



# RAE & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

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## **BOSTON MUSIC PROJECT, INC. (Formerly Josiah Quincy Orchestra Program, Ltd.)**

### *Financial Statements*

*Year Ended June 30, 2020*

### *Mission Statement*

*The mission of Boston Music Project is to ensure  
the long-term social and musical success of our students,  
and to positively impact them, their families,  
and the community through quality  
education and performance.*



[www.bostonmusicproject.org](http://www.bostonmusicproject.org)

**BOSTON MUSIC PROJECT, INC.**  
**(Formerly Josiah Quincy Orchestra Program, Ltd.)**

*Financial Statements*

*Year Ended June 30, 2020*

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## *Independent Auditors' Report*

To the Board of Directors  
**Boston Music Project, Inc.**  
Boston, Massachusetts

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Boston Music Project, Inc., formerly Josiah Quincy Orchestra Program, Ltd. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, 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 from 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 Music Project, Inc., formerly Josiah Quincy Orchestra Program, Ltd. as of June 30, 2020, 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.

***Other Matters***

The prior year's financial statements of Boston Music Project, Inc., formerly Josiah Quincy Orchestra Program, Ltd., dated April 17, 2020 were reviewed. This service is less in scope than an audit and does not provide the basis for the expression of opinion on the financial statements for the year ended June 30, 2019.

***RAE & Associates, LLC***

RAE & Associates, LLC  
Braintree, Massachusetts  
May 17, 2021

**BOSTON MUSIC PROJECT, INC.**  
**(Formerly Josiah Quincy Orchestra Program, Ltd.)**

*Statement of Financial Position*

*As of June 30, 2020*

*( with comparative totals as of June 30, 2019)*

	<b>2020</b>	<i>(Reviewed)</i> <b>2019</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 62,694	\$ 7,316
Accounts and contributions receivable, net	-	13,636
Property and equipment, net	4,498	6,910
<b>Total assets</b>	\$ 67,192	\$ 27,862
 <b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 4,646	\$ 4,566
Note payable	63,865	-
Deferred revenue	12,504	-
<b>Total Liabilities</b>	81,015	4,566
 <b>Net assets (deficit):</b>		
Without donor restrictions	(13,823)	23,296
With donor restrictions	-	-
<b>Total net assets (deficit)</b>	(13,823)	23,296
<b>Total liabilities and net assets</b>	\$ 67,192	\$ 27,862

**BOSTON MUSIC PROJECT, INC.**  
**(Formerly Josiah Quincy Orchestra Program, Ltd.)**

*Statement of Activities*

*For the Year Ended June 30, 2020*

*( with comparative totals for the year ended June 30, 2019)*

	Without Donor Restrictions	With Donor Restrictions	2020 Total	<i>(Reviewed)</i> 2019 Total
<i>Revenue and support:</i>				
Tuition revenue	\$ 206,693	\$ -	\$ 206,693	\$ 156,059
Registration revenue	1,370	-	1,370	2,702
Summer instruments rental revenue	280	-	280	3,460
Contributions and grants	219,716	-	219,716	215,046
Donated goods and services	49,200	-	49,200	73,015
	<u>477,259</u>	<u>-</u>	<u>477,259</u>	<u>450,282</u>
<i>Expenses:</i>				
Program expenses	347,335	-	347,335	286,693
Fundraising expenses	21,200	-	21,200	19,198
General and administration	145,843	-	145,843	128,734
	<u>514,378</u>	<u>-</u>	<u>514,378</u>	<u>434,625</u>
<b>Change in net assets</b>	(37,119)	-	(37,119)	15,657
<b>Net assets , beginning</b>	<u>23,296</u>	<u>-</u>	<u>23,296</u>	<u>7,639</u>
<b>Net assets (deficit), ending</b>	<u>\$ (13,823)</u>	<u>\$ -</u>	<u>\$ (13,823)</u>	<u>\$ 23,296</u>

