

ST. LUKE'S CHAMBER ENSEMBLE, INC.

**Financial Statements
for the years ended
August 31, 2025
and
August 31, 2024**



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Independent Auditor's Report

To the Board of Directors of
St. Luke's Chamber Ensemble, Inc.

Opinion

We have audited the accompanying financial statements of the St. Luke's Chamber Ensemble, Inc. (the "Organization"), which comprise the statement of financial position as of August 31, 2025 and August 31, 2024, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of August 31, 2025 and August 31, 2024 and the results of its activities 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 audit 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 Organization'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 Organization'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.

Cordun O'Meara McIntyre & Donnelly LLP

ST. LUKE'S CHAMBER ENSEMBLE, INC.

Statement of Financial Position

	August 31	
	2025	2024
Assets		
Assets		
Cash and cash equivalents	\$ 1,186,206	\$ 732,877
Investments, at fair value	23,747,502	19,649,562
Contributions receivable, net	295,073	589,390
Prepaid expenses and other current assets	298,063	188,373
Property and equipment, at cost, net	21,055,460	22,038,092
Right-of-use asset – operating lease	89,741	158,654
Total assets	\$ 46,672,045	\$ 43,356,948
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 290,490	\$ 288,662
Unearned revenue	130,663	90,142
Refundable advances	41,250	104,146
Operating lease liability	93,703	163,442
Total liabilities	556,106	646,392
Net assets		
Without donor restrictions	30,229,087	26,912,812
With donor restrictions		
Time and purpose restrictions	8,215,113	8,126,005
Perpetual in nature	7,671,739	7,671,739
Total with donor restrictions	15,886,852	15,797,744
Total net assets	46,115,939	42,710,556
Total liabilities and net assets	\$ 46,672,045	\$ 43,356,948

See notes to financial statements.

ST. LUKE'S CHAMBER ENSEMBLE, INC.

Statement of Activities

	Year Ended August 31							
	2025				2024			
	Without Donor Restrictions	With Donor Restrictions		Total	Without Donor Restrictions	With Donor Restrictions		Total
	Time and Purpose Restrictions	Perpetual in Nature			Time and Purpose Restrictions	Perpetual in Nature		
Support, revenue and gains								
Contributions	\$ 6,045,513	\$ 226,000	\$ -	\$ 6,271,513	\$ 2,566,944	\$ 545,000	\$ -	\$ 3,111,944
Government grants	77,790	-	-	77,790	139,360	25,000	-	164,360
Special events, net of cost of direct benefits to donors of \$142,756 and \$174,664 in 2025 and 2024, respectively	1,099,289	-	-	1,099,289	1,175,623	-	-	1,175,623
Performances	3,592,804	-	-	3,592,804	2,850,377	-	-	2,850,377
Education and community engagement	3,000	-	-	3,000	6,750	-	-	6,750
The DiMenna Center rentals	967,769	-	-	967,769	864,411	-	-	864,411
Net investment return	166,408	-	-	166,408	197,819	-	-	197,819
Other	30,147	-	-	30,147	-	-	-	-
Sub-total	11,982,720	226,000	-	12,208,720	7,801,284	570,000	-	8,371,284
Net assets released from restrictions								
Time and program restrictions	1,400,684	(1,400,684)	-	-	1,460,677	(1,460,677)	-	-
Appropriations for use in operations	857,742	-	-	857,742	784,902	-	-	784,902
Appropriation from Board designated Artistic Excellence Fund	250,000	-	-	250,000	(650,000)	-	-	(650,000)
Total support, revenue and gains	14,491,146	(1,174,684)	-	13,316,462	9,396,863	(890,677)	-	8,506,186
Expenses								
Program services								
Performances	7,685,484	-	-	7,685,484	6,813,044	-	-	6,813,044
Education and community engagement	1,097,086	-	-	1,097,086	780,374	-	-	780,374
The DiMenna Center	602,184	-	-	602,184	804,702	-	-	804,702
Total program services	9,384,754	-	-	9,384,754	8,398,120	-	-	8,398,120
Supporting activities								
Management and general	297,522	-	-	297,522	324,645	-	-	324,645
Fundraising	732,586	-	-	732,586	667,143	-	-	667,143
Total supporting activities	1,030,108	-	-	1,030,108	991,788	-	-	991,788
Total expenses	10,414,862	-	-	10,414,862	9,389,908	-	-	9,389,908
Increase (decrease) in net assets before other	4,076,284	(1,174,684)	-	2,901,600	6,955	(890,677)	-	(883,722)
Other								
Net investment return	865,531	1,706,620	-	2,572,151	971,715	1,772,755	-	2,744,470
Depreciation expense – The DiMenna Center	(960,626)	-	-	(960,626)	(908,751)	-	-	(908,751)
Appropriations for use in operations	(414,914)	(442,828)	-	(857,742)	(357,152)	(427,750)	-	(784,902)
Appropriation to (from) operations to/from Board designated Artistic Excellence Fund	(250,000)	-	-	(250,000)	650,000	-	-	650,000
Increase in net assets	3,316,275	89,108	-	3,405,383	362,767	454,328	-	817,095
Net assets, beginning of year	26,912,812	8,126,005	7,671,739	42,710,556	26,550,045	7,671,677	7,671,739	41,893,461
Net assets, end of year	\$ 30,229,087	\$ 8,215,113	\$ 7,671,739	\$ 46,115,939	\$ 26,912,812	\$ 8,126,005	\$ 7,671,739	\$ 42,710,556

