



Financial Statements
and
Independent Auditors' Report
June 30, 2018 with Comparative Totals for 2017

BOSTON CHILDREN'S CHORUS, INC.

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Independent Auditors' Report

To the Board of Directors of
Boston Children's Chorus, Inc.

We have audited the accompanying financial statements of Boston Children's Chorus, Inc. (the Chorus) (a Massachusetts nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boston Children's Chorus, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Boston Children's Chorus, Inc.'s 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 28, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink, appearing to read "Jarvis Kelly". The signature is written in a cursive, flowing style.

December 17, 2018

BOSTON CHILDREN'S CHORUS, INC.
Statement of Financial Position
June 30, 2018 with Comparative Totals for 2017

	2018	2017
ASSETS		
<i>CURRENT ASSETS:</i>		
Cash	\$ 803,233	\$ 857,148
Accounts receivable, net	13,657	13,121
Promises to give, net	323,250	136,750
Short term investments	19,166	-
Prepaid expenses	43,281	26,137
Total current assets	1,202,587	1,033,156
<i>NONCURRENT ASSETS:</i>		
Promises to give, net	49,000	70,000
Security deposit	18,770	18,770
Total noncurrent assets	67,770	88,770
<i>FIXED ASSETS:</i>		
Leasehold improvements	367,629	363,433
Office and program equipment	140,395	118,286
Less: accumulated depreciation	(216,911)	(115,825)
Net fixed assets	291,113	365,894
<i>INTANGIBLE ASSETS</i>		
Website	12,547	84,347
Computer software	8,245	8,245
Less: accumulated amortization	(8,701)	(79,920)
Net intangible assets	12,091	12,672
Total assets	\$ 1,573,561	1,500,492
LIABILITIES AND NET ASSETS		
<i>CURRENT LIABILITIES</i>		
Accounts payable	\$ 46,802	\$ 19,963
Accrued expenses	21,791	66,414
Accrued payroll	40,024	43,634
Line of credit	200,000	-
Deferred revenue	36,168	-
Capital lease obligation - current portion	4,416	4,572
Total current liabilities	349,201	134,583
<i>LONG-TERM LIABILITIES</i>		
Loan, related party	-	200,000
Capital lease obligation	11,863	-
Total liabilities	361,064	334,583
<i>NET ASSETS</i>		
Unrestricted		
Undesignated	530,823	613,187
Board designated reserve	38,522	38,522
	569,345	651,709
Temporarily restricted	643,152	514,200
Total net assets	1,212,497	1,165,909
Total liabilities and net assets	\$ 1,573,561	\$ 1,500,492

See accompanying notes to financial statements.

BOSTON CHILDREN'S CHORUS, INC.

Statement of Activities

For the Year Ended June 30, 2018 with Summarized Comparative Totals for 2017

OPERATING SUPPORT AND REVENUE:	UNRESTRICTED	TEMPORARILY RESTRICTED	2018 TOTAL	2017 TOTAL
<i>SUPPORT:</i>				
Corporate grants	\$ 84,365	\$ 2,500	\$ 86,865	\$ 71,203
Foundation grants	352,000	380,000	732,000	652,500
Government grants	65,100	-	65,100	54,700
Individual giving	722,180	194,113	916,293	757,145
In-kind donations	110,850	-	110,850	171,549
Total support	<u>1,334,495</u>	<u>576,613</u>	<u>1,911,108</u>	<u>1,707,097</u>
<i>REVENUE:</i>				
Tuition	477,700	-	477,700	483,200
Less financial aid	<u>(233,070)</u>	<u>-</u>	<u>(233,070)</u>	<u>(243,200)</u>
Net tuition	<u>244,630</u>	<u>-</u>	<u>244,630</u>	<u>240,000</u>
Tour fees	111,625	-	111,625	140,600
Less financial aid	<u>(66,098)</u>	<u>-</u>	<u>(66,098)</u>	<u>(37,566)</u>
Net tour fees	<u>45,527</u>	<u>-</u>	<u>45,527</u>	<u>103,034</u>
Ticket sales	136,428	-	136,428	84,078
Performance fees	46,691	-	46,691	21,720
Interest income	1,384	-	1,384	913
Other revenue	<u>9,169</u>	<u>-</u>	<u>9,169</u>	<u>4,645</u>
Total revenue	<u>483,829</u>	<u>-</u>	<u>483,829</u>	<u>454,390</u>
Net assets released from restrictions	<u>447,661</u>	<u>(447,661)</u>	<u>-</u>	<u>-</u>
Total operating support and revenue	<u>2,265,985</u>	<u>128,952</u>	<u>2,394,937</u>	<u>2,161,487</u>
<i>EXPENSES:</i>				
Programs	1,348,577	-	1,348,577	1,178,589
Management and general	508,350	-	508,350	519,161
Fundraising	<u>491,422</u>	<u>-</u>	<u>491,422</u>	<u>500,505</u>
Total expenses	<u>2,348,349</u>	<u>-</u>	<u>2,348,349</u>	<u>2,198,255</u>
Change in net assets from operations	<u>(82,364)</u>	<u>128,952</u>	<u>46,588</u>	<u>(36,768)</u>
NON-OPERATING ACTIVITY				
Contributions	-	-	-	129,201
Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,397)</u>
Change in non-operating activity	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,804</u>
Change in net assets	<u>(82,364)</u>	<u>128,952</u>	<u>46,588</u>	<u>75,036</u>
Net assets, beginning of year	<u>651,709</u>	<u>514,200</u>	<u>1,165,909</u>	<u>1,090,873</u>
Net assets, end of year	<u>\$ 569,345</u>	<u>\$ 643,152</u>	<u>\$ 1,212,497</u>	<u>\$ 1,165,909</u>

