UNITING VOICES

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2025

UNITING VOICES

YEAR ENDED JUNE 30, 2025

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Independent Auditors' Report

Board of Directors
Uniting Voices

Opinion

We have audited the accompanying financial statements of Uniting Voices (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Uniting Voices as of June 30, 2025, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Uniting Voices and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Uniting Voices' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Uniting Voices' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Uniting Voices' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information included on page 30 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Ostrow Reisin Berk & Abrams, Ltd.

October 22, 2025

UNITING VOICES

STATEMENT OF FINANCIAL POSITION

June 30, 2025	
ASSETS	
Cash and cash equivalents	$ 758,871
Investments	10,528,349
Receivables:	
Tuition, tours and other fees	121,339
Contributions, net	1,249,883
Employee Retention Credit	29,256
Prepaid expenses	575,437
Property and equipment, net	148,664
Deferred artistic production costs, net of accumulated amortization of $42,497	34,953
Finance lease right-of-use asset	26,833
Total assets	$ 13,473,585

See notes to financial statements.

UNITING VOICES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

June 30, 2025		
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$	275,800
Contract liabilities		513,164
Deferred contributions - special events		101,199
Finance lease liability		28,524
Total liabilities		918,687
Net assets:		
Without donor restrictions:		
Board-designated		2,964,273
Undesignated		1,226,687
Total net assets without donor restrictions		4,190,960
With donor restrictions		8,363,938
Total net assets		12,554,898
Total liabilities and net assets	$	13,473,585

See notes to financial statements.

UNITING VOICES

STATEMENT OF ACTIVITIES

Year ended June 30, 2025	Without donor restrictions	With donor restrictions	Total
Revenue:			
Contributions:			
Foundation and corporate	$ 892,495	$ 499,976	$ 1,392,471
Individual	399,766	551,272	951,038
Strategic initiatives		88,195	88,195
Endowment priority gifts		54,500	54,500
Government grants	145,675	40,000	185,675
Contributed goods and services	333,089		333,089
Tuition and school program fees	957,607		957,607
Tour fees	239,349		239,349
Concerts and other performances	172,319		172,319
Special events, net of direct benefit to donors of $696,525	1,401,014		1,401,014
Other	19,760		19,760
Net assets released from restrictions	984,174	(984,174)	
Total revenue before investment return	5,545,248	249,769	5,795,017
Net investment return	474,828	477,415	952,243
Total revenue	6,020,076	727,184	6,747,260
Expenses:			
Program services	4,037,435		4,037,435
Supporting services:			
Management and general	614,904		614,904
Fundraising	942,622		942,622
Total expenses	5,594,961		5,594,961
Change in net assets	425,115	727,184	1,152,299
Net assets:			
Beginning of year	3,765,845	7,636,754	11,402,599
End of year	$ 4,190,960	$ 8,363,938	$ 12,554,898

See notes to financial statements.

UNITING VOICES

STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2025	Program Services					Supporting Services			
	Voice of Chicago	Neighborhood Choirs	School Choirs	Lexington Programs	Total	Management and general	Fundraising	Direct benefit to donors	Total
Salaries, taxes and benefits	$ 521,743	$ 963,376	$ 766,860	$ 59,133	$ 2,311,112	$ 401,717	$ 661,765		$ 3,374,594
Productions and events	121,397	244,283	168,830	24,620	559,130			$ 696,525	1,255,655
Contract services	37,660	99,876	62,030	8,683	208,249	78,697	74,913		361,859
Tour expense	22,254	258,912		26,846	308,012				308,012
Office expense	11,257	47,413	26,133	1,780	86,582	50,106	91,789		228,477
Facility and equipment	34,478	142,909	23,526	1,500	202,412	18,479	19,793		240,684
Depreciation and amortization	12,075	22,130	17,490	229	51,923	9,143	14,828		75,894
Travel and meeting	3,861	4,940	28,847	439	38,088	33,284	54,976		126,348
Uniforms, choral supplies, and other choir expenses	66,599	93,186	54,077	5,104	218,965				218,965
Insurance	4,810	11,281	6,967	97	23,156	8,622	5,909		37,687
Advertising						14,067			14,067
Credit card and banking fees	12,187	16,698	192	728	29,806	789	18,649		49,244
Total expenses	848,322	1,905,003	1,154,952	129,158	4,037,435	614,904	942,622	696,525	6,291,486
Less expenses included with revenue on the statement of activities								(696,525)	(696,525)
Total expenses included in the expenses section on the statement of activities	$ 848,322	$ 1,905,003	$ 1,154,952	$ 129,158	$ 4,037,435	$ 614,904	$ 942,622	$ -	$ 5,594,961

