

BOSTON CITY SINGERS, INC.

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2014 AND 2013

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CULLEN, MURPHY & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors
Boston City Singers, Inc.
17 Waldeck Street
Dorchester, Massachusetts 02124

Directors:

We have audited the accompanying Statements of Financial Position of –

BOSTON CITY SINGERS, INC.

(a non-profit organization), as of August 31, 2014 and 2013, and the related Statement of Activities, Functional Expenses, and Cash Flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boston City Singers, Inc. as of August 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Respectfully submitted,


Cullen, Murphy & Co P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Norwood, Massachusetts
December 11, 2014

BOSTON CITY SINGERS, INC.**STATEMENTS OF FINANCIAL POSITION**
AUGUST 31, 2014 AND 2013**ASSETS**

	<u>2014</u>	<u>2013</u>
<u>Current Assets:</u>		
Cash and Cash Equivalents	\$ 189,438	\$ 164,242
Contributuions Receivable	5,790	-0-
Total Current Assets	<u>195,228</u>	<u>164,242</u>
<u>Property and Equipment:</u>		
Equipment	15,212	15,212
Total Property and Equipment	15,212	15,212
Less - Accumulated Depreciation	<u>(5,972)</u>	<u>(3,799)</u>
Net Property and Equipment	<u>9,240</u>	<u>11,413</u>
<u>Total Assets</u>	\$ <u>204,468</u>	\$ <u>175,655</u>

LIABILITIES AND NET ASSETS

	<u>2014</u>	<u>2013</u>
<u>Liabilities:</u>		
Accounts Payable	\$ 2,522	1,557
<u>Net Assets:</u>		
Unrestricted	201,946	116,644
Temporarily Restricted	<u>-0-</u>	<u>57,454</u>
Total Net Assets	<u>201,946</u>	<u>174,098</u>
<u>Total Liabilities and Net Assets</u>	\$ <u>204,468</u>	\$ <u>175,655</u>

SEE INDEPENDENT AUDITORS' REPORT AND NOTES TO FINANCIAL STATEMENTS

BOSTON CITY SINGERS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013

<u>Revenues and Support:</u>	<u>2014</u>	<u>2013</u>
<u>Unrestricted Revenues and Support:</u>		
Grants	\$ 271,646	\$ 233,071
Contributions	19,452	155,022
Fundraising	22,966	5,881
Tuition	152,557	115,359
Less - Tuition Assistance	(49,769)	(56,231)
International Tour Fees	-0-	133,941
Less - Tuition Assistance	-0-	(33,311)
Site Contract	11,360	9,180
Ticket Sales	7,468	4,357
Performance Fees	12,831	10,274
Uniform Fees	2,860	2,460
CD/Photobook and Advertising Sales	2,846	21,149
Interest Income	2	-0-
Net Assets Released From Restrictions:		
Expiration of Time Restriction	1,204	56,250
Total Unrestricted Revenues and Support	455,423	657,402
<u>Temporarily Restricted Revenues and Support:</u>		
Grants	-0-	57,454
Net Assets Released From Restrictions:		
Expiration of Time Restriction	(1,204)	(56,250)
Total Temporarily Restricted Revenues and Support	(1,204)	1,204
Total Revenues and Support	454,219	658,606
<u>Expenses:</u>		
Program Expenses	229,026	349,353
Management and General	150,031	147,146
Fundraising	47,314	51,774
Total Expenses	426,371	548,273
Increase in Net Assets	\$ 27,848	\$ 110,333
Net Assets, September 1,	174,098	63,765
<u>Net Assets, August 31,</u>	\$ 201,946	\$ 174,098

SEE INDEPENDENT AUDITORS' REPORT AND NOTES TO FINANCIAL STATEMENTS

BOSTON CITY SINGERS, INC.STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013

2013

2014

	Program Services	Management & General	Fundraising	Total	Program Services	Management & General	Fundraising	Total
Salaries, Payroll Taxes and Employee Benefits	\$ 177,896	\$ 122,358	\$ 36,824	\$ 337,078	\$ 148,504	\$ 130,053	\$ 49,826	\$ 328,383
Advertising	1,178			1,178	436			436
Bank Charges		1,457		1,457		1,757		1,757
Charitable Contributions		1,200		1,200				-0-
Consultants	11,675	7,000		18,675	4,271	4,975		9,246
Costumes	2,416			2,416	4,880			4,880
Depreciation	2,173			2,173	1,251			1,251
Equipment Rental	-0-			-0-	954			954
Equipment Repair	2,732			2,732	1,429			1,429
Food	2,134			2,134	2,867			2,867
Gala Expenses			10,490	10,490			1,948	1,948
Insurance	1,730	6,384		8,114	1,447	1,361		2,808
Licenses and Permits	236			236	368			368
Office Expense	84	8,017		8,101	295	5,464		5,759
Payroll Processing Fees		1,969		1,969		2,073		2,073
Performance Space Rent	13,000			13,000	12,800			12,800
Photography	1,459			1,459	2,003			2,003
Postage		1,047		1,047		843		843
Printing	1,861	408		2,269	740	486		1,226
Production Costs/CD Photo Books	501			501	25			25
Professional Development	1,772			1,772	114			114
Supplies	1,324			1,324	2,814			2,814
Tour Expenses	4,943			4,943	162,627			162,627
Travel	1,912	191		2,103	1,528	134		1,662
Total Functional Expenses	\$ 229,026	\$ 150,031	\$ 47,314	\$ 426,371	\$ 349,353	\$ 147,146	\$ 51,774	\$ 548,273

