

Motor City



Brass Band

MOTOR CITY BRASS BAND

FINANCIAL STATEMENTS AS OF AND FOR THE
YEARS ENDED SEPTEMBER 30, 2019 AND 2018

(With Independent Accountant's Report Thereon)

MOTOR CITY BRASS BAND

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Motor City Brass Band
Southfield, Michigan

April 27, 2020

We have reviewed the accompanying statements of financial position of Motor City Brass Band (a nonprofit organization) as of September 30, 2019 and 2018, 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 Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statement as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial.

Accountant's Responsibility

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 that we 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.

Apparatus Solutions, Inc.

MOTOR CITY BRASS BAND
STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2019 AND 2018

	2019	2018
ASSETS		
Cash and cash equivalents (without restrictions)	\$ 11,547	\$ 31,340
Cash and cash equivalents (with restrictions)	3,169	2,627
Deposits In Transit	1,100	975
Accounts receivable	7,238	17,806
Exchange Account	2,300	-
Prepaid Expenses	-	3,800
Net fixed assets	<u>33,145</u>	<u>-</u>
TOTAL ASSETS	<u>58,499</u>	<u>56,548</u>
LIABILITIES AND NET ASSETS		
Accounts payable & Accrued Liabilities	\$ 5,767	\$ 4,943
Travel Exchange Account	-	1,900
General Band Instrument Fund	2,200	2,200
Deferred Revenue	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>7,967</u>	<u>9,043</u>
NET ASSETS:		
Without Restrictions	47,363	44,878
With Restrictions	<u>3,169</u>	<u>2,627</u>
TOTAL NET ASSETS	<u>50,532</u>	<u>47,505</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 58,499</u>	<u>\$ 56,548</u>

See Accompanying Notes and Accountant's Review Report

MOTOR CITY BRASS BAND
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>WITHOUT RESTRICTIONS</u>	<u>WITH RESTRICTIONS</u>	<u>TOTAL</u>
REVENUES:			
Contributions and grants	\$ 21,424	\$ -	\$ 21,424
Ticket sales and program revenue	15,168	540	15,708
Merchandise sales	1,142	-	1,142
Miscellaneous Income	548	804	1,352
Interest Income	9	-	9
Gain/Loss on Equipment	-	27,663	27,663
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	38,291	29,007	67,298
PROGRAM EXPENSES			
Instruction and rehearsal	7,926		7,926
Clinics and competitions	2,979		2,979
Consulting	9,368		9,368
Performance costs	24,795		24,795
Youth band costs		1,975	1,975
	<hr/>	<hr/>	<hr/>
TOTAL PROGRAM EXPENSES	45,068	1,975	47,043
OPERATING EXPENSES			
Advertising and marketing	1,736		1,736
Bank charges	463		463
Depreciation	6,551		6,551
Fees and licenses	450		450
Insurance	3,910		3,910
Office and miscellaneous	(504)		(504)
Postage	27		27
Professional fees	4,190		4,190
Telephone	190		190
Website	215		215
Loss on Asset Disposal	-		-
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	17,228	-	17,228
TOTAL EXPENSES	62,296	1,975	64,271
CHANGE IN NET ASSETS	(24,005)	27,032	3,027
NET ASSETS — BEGINNING OF YEAR	30,805	16,700	47,505
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NET ASSETS — END OF YEAR	6,800	43,732	50,532