See notes to financial statements.

UNITING VOICES

STATEMENT OF CASH FLOWS

Year ended June 30, 2025	
Cash flows from operating activities:	
Change in net assets	$ 1,152,299
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:	
Contributions restricted for endowment fund	(54,500)
Depreciation and amortization	58,005
Discounts on long-term contributions receivable	2,602
Net realized and unrealized gain on investments	(541,392)
Amortization of finance lease right-of-use asset	17,889
(Increase) decrease in operating assets:	
Receivables	1,304,140
Prepaid expenses	(447,392)
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	180,687
Contract liabilities	312,778
Deferred contributions - special events	(185,551)
Net cash and cash equivalents provided by operating activities	1,799,565
Cash flows from investing activities:	
Purchases of investments	(5,488,615)
Proceeds from sale of investments	4,054,899
Purchases of property and equipment	(6,139)
Net cash and cash equivalents used in investing activities	(1,439,855)

See notes to financial statements.

UNITING VOICES

STATEMENT OF CASH FLOWS (CONTINUED)

Year ended June 30, 2025		
Cash flows from financing activities:		
Proceeds from contributions restricted for endowment fund	$	54,500
Payments on finance lease obligation		(18,209)
Net cash and cash equivalents provided by financing activities		36,291
Net change in cash and cash equivalents		396,001
Cash and cash equivalents, beginning of year		362,870
Cash and cash equivalents, end of year	$	758,871
Supplemental cash flows information related to leases is as follows:		
Cash paid for amounts included in the measurement of lease liability:		
Financing cash flows from finance lease (principal payments)	$	18,209
Operating cash flows from finance lease (interest payments)	$	1,771

See notes to financial statements.

1. Organization and purpose

Uniting Voices (the Organization) is a nonprofit organization that inspires and unites youth from diverse backgrounds to find their voice and celebrate their common humanity through the power of music. The Organization serves thousands of children in Chicago, Illinois, ages 6 to 18, by providing in-school and after-school arts learning opportunities. The Organization’s curriculum includes diverse repertoire, musicianship, and the historical, social, and cultural contexts of music through which students develop a dedication to excellence, expression, education, empathy, and equity.

The Organization also has in-school and after-school programs that serve youth ages 12 to 18 across the City of Lexington, Kentucky and the wider Bluegrass region. The program showcases young people as ambassadors of the community and leaders on the global stage.

2. Summary of significant accounting policies

The significant accounting policies of the Organization are summarized below:

Basis of accounting:

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Cash and cash equivalents:

The Organization considers financial instruments with an original maturity of three months or less when purchased to be cash equivalents.

Tuition, tours and other fees receivable:

Receivables are recorded at the amounts that the Organization expects to collect from outstanding balances. The Organization maintains an allowance for credit losses, which represents an estimate of expected losses over the remaining contractual life of its receivables. The Organization pools its receivables based on similar risk characteristics, which are individuals or schools. The allowance is determined based on historical collection rates and relevant forecasted information. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. The allowance for credit losses as of June 30, 2025, as well as the provision for credit losses and write-offs during the year ended June 30, 2025, were not material to the financial statements as a whole.

2. Summary of significant accounting policies (continued)

Contributions receivable:

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Management provides for probable uncollectible amounts, as needed, through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the likelihood of collection, and a review of subsequent collections. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to contributions receivable.

Investments:

Investments are stated at fair value. See Note 6.

Net investment return is reported in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less investment expenses.

