

WORCESTER CHAMBER MUSIC SOCIETY, INC.

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2012 AND 2011

WORCESTER CHAMBER MUSIC SOCIETY, INC.

AUGUST 31, 2012

Contents

Independent Accountant’s Review Report.....1

Statements of Financial Position.....2

Statements of Activities.....3

Statements of Cash Flows.....4

Notes to Financial Statements.....5

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

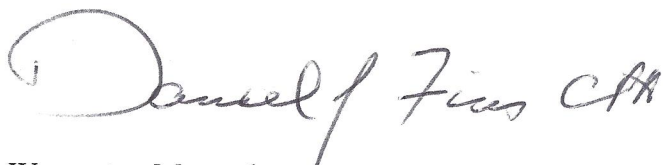
To the Board of Directors
Worcester Chamber Music Society, Inc.
Harvard, MA

I have reviewed the accompanying statements of financial position of Worcester Chamber Music Society, Inc. (a nonprofit organization) as of August 31, 2012 and 2011, and the related statements of activities and cash flows for the years 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 reviews, 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
October 22, 2012

WORCESTER CHAMBER MUSIC SOCIETY, INC.
Statements of Financial Position
August 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets:		
Cash	\$ 42,375	\$ 22,362
Accounts receivable	237	2,292
Prepaid expenses	700	1,195
Total Assets	<u>\$ 43,312</u>	<u>\$ 25,849</u>
 Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 16,006	\$ 415
Payroll taxes payable	2,628	1,299
Deferred Revenue	4,207	455
Total Liabilities	<u>22,841</u>	<u>2,169</u>
Unrestricted net assets	<u>20,471</u>	<u>23,680</u>
Total Liabilities and Net Assets	<u>\$ 43,312</u>	<u>\$ 25,849</u>

See accompanying notes and independent accountant's review report.

WORCESTER CHAMBER MUSIC SOCIETY, INC.
Statement of Activities
Years Ended August 31, 2012 and 2011

	2012	2011
Operating Revenue:		
Concert Fees	\$ 13,720	\$ 18,208
Ticket sales	11,539	11,830
Educational programs	4,100	3,325
Public support	39,909	27,677
Festival income	51,905	49,843
Grants	10,340	4,700
Advertising	3,340	3,721
Other income	871	225
Total operating revenue	<u>135,724</u>	<u>119,529</u>
 Operating Expenses:		
Artist fees	40,894	47,102
Festival costs	30,861	38,697
Venue costs	8,185	5,652
Advertising	9,797	7,580
Administrative expenses	5,175	3,024
Payroll and taxes	33,736	10,180
Insurance	1,279	2,201
Office expense	1,179	839
Printing and postage	7,827	7,720
Total operating expenses	<u>138,933</u>	<u>122,995</u>
 Change in Net Assets	 (3,209)	 (3,466)
 Unrestricted Net Assets, Beginning	 23,680	 27,146
 Unrestricted Net Assets, Ending	 <u>\$ 20,471</u>	 <u>\$ 23,680</u>

See accompanying notes and independent accountant's review report.

WORCESTER CHAMBER MUSIC SOCIETY, INC.
Statement of Cash Flows
Years Ended August 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash Flow From Operating Activities:		
Change in net assets	(\$3,209)	(\$3,466)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
(Increase) decrease in accounts receivable	2,055	(2,292)
(Increase) decrease in prepaid expenses	495	(815)
Increase (decrease) in accounts payable	15,591	415
Increase (increase) in payroll taxes payable	1,329	1,299
Increase (increase) in deferred revenues	<u>3,752</u>	<u>(1,134)</u>
 Net Cash Provided by Operating Activities	 <u>20,013</u>	 <u>(5,993)</u>
 Net Increase in Cash	 <u>20,013</u>	 <u>(5,993)</u>
 Cash, Beginning	 <u>22,362</u>	 <u>28,355</u>
 Cash, Ending	 <u><u>\$42,375</u></u>	 <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, 2012

Summary of Significant Accounting Policies

Date of Management's Review

Management has evaluated subsequent events through October 22, 2012, 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 fostering an appreciation for chamber music in Worcester County through performances, outreach programs and a commitment to nurturing young musicians through educational programs, performance opportunities and scholarships.

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, 2012

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 as employees. Other performers are compensated as independent contractors.

Advertising and Marketing

The Company expenses advertising and marketing costs as they are incurred. Advertising and marketing expenses for the year ended August 31, 2012 and 2011 was \$10,482 and \$9,424 respectively.

See independent accountant's review report.