*The accompanying notes are an integral part of these financial statements*

**BOSTON MUSIC PROJECT, INC.**  
**(Formerly Josiah Quincy Orchestra Program, Ltd.)**

*Statement of Cash Flows*

*For the Year Ended June 30, 2020*

*( with comparative totals for the year ended June 30, 2019)*

	<b>2020</b>	<i>(Reviewed)</i> <b>2019</b>
<i>Cash flows from operating activities:</i>		
Change in net assets	\$ (37,119)	\$ 15,657
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	2,413	2,412
Bad debt expenses	6,688	6,689
Changes in assets and liabilities:		
Accounts and contributions receivable, net	6,948	(6,948)
Accounts payable and accrued expenses	79	(3,375)
Deferred revenue	12,504	-
Net cash provided by (used in) operating activities	(8,487)	14,435
<i>Cash flows from financing activities:</i>		
Borrowing from line of credit	-	886
Repayment of line of credit	-	(8,270)
Proceeds from note payable	63,865	-
Net cash provided by (used in) financing activities	63,865	(7,384)
Net change in cash and cash equivalents	55,378	7,051
Cash and cash equivalents - beginning of year	7,316	265
Cash and cash equivalents - end of year	\$ 62,694	\$ 7,316

*The accompanying notes are an integral part of these financial statements*

**BOSTON MUSIC PROJECT, INC.**  
**(Formerly Josiah Quincy Orchestra Program, Ltd.)**

*Statement of Functional Expenses*

*For the Year Ended June 30, 2020*

*( with comparative totals for the year ended June 30, 2019)*

	<b>Program Expenses</b>	<b>Fundraising Expenses</b>	<b>General and Administration</b>	<b>2020 Total</b>	<i>(Reviewed)</i> <b>2019 Total</b>
Salaries and related	\$ 211,623	\$ 17,635	\$ 123,447	\$ 352,705	\$ 302,910
Payroll taxes	34,405	-	8,601	43,006	35,095
Contracted services	9,390	-	-	9,390	604
Total personnel	255,418	17,635	132,048	405,101	338,609
Rent and utilities	33,600	2,100	6,300	42,000	42,000
Accounting and bookkeeping	1,031	258	3,867	5,156	5,550
Student concerts	343	-	-	343	620
Postage and printing	122	11	19	152	149
Office expense	3,810	238	714	4,762	4,893
Outreach and promotion	208	13	39	260	1,081
Food and refreshments	1,610	101	302	2,013	489
Professional development	830	52	155	1,037	190
Teaching expenses	1,652	-	-	1,652	1,305
Instruments rental & repairs	29,225	-	-	29,225	12,000
Bank fees	91	-	23	114	470
Interest expense	-	-	-	-	523
Taxes and licenses	-	-	-	-	125
Payroll services	3,486	218	654	4,358	4,143
Insurance	7,253	453	1,360	9,066	13,377
Depreciation	1,930	121	362	2,413	2,412
Recruiting expenses	38	-	-	38	-
Bad debt expense	6,688	-	-	6,688.00	6,689
Total expenses	\$ 347,335	\$ 21,200	\$ 145,843	\$ 514,378	\$ 434,625



**BOSTON MUSIC PROJECT, INC.**  
**(Formerly Josiah Quincy Orchestra Program, Ltd.)**

*Notes to Financial Statements*

***For the Year Ended June 30, 2020***

*(with summarized comparative totals for the year ended June 30, 2019)*

**Note 1 – Organization**

Founded in 2011 and organized as a Massachusetts corporation on June 9, 2015, Boston Music Project (formerly Josiah Quincy Orchestra Program, Ltd.) (“BMP” or “the Organization”) is a creative youth development program that uses an intensive and unique ensemble-based music curriculum to help underserved children develop the necessary executive functions and social-emotional skills to succeed at school and in life. Boston Public School students in pre-kindergarten through sixth grade attend the program every weekday for 1.5 hours before school. Students participate in orchestra and choir rehearsals, group lessons, music theory classes, and team-building activities. BMP serves over 150 students at Josiah Quincy Elementary and Upper Schools.

BMP is inspired by El Sistema, the Venezuelan initiative that uses music education as a vehicle for social change. The El Sistema philosophy of having students help each other through the music-learning process is at the heart of the Organization’s mission, and as a result, BMP creates not only great musicians, but also caring individuals who will grow up to be active members of society. The Organization believes that every child can learn to express music deeply, receive its many benefits, and make different critical life choices as a result of this learning. BMP welcomes any child to participate, regardless of musical ability, cultural background, developmental delays, or any other reasons.

*Program Services*

BMP focuses on helping young children develop executive functions, a set of cognitive processes such as working memory, inhibitory control, and cognitive flexibility. According to research from the Harvard Center on the Developing Child, poverty stressors inhibit the development of executive function skills, which are highly predictive of academic and life success. The prefrontal cortex, the part of the brain where executive functions develop, is quite responsive to intervention well into adolescence, which is why BMP applies music learning to improving these skills.