Property and equipment:

Property and equipment are stated at cost or if donated, at the approximate fair value at the date of donation. Depreciation and amortization are provided over the estimated useful life of the assets using the straight-line method over the following useful lives:

Leasehold improvements	20 years
Equipment	3-5 years
Furniture and fixtures	10 years
Instruments	10 years
Website and software	5 years

Additions to property and equipment over $1,000 are capitalized while maintenance and repairs, which do not improve or extend the lives of the respective assets, are expensed as incurred.

Artistic productions:

Artistic production costs are capitalized at the total cost to bring the production to completion and amortized over a 10-year period starting at the date of the initial performance.

2. Summary of significant accounting policies (continued)

Asset impairment:

The Organization reviews the carrying values of property, equipment, artistic productions, and right-of-use lease assets for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. An impairment loss is recognized to the extent the carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2025.

Contract liabilities:

Contract liabilities represent funds that have been received for services that will be provided subsequent to June 30, 2025.

Deferred contributions – special events:

Deferred contributions represent contributions that have been received for special events that will occur subsequent to June 30, 2025.

Net assets:

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

> **Net assets without donor restrictions** – Net assets that are free of donor-imposed restrictions including all revenues, expenses, gains and losses over which the Organization has discretionary control.
>
> The Organization's Board-designated net assets are funds whose use must be approved by the Board of Directors.
>
> **Net assets with donor restrictions** – Net assets whose use by the Organization is limited by donor-imposed stipulations that they be used for a specific purpose and are designated for future periods. These stipulations either expire with the passage of time, can be fulfilled or removed by actions of the Organization pursuant to such donor-imposed restrictions, or must be maintained permanently. Assets which must be maintained permanently, generally referred to as endowment funds, permit the Organization to utilize or expend part or all of the income or other economic benefits derived from the donated assets. See Notes 11 and 12.

2. Summary of significant accounting policies (continued)

Contributions revenue:

Contributions are recognized when a donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are not included as support until the conditions are substantially met.

Contributions received are recorded as without or with donor restrictions depending on the existence and/or nature of any donor restrictions.

Donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), 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 received with donor-imposed restrictions that are met in the same year as received are reported as revenue in the net assets without donor restrictions class.

Contributed goods and services:

Contributed goods are reflected as contributions at their fair value at the date of donation and are reported as contributions without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. The Organization recognizes the fair value of contributed services if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. The Organization receives services from a large number of volunteers who give significant amounts of their time to the Organization but these services do not meet the criteria for financial statement recognition.

The Organization was the recipient of the following contributed goods and services:

Year ended June 30, 2025	
Auction items	$ 78,901
Food and beverages	27,341
Equipment and décor	67,234
Professional services	8,975
Use of facilities (rent)	150,638
Total contributed goods and services	$ 333,089

2. Summary of significant accounting policies (continued)

Contributed goods and services: (continued)

The Organization estimated the fair value of the food and beverages, auction items, professional services, and equipment and décor on the basis of estimates of wholesale values that would be received for purchasing similar products and services in the United States. The fair value of the contributed use of facilities was based on recent comparable rental prices in similar neighborhoods in Chicago's real estate market. Contributed goods, services and use of facilities recognized during the year ended June 30, 2025 were utilized by the Organization as follows:

Year ended June 30, 2025	Program Services						
	Voice of Chicago	Neighborhood Choirs	School Choirs	Lexington Programs	Management and general	Fundraising	Total
Auction items						$ 78,901	$ 78,901
Food and beverages						27,341	27,341
Equipment and décor				$ 1,696		65,538	67,234
Professional services		$ 4,025				4,950	8,975
Use of facilities (rent)	$ 25,267	82,437	$ 14,581		$ 7,604	20,749	150,638
Total	$ 25,267	$ 86,462	$ 14,581	$ 1,696	$ 7,604	$ 197,479	$ 333,089

Advertising:

Advertising costs are expensed as incurred and totaled $14,067 for the year ended June 30, 2025.

