



Financial Statements
and
Independent Auditors' Report
June 30, 2015 with Comparative Totals for 2014

BOSTON CHILDREN'S CHORUS, INC.

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Randall S. Davis & Company LLP

Certified Public Accountants

Creating Value From Numbers

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, 2015, 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, 2015, 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 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 2, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Russell C. Jarvis & Company LLP". The signature is written in a cursive, flowing style.

January 12, 2016

BOSTON CHILDREN'S CHORUS, INC.
Statement of Financial Position
June 30, 2015 with Comparative Totals for 2014

	2015	2014
ASSETS		
<i>CURRENT ASSETS:</i>		
Cash	\$ 604,606	\$ 573,785
Accounts receivable, net	28,062	16,722
Promises to give, net	412,920	359,522
Due from employees	2,850	-
Prepaid expenses	<u>14,422</u>	<u>8,575</u>
Total current assets	<u>1,062,860</u>	<u>958,604</u>
<i>NONCURRENT ASSETS:</i>		
Promises to give, net	66,318	152,025
Security deposit	<u>2,883</u>	<u>2,883</u>
Total noncurrent assets	<u>69,201</u>	<u>154,908</u>
<i>FIXED ASSETS:</i>		
Leasehold improvements	310,148	294,591
Office and program equipment	155,887	161,162
Less: accumulated depreciation	<u>(376,526)</u>	<u>(340,985)</u>
Net fixed assets	<u>89,509</u>	<u>114,768</u>
<i>INTANGIBLE ASSETS:</i>		
Website	81,347	75,000
Computer software	23,000	18,000
Less: accumulated amortization	<u>(86,333)</u>	<u>(70,500)</u>
Net intangible assets	<u>18,014</u>	<u>22,500</u>
Total assets	<u>\$ 1,239,584</u>	<u>\$ 1,250,780</u>
LIABILITIES AND NET ASSETS		
<i>CURRENT LIABILITIES:</i>		
Accounts payable	\$ 15,668	\$ 12,365
Accrued expenses	21,044	22,742
Deferred revenue	7,140	2,370
Capital lease obligation - current portion	<u>4,572</u>	<u>2,316</u>
Total current liabilities	<u>48,424</u>	<u>39,793</u>
<i>LONG-TERM LIABILITIES:</i>		
Capital lease obligation - net of current portion	<u>8,432</u>	<u>11,726</u>
Total liabilities	<u>56,856</u>	<u>51,519</u>
<i>NET ASSETS:</i>		
Unrestricted		
Board-designated reserve	138,522	119,693
Undesignated	<u>390,335</u>	<u>358,114</u>
Total unrestricted net assets	<u>528,857</u>	<u>477,807</u>
Temporarily restricted	<u>653,871</u>	<u>721,454</u>
Total net assets	<u>1,182,728</u>	<u>1,199,261</u>
Total liabilities and net assets	<u>\$ 1,239,584</u>	<u>\$ 1,250,780</u>

See accompanying notes to financial statements.

BOSTON CHILDREN'S CHORUS, INC.