See accompanying notes to financial statements.

BOSTON CHILDREN'S CHORUS, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2018 with Summarized Comparative Totals for 2017

DESCRIPTION	PROGRAMS	MANAGEMENT AND GENERAL	FUNDRAISING	2018 TOTAL	2017 TOTAL
Personnel	\$ 703,277	\$ 209,020	\$ 386,979	\$ 1,299,276	\$ 1,351,530
Training, conferences and meetings	9,100	15,418	1,271	25,789	3,100
Consultants	48,846	17,772	8,317	74,935	47,249
Commissions	42,710	-	-	42,710	3,800
Membership dues	2,918	2,133	4,840	9,891	4,127
Production expenses	44,888	350	-	45,238	24,463
Printing and reproduction	24,940	16,409	4,814	46,163	35,036
Materials and supplies	13,784	5,065	1,937	20,786	18,654
Equipment	19,518	1,035	6,922	27,475	23,795
Communication expenses	11,752	7,096	9,693	28,541	30,170
Administrative expense	38,216	14,975	72	53,263	39,762
Scholarships	13,706	-	-	13,706	15,000
Professional fees	3,284	23,757	800	27,841	24,891
Insurance	9,858	7,043	5,387	22,288	24,087
Occupancy	174,678	28,622	30,171	233,471	163,180
Tours	44,738	-	-	44,738	109,720
Travel and transportation	4,826	1,308	423	6,557	13,007
In-kind expenses	-	110,850	-	110,850	117,078
Depreciation and amortization	88,252	15,192	16,863	120,307	78,327
Advertising	3,833	1,836	-	5,669	7,660
Fees and royalties	1,187	-	-	1,187	174
Meals	37,968	21,767	12,933	72,668	37,921
Uniforms	6,298	-	-	6,298	9,791
Interest	-	827	-	827	2,033
Other expenses	-	7,875	-	7,875	3,941
Bad debt	-	-	-	-	9,759
Total expenses	<u>\$ 1,348,577</u>	<u>\$ 508,350</u>	<u>\$ 491,422</u>	<u>\$ 2,348,349</u>	<u>\$ 2,198,255</u>

See accompanying notes to financial statements.

BOSTON CHILDREN'S CHORUS, INC.
Statement of Cash Flows
For the Year Ended June 30, 2018 with Comparative Totals for 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATIONS		
Change in Net Assets	\$ 46,588	\$ 75,036
Adjustments to reconciled change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	120,307	78,327
Bad debt	-	9,759
Discount on pledges receivable	-	(111,804)
Fixed assets - income received in kind	-	(54,471)
Contributions of stock	(17,000)	-
(Gain) loss in investments	(2,166)	-
Increase/decrease operating assets:		
Accounts receivable	(536)	(8,973)
Promises to give	(165,500)	447,040
Note receivable		
Prepaid expenses	(17,144)	(10,512)
Increase/decrease in operating liabilities:		
Accounts payable	26,839	(13,331)
Accrued expenses	(48,233)	29,480
Deferred revenue	36,168	(2,050)
Net cash (used in) provided by operating activities	<u>(20,677)</u>	<u>438,501</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(22,245)	(333,661)
Purchases of intangible assets	(3,200)	(8,245)
Security deposits paid	-	(18,770)
Security deposits collected	-	2,883
Net cash used in investing activities	<u>(25,445)</u>	<u>(357,793)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	200,000	200,000
Repayments on line of credit	-	(400,000)
Principal payments on capital lease obligation	(7,793)	(3,860)
Payments on (proceeds from) loan payable	(200,000)	200,000
Proceeds from contributions received for long-term purposes	-	111,804
Net cash (used in) provided by financing activities	<u>(7,793)</u>	<u>107,944</u>
Net (decrease) increase in cash	(53,915)	188,652
Cash at beginning of year	857,148	668,496
Cash at end of year	<u>\$ 803,233</u>	<u>\$ 857,148</u>
Supplemental Cash Flow Information		
Cash paid during the year for interest	<u>\$ 827</u>	<u>\$ 2,033</u>
Significant non-cash investing and financing activity		
Costs incurred for purchases of fixed assets	\$ (41,745)	\$ (388,132)
In-kind donations of fixed assets	-	54,471
Fixed assets acquired under a capital lease	19,500	-
Payments for fixed assets	<u>\$ (22,245)</u>	<u>\$ (333,661)</u>
Costs incurred for purchases of intangible assets	\$ (3,200)	\$ -
Amounts included in accounts payable and accrued expenses Beginning of the year	-	(8,245)
Payments for intangible assets	<u>\$ (3,200)</u>	<u>\$ (8,245)</u>