See notes to financial statements.

ST. LUKE'S CHAMBER ENSEMBLE, INC.

Statement of Functional Expenses
Year Ended August 31, 2025
(With Summarized Comparative Information for the year ended August 31, 2024)

	2025							2024	
	Program Services				Supporting Activities			Total	Total
	Performances	Education and Community Engagement	The DiMenna Center	Total	Management and General	Fundraising	Total		
Salaries	\$ 3,758,612	\$ 804,425	\$ 147,468	\$ 4,710,505	\$ 170,126	\$ 301,213	\$ 471,339	\$ 5,181,844	\$ 4,387,246
Payroll taxes and fringe benefits	1,049,933	96,935	130,158	1,277,026	37,215	47,059	84,274	1,361,300	1,141,569
Musician pension plan	417,134	5,055	-	422,189	-	1,212	1,212	423,401	356,321
Artistic consulting fees	469,855	19,225	-	489,080	-	2,750	2,750	491,830	549,669
Catering, facilities and other	-	-	-	-	-	142,756	142,756	142,756	174,664
Production	634,787	39,685	-	674,472	-	2,890	2,890	677,362	775,060
Professional fees	115,285	64,795	7,409	187,489	9,966	53,818	63,784	251,273	345,798
Building maintenance	513,779	35,515	169,491	718,785	-	-	-	718,785	654,453
Office and storage space rental	56,812	8,618	13,188	78,618	20,530	10,660	31,190	109,808	102,880
Office operations	132,821	7,216	38,485	178,522	34,925	35,508	70,433	248,955	248,051
Travel and entertainment	168,990	5,074	979	175,043	8,539	10,835	19,374	194,417	212,948
Printing and design	112,209	8,192	79	120,480	874	36,829	37,703	158,183	155,332
Advertising	148,903	479	2,036	151,418	2,703	3,698	6,401	157,819	175,279
Reception and benefits	60,205	354	-	60,559	4,251	172,947	177,198	237,757	81,259
Tickets	12,106	-	-	12,106	-	36,762	36,762	48,868	65,219
Insurance	5,564	385	88,893	94,842	2,169	1,126	3,295	98,137	114,244
Bank fees and miscellaneous expenses	28,489	1,133	3,998	33,620	6,224	15,279	21,503	55,123	24,580
Total expenses before depreciation	7,685,484	1,097,086	602,184	9,384,754	297,522	875,342	1,172,864	10,557,618	9,564,572
Depreciation	-	-	960,626	960,626	-	-	-	960,626	908,751
Total expenses by function	7,685,484	1,097,086	1,562,810	10,345,380	297,522	875,342	1,172,864	11,518,244	10,473,323
Less: costs of direct benefits with revenue on the statement of activities	-	-	-	-	-	142,756	142,756	142,756	174,664
Total expenses	\$ 7,685,484	\$ 1,097,086	\$ 1,562,810	\$ 10,345,380	\$ 297,522	\$ 732,586	\$ 1,030,108	\$ 11,375,488	\$ 10,298,659

See notes to financial statements.

ST. LUKE'S CHAMBER ENSEMBLE, INC.

