

BOSTON CITY SINGERS, INC.

FINANCIAL STATEMENTS

JUNE 30, 2010

BOSTON CITY SINGERS, INC.
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HOWELL & MINCHELLO, LLP

CERTIFIED PUBLIC ACCOUNTANTS

175 Bedford Street, Suite 5
Lexington, MA 02420
781-863-2444 phone
781-861-9859 fax
www.howellminchello.com

To the Board of Directors
Boston City Singers, Inc.
Dorchester, MA

We have reviewed the accompanying statement of financial position of the Boston City Singers, Inc. (a nonprofit organization) as of June 30, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Boston City Singers, Inc.

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Howell & Minchello, LLP

November 9, 2010

BOSTON CITY SINGERS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2010

ASSETS

Cash & cash equivalents	\$ 56,400
Accounts receivable	<u>1,617</u>
Total current assets	<u>58,017</u>
Equipment	2,820
Less: accumulated depreciation	<u>(1,410)</u>
Total equipment	<u>1,410</u>
Total assets	<u><u>\$ 59,427</u></u>

LIABILITIES & NET ASSETS

Accounts payable	\$ 622
Credit card payable	<u>2,418</u>
Total current liabilities	<u>3,040</u>
Unrestricted net assets	<u>56,387</u>
Total net assets	<u>56,387</u>
Total liabilities & net assets	<u><u>\$ 59,427</u></u>

See accompanying notes and accountants' report.

BOSTON CITY SINGERS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and support			
Grants	\$ 47,790	\$ -	\$ 47,790
Contributions	32,739	-	32,739
Tuition	57,892	-	57,892
Less tuition assistance	(23,991)	-	(23,991)
Net assets released from restrictions			
Expiration of time restriction	50,000	(50,000)	-
Tour Fees	15,050	-	15,050
Performance fees	1,672	-	1,672
Uniform fees	2,455	-	2,455
	<u>183,607</u>	<u>(50,000)</u>	<u>133,607</u>
Total revenue			
Expenses			
Program expenses	179,568	-	179,568
Management & general	43,293	-	43,293
Fundraising	17,124	-	17,124
	<u>239,985</u>	<u>-</u>	<u>239,985</u>
Total expenses			
Change in net assets	<u>(56,378)</u>	<u>(50,000)</u>	<u>(106,378)</u>
Net assets, beginning	<u>112,765</u>	<u>50,000</u>	<u>162,765</u>
Net assets, ending	<u>\$ 56,387</u>	<u>\$ -</u>	<u>\$ 56,387</u>

See accompanying notes and accountants' report.

BOSTON CITY SINGERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010

<u>Description</u>	<u>Program</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Salary, payroll taxes and employee benefits	\$ 62,790	\$ 31,107	\$ 15,553	\$ 109,450
Advertising	2,163	-	-	2,163
Bank charges	-	20	-	20
Consultants	33,022	-	-	33,022
Costumes	2,052	-	-	2,052
Depreciation	403	-	-	403
Equipment rental	850	-	-	850
Equipment repair	763	-	-	763
Food	288	-	-	288
Insurance	930	3,488	-	4,418
Licenses and permits	277	-	-	277
Miscellaneous	1,113	1,170	1,571	3,854
Performance space	4,000	-	-	4,000
Postage	-	334	-	334
Printing	1,514	-	-	1,514
Professional fees	-	7,137	-	7,137
Supplies	4,701	37	-	4,738
Tour expenses	59,433	-	-	59,433
Travel	4,647	-	-	4,647
Website design	622	-	-	622
	<u>\$ 179,568</u>	<u>\$ 43,293</u>	<u>\$ 17,124</u>	<u>\$ 239,985</u>

See accompanying notes and accountants' report.

**BOSTON CITY SINGERS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010**

Operating activities:	
Change in net assets	\$ (106,378)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	403
(Increase) decrease in:	
Accounts receivable	15,766
Prepaid expenses	20,244
Increase (decrease) in:	
Accounts payable	622
Accrued expenses	(3,849)
Credit card payable	<u>2,418</u>
Net cash used in operating activities	<u>(70,774)</u>
Investing activities:	
Net cash provided by (used in) investing activities	<u>-</u>
Financing activities:	
Net cash provided by (used in) financing activities	<u>-</u>
Net decrease in cash	<u>(70,774)</u>
Cash & cash equivalents, beginning of year	<u>127,174</u>
Cash & cash equivalents, end of year	<u>\$ 56,400</u>

See accompanying notes and accountants' report.

BOSTON CITY SINGERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

1. Summary of significant accounting policies:

Organization and nature of activities

Boston City Singers, Inc. was organized in the Commonwealth of Massachusetts in 2003 as a not-for-profit corporation. The organization provides the highest level of musical training and extensive performance opportunities to children and young people of all ages designed to inspire personal development, emphasize the rewards of teamwork, celebrate diversity and foster goodwill worldwide.

Financial statement presentation

The Organization follows SFAS No. 117 "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Society is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The Organization had only unrestricted net assets as of June 30, 2010.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income taxes

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and has been classified by the Internal Revenue Service as other than a private foundation.

Contributions

Support restricted by the donor is reported as an increase in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) 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 and reported in the statement of activities as net assets released from restrictions.

Contributed services

No amounts have been recognized in the financial statements for contributed services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization while carrying out its programs but these services do not meet the criteria for recognition as contributed services.

BOSTON CITY SINGERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

1. Summary of significant accounting policies (continued):

Cash & cash equivalents

The Organization maintains cash balances in a Massachusetts bank. At certain times during the year, cash balances may exceed federally insured limits. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risks. The Organization considers money market funds and certificates of deposit with maturity dates of twelve months or less to be cash equivalents.

Accounts receivable

Accounts receivable are recorded at the amount the organization expects to collect from outstanding balances. Once all collection efforts have been exhausted the account is charged off to bad debts. Due to the past collection history of the organization the organization has determined that an allowance for doubtful accounts is not necessary.

Property & equipment

Property and equipment are recorded at cost. The Organization capitalizes expenditures for property and equipment that exceed \$1,000. Depreciation is computed over the estimated useful lives of the related assets, using straight-line and accelerated methods.

Functional allocation of expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain payroll, payroll taxes and related employee benefit costs have been allocated among the programs, supporting and fundraising services based on estimates made by the Organization's management.

Advertising

The Organization expenses advertising costs as they are incurred. Advertising expenses for the year ended June 30, 2010 was \$2,163.

2. Subsequent Events

The Board of Directors evaluated subsequent events through November 9, 2010 the date on which the financial statements were available to be issued.