See accompanying notes to financial statements.

BOSTON CHILDREN'S CHORUS, INC.
Notes to Financial Statements
June 30, 2018 with Comparative Totals for 2017

1. ORGANIZATION

Boston Children's Chorus, Inc. (the "Chorus") harnesses the power and joy of music to unite the City of Boston's (Boston) diverse communities and inspire social change. Our singers transcend social barriers in a celebration of shared humanity and love of music. Through intensive choral training and high-profile public performance experience (locally, throughout the U.S. and around the world), they learn discipline, develop leadership skills, and proudly represent Boston as ambassadors of harmony.

The Chorus offers the following programs:

- **Premier Choir** – Advanced singers ages 12-18. Our premier performing group offers a stimulating, comprehensive and demanding choral repertoire requiring advanced level of musical skill. The Premier Choir participates in local, national and international tours.
- **Young Men's Ensemble** – Advanced singers ages 12-18 with changed voices. Our premier performing group offers a stimulating, comprehensive and demanding choral repertoire requiring advanced level of musical skill. The Young Men's Ensemble participates in local, national and international tours.
- **Concert Choir** – Singers ages 10-16 with advanced musical skills receive intensive training in music theory, music history and foreign languages; performances include regional tours.
- **Jr. Men's Ensemble** - A special program to meet the unique needs of boys ages 10-18 with changing and changed voices.
- **Choral Union** – A choir created in 2010 to provide intense vocal and theory training for older singers ages 12 to 18 who have a great interest and enthusiasm for singing, but not the formal musical training.
- **Central Intermediate Advanced** - Intermediate singers ages 10-14. This level requires individual attentiveness, vocal skills and advanced theory comprehension while offering expanded, rigorous repertoire and performance experiences.
- **Central Intermediate Choir** – Intermediate singers ages 10-14 with treble voices. This level requires individual attentiveness, vocal skills and theory comprehension while offering expanded repertoire and performance experiences.
- **Dorchester Intermediate Choir** – Intermediate level neighborhood-based choir established in collaboration with Dorchester House, in Fields Corner.
- **United South End Settlements Choir** – A neighborhood-based choir for beginning level singers ages 7-12, in collaboration with the USES Community Center in the South End.
- **West End House Training Choir** – A neighborhood-based choir for beginning-level singers ages 7-12, established in collaboration with the West End House in Allston-Brighton.
- **Central Training Choir** – Beginning singers ages 7-12. This program develops music basics such as theory, interval training, rhythm and sight singing techniques. Attention span and concentration are points of focus.
- **South Boston Training Choir** – A neighborhood-based choir for beginning-level singers ages 7-12, established in collaboration with South Boston Boys and Girls Club.
- **Dorchester Advanced Training Choir** – A neighborhood-based choir for beginning-level singers ages 7-12, established in collaboration with Dorchester House, in Fields Corner.

The Chorus' operations are funded primarily by foundation grants and contributions from the general public.

BOSTON CHILDREN'S CHORUS, INC.
Notes to Financial Statements (*Continued*)
June 30, 2018 with Comparative Totals for 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Chorus prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, revenue is recognized when earned and expenses when incurred.

MEASURE OF CHORUS OPERATIONS

The Chorus' operating activities include all operating revenues and expenses that are an integral part of its programs and supporting activities, net assets released from donor restrictions to support operating expenditures, and transfers from Board-designated funds to support operating activities. All other revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

CASH EQUIVALENTS

The Chorus considers all highly liquid investments, except for those held for long-term investment, with maturities of three months or less when purchased to be cash equivalents.