Statement of Functional Expenses
Year Ended August 31, 2024

	Program Services				Supporting Activities			Total
	Performances	Education and Community Engagement	The DiMenna Center	Total	Management and General	Fundraising	Total	
Salaries	\$ 3,045,140	\$ 495,560	\$ 375,857	\$ 3,916,557	\$ 189,990	\$ 280,699	\$ 470,689	\$ 4,387,246
Payroll taxes and fringe benefits	851,745	90,610	119,128	1,061,483	35,365	44,721	80,086	1,141,569
Musician pension plan	351,902	4,419	-	356,321	-	-	-	356,321
Artistic consulting fees	511,374	33,795	-	545,169	-	4,500	4,500	549,669
Catering, facilities and other	-	-	-	-	-	174,664	174,664	174,664
Production	698,687	65,557	200	764,444	-	10,616	10,616	775,060
Professional fees	137,352	15,415	15,777	168,544	24,412	152,842	177,254	345,798
Building maintenance	477,863	38,324	138,266	654,453	-	-	-	654,453
Office and storage space rental	48,665	8,651	13,313	70,629	21,300	10,951	32,251	102,880
Office operations	132,280	7,962	38,530	178,772	34,464	34,815	69,279	248,051
Travel and entertainment	197,180	3,124	184	200,488	4,856	7,604	12,460	212,948
Printing and design	101,054	12,926	-	113,980	124	41,228	41,352	155,332
Advertising	169,535	419	1,512	171,466	2,419	1,394	3,813	175,279
Reception and benefits	58,717	1,908	82	60,707	2,429	18,123	20,552	81,259
Tickets	10,528	63	-	10,591	-	54,628	54,628	65,219
Insurance	8,822	708	98,530	108,060	4,084	2,100	6,184	114,244
Bank fees and miscellaneous expenses	12,200	933	3,323	16,456	5,202	2,922	8,124	24,580
Total expenses before depreciation	6,813,044	780,374	804,702	8,398,120	324,645	841,807	1,166,452	9,564,572
Depreciation	-	-	908,751	908,751	-	-	-	908,751
Total expenses by function	6,813,044	780,374	1,713,453	9,306,871	324,645	841,807	1,166,452	10,473,323
Less: costs of direct benefits with revenue on the statement of activities	-	-	-	-	-	174,664	174,664	174,664
Total expenses	\$ 6,813,044	\$ 780,374	\$ 1,713,453	\$ 9,306,871	\$ 324,645	\$ 667,143	\$ 991,788	\$ 10,298,659

See notes to financial statements.

ST. LUKE'S CHAMBER ENSEMBLE, INC.

Statement of Cash Flows

	Year Ended	
	August 31	
	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Increase in net assets	\$ 3,405,383	\$ 817,095
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Donated securities	(2,163,797)	(1,240,109)
Sale of donated securities	2,163,797	1,240,109
Non-cash operating lease expense	68,913	66,532
Depreciation	960,626	908,751
Net realized and unrealized (gain) on investments	(2,192,174)	(2,458,874)
(Increase) decrease in assets		
Contributions receivable	294,317	96,322
Prepaid expenses and other current assets	(109,690)	60,516
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	1,828	(2,577)
Unearned revenue	40,521	18,810
Refundable advances	(62,896)	34,600
Operating lease liability	(69,739)	(65,190)
Net cash provided by (used in) operating activities	<u>2,337,089</u>	<u>(524,015)</u>
Cash flows from investing activities		
Acquisitions of property and equipment	(18,834)	(104,486)
Purchases of investments	(5,315,722)	(3,082,357)
Proceeds from sale of investments	<u>3,450,796</u>	<u>2,585,937</u>
Net cash (used in) investing activities	<u>(1,883,760)</u>	<u>(600,906)</u>
Net increase (decrease) in cash and cash equivalents	453,329	(1,124,921)
Cash and cash equivalents, beginning of year	<u>732,877</u>	<u>1,857,798</u>
Cash and cash equivalents, end of year	<u>\$ 1,186,206</u>	<u>\$ 732,877</u>

See notes to financial statements.

ST. LUKE'S CHAMBER ENSEMBLE, INC.**Notes to Financial Statements
August 31, 2025 and August 31, 2024****Note 1 – Nature of organization and summary of significant accounting policies**Nature of organization

St. Luke's Chamber Ensemble, Inc. (the "Organization") is a gathering of outstanding musicians whose purpose is to bring classical music and the communication that is unique to music to as broad an audience as possible through performance and education programs in New York City and beyond. At its home, in New York City, The DiMenna Center for Classical Music ("The Center"), the Organization serves the musical community by providing state-of-the-art facilities for classical music rehearsal, recording, and learning. The Organization's main sources of revenues are performances, rentals and public support.

