

**WORCESTER CHAMBER MUSIC SOCIETY, INC.**

**FINANCIAL STATEMENTS**

**YEAR ENDED AUGUST 31, 2011**

**WORCESTER CHAMBER MUSIC SOCIETY, INC.**

**AUGUST 31, 2011**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

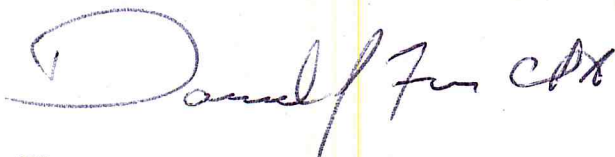
To the Board of Directors  
Worcester Chamber Music Society, Inc.  
Harvard, MA

I have reviewed the accompanying statement of financial position of Worcester Chamber Music Society, Inc. (a nonprofit organization) as of August 31, 2011, and the related statements of activities 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, I 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.

My 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 me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am 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.



Worcester, Massachusetts  
November 10, 2011

**WORCESTER CHAMBER MUSIC SOCIETY, INC.**  
**Statement of Financial Position**  
**August 31, 2011**

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**Assets:**

Cash	\$ 22,362
Accounts receivable	2,292
Prepaid expenses	1,195
<b>Total Assets</b>	<u><u>\$ 25,849</u></u>

**Liabilities and Net Assets**

**Liabilities:**

Accounts payable	\$ 415
Payroll taxes payable	1,299
Deferred Revenue	455
<b>Total Liabilities</b>	<u><u>2,169</u></u>

**Unrestricted net assets**

23,680

**Total Liabilities and Net Assets**

\$ 25,849

See accompanying notes and independent accountant's review report.

**WORCESTER CHAMBER MUSIC SOCIETY, INC.**  
**Statement of Activities**  
**Year Ended August 31, 2011**

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**Operating Revenue:**

Concert Fees	\$ 18,208
Ticket sales	11,830
Educational programs	3,325
Public support	27,677
Festival income	49,843
Grants	4,700
Advertising	3,721
Other income	225
<b>Total operating revenue</b>	<u>119,529</u>

**Operating Expenses:**

Artist fees	47,102
Festival costs	38,697
Venue costs	5,652
Advertising	7,580
Administrative expenses	3,024
Payroll and taxes	10,180
Insurance	2,201
Office expense	839
Printing and postage	7,720
<b>Total operating expenses</b>	<u>122,995</u>

<b>Change in Net Assets</b>	(3,466)
<b>Unrestricted net Assets, beginning</b>	27,146
<b>Unrestricted net Assets, ending</b>	<u>\$ 23,680</u>

See accompanying notes and independent accountant's review report.

**WORCESTER CHAMBER MUSIC SOCIETY, INC.**  
**Statement of Cash Flows**  
**Year Ended August 31, 2011**

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<b>Cash Flow From Operating Activities:</b>	
Change in net assets	(\$3,466)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Increase in accounts receivable	(2,292)
Increase in prepaid expenses	(815)
Increase in accounts payable	415
Increase in payroll taxes payable	1,299
Decrease in deferred revenues	<u>(1,134)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>(5,993)</u>
<b>Net Increase in Cash</b>	<u>(5,993)</u>
<b>Cash, beginning</b>	<u>28,355</u>
<b>Cash, ending</b>	<u><u>\$22,362</u></u>

See accompanying notes and independent accountant's review report.

**WORCESTER CHAMBER MUSIC SOCIETY, INC.**  
**Notes to Financial Statements**  
**August 31, 2011**

**Summary of Significant Accounting Policies**

**Date of Management's Review**

Management has evaluated subsequent events through November 10, 2011, the date on which the financial statements were available to be issued.

**Organization and Purpose**

Worcester Chamber Music Society, Inc. is a nonprofit corporation, established in 2010 to perform chamber music and to make performances accessible to the greater Worcester, Massachusetts community. It is dedicated to increasing public awareness and support for chamber music through concerts and educational and community outreach programs, and to nurturing and encouraging young musicians through educational, performance, training, and scholarship opportunities.

The Corporation is exempt from Federal income taxes as an organization (not a private foundation) under Section 501(c)(3) of the Internal Revenue Code. There are no uncertain tax positions or open tax years.

**Basis of Accounting and Revenue Recognition**

The Organization's policy is to prepare its financial statements on the accrual basis of accounting. It records revenues when earned. Its primary sources of revenues are concert fees and ticket sales, public contributions, educational programs, sponsorships, grants, and advertising. All grant income is unrestricted.

**Cash**

For the purpose of the statement of cash flows, cash consists of a general checking account and a savings account.

**WORCESTER CHAMBER MUSIC SOCIETY, INC.**  
**Notes to Financial Statements**  
**August 31, 2011**

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

**Related Party Transactions**

Manager employees of the Organization, paid for their administrative work, are also compensated for performances and educational activities, and are done so in the same manner as non employees providing the same services.

**Advertising and Marketing**

The Company expenses advertising and marketing costs as they are incurred. Advertising and marketing expenses for the year ended August 31, 2011 was \$9,424.

See independent accountant's review report.