Statement of Activities

For the Year Ended June 30, 2015 with Summarized Comparative Totals for 2014

	UNRESTRICTED	TEMPORARILY RESTRICTED	2015 TOTAL	2014 TOTAL
<i>SUPPORT AND REVENUE:</i>				
<i>SUPPORT:</i>				
Corporate grants	\$ 171,488	\$ 11,000	\$ 182,488	\$ 127,266
Foundation grants	234,000	470,000	704,000	711,000
Government grants	36,300	-	36,300	11,000
Individual giving	493,725	7,250	500,975	444,599
Special events, net	-	-	-	100,000
In-kind donations	<u>56,620</u>	<u>33,606</u>	<u>90,226</u>	<u>134,140</u>
Total support	<u>992,133</u>	<u>521,856</u>	<u>1,513,989</u>	<u>1,528,005</u>
 <i>REVENUE:</i>				
Tuition	384,400	-	384,400	417,600
Less financial aid	<u>(186,394)</u>	<u>-</u>	<u>(186,394)</u>	<u>(227,994)</u>
Net tuition	<u>198,006</u>	<u>-</u>	<u>198,006</u>	<u>189,606</u>
Tour fees	185,954	-	185,954	9,340
Less financial aid	<u>(20,151)</u>	<u>-</u>	<u>(20,151)</u>	<u>-</u>
Net tour fees	<u>165,803</u>	<u>-</u>	<u>165,803</u>	<u>9,340</u>
Ticket sales	62,089	-	62,089	48,328
Performance fees	57,009	-	57,009	68,579
Interest income	2,318	-	2,318	1,700
Other revenue	<u>7,612</u>	<u>-</u>	<u>7,612</u>	<u>7,079</u>
Total revenue	<u>492,837</u>	<u>-</u>	<u>492,837</u>	<u>324,632</u>
Net assets released from restrictions	<u>589,439</u>	<u>(589,439)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>2,074,409</u>	<u>(67,583)</u>	<u>2,006,826</u>	<u>1,852,637</u>
 <i>EXPENSES:</i>				
Programs	1,183,127	-	1,183,127	947,621
Management and general	367,488	-	367,488	466,581
Fundraising	<u>472,744</u>	<u>-</u>	<u>472,744</u>	<u>370,091</u>
Total expenses	<u>2,023,359</u>	<u>-</u>	<u>2,023,359</u>	<u>1,784,293</u>
Change in net assets	<u>51,050</u>	<u>(67,583)</u>	<u>(16,533)</u>	<u>68,344</u>
Net assets, beginning of year	<u>477,807</u>	<u>721,454</u>	<u>1,199,261</u>	<u>1,130,917</u>
Net assets, end of year	<u>\$ 528,857</u>	<u>\$ 653,871</u>	<u>\$ 1,182,728</u>	<u>\$ 1,199,261</u>

See accompanying notes to financial statements.

BOSTON CHILDREN'S CHORUS, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2015 with Summarized Comparative Totals for 2014

DESCRIPTION	MANAGEMENT AND			2015	2014
	PROGRAMS	GENERAL	FUNDRAISING	TOTAL	TOTAL
Personnel	\$ 467,301	\$ 237,718	\$ 323,392	\$ 1,028,411	\$ 1,007,042
Training, conferences and meetings	16,875	5,093	1,136	23,104	11,109
Consultants	43,879	14,567	7,674	66,120	57,519
Commissions	2,773	-	-	2,773	7,500
Membership dues	2,125	3,146	260	5,531	5,518
Production expenses	23,646	-	-	23,646	-
Printing and reproduction	18,292	9,151	7,043	34,486	57,344
Materials and supplies	15,807	2,237	1,739	19,783	21,275
Equipment	7,224	840	8,929	16,993	13,419
Communication expenses	8,146	3,793	5,559	17,498	14,192
Administrative expense	23,886	6,495	944	31,325	16,901
Scholarships	5,000	-	-	5,000	-
Professional fees	-	25,330	83,800	109,130	104,113
Occupancy	70,846	10,539	11,101	92,486	78,958
Tours	273,026	-	-	273,026	19,111
Travel and transportation	12,393	4,618	1,110	18,121	17,262
In-kind expenses	56,749	24,155	4,955	85,859	167,551
Depreciation and amortization	50,294	8,229	9,145	67,668	67,842
Advertising	5,377	1,571	401	7,349	11,522
Fees and royalties	570	-	-	570	1,009
Meals	30,479	3,571	1,043	35,093	22,879
Uniforms	13,086	-	-	13,086	11,845
Interest	1,226	451	681	2,358	2,297
Other expenses	3,929	867	407	5,203	6,339
Bad debt	22,626	-	-	22,626	49,100
Total	\$ 1,183,127	\$ 367,488	\$ 472,744	\$ 2,023,359	\$ 1,784,293

See accompanying notes to financial statements.