In November 2008, the Organization purchased a condominium on West 37th Street to create The Center. The Center provides rehearsal space for St. Luke's and other musical groups; a home for the arts education program of the Orchestra of St. Luke's; and its administrative offices. The Center was formally opened in March 2011.

Financial statement presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepting in the United States, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.

Net assets with donor restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds to be maintained in perpetuity with the income generated by the funds to be spent in accordance with the donor's wishes.

Cash equivalents

The Organization considers all highly liquid investments, purchased with a maturity of three months or less, to be cash equivalents, except for cash managed as part of its long-term investment strategies.

ST. LUKE'S CHAMBER ENSEMBLE, INC.**Notes to Financial Statements (continued)
August 31, 2025 and August 31, 2024****Note 1 – Nature of organization and summary of significant accounting policies (continued)****Investments and investment return**

Investments are measured at fair value. Investments are based on quoted market prices in active markets.

Interest, dividends and gains and losses on investments are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Gains and other investment return that are limited to specific uses by donor-imposed restrictions are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the income is recognized. All other income is recorded as net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions as net assets released from restrictions.

Fair value measurements

Accounting principles generally accepted in the United States of America established a framework for measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those the market participants would use in pricing the asset based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumptions about the inputs market participants would use in pricing the asset based on the best information available in the circumstances.

Fair value measurements are categorized into three levels as follows:

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Inputs that are unobservable.

All of the Organization's investments are classified within Level 1.

Contributions and contributions receivable

The Organization recognizes contributions when cash, securities or other assets; an unconditional contribution; or a notification of a beneficial interest is received. Conditional contributions, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Organization records fundraising benefit revenue equal to the fair value of the direct benefit to donors, and contribution support for the excess received when the event takes place.

ST. LUKE'S CHAMBER ENSEMBLE, INC.**Notes to Financial Statements (continued)
August 31, 2025 and August 31, 2024****Note 1 – Nature of organization and summary of significant accounting policies (continued)**Contributions and contributions receivable (continued)

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions are met in the fiscal year in which the contribution is received. All other donor restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible contributions. The allowance, when necessary, is based on prior years' experience and management's analysis of specific promises made. The Organization did not have an allowance for any potentially uncollectible receivables and had bad write-offs of \$10,000 and \$-0-as of and for the years ended August 31, 2025 and August 31, 2024.

Property and equipment

Property and equipment acquired over a nominal amount are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the assets which range from 3-40 years.

Right-of-use asset - operating lease and operating lease liability

For leases with an initial term greater than 12 months, the Organization's operating lease liability is initially recorded at the present value of the unpaid lease payments. The Organization's operating lease right-of-use asset, which is for office space, is initially recorded at the carrying amount of the lease liability adjusted for initial direct costs, accruals, deferred rent liability and lease incentives, if any. Operating lease cost is recognized on a straight-line basis over the lease term. The Organization uses a risk-free rate, equal to the three- year Treasury Bill rate for the discount of the operating lease and to apply the practical expedients which allows the Organization to not reassess: (i) whether any expired or existing contracts are leases or contain leases, (ii) the lease classification for any expired or existing leases and (iii) initial direct costs for any existing leases.

Revenue recognition

The Organization has multiple revenue streams that are accounted for as exchange transactions including rental revenue, performance revenue and education program revenue.

Performance revenue is recognized on the date of performance. The Organization records unearned revenue in situations when amounts are collected, but the performance obligations have not been met until the subsequent year.

ST. LUKE'S CHAMBER ENSEMBLE, INC.**Notes to Financial Statements (continued)
August 31, 2025 and August 31, 2024****Note 1 – Nature of organization and summary of significant accounting policies (continued)**Revenue recognition (continued)

Rental revenue is recognized in the period in which the rental takes place. Other program revenue, including education and community engagements, are recognized when these programs occur. All of the Organization's revenue is recognized at a point in time.

Functional expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs where applicable or allocated on a reasonable and consistent basis. A substantial amount of the Organization's expenses is directly related to program activities which are made up of the orchestra activities, fee engagements, youth orchestra program, The DiMenna Center building operation and other programs. The expenses that are allocated include salaries, insurance, occupancy and other administrative costs, which are allocated based upon estimates of time and effort.

Donated services

The Organization receives donated services rendered by volunteers, including Board members, who have donated significant amounts of their time to the Organization's activities. These services do not meet the criteria for recognition under the accounting standards and accordingly, have not been recorded in the financial statements.