SEE INDEPENDENT AUDITORS' REPORT AND NOTES TO FINANCIAL STATEMENTS

BOSTON CITY SINGERS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013

<u>Cash Flows from Operating Activities</u>	<u>2 0 1 4</u>	<u>2 0 1 3</u>
Increase in Net Assets	\$ 27,848	\$ 110,333
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	2,173	1,251
(Increase)/Decrease in: Contributions Receivable	(5,790)	3,555
Increase/(Decrease) in: Accounts Payable	<u>965</u>	<u>1,557</u>
Net Cash Provided by Operating Activities	<u>25,196</u>	<u>116,696</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of Equipment	<u>-0-</u>	<u>(8,607)</u>
Net Cash Used by Investing Activities	<u>-0-</u>	<u>(8,607)</u>
<u>Cash Flows from Financing Activities</u>		
Net Cash Provided/(Used) by Financing Activities	<u>-0-</u>	<u>-0-</u>
Increase in Cash and Cash Equivalents	25,196	108,089
Beginning Cash and Cash Equivalents, September 1,	<u>164,242</u>	<u>56,153</u>
<u>Ending Cash and Cash Equivalents, August 31,</u>	<u>\$ 189,438</u>	<u>\$ 164,242</u>

SEE INDEPENDENT AUDITORS' REPORT AND NOTES TO FINANCIAL STATEMENTS

BOSTON CITY SINGERS, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2014 AND 2013

NOTE A - Significant Accounting Policies.

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of management, who are responsible for the statements' integrity and objectivity.

Business Activity

Boston City Singers, Inc. (the "Organization") was organized in the Commonwealth of Massachusetts in 2003 as a 501(c)(3) non-profit organization. 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. The Organization biennially embarks on international goodwill performance tours. The international goodwill performance tour creates extraordinary fundraising revenues, additional related expenses, and allows the Organization to give out additional financial aid awards.

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. Accordingly, net assets of the Organization are classified and reported as follows:

Unrestricted - Net assets for which the donor has not imposed a restriction that the assets be used for a specific purpose or held for a certain period of time.

Temporarily Restricted - Net assets subject to donor-imposed stipulations that can be met either by actions of the Organization or held for a certain period of time.

Permanently Restricted - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. The donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. For both the years ended August 31, 2014 and 2013, there were no permanently restricted net assets.

Revenue Recognition

The financial statements of the Organization have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

The Organization considers cash, money market funds and all highly liquid debt instruments with a maturity of twelve months or less to be cash equivalents.

BOSTON CITY SINGERS, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2014 AND 2013

NOTE A - (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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and assumptions

Concentration of Credit Risk

The Organization maintains a majority of its cash balances at one financial institution. During the fiscal year, balances in the accounts may exceed the federally insured limit. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

Functional Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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 are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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.

Income Taxes

The Organization is qualified under Section 501(c) (3) of the Internal revenue Code and is exempt from federal and state income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ending August 31, 2014 and 2013 are subject to examination by the IRS, generally for three years after they were filed.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended August 31, 2014 and 2013 was \$1,178 and \$436, respectively.

BOSTON CITY SINGERS, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2014 AND 2013

NOTE A - (continued):

Donated 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. No amounts have been recognized in the accompanying statement of activities and changes in net assets because the criteria for recognition of such efforts under SFAS No. 116 have not been satisfied.

Property and Equipment

It is the Organization's policy to capitalize property and equipment over a certain amount. Property and Equipment are recorded at cost. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is computed over the estimated useful lives of the related assets, using straight-line and accelerated methods.

Depreciation expense totaled \$2,173 and \$1,251 for the years ended August 31, 2014 and 2013, respectively.

NOTE B - Temporarily Restricted Net Assets.

The temporarily restricted net asset represents the following restriction at August 31, 2013:

For use in fiscal year 2014: \$57,454

In the fiscal year ended August 31, 2014, there were no temporarily restricted net assets.

NOTE C – Subsequent Events

As required by FASB ASC 855, the group has evaluated subsequent events through December 11, 2014, the date on which the financial statements were available to be issued.