Leases:

The Organization determines whether a contract is a lease at the contract's inception. Identified leases are subsequently measured, classified, and recognized at lease commencement as either a finance lease or an operating lease. Right-of-use assets and lease liabilities are recognized at the commencement date of the lease based on the estimated present value of lease payments to be made over the lease term. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option.

2. Summary of significant accounting policies (continued)

Leases: (continued)

The lease payments are discounted to present value using a discount rate based on a term commensurate with the lease terms at the lease commencement date. For its finance lease of office equipment, the Organization has elected to use the applicable treasury yield based on the length of the lease, a risk-free discount rate. The portion of payments on finance lease liabilities related to interest is recognized as interest expense on the statement of functional expenses. The amortization of the right-of-use asset under the finance lease is recognized on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term or, if the lease transfers ownership of the underlying asset to the Organization or the Organization is reasonably certain to exercise an option to purchase the underlying asset, then the right-of-use asset is amortized to the end of the useful life of the underlying asset. Amortization of finance lease right-of-use assets is reported as depreciation and amortization expense on the statement of functional expenses.

The Organization elected to apply the short-term lease recognition and measurement exemption for all leases with a term of one year or less. Lease payments for short-term leases are recognized in the statement of activities on a straight-line basis over the term of the lease.

Functional allocation of expenses:

The Organization allocates its expenses on a functional basis among its various programs and supporting services. Expenditures which can be identified with a specific program or supporting service are allocated directly, according to their natural expenditure. Salaries, taxes and benefits that are common to several functions are allocated among the program and supporting services on the basis of time analyses. Contract services, office expense, facility and equipment, depreciation and amortization, insurance and credit card and banking fees that are not directly allocated are allocated by the percentage of personnel related expenses in each functional category.

Use of estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Subsequent events:

Management of the Organization has evaluated subsequent events through October 22, 2025, the date the financial statements were available to be issued.

3. Employee Retention Credit

During the years ended June 30, 2022 and 2021, the Organization recognized revenue from the Employee Retention Credit provision of the Coronavirus Aid, Relief, and Economic Security Act, commonly referred to as the CARES Act. The Employee Retention Credit provides employers a refundable federal tax credit based on qualified wages and benefits paid to employees. As of June 30, 2025, the amount receivable from this program totaled $29,256.

4. Revenue from contracts with customers

Singer tuition fees are derived from after-school choral education programs provided to students throughout Chicago and Lexington. Revenue is earned by providing choral education services during the period of September through May. Revenue is recognized ratably over this time period using the output method as services are provided. Students are charged tuition upon registration, with the option to pay in full upon registration or in installments over the period of service. Contract liabilities relating to registrations for future year tuition totaled approximately $126,000 and $118,000 at June 30, 2025 and July 1, 2024, respectively. Transaction prices are based on a sliding scale of household income.

School program fees are derived from in-school choral education programs provided to schools within Chicago and Lexington. Revenue is earned by providing choral education services during the period of September through May. Revenue is recognized ratably over this time period using the output method as services are provided. The schools are charged a specific transaction price which is less than the total cost of the program. That transaction price is negotiated with each individual school prior to the school year and includes additional price concessions for specific schools. Additionally, a small discount is provided for early registration. Contract liabilities relating to registrations for future year programming totaled approximately $5,000 and $11,000 at June 30, 2025 and July 1, 2024, respectively.

Revenue from contracts with customers includes a portion of special events revenue reflecting the exchange element based upon the fair value of direct benefits donors receive which is recognized at a point in time when the special event takes place. The Organization’s special event occurs annually in the fall season. Contract liabilities relating to future year events totaled approximately $70,000 and $71,000 at June 30, 2025 and July 1, 2024, respectively.

Concerts and other performances are recognized at a point in time, upon completion of the event. The fees are charged at the time of the choral performance.

4. Revenue from contracts with customers (continued)

Tour fees are derived from fees for students to participate in the various tour experiences offered by the Organization. Revenue is recognized at the point in time that the tours occur. Students are charged tour fees upon registration, with the option to pay in full upon registration or in installments leading up to the tour. There were contract liabilities relating to registrations for future year