Through the creation of a fun and nurturing musical environment, students also develop valuable social-emotional skills. Every ensemble performs regularly, giving students safe opportunities to take risks. These frequent “experiences of success” help students build their sense of self-efficacy and personal fulfillment. While traditional music programs focus on individual student success, BMP trains students to work together as an ensemble to achieve greatness of sound. This focus on collaboration, rather than competition, fosters responsibility, sensitivity, leadership, and cooperative learning among children.

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Accounting and Presentation***

The accompanying financial statements have been prepared on the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred. Unconditional support is recognized when notification of the contribution is received.

**BOSTON MUSIC PROJECT, INC.**  
**(Formerly Josiah Quincy Orchestra Program, Ltd.)**

*Notes to Financial Statements*

*For the Year Ended June 30, 2020*

*(with summarized comparative totals for the year ended June 30, 2019)*

**Note 2 - Summary of Significant Accounting Policies (Continued)**

*Classification of Net Assets*

Not-for-profit accounting requires that net assets, revenues, expenses, and gains and losses be classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Expenses are reported as decreases in net assets. Expirations of donor-imposed restrictions recognized as net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications from net assets with donor restrictions to net assets without donor restrictions. Donor restrictions on gifts to acquire long-lived assets are considered met in the period in which the assets are placed in service.

Earnings related to restricted net assets will be included in net assets without donor-restrictions unless specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

There were no net assets with donor restrictions at June 30, 2020 and 2019.

*Cash and Cash Equivalents*

For purposes of the statement of position and the statement of cash flows, BMP considers all unrestricted cash held in demand accounts, cash held in savings accounts and other highly liquid resources with an original maturity of three months or less when purchased, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

*Property and Equipment*

BMP records furniture, fixtures and equipment in excess of \$500 at cost, if purchased, or if donated, at fair market value at the date of receipt. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in revenues. The estimated useful lives are as follows:

Furniture and equipment	3-5 years
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**BOSTON MUSIC PROJECT, INC.**  
**(Formerly Josiah Quincy Orchestra Program, Ltd.)**

*Notes to Financial Statements*

*For the Year Ended June 30, 2020*

*(with summarized comparative totals for the year ended June 30, 2019)*

**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Revenue Recognition***

Contributions are recognized as revenue when they are received or unconditionally pledged. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions subject to donor-imposed stipulations that are met in the same reporting period are reported as unrestricted support. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved, when such amounts are considered material.

BMP reports gifts of land, building and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

***Contributions***

The Organization follows the requirements of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards, *Accounting for Contributions Received and Contributions Made*. This financial accounting standard requires that contributions be recorded as receivables and revenues and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash, collection items, or promises to give. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions until the restriction conditions are satisfied, at which time it is reclassified to net assets without donor restrictions.

***Contributed Goods and Services***

BMP records various types of in-kind support including contributed facilities and professional services. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. Amounts reflected in the accompanying financial statements as “in-kind revenue” are offset by amounts included in expenses or fixed assets.

Additionally, BMP may receive amounts of skilled, contributed time, which does not meet the two recognition criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

**BOSTON MUSIC PROJECT, INC.**  
**(Formerly Josiah Quincy Orchestra Program, Ltd.)**

*Notes to Financial Statements*

*For the Year Ended June 30, 2020*

*(with summarized comparative totals for the year ended June 30, 2019)*

**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Grant Revenue***

BMP derives revenues through grants received from various private foundations and grantor agencies. Accordingly, the Organization is subject to the regulations and reporting requirements of the applicable foundations and grantor agencies. Grant revenue is recorded in accordance with the provisions of the applicable award amounts, including the recognition of any purpose or time restriction on the use of the proceeds.

***Deferred Revenue***

Deferred revenue represents tuition payments received in advance for next year programs. They are recognized as revenue in the year the programs are held. Therefore, the related fees and tuition payments received by BMP for those programs are recorded as deferred revenue in the accompanying statements of financial position.

***Allowance for Doubtful Accounts***

When necessary, the Organization provides an allowance for doubtful accounts equal to estimated bad debt losses. The estimated losses are based on historical collection experience together with a review of the current status of existing receivables. The organization wrote-off bad debts totaling \$6,688 and \$6,689 for the years ended June 30, 2020 and 2019, respectively.