BOSTON CHILDREN'S CHORUS, INC.
Statement of Cash Flows
For the Year Ended June 30, 2015 with Comparative Totals for 2014

	2015	2014
CASH FLOWS FROM OPERATIONS		
Change in net assets	\$ (16,533)	\$ 68,344
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	67,668	67,842
Bad debt	22,626	49,100
(Increase)/decrease operating assets:		
Accounts receivable	(33,966)	(19,436)
Promises to give	32,308	105,431
Note receivable	(2,850)	2,400
Prepaid expenses	(5,847)	(33)
Increase/(decrease) in operating liabilities:		
Accounts payable	3,303	(16,047)
Accrued expenses	(1,698)	1,926
Deferred revenue	4,770	2,370
	<u>69,781</u>	<u>261,897</u>
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed asset purchases	(26,575)	(7,292)
Intangible asset purchases	(11,347)	-
	<u>(37,922)</u>	<u>(7,292)</u>
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on line of credit	-	(175,000)
Principal payments on capital lease obligation	(1,038)	(1,398)
	<u>(1,038)</u>	<u>(176,398)</u>
Net cash used in financing activities		
Net increase in cash	<u>30,821</u>	<u>78,207</u>
Cash at beginning of year	<u>573,785</u>	<u>495,578</u>
Cash at end of year	<u>\$ 604,606</u>	<u>\$ 573,785</u>
Supplemental Cash Flow Information		
Cash paid for interest	<u>\$ 2,256</u>	<u>\$ 2,219</u>
Noncash Investing Activities:		
Financed office equipment	<u>\$ -</u>	<u>\$ 15,540</u>

See accompanying notes to financial statements.

BOSTON CHILDREN'S CHORUS, INC.

Notes to Financial Statements

June 30, 2015 with Comparative Totals for 2014

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 Voice Class/Ensemble** – A special program to meet the unique needs of boys ages 10-18 with changing and changed voices.
- **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.
- **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 Advanced Intermediate** - 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 House Intermediate Choir** – Intermediate level neighborhood-based choir established in collaboration with Dorchester House, in Fields Corner.
- **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.
- **Villa Victoria Training Choir** – A neighborhood-based choir for beginning-level singers ages 7-12, established in collaboration with Inquilinos Boricuas en Acción (IBA), in Boston's South End community.
- **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 House 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, 2015 with Comparative Totals for 2014

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.

RECLASSIFICATIONS

Certain reclassifications have been made to the 2014 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

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, 2015 and 2014, the Chorus had no permanently restricted net assets.

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.

BOSTON CHILDREN'S CHORUS, INC.
Notes to Financial Statements (*Continued*)
June 30, 2015 with Comparative Totals for 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GRANTS AND CONTRIBUTIONS (CONTINUED)

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, 2015 and 2014, 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 \$34,671 and \$12,045, respectively, at June 30, 2015 and 2014.

DEFERRED REVENUE

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

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 \$52,668 and \$51,552, respectively, for the years ended June 30, 2015 and 2014.

BOSTON CHILDREN'S CHORUS, INC.
Notes to Financial Statements (*Continued*)
June 30, 2015 with Comparative Totals for 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INTANGIBLE ASSETS

Website development and computer software costs are being amortized on a straight-line basis over estimated useful lives of five years. The Chorus is in the process of developing a new website, which was in progress at June 30, 2015. The website is estimated to cost approximately \$9,500.

Amortization expense was \$15,000 and 16,290 in 2015 and 2014.

Amortization expense for each year of the estimated remaining lives is estimated to be as follows for the next five years:

Fiscal Year	Amount
2016	\$ 9,400
2017	\$ 1,900
2018	\$ 1,900
2019	\$ 1,900
2020	\$ 1,900

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, 2015 and 2014, would be subject to Federal and state income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. 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, 2014, from which the summarized information was derived.

BOSTON CHILDREN'S CHORUS, INC.
Notes to Financial Statements (*Continued*)
June 30, 2015 with Comparative Totals for 2014

3. PROMISES TO GIVE

UNCONDITIONAL

At June 30, 2015 and 2014 all unconditional promises to give were due as follows:

	2015	2014
Promises to give due within one year	\$ 412,920	\$ 359,522
Promises to give due in one to five years	83,333	169,167
Less: discount to net present value	<u>(17,015)</u>	<u>(17,142)</u>
 Promises to give, net	 <u>\$ 479,238</u>	 <u>\$ 511,547</u>

Unconditional promises to give include net in-kind promises to give totaling \$33,606 and \$29,238 at June 30, 2015 and 2014, respectively.