NET ASSETS CLASSIFICATION

Net assets of the Chorus are classified into three categories based on the existence or absence of donor-imposed restrictions as follows:

- *Unrestricted Net Assets* - Net assets that are not subject to donor imposed stipulations. Net assets accumulated that are not subject to donor imposed restrictions, but which the Board of Directors has earmarked for specific uses, are segregated as "board-designated" funds within the unrestricted category of net assets.
- *Temporarily Restricted Net Assets* - Net assets subject to donor imposed stipulations that may or will be satisfied through the actions of the Chorus and/or the passage of time.
- *Permanently Restricted Net Assets* - Net assets subject to donor imposed stipulations that the Chorus permanently maintain certain contributed assets. Permanent restrictions do not pass with the expiration of time, nor can they be removed through the Chorus' actions. However, donors of such assets may permit the Chorus to use all or part of the income earned from permanently restricted net assets for general operations or for specific purposes. At June 30, 2018 and 2017, the Chorus had no permanently restricted net assets.

BOSTON CHILDREN'S CHORUS, INC.
Notes to Financial Statements (*Continued*)
June 30, 2018 with Comparative Totals for 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GRANTS AND CONTRIBUTIONS

Grants and contributions are recognized when a donor makes a promise to give to the Chorus that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Grants and 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 grants and contributions are reported as increases in temporarily restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Unconditional promises to give that are collectible over time periods in excess of one year are recorded at their discounted net present value.

The Chorus uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. At June 30, 2018 and 2017, there were no uncollectible unconditional promises to give.

IN-KIND DONATIONS

The Chorus receives in-kind donations in support of its operations. Donated materials, facilities and services are recorded at fair value. Donated services that (a) create or enhance a nonfinancial asset or (b) require specialized skills, are provided by entities or persons possessing those skills, and would need to be purchased if they were not donated are recorded as contributions in the financial statements. Donated services such as fundraising, clerical assistance or other volunteer efforts not requiring specialized skills are not recorded in the financial statements.

ACCOUNTS RECEIVABLE

Accounts receivable are presented net of the allowance for doubtful accounts. The Chorus' periodic evaluation of the adequacy of the allowance is based on its past experience. Accounts receivable are charged off when deemed uncollectible. The allowance for doubtful accounts was \$44,734 and \$46,027, respectively, at June 30, 2018 and 2017.

DEFERRED REVENUE

Advance receipts of tuition and fees are recorded as liabilities until services are performed and revenue earned.

BOSTON CHILDREN'S CHORUS, INC.
Notes to Financial Statements (*Continued*)
June 30, 2018 with Comparative Totals for 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS

Donations of fixed assets are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire fixed assets are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Chorus reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Chorus reclassifies temporarily restricted net assets to unrestricted net assets at that time. Purchased fixed assets are recorded at cost. Repairs and maintenance are charged to operations. Betterments, renewals and purchases of more than \$500 are capitalized. Fixed assets are depreciated using the straight-line method.

Depreciation expense was \$116,526 and \$73,010, respectively, for the years ended June 30, 2018 and 2017.

INTANGIBLE ASSETS

Website development and computer software costs are being amortized on a straight-line basis over estimated useful lives of five years.

Amortization expense was \$3,781 and \$5,317 in 2018 and 2017, respectively. Amortization expense is estimated to be as follows for each of the next five years:

Fiscal Year	Amount
2019	\$ 4,158
2020	4,158
2021	2,758
2022	640
2023	<u>377</u>
Total	<u>\$ 12,091</u>

FUNCTIONAL ALLOCATION OF EXPENSES

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

INCOME TAXES

The Chorus is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from state income taxes under Chapter 180 of the Massachusetts General Laws. Unrelated business income, of which there was none for the years ended June 30, 2018 and 2017, would be subject to Federal and state income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

BOSTON CHILDREN'S CHORUS, INC.
Notes to Financial Statements (*Continued*)
June 30, 2018 with Comparative Totals for 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 certain estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SUMMARIZED COMPARATIVE INFORMATION

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional areas. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Chorus' financial statements for the year ended June 30, 2017, from which the summarized information was derived.