Concentrations of credit risk

The Organization's financial instruments that are potentially exposed to concentrations of credit risk consist of cash, cash equivalents, investments and contributions receivable. The Organization places its cash and cash equivalents, with what it believes to be quality financial institutions. At times during the year, bank balances exceed the FDIC insurance limit. However, the Organization has not experienced any losses in these bank accounts to date. The Organization's investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to the foregoing risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position at August 31, 2025. The Organization routinely assesses the financial strength of its cash, cash equivalents and investment portfolio. Management of the Organization monitors the collectability of its contributions receivable. As a consequence, management believes that concentrations of credit risk are limited.

Concentrations of support

For the year ended August 31, 2025, support from individual and institutional contributions significantly increased compared with the prior year. Contributions from three significant donors were primarily responsible for this increase and represented 54% of contributed income for the year.

ST. LUKE'S CHAMBER ENSEMBLE, INC.

Notes to Financial Statements (continued)
August 31, 2025 and August 31, 2024

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Use of estimates

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

Subsequent events

The Organization has evaluated events and transactions for potential recognition or disclosure through January 14, 2026, which is the date that the financial statements were available to be issued.

Note 2 – Liquidity and availability of financial assets

The Organization manages its annual finances with the goal that total operating revenues exceed total operating expenses. The Organization has a balanced stream of annual revenue, including a diverse range of both earned and contributed sources. The Organization considers general expenditures to consist of all expenses related to ongoing program activities, and the expenses related to management and general activities undertaken to support those services.

The Organization regularly monitors liquidity to meet its operating needs and other commitments and obligations while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs.

The Organization's financial assets as of August 31, 2025 and August 31, 2024 available to meet general expenditures within one year are summarized as follows:

	<u>2025</u>	<u>2024</u>
Financial assets		
Cash and cash equivalents	\$ 1,186,206	\$ 732,877
Investments, at fair value	23,747,502	19,649,562
Contributions receivable, net	<u>295,073</u>	<u>589,390</u>
Total financial assets	25,228,781	20,971,829
Less: Net assets with donor restrictions, subject to expenditure for programs, purposes or passage of time	(4,974,646)	(5,951,645)
Add: Net assets with restrictions expected to be met in less than one year	1,261,747	1,799,255
Less: Net assets with donor restrictions for endowment and cash reserve, subject to spending policy and appropriation	(10,912,206)	(9,846,099)
Add: Amounts appropriated for use within one year	450,000	442,828
Less: Board designated artistic excellence fund	(1,893,240)	(2,143,240)
Less: Board designated strategic action fund	<u>(2,170,200)</u>	<u>(2,170,200)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 6,740,236</u>	<u>\$ 3,102,728</u>

ST. LUKE'S CHAMBER ENSEMBLE, INC.

Notes to Financial Statements (continued)
August 31, 2025 and August 31, 2024

Note 2 – Liquidity and availability of financial assets (continued)

In addition to these financial assets available within one year, the Organization maintains board designated funds of approximately \$4,063,000 and \$4,313,000 as of August 31, 2025 and August 31, 2024, respectively, which could be made available to meet cash needs for general expenditures at the discretion of the Board of Directors.

Note 3 – Investments, at fair value

Investments consist of the following as of August 31, 2025 and August 31, 2024:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Cash and money market funds	\$ 122,507	\$ 122,507	\$ 1,091,153	\$ 1,091,153
Equity mutual funds	10,158,613	18,099,815	8,034,459	13,878,846
Fixed income mutual funds	<u>5,476,675</u>	<u>5,525,180</u>	<u>4,723,113</u>	<u>4,679,563</u>
Total	<u>\$15,757,795</u>	<u>\$23,747,502</u>	<u>\$13,848,725</u>	<u>\$19,649,562</u>

Net investment return consists of the following for the years ended August 31, 2025 and August 31, 2024:

	2025	2024
Interest and dividends	\$ 546,385	\$ 483,415
Net unrealized and realized gains	<u>2,192,174</u>	<u>2,458,874</u>
Total	<u>\$ 2,738,559</u>	<u>\$ 2,942,289</u>

Net investment return has been allocated as follows:

	2025	2024
Operating activities	\$ 166,408	\$ 197,819
Other activities		
Without donor restrictions	865,531	971,715
With donor restrictions	<u>1,706,620</u>	<u>1,772,755</u>
Total	<u>\$ 2,738,559</u>	<u>\$ 2,942,289</u>

In 2025 and 2024, allocations were made from unrestricted revenue - other activities, of current and accumulated investment revenue in the amount of \$414,914 and \$357,152, respectively, for use in operations.

ST. LUKE'S CHAMBER ENSEMBLE, INC.

**Notes to Financial Statements (continued)
August 31, 2025 and August 31, 2024**

Note 4 – Contributions receivable, net

Contributions receivable are due to be collected as follows at August 31:

	<u>2025</u>			<u>2024</u>
	<u>Without Donor Restrictions</u>	<u>Restricted for Future Periods and Programs</u>	<u>Total</u>	<u>Total</u>
Due within one year	\$ 64,518	\$ 230,555	\$ 295,073	\$ 544,039
Due in one to five years	-	-	-	50,000
	64,518	230,555	295,073	594,039
Less: discount to present value	-	-	-	(4,649)
Total 2025	\$ 64,518	\$ 230,555	\$ 295,073	
Total 2024	\$ 229,039	\$ 360,351		\$ 589,390

Note 5 – Property and equipment

Property and equipment at August 31 consisted of:

	<u>Life</u>	<u>2025</u>	<u>2024</u>
Condominium and related acquisition costs	40 years	\$ 14,944,929	\$ 14,944,929
Building improvements, architect and other costs	40 years	14,008,223	14,008,223
Control room	7 years	167,204	167,204
Pianos	30 years	310,774	310,774
Office equipment	5-7 years	373,997	367,227
Furniture, fixtures and equipment	5 years	1,061,853	1,069,230
Condominium improvements	7-10 years	691,791	691,791
Computers	5 years	131,469	124,590
CRM software	3 years	197,395	195,908
Website	3 years	18,670	18,670
Sub-total		31,906,305	31,898,546
Less: accumulated depreciation		(12,669,717)	(11,679,326)
Sub-total		19,236,588	20,219,220
Land		1,818,872	1,818,872
Total		\$ 21,055,460	\$ 22,038,092

ST. LUKE'S CHAMBER ENSEMBLE, INC.

Notes to Financial Statements (continued)
August 31, 2025 and August 31, 2024

Note 5 – Property and equipment (continued)

The City of New York (the “City”) appropriated \$8,400,000 pursuant to the terms and conditions of an award to subsidize eligible project costs of the Organization’s Center. In connection with the award, on December 1, 2009, the Organization agreed to certain restrictive covenants regarding the Center. The restrictive covenants include that the Center shall be used as a rehearsal, performance and education facility servicing New York City’s freelance/non-profit music community and/or students and is operated for the benefit of not-for-profit entities. The restrictive covenants expire in 30 years.

Note 6 – Refundable advances

The Organization has received \$41,250 and \$104,146 as of August 31, 2025 and August 31, 2024, respectively, for the Organization’s fiscal year 2026 and 2025 fundraising events.

Note 7 – Operating lease liability

The Organization occupies space under an operating lease agreement expiring November 30, 2026. The Organization has the right to renew the lease in five-year terms through 2045. Management has not yet made a determination whether it will renew its lease for the next five-year term.

Operating lease expense for the years ended August 31, 2025 and August 31, 2024 was \$86,865 annually. There were no variable lease costs incurred. As of August 31, 2025, the remaining term of the Organization’s operating lease is 15 months and the discount rate is 3.54%.

Maturities of the Organization’s operating lease liability as of August 31, 2025 are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2026	\$ 76,639
2027	<u>19,300</u>
Total payments	95,939
Less: amount attributable to interest	<u>2,236</u>
Total operating lease liability	<u>\$ 93,703</u>

ST. LUKE'S CHAMBER ENSEMBLE, INC.

Notes to Financial Statements (continued)
August 31, 2025 and August 31, 2024**Note 8 – Net assets**

Net assets consist of the following as of August 31:

	2025			
	Without Donor Restrictions	With Donor Restrictions		Total
		Time and Purpose Restrictions	Perpetual in Nature	
Operating:				
Artistic Excellence Fund	\$ 1,893,240	\$ -	\$ -	\$ 1,893,240
Strategic Action Fund	2,170,200	-	-	2,170,200
Other	<u>5,110,187</u>	<u>4,974,646</u>	-	<u>10,084,833</u>
	9,173,627	4,974,646	-	14,148,273
Property and equipment	21,055,460	-	-	21,055,460
Cash reserve funds	-	-	500,000	500,000
Endowment	-	<u>3,240,467</u>	<u>7,171,739</u>	<u>10,412,206</u>
Total	<u>\$30,229,087</u>	<u>\$ 8,215,113</u>	<u>\$ 7,671,739</u>	<u>\$46,115,939</u>
	2024			
	Without Donor Restrictions	With Donor Restrictions		Total
		Time and Purpose Restrictions	Perpetual in Nature	
Operating:				
Artistic Excellence Fund	\$ 2,143,240	\$ -	\$ -	\$ 2,143,240
Strategic Action Fund	2,170,200	-	-	2,170,200
Other	<u>561,280</u>	<u>5,951,645</u>	-	<u>6,512,925</u>
	4,874,720	5,951,645	-	10,826,365
Property and equipment	22,038,092	-	-	22,038,092
Cash reserve funds	-	-	500,000	500,000
Endowment	-	<u>2,174,360</u>	<u>7,171,739</u>	<u>9,346,099</u>
Total	<u>\$26,912,812</u>	<u>\$ 8,126,005</u>	<u>\$ 7,671,739</u>	<u>\$42,710,556</u>

Artistic Excellence Fund

During 2017, the Board established an Artistic Excellence Fund (the "Fund") to fund future artistic initiatives. Each year, the Organization may add a portion of an operating surplus, if any, to the Fund; when needed to support artistic initiatives, the Organization may make an appropriation from the Fund. The Fund balance was \$1,893,240 and \$2,143,240 as of August 31, 2025 and August 31, 2024, respectively. The Artistic Excellence Fund is included in the Board designated net assets without donor restrictions.

ST. LUKE'S CHAMBER ENSEMBLE, INC.**Notes to Financial Statements (continued)
August 31, 2025 and August 31, 2024****Note 8 – Net assets (continued)****Strategic Action Fund**

During 2021, the Board established a Strategic Action Fund (the "Fund") to support recovery from the pandemic and responses to changes in the classical music industry. Each year, the Organization may add a portion of an operating surplus, if any, to the Fund; when needed for recovery and strategic response initiatives, the Organization may make an appropriation from the Fund. The Fund balance was \$2,170,200 as of August 31, 2025 and August 31, 2024. The Strategic Action Fund is included in the Board designated net assets without donor restrictions.

Note 9 – Endowment funds

The Organization's endowment consists of funds established to support general operations, educational and other programs. The endowment is currently comprised of donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Consistent with New York State Not-for-Profit Corporation Law and the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), the Organization classifies as net assets of a perpetual nature (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment and (c) accumulations to the endowment made in accordance with the direction of any applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not perpetual in nature is classified as endowment subject to spending policy and appropriation until these amounts are appropriated for expenditure by the Organization.

In accordance with NYPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (i) the duration and preservation of the endowment fund;
- (ii) the purposes of the Organization and the endowment fund;
- (iii) general economic conditions;
- (iv) the possible effect of inflation or deflation;
- (v) the expected total return from income and the appreciation of investments;
- (vi) other resources of the Organization;
- (vii) where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Organization; and
- (viii) the investment policy of the Organization.

ST. LUKE'S CHAMBER ENSEMBLE, INC.

**Notes to Financial Statements (continued)
August 31, 2025 and August 31, 2024**

Note 9 – Endowment funds (continued)

The composition of the Organization's invested endowment funds, by type of fund and classification, are summarized as follows at August 31:

	Investment Income Above Original Gift <u>Amount</u>	Investment in <u>Perpetuity</u>	<u>Total</u>
Donor-restricted endowment funds, 2025	\$ 3,240,467	\$ 7,171,739	\$ 10,412,206
Donor-restricted endowment funds, 2024	\$ 2,174,360	\$ 7,171,739	\$ 9,346,099

Changes in the invested endowment funds for the years ended August 31, 2025 and August 31, 2024 are summarized as follows:

	<u>2025</u>		
	Investment Income Above Original Gift <u>Amount</u>	Investment in <u>Perpetuity</u>	<u>Total</u>
Endowment funds, beginning of year	\$ 2,174,360	\$ 7,171,739	\$ 9,346,099
Investment return			
Interest and dividends	282,354	-	282,354
Net unrealized and realized gains	<u>1,226,581</u>	<u>-</u>	<u>1,226,581</u>
Total net investment return	<u>1,508,935</u>	<u>-</u>	<u>1,508,935</u>
Appropriation for use in operations	<u>(442,828)</u>	<u>-</u>	<u>(442,828)</u>
Endowment funds, end of year	\$ <u>3,240,467</u>	\$ <u>7,171,739</u>	\$ <u>10,412,206</u>

ST. LUKE'S CHAMBER ENSEMBLE, INC.

Notes to Financial Statements (continued)
August 31, 2025 and August 31, 2024

Note 9 – Endowment funds (continued)

	2024		
	Investment Income Above Original Gift Amount	Investment in Perpetuity	Total
Endowment funds, beginning of year	\$ 1,081,701	\$ 7,171,739	\$ 8,253,440
Investment return			
Interest and dividends	239,411	-	239,411
Net unrealized and realized gains	1,280,998	-	1,280,998
Total net investment return	1,520,409	-	1,520,409
Appropriation for use in operations	(427,750)	-	(427,750)
Endowment funds, end of year	\$ 2,174,360	\$ 7,171,739	\$ 9,346,099

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity as well as board designated funds.

To satisfy its long-term rate-of-return objectives, the Organization 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 Organization targets a diversified asset allocation that aims to achieve its long-term return objectives within prudent risk constraints.

The Organization has followed a policy of appropriating for distribution a percentage of the average fair value of endowment funds over a number of quarters preceding the end of the fiscal year in which the distribution is planned. The current policy is to appropriate 5% of the average fair value of endowment funds over the preceding twelve quarters. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, the Organization expects the current spending policy to allow its endowment to grow. The Organization's objective is to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Note 10 – Pension and retirement plans

403(b) plan

The Organization maintains a 403(b) plan for employees, including musician employees, who may elect to contribute within IRS allowable contribution limits. The Organization contributes annually to the 403(b) plan for the benefit of full-time staff members. Plan expense was \$72,311 and \$53,282 for 2025 and 2024, respectively.

ST. LUKE'S CHAMBER ENSEMBLE, INC.

**Notes to Financial Statements (continued)
August 31, 2025 and August 31, 2024**

Note 10 – Pension and retirement plans (continued)

Multi-employer defined benefit pension plan

The Organization contributes to a multiemployer defined benefit pension plan under the terms of a collective-bargaining agreement that covers its union-represented musicians.

The risks of participating in multiemployer plans are different from single-employer plans in the following respects:

- Assets contributed to multiemployer plans by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Organization chooses to stop participating in the multiemployer plan, the Organization may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.
- The Organization's participation in the plan for the years ended August 31, 2025 and August 31, 2024, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employer Identification Number ("EIN") and the three-digit plan number. The next column lists the expiration date of the collective-bargaining agreement to which the plan is subject. The most recent Pension Protection Act (PPA) zone status available in 2025 and 2024 is for the plan's year-end at December 31, 2024 and December 31, 2023, respectively. The zone status is based on information that the Organization received from the plan and is certified by the plan's actuaries. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are more than 65 percent funded and less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The surcharge column indicates whether a surcharge has been implemented.

The following information relates to the Organization's multi-employer defined benefit union pension plan:

Pension Fund	EIN/Pension Plan Number	Expiration Date of Collective Bargaining Agreement	Pension Protection Act Zone Status		FIP/RP Status Pending/Implemented	Surcharge Imposed	Contributions of the Organization	
			2025	2024			2025	2024
Pension Fund of Local 802 American Federation of Musicians	13-0452820	September 7, 2028	Red*	Red	Implemented	No	\$460,088	\$ 356,321

* On April 1, 2024, the plan's actuary certified that the plan is in critical and declining status for the plan year beginning January 1, 2024. As of that date, the plan was considered to be in critical and declining status because it had funding or liquidity problems, or both, and was projected to be insolvent within 11 years. In August 2024, the Organization received a communication from the Pension Fund that approximately \$1.5 billion in financial assistance was received through the American Rescue Plan Act of 2021. The amount of assistance that was requested was calculated to allow the plan to be able to pay benefits and administrative expenses through 2051.

ST. LUKE'S CHAMBER ENSEMBLE, INC.**Notes to Financial Statements (continued)****August 31, 2025 and August 31, 2024****Note 11 – Legal proceedings**

From time to time, during the normal course of operations, the Organization is involved in legal proceedings. In the opinion of management, these proceedings, upon their resolution, will not have a material impact on the financial statements.

Note 12 – Tax status

The Organization has been determined by the Internal Revenue Service to be exempt from Federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code (the "Code") and has been designated as an organization which is not a private foundation within the meaning of Section 509(a)(1) of the Code. As a result, donors are able to receive the maximum charitable deduction available.