funds in perpetuity as permanently restricted net assets.

Under the Conservatory's spending policy, earnings on permanently restricted funds up to 7% of principal may be appropriated and spent each year.

As of June 30, 2015 and 2014, the total endowment consisted of \$48,449 and \$69,611 of permanently restricted net assets for a scholarship endowment. During the years ended June 30, 2015 and 2014, \$21,162 and \$39,000 of permanently restricted net assets was released by the donors to unrestricted net assets. Earnings on the endowment are to be used for need and merit based scholarships. During 2015 and 2014, \$5 and \$2, respectively, was earned and appropriated for scholarship support.

Permanently restricted net assets are reported in the following asset categories on the accompanying statement of financial position:

	2015	2014
Cash	\$ 15	\$54,536
Investments	48,434	15,075
	\$48,449	\$69,611

**NOTE 8 Temporarily Restricted Net Assets**

Temporarily restricted net assets as of June 30, 2015 and 2014 consists of:

	2015	2014
Time restricted	\$44,250	\$ 82,139
Band program	-	17,500
Chorus program	5,000	-
Jazz scholarships	15,000	-
Music Therapy program	-	29,167
Music Partners	20,500	5,000
	\$84,750	\$133,806

THE BROOKLYN QUEENS CONSERVATORY OF MUSIC

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

**NOTE 8 Temporarily Restricted Net Assets (Continued)**

Net Assets released from restriction during the years ended June 30, 2015 and 2014 consists of:

	2015	2014
Time restricted	\$ 52,139	\$44,361
Jazz fellowships	15,000	-
Band program	17,500	17,500
Music Therapy program	29,167	6,500
Music Partners program	5,000	-
Suzuki program	-	1,000
Scholarship support	5	10,002
Events	-	500
	<u>\$118,811</u>	<u>\$79,863</u>

**NOTE 9 Commitment and Contingency**

Commencing in early 1998, the Conservatory launched a \$2.5 million Centennial Campaign to restore and renovate its historic Brooklyn landmark building, built in 1881. Work included restoration of the building's exterior, including roofing, brownstone repair and replacement, repointing, window replacement, fencing and bluestone repair.

As part of this project, the Conservatory obtained a Historic Preservation Grant ("Grant") from the New York State Office of Parks, Recreation and Historic Preservation (State). Funding received during the grant period February 25, 1998 to June 30, 2000 totaled \$294,958. The Grant Agreement requires the Conservatory to:

- a) Convey an easement or preservation restriction to the State and, such others as the State deems necessary.
- b) Not subordinate to any other security interest in the property including, but not limited to, purchase money mortgages.
- c) Not alter, demolish, sell, leave or otherwise convey the property, in whole or in part, unless it shall have first received the written approval of the State.
- d) Own or hold by lease and to maintain and operate the property for a period of twenty (20) years from the date of the final disbursement of State funds under the agreement.

Accordingly, as of the report date the Conservatory is contingently liable to the State for a period of five (5) years to comply with the aforementioned provisions. In the event of a violation of any provision, the State may, at its option, excise any or all of the following remedies:

THE BROOKLYN QUEENS CONSERVATORY OF MUSIC

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

**NOTE 9 Commitment and Contingency (Continued)**

- a) Declare the grant forfeited and demand the return of all funds disbursed under this agreement.
- b) Declare the grant forfeited and demand the return of all funds disbursed under this agreement plus a penalty equal to ½ of the amount of the grant.
- c) Enter the property, correct any violation of the terms of this agreement, restore the property to its prior condition, and hold the Conservatory or any successor in interest responsible for the cost thereof.
- d) Institute suit to enjoin such violations and, if appropriate, require the restoration of the property to its prior condition.

As part of the same project, the Conservatory entered into a contract with the City of New York for \$1,225,000 dated October 17, 1997. The contract requires the Conservatory, for a period of 30 years following “Substantial Completion” of the project, a milestone which was reached on June 30, 1999 to “continue to own and use the premises for a school for music and the arts or, subject to the prior written approval of a Deputy Major acting for the City, for such other purpose as may be determined by the City, in its sole discretion, to be in the public interest”.