Accompanying Notes and Accountant's Review Report

MOTOR CITY BRASS BAND
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>WITHOUT RESTRICTIONS</u>	<u>WITH RESTRICTIONS</u>	<u>TOTAL</u>
REVENUES:			
Contributions and grants	\$ 29,967	\$ 5,871	\$ 35,838
Ticket sales and program revenue	27,240	615	27,855
Merchandise sales and miscellaneous	2,058	13,096	15,154
Interest income	6	-	6
	<u>59,271</u>	<u>19,582</u>	<u>78,853</u>
PROGRAM EXPENSES			
Instruction and rehearsal	9,122	-	9,122
Clinics and competitions	6,349	-	6,349
Consulting	8,973	-	8,973
Performance costs	28,689	-	28,689
Youth band costs	-	5,508	5,508
	<u>53,133</u>	<u>5,508</u>	<u>58,641</u>
OPERATING EXPENSES			
Advertising and marketing	3,838	-	3,838
Bank charges	387	-	387
Depreciation	-	-	-
Fees and licenses	327	-	327
Insurance	1,625	-	1,625
Office and miscellaneous	1,143	-	1,143
Postage	-	-	-
Professional fees	3,912	-	3,912
Telephone	190	-	190
Website	215	-	215
Loss on Asset Disposal	4,010	-	4,010
	<u>15,647</u>	<u>-</u>	<u>15,647</u>
	68,780	5,508	74,288
CHANGE IN NET ASSETS	(9,509)	14,074	4,565
NET ASSETS — BEGINNING OF YEAR	<u>40,314</u>	<u>2,626</u>	<u>42,940</u>
NET ASSETS — END OF YEAR	<u>30,805</u>	<u>16,700</u>	<u>47,505</u>

See Accompanying Notes and Accountant's Review Report

MOTOR CITY BRASS BAND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 3,027	\$ 4,565
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) / decrease in assets:		
Accounts receivable	10,568	(10,918)
Exchange Account	(2,300)	-
Prepaid Expenses	3,800	-
Increase / (decrease) in liabilities:		
Accounts payable	824	4,943
Deferred revenue	-	
Travel Exchange Account	(1,900)	
General Band Instrument Fund	-	
NET CASH PROVIDED BY OPERATING ACTIVITIES	14,019	(1,410)
Depreciation	6,551	-
Equipment Purchases	(39,696)	-
Equipment Disposals		4,010
NET CASH PROVIDED BY INVESTING ACTIVITIES	(33,145)	4,010
NET INCREASE IN CASH	(19,126)	2,600
CASH AND EQUIVALENTS, BEGINNING OF YEAR		
WITHOUT RESTRICTIONS	32,315	2,626
WITH RESTRICTIONS	2,627	29,716
CASH AND EQUIVALENTS, END OF YEAR		
WITHOUT RESTRICTIONS	12,647	2,627
WITH RESTRICTIONS	3,169	32,315
TOTAL CASH AND EQUIVALENTS	\$ 15,816	\$ 34,942

See Accompanying Notes and Accountant's Review Report

MOTOR CITY BRASS BAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Motor City Brass Band (the Organization) is a Michigan Nonprofit Corporation organized in 1996 exempt from Federal income taxes und Section 501(c)(3) of the Internal Revenue Code as an Organization that is not a Private Foundation.

The Organization uses nonprofessional musical talent drawn from Southeastern Michigan organized by a professional conductor to provide community performances throughout the year. The Organization also performs in competitions, conducts youth clinics, and dedicates itself to educating the community about brass band music.

Public Support and Revenue

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire 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 asses depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributed Services

During the years ended September 30, 2019 and 2018 the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. Many individuals volunteer their time and perform a variety of tasks that assist the Organization in its operations, but these services do not meet the criteria for recognition as contributed services in accordance with SFAS No. 116.

Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles and requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

See Accompanying Notes and Accountant's Review Report

MOTOR CITY BRASS BAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Organization considers all highly liquid investments with maturity of twelve months or less when purchased to be cash equivalents.

Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions

The Organization has also adopted SFAS No. 116, Accounting for Contributions Received and Contributions Made. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Advertising

The Organization expenses marketing costs as they are incurred. Advertising and marketing expenses for the years ended September 30, 2019 and 2018 were \$1,736 and \$3,838, respectively.

Depreciation and Amortization

Depreciation and amortization are provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives. Depreciation or amortization of an asset commences when the asset is put into use. The estimated useful lives used to determine depreciation and amortization are:

Instruments	5 years
Sound system and trailer	5 years
Office equipment	7 years

Note: In June 2018, the organization experienced the theft of a significant number of instruments, none of which were ever recovered. An insurance claim was made, settled and paid in November 2018.