CONDITIONAL

Conditional promises to give at June 30, 2015 and 2014, consisted of promises for:

	2015	2014
Programming	\$ 50,000	\$ -
Capacity Building	100,000	-
Mission and Organizational Goals	<u>-</u>	<u>85,000</u>
 Total	 <u>\$ 150,000</u>	 <u>\$ 75,000</u>

The conditional promises to give will be recognized in the financial statements when the conditions on which they depend are substantially met. Conditions for the 2014 conditional promises were met and the promises were recognized in 2015.

During the period from July 1, 2015 through January 12, 2016, the Chorus met the conditions related to \$25,000 of the 2015 conditional grants and recognized these as revenue.

4. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2015 and 2014 were restricted for the following:

	2015	2014
<i>Restrictions</i>		
Time restricted	\$ 392,015	\$ 422,216
Office lease	33,606	29,238
Capacity building	-	75,000
Purpose and time restricted	<u>228,250</u>	<u>195,000</u>
 Total	 <u>\$ 653,871</u>	 <u>\$ 721,454</u>

BOSTON CHILDREN'S CHORUS, INC.
Notes to Financial Statements (*Continued*)
June 30, 2015 with Comparative Totals for 2014

5. LINE OF CREDIT

At June 30, 2015 and 2014 The Chorus has an unused \$200,000 revolving line of credit. Amounts borrowed under this agreement bear interest at the bank's prime rate plus 3%. During 2015, the line of credit was renewed until February 28, 2016. The line is secured by all business assets of the Chorus.

6. LEASE OBLIGATIONS

OPERATING LEASE

The Chorus leases office and program space under a non-cancelable operating lease. During fiscal year 2012, the Chorus exercised its option to extend its lease for an additional three (3) years to May 31, 2015 and, during 2015, the lease was extended to May 31, 2016. The Chorus' lease payments under the extension were set at rates below the fair market rental rate. Therefore, an in-kind donation representing the difference between the fair market rental value and total lease payments over the extended term was recognized and discounted to its present value in the financial statements.

Rent expense totaled \$98,301 or both years ended June 30, 2015 and 2014. Of this amount, \$33,606 represented the in-kind donation.

The total of the minimum payments required under the non-cancelable lease for fiscal year 2016 is \$59,303.

CAPITAL LEASE

The Chorus leases office equipment under capital leases. The asset and liability is recorded at the present value of the minimum lease payments. The equipment is amortized over its estimated useful life on a straight-line basis. The amount of the asset recorded under a capital lease was \$15,440 at June 30, 2015 and 2014 and the accumulated amortization was \$4,632 and \$1,544, respectively, at June 30, 2015 and 2014. Amortization expense was \$3,088 and \$1,544, respectively, at June 30, 2015 and 2014, and is included in depreciation expense.

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

Year Ending June 30,	Amount
2016	\$ 4,572
2017	4,572
2018	4,572
2019	<u>1,905</u>
Total minimum lease payments	15,621
Less amount representing interest	<u>(2,617)</u>
Present value of minimum lease payments	<u>\$ 13,004</u>

Interest expense was \$2,256 and \$2,219, respectively, for the years ended June 30, 2015 and 2014.

BOSTON CHILDREN'S CHORUS, INC.
Notes to Financial Statements (*Continued*)
June 30, 2015 with Comparative Totals for 2014

7. IN-KIND DONATIONS

The Chorus receives in-kind donations in support of its programmatic and administrative functions. In-kind donations recorded for 2015 and 2014 were as follows:

	2015	2014
<i>In-kind Donations</i>		
Marketing and advertising	\$ -	\$ 59,179
Moving services	1,020	-
Materials and supplies	-	2,020
Rehearsal space	28,481	38,410
Payroll services	1,989	-
Office space	41,028	3,250
Legal services	<u>17,708</u>	<u>31,281</u>
Total	<u>\$ 90,226</u>	<u>\$ 134,140</u>

During 2015 and 2014, donated services totaling approximately \$31,368 and \$57,355, 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, 2015 and 2014, contributions to the plan totaled \$18,156 and \$19,370, respectively.

10. CONCENTRATION

Outstanding promises to give from two donors represented 42% and 45%, respectively, of the total outstanding promises to give at June 30, 2015 and 2014.

11. SUBSEQUENT EVENTS

The Chorus has evaluated subsequent events through January 12, 2016, which is the date the financial statements were available to be issued.