***Use of Estimates and Assumptions***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

***Income Tax Status***

The Organization is exempt from federal income tax under the Internal Revenue Code Section 501(c) (3). Additionally, BMP qualifies for the charitable contribution deduction under Section 170(b) (1) (a) and has been classified as an organization that is not a private foundation under Section 509 (a) (1) of the Internal Revenue Code. The Organization is also exempt from Massachusetts state taxes. Therefore, there is no provision for federal and or state taxes.

The Organization has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements, and no interest and penalties have been recorded in the accompanying financial statements related to uncertain tax positions.

***Functional Allocation of Expenses***

The Organization allocates its expenses on a functional basis among its various programs and support services, which are summarized on a functional basis in the accompanying statement of activities.

**BOSTON MUSIC PROJECT, INC.**  
**(Formerly Josiah Quincy Orchestra Program, Ltd.)**

*Notes to Financial Statements*

***For the Year Ended June 30, 2020***

*(with summarized comparative totals for the year ended June 30, 2019)*

**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Functional Allocation of Expenses (Continued)***

Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification.

Other expenses that are common to several functions are allocated by using a salary-based formula or other statistical basis. Supporting services are those related to operating and managing the Organization and its programs on a day-to-day basis and are included in the following categories:

*Administrative* - includes all activities related to the Organization's internal management and accounting for program services.

*Fundraising* - includes all activities related to maintaining contributor information, writing grant proposals, distribution of materials and other similar projects related to the procurement of funds for the Organization's programs.

**Note 3 - Adoption of Accounting Pronouncement**

On July 1, 2019, The Organization adopted FASB 2018-08, *Clarifying the Scope of Accounting Guidance for Contributions Received and Contributions Made*, which requires that an entity evaluate whether transactions should be accounted for as contributions or as exchange transactions and determining whether a contribution is conditional. The Organization adopted ASU 2018-08 using a full retrospective application to agreements not completed as of July 1, 2018. The implementation of ASU 2018-08 did not have a material effect on the Organization's financial positions, results of operations or cash flows. There was no cumulative effect of a change in accounting principle recorded related to the adoption of ASU 2018-08 on July 1, 2019.

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

BMP adopted the ASU effective July 1, 2018. Adoption of the ASU did not result in any reclassifications or restatements to net assets or changes in net assets. The Organization net assets previously reported as unrestricted are now reported as net assets without donor restrictions. The Organization did not have any net assets with donor restrictions at June 30, 2020 and 2019.

**BOSTON MUSIC PROJECT, INC.**  
**(Formerly Josiah Quincy Orchestra Program, Ltd.)**

*Notes to Financial Statements*

***For the Year Ended June 30, 2020***

*(with summarized comparative totals for the year ended June 30, 2019)*

**Note 4 - Concentration of Risk**

The Organization maintains cash balances in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on its cash accounts.

**Note 5 - Property and Equipment**

Property and equipment consisted of the following as of June 30, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Furniture and equipment	\$ 10,954	\$ 10,954
Less accumulated depreciation	(6,456)	(4,044)
Property and equipment, net	\$ 4,498	\$ 6,910

Depreciation expense for the years ended June 30, 2020 and 2019 was \$2,412 and \$2,411, respectively.

**Note 6 - Donated Goods and Services**

In 2015 BMP entered into a Memorandum of Understanding with Josiah Quincy Elementary School (“the School”), effective as of November 15, 2015 (the “MOU”). Under the terms of the MOU, the School provides funding for the BMP Program Manager’s salary and benefits, and also provides use of the School’s facilities to BMP. In exchange, the Organization provides its before-school music and social development program to the School’s students.

Revenue recognized from donated goods and services received by the Organization amounted to \$49,200 and \$73,015 for the years ended June 30, 2020 and 2019, respectively, and included rent and salary related contributions from the School, as well as free instruments rental from a music store.

Those donated goods and services are reflected in expenses on the accompanying statements of activities as follows:

	<b>2020</b>	<b>2019</b>
Salaries and related	\$ -	\$ 31,015
Rent and utilities	42,000	42,000
Instruments rental	7,200	-
	\$ 49,200	\$ 73,015

**Note 7 - Related Party Transactions**

During the years ended June 30, 2020 and 2019 BMP paid \$8,434 and \$8,318, respectively, for bookkeeping services to a contractor who is related to the Organization’s former Executive Director. The amounts paid approximated the fair market value for those services.