The contract also states that, during the same 30-year term, the Conservatory cannot “sell, assign lease, license or otherwise, convey all or any portion of the premises except with the prior written consent of the City, “although the Conservatory may permit portions of the space to be used for concerts, exhibitions and similar activities in keeping with its purposes”.

**NOTE 10 Concentration of Credit Risk**

The Conservatory maintains cash balances with banking institutions that at times during the year exceed the Federal Deposit Insurance Corporation’s insurance limits. This potentially subjects the Conservatory to a concentration of credit risk. The Conservatory has not experienced any losses in such accounts.

**NOTE 11 Uncertain Tax Positions**

The Conservatory has not entered into any uncertain tax positions that would require financial statement recognition and is no longer subject to audits by the applicable taxing jurisdiction prior to periods ending June 30, 2012.

**NOTE 12 Tuition and Scholarship**

The Conservatory offers music instruction on various instruments at reasonable tuition rates throughout the year. Students may apply for need based scholarships and can receive other discounts when certain qualifications are met. The conservatory also records a reserve for uncollectible tuition receivable, which is netted against tuition income. For the years ended June 30, 2015 and 2014, net tuition was as follows:

THE BROOKLYN QUEENS CONSERVATORY OF MUSIC

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

**NOTE 12 Tuition and Scholarship (Continued)**

	<u>2015</u>	<u>2014</u>
Tuition income	\$1,984,584	\$1,652,168
Less: Scholarships	48,570	54,093
Discounts	<u>104,051</u>	<u>126,214</u>
	1,831,963	1,471,861
Allowance for doubtful accounts	<u>(13,390)</u>	<u>(60,456)</u>
Net Tuition	<u>\$1,818,573</u>	<u>\$1,411,405</u>

**NOTE 13 In-Kind Donation**

During the year ended June 30, 2015 and 2014, the Conservatory received approximately \$87,600 and \$522,000 respectively of pro bono legal services for review of a possible business merger. These donated services were management related and have not been reflected in the financial statements.

During June 30, 2014, the Conservatory received a \$9,000 in-kind contribution of computers and service.

**NOTE 14 Decrease in Net Assets and Management Plans**

The Conservatory experienced a loss in net assets of \$279,180 during fiscal year ended June 30, 2015. Management has revised its budget and operational plan to attempt to increase revenue and cut back costs for the coming year. The Board and management are also working on a new strategic plan. In doing so, management and the Board are analyzing current programs as well as reviewing current policies and procedures relating to spending, fundraising and board involvement in hopes of assisting with re-budgeting, cost cutting and increasing revenue.

THE BROOKLYN QUEENS CONSERVATORY OF MUSICSCHEDULE OF FUNCTIONAL EXPENSESYEAR ENDED JUNE 30, 2015

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2015</u>
Salaries and benefits	\$1,944,914	\$451,485	\$63,007	\$2,459,406
Artistic fees	62,899	-	-	62,899
Professional fees	562	171,438	18,150	190,150
Occupancy	65,843	15,364	2,144	83,351
Supplies	57,060	13,314	1,858	72,232
Telephone	10,195	2,379	332	12,906
Postage and shipping	2,031	2,932	321	5,284
Maintenance and repairs	60,017	14,004	1,954	75,975
Conferences and meetings	4,472	10,686	932	16,090
Printing, advertising and promotions	52,547	12,261	1,711	66,519
Credit card and collection fees	-	48,130	-	48,130
Depreciation	68,887	16,074	2,243	87,204
Miscellaneous	<u>24,282</u>	<u>41,844</u>	<u>1,029</u>	<u>67,155</u>
<u>Total</u>	<u>\$2,353,709</u>	<u>\$799,911</u>	<u>\$93,681</u>	<u>\$3,247,301</u>

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