

BOSTON CITY SINGERS, INC.

FINANCIAL STATEMENTS

AUGUST 31, 2011

BOSTON CITY SINGERS, INC.
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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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 August 31, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 accounting principles generally accepted in the United States of America.

Howell & Minchello, LLP

November 16, 2011

BOSTON CITY SINGERS, INC.
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2011

ASSETS

Cash & cash equivalents	\$ 56,938
Accounts receivable	<u>15,075</u>
Total current assets	<u>72,013</u>
Equipment	2,820
Less: accumulated depreciation	<u>(1,880)</u>
Total equipment	<u>940</u>
Total assets	<u><u>\$ 72,953</u></u>

LIABILITIES & NET ASSETS

Accrued payroll withholdings	\$ <u>1,131</u>
Total current liabilities	<u>1,131</u>
Unrestricted net assets	30,156
Temporarily restricted net assets	<u>41,666</u>
Total net assets	<u>71,822</u>
Total liabilities & net assets	<u><u>\$ 72,953</u></u>

See accompanying notes and independent accountants' review report.

BOSTON CITY SINGERS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and support			
Grants	\$ 58,590	\$ 50,000	\$ 108,590
Contributions	97,561	-	97,561
Fundraising	32,623	-	32,623
Tuition	71,698	-	71,698
Less: tuition assistance	(11,670)	-	(11,670)
Tour Fees	144,900	-	144,900
Less: tuition assistance	(37,275)	-	(37,275)
Site contract	14,000	-	14,000
Ticket sales	4,004	-	4,004
Performance fees	4,500	-	4,500
Uniform fees	2,360	-	2,360
Net assets released from restrictions:			
Expiration of time restriction	8,334	(8,334)	-
	<u>389,625</u>	<u>41,666</u>	<u>431,291</u>
Total revenue			
Expenses			
Program expenses	267,439	-	267,439
Management & general	74,251	-	74,251
Fundraising	43,626	-	43,626
	<u>385,316</u>	<u>-</u>	<u>385,316</u>
Total expenses			
Change in net assets	<u>4,309</u>	<u>41,666</u>	<u>45,975</u>
Net assets, beginning	<u>25,847</u>	<u>-</u>	<u>25,847</u>
Net assets, ending	<u>\$ 30,156</u>	<u>\$ 41,666</u>	<u>\$ 71,822</u>

See accompanying notes and independent accountants' review report.

BOSTON CITY SINGERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2011

<u>Description</u>	<u>Program</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Salary, payroll taxes and employee benefits	\$ 78,561	\$ 53,964	\$ 36,920	\$ 169,445
Advertising	953	-	-	953
Bank charges	-	1,113	-	1,113
Consultants	48,545	11,926	-	60,471
Costumes	2,245	-	-	2,245
Depreciation	403	-	-	403
Equipment rental	850	-	-	850
Equipment repair	1,009	-	-	1,009
Food	284	-	-	284
Gala expenses	-	-	6,706	6,706
Insurance	310	2,270	-	2,580
Licenses and permits	189	-	-	189
Miscellaneous	4,397	98	-	4,495
Office	-	3,030	-	3,030
Payroll processing fees	-	1,341	-	1,341
Performance space	8,043	-	-	8,043
Photography	921	-	-	921
Postage	-	509	-	509
Printing	380	-	-	380
Professional development	830	-	-	830
Recordings	1,309	-	-	1,309
Supplies	4,120	-	-	4,120
Tour expenses	74,461	-	-	74,461
Travel	39,629	-	-	39,629
	<u>\$ 267,439</u>	<u>\$ 74,251</u>	<u>\$ 43,626</u>	<u>\$ 385,316</u>

See accompanying notes and independent accountants' review report.

**BOSTON CITY SINGERS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2011**

Operating activities:	
Change in net assets	\$ 45,975
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	403
(Increase) decrease in:	
Accounts receivable	(15,406)
Increase (decrease) in:	
Accounts payable	(2,622)
Accrued payroll withholdings	1,131
	<u>29,481</u>
Net cash provided by (used in) operating activities	<u>29,481</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 increase in cash	<u>29,481</u>
Cash & cash equivalents, beginning of year	<u>27,457</u>
Cash & cash equivalents, end of year	<u>\$ 56,938</u>

See accompanying notes and independent accountants' review report.

BOSTON CITY SINGERS, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2011

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.

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
AUGUST 31, 2011

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 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 August 31, 2011 was \$953.

2. Temporarily restricted net assets:

The current temporarily restricted net asset balance represents the following restriction:

For use in fiscal year 2012	<u>\$ 41,666</u>
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3. Subsequent events:

The Board of Directors evaluated subsequent events through November 16, 2011 the date on which the financial statements were available to be issued.