**BOSTON MUSIC PROJECT, INC.**  
**(Formerly Josiah Quincy Orchestra Program, Ltd.)**

*Notes to Financial Statements*

**For the Year Ended June 30, 2020**

*(with summarized comparative totals for the year ended June 30, 2019)*

**Note 8 – Accounts Receivable**

The Organization had no receivable balance as of June 30, 2020. Accounts receivable consisted of the following as of June 30, 2019:

	<u>2019</u>
Accounts receivable	\$ 20,325
Less: allowance for bad debt	<u>(6,689)</u>
Accounts receivable, net	<u><u>\$ 13,636</u></u>

During the year end June 30, 2020 the organization wrote-off \$6,688 in accounts receivable balances not expected to be collected, and recognized bad debt expense of the same for the year ended June 30, 2020.

**Note 9 - Line of Credit**

On May 12, 2016, the Organization entered into a promissory term note agreement for a \$10,000 revolving line of credit facility with a bank (“the LoC”). Advances on the LoC bear interest of 9.9%, and monthly payments representing principal and interest payments are required to be paid each month.

The line of credit is unsecured; however, the bank holds the right of setoff and can deduct the balance due from BMP’s checking account held with the bank. The LoC is renewable annually. There was no outstanding balance on the LoC at June 30, 2020.

**Note 10 – Note Payable**

In June, 2020, the Organization received a Paycheck Protection Program loan under the CARES Act in the amount of \$63,865. The loan is available to pay payroll costs, utilities and rent/mortgage interest over an eight- or twenty-four-week period from the time the loan is obtained. Provided the loan amount is used to pay these costs the loan will be forgiven. Management believes the funds from the loan have been utilized in accordance with the provisions of the CARES Act and thus it is anticipated the loan will be forgiven. Should any portion of the loan not be forgiven it will become a five (5) year term loan at 1% per year. The interest on any unforgiven portion of the loan will be deferred for the first six (6) months of the loan. Management reflects the loan on its Statement of Financial Position at the principal balance received and outstanding. Additionally, management has accrued interest on the balance at the rate of 1% per year. Management intends to reduce the debt in full or a portion thereon and reflect that reduction as other income when all or a portion of the loan is forgiven.

**Note 11 - Advertising Expenses**

Advertising costs are expensed as incurred. Advertising costs incurred by the Organization for the years ended June 30, 2020 and 2019 were \$260 and \$1,081, respectively.

**BOSTON MUSIC PROJECT, INC.**  
**(Formerly Josiah Quincy Orchestra Program, Ltd.)**

*Notes to Financial Statements*

***For the Year Ended June 30, 2020***

*(with summarized comparative totals for the year ended June 30, 2019)*

**Note 12 - Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet dates, comprised the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 62,694	\$ 7,316
Accounts receivable	<u>-</u>	<u>13,636</u>
Total financial assets	<u>\$ 62,694</u>	<u>\$ 20,952</u>

The Organization manages its liquidity by developing and adopting annual and monthly operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations. As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditure, liabilities and other obligations come due.

**Note 13 - Summarized Comparative Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

**Note 14 – Reclassifications**

Certain amounts in the 2019 financial statements have been reclassified to conform to the current year's presentation.

**Note 15 - New Accounting Pronouncement**

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). Under the requirements of ASU No. 2014-09, the core principle is that entities should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. During 2020, the FASB delayed the implementation date under ASU 2020-05 for an additional year. Organizations may elect to adopt the guidance for annual reporting periods beginning after December 15, 2019 and for interim periods within annual reporting periods beginning after December 15, 2020. Early adoption is permitted. Management is currently assessing the impact of adoption on its financial statements.

In February 2016, FASB issued ASU 2016-02, *Leases* (Topic 842). This new standard requires lessees to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the method in which expenses are recorded on the statement of operations and changes in net assets. The changes become effective for the Organization on June 1, 2021. Management has not yet determined the impact of adoption on its financial statements.



**BOSTON MUSIC PROJECT, INC.**  
**(Formerly Josiah Quincy Orchestra Program, Ltd.)**

*Notes to Financial Statements*

*For the Year Ended June 30, 2020*

*(with summarized comparative totals for the year ended June 30, 2019)*

**Note 16 – Impact of the Covid-19 Pandemic**

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The extent of COVID-19's effect on the Organization's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult considering the rapidly evolving landscape. As the pandemic continues to evolve into a worldwide health crisis, the disease could have an adverse effect on the Organization's activities, results of operations, financial condition, and cash flow.

**Note 17 - Subsequent Events**

On April 17, 2021 the Organization changed its name to Boston Music Project, Inc. in order to better reflect its current mission and identity.

Subsequent events have been evaluated through, May 17, 2021 which is the date the financial statements were available to be issued.