

**WORCESTER CHAMBER MUSIC SOCIETY, INC.**

**FINANCIAL STATEMENTS**

**YEARS ENDED AUGUST 31, 2013 AND 2012**

**WORCESTER CHAMBER MUSIC SOCIETY, INC.**

**AUGUST 31, 2013**

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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, 2013 and 2012, 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 8, 2013

**WORCESTER CHAMBER MUSIC SOCIETY, INC.**  
**Statements of Financial Position**  
**August 31, 2013 and 2012**

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	<u>2013</u>	<u>2012</u>
<b>Assets:</b>		
Cash	\$ 61,148	\$ 42,375
Accounts receivable	1,246	237
Prepaid expenses	700	700
Beneficial interest in trust	24,835	-
<b>Total Assets</b>	<u>\$ 87,929</u>	<u>\$ 43,312</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 7,457	\$ 16,006
Payroll taxes payable	3,305	2,628
Deferred Revenue	22,375	4,207
<b>Total Liabilities</b>	<u>33,137</u>	<u>22,841</u>
<b>Unrestricted net assets</b>	<u>54,792</u>	<u>20,471</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 87,929</u>	<u>\$ 43,312</u>

See accompanying notes and independent accountant's review report.

**WORCESTER CHAMBER MUSIC SOCIETY, INC.**

**Statement of Activities**

**Years Ended August 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Operating Revenue:</b>		
Concert fees, workshops, recordings	\$ 29,525	\$ 13,720
Ticket sales	15,899	11,539
Educational programs	1,250	4,100
Public support		
Individual	64,995	36,059
Corporate	1,500	3,850
Festival income	50,164	51,905
Grants/foundations	47,218	10,340
Advertising	860	3,340
Change in beneficial interest in trust	(165)	-
Other income	61	871
<b>Total operating revenue</b>	<u>211,307</u>	<u>135,724</u>
<b>Operating Expenses:</b>		
Artist fees	27,758	40,894
Festival program costs	35,929	30,861
Neighborhood strings program costs	5,978	-
Venue costs	10,899	8,185
Advertising	15,067	9,797
Administrative expenses	10,806	5,175
Payroll and taxes	58,713	33,736
Insurance	1,445	1,279
Office expense	3,859	1,179
Printing and postage	6,532	7,827
<b>Total operating expenses</b>	<u>176,986</u>	<u>138,933</u>
<b>Change in Net Assets</b>	34,321	(3,209)
<b>Unrestricted Net Assets, Beginning</b>	20,471	23,680
<b>Unrestricted Net Assets, Ending</b>	<u>\$ 54,792</u>	<u>\$ 20,471</u>

See accompanying notes and independent accountant's review report.

**WORCESTER CHAMBER MUSIC SOCIETY, INC.**  
**Statement of Cash Flows**  
**Years Ended August 31, 2013 and 2012**

	2013	2012
<b>Cash Flow From Operating Activities:</b>		
Change in net assets	\$ 34,321	\$ (3,209)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
(Increase) decrease in accounts receivable	(1,009)	2,055
(Increase) decrease in prepaid expenses	-	495
(Increase) decrease in beneficial interest in trust	(24,835)	-
Increase (decrease) in accounts payable	(8,549)	15,591
Increase (increase) in payroll taxes payable	677	1,329
Increase (increase) in deferred revenues	18,168	3,752
 <b>Net Cash Provided by Operating Activities</b>	 18,773	 20,013
 <b>Net Increase in Cash</b>	 18,773	 20,013
 <b>Cash, Beginning</b>	 42,375	 22,362
 <b>Cash, Ending</b>	 \$ 61,148	 \$ 42,375

See accompanying notes and independent accountant's review report.

**WORCESTER CHAMBER MUSIC SOCIETY, INC.**  
**Notes to Financial Statements**  
**August 31, 2013**

**Summary of Significant Accounting Policies**

**Date of Management's Review**

Management has evaluated subsequent events through October 8, 2013, 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 seeks to foster an appreciation for classical chamber music and a connection to the Greater Worcester Community through its performance and outreach programs. It is committed to the nurturing of young musicians by providing educational programs, performance opportunities, training, and scholarships for the advanced study of music.

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 ticket sales, contracted performances and recordings, educational programs, advertising, public contributions, sponsorships, and grants. 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, 2013**

**Beneficial Interest**

The Organization established an endowment fund with the Greater Worcester Community Foundation (GWCF). This fund encourages donations from individuals, other organizations, estates and trusts in addition to contributions by the Organization. GWCF acts as custodian of the endowment fund, and funds can only be expended by the Organization if approved by both the Organization's Board of Directors and GWCF's Board of Directors.

The Organization does not have control over, or legal ownership of, these funds. However, an asset representing the estimated present value of the expected future receipts has been recorded in unrestricted assets.

As of August 31, 2013, the estimated value of the funds held by GWCF on behalf of the Organization is \$24,835. Changes in the estimated present value of the funds are included in the statement of activities.

**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, 2013 and 2012 was \$17,683 and \$10,482 respectively.

See independent accountant's review report.