3. PROMISES TO GIVE

UNCONDITIONAL

At June 30, 2018 and 2017 all unconditional promises to give were due as follows:

	2018	2017
Promises to give due within one year	\$ 323,250	\$ 136,750
Promises to give due in one to five years	<u>49,000</u>	<u>70,000</u>
Promises to give	<u><u>\$ 372,250</u></u>	<u><u>\$ 206,750</u></u>

4. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2018 and 2017 were restricted for the following:

	2018	2017
Time restricted	\$ 562,000	\$ 462,500
Purpose and time restricted	<u>81,152</u>	<u>51,700</u>
Total	<u><u>\$ 643,152</u></u>	<u><u>\$ 514,200</u></u>

5. LINE OF CREDIT

At June 30, 2018 and 2017, the Chorus had a \$200,000 revolving line of credit. Amounts borrowed under this agreement bear interest at the bank's prime rate plus 3%. The line of credit is renewed annually and currently expires on February 28, 2019. The line is secured by all business assets of the Chorus. The line was fully outstanding at June 30, 2018 and was unused at June 30, 2017.

BOSTON CHILDREN'S CHORUS, INC.
Notes to Financial Statements (*Continued*)
June 30, 2018 with Comparative Totals for 2017

6. LOAN, RELATED PARTY

During 2017, the Chorus received a \$200,000 loan from a board member to help cover moving and build-out costs associated with its new office and program space. The loan accrued interest at 1.15%, compounded annually, and was scheduled to mature on April 30, 2020. During 2018, the loan was repaid.

7. LEASE OBLIGATIONS

OPERATING LEASE

The Chorus leases office and program space under a non-cancelable operating lease which was effective January 8, 2017 and continues through January 8, 2021. Monthly rent payments are payable as follows: \$9,384 for the first 36 months and \$10,327 for the remaining 12 months. In addition, the Chorus will pay additional rent for its proportionate share of certain operating costs and real estate taxes. In addition, pursuant to the lease, the Chorus funded a security deposit of \$18,770.

Rent expense totaled \$233,471 and \$163,180 respectively, for the years ended June 30, 2018 and 2017. Estimated future minimum lease payments are as follows:

Fiscal Year	Amount
2019	\$ 112,613
2020	118,266
2021	<u>61,959</u>
Total	<u>\$ 292,838</u>

CAPITAL LEASE

The Chorus leases office equipment under a capital lease. The asset and liability is recorded at the present value of the minimum lease payments. The equipment is being amortized over its estimated useful life on a straight-line basis.

Future minimum lease payments over the remaining term of the capital lease as follows:

Fiscal Year	Amount
2019	\$ 4,416
2020	4,416
2021	4,416
2022	4,416
2023	<u>368</u>
Total minimum lease payments	18,032
Less amount representing interest	<u>(1,752)</u>
Present value of minimum lease payments	<u>\$ 16,280</u>

Interest expense was \$827 and \$562, respectively, for the fiscal years ended June 30, 2018 and 2017.

BOSTON CHILDREN'S CHORUS, INC.
Notes to Financial Statements (*Continued*)
June 30, 2018 with Comparative Totals for 2017

8. IN-KIND DONATIONS

The Chorus receives in-kind donations in support of its programmatic and administrative functions. In-kind donations recorded for 2018 and 2017 were as follows:

	2018	2017
Moving services	\$ -	\$ 4,820
Rehearsal space	-	4,500
Consulting and professional services	-	10,000
Piano	-	25,000
Donation	652	-
Software	6,000	-
Advertising	24,450	-
Legal services	73,373	72,758
Food and space	6,375	-
	<u>110,850</u>	<u>117,078</u>
Total	<u>\$ 110,850</u>	<u>\$ 117,078</u>

During 2018 and 2017, donated services totaling approximately \$37,477 and \$54,471, respectively, were donated by businesses that are related to certain board members.

9. RETIREMENT PLAN

The Chorus sponsors a retirement plan that was established under section 403(b) of the Internal Revenue Code. The Chorus, at its discretion, contributes 3% of an employee's salary up to the maximum amount allowed by the Internal Revenue Code. For the years ended June 30, 2018 and 2017, contributions to the plan totaled \$23,005 and \$27,720, respectively.

10. CONCENTRATIONS

CREDIT RISK

The Chorus maintains cash balances at financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to \$250,000. As of June 30, 2018, and 2017, the uninsured balance totaled \$433,845 and \$533,241, respectively. The Chorus has not experienced any loss in such accounts. The Chorus believes it is not exposed to any significant credit risk on its cash balances.

PROMISES TO GIVE

Outstanding promises to give from two donors represented 51% and 46%, respectively, of the total outstanding promises to give at June 30, 2018 and 2017.

11. SUBSEQUENT EVENTS

The Chorus has evaluated subsequent events through December 17, 2018, which is the date the financial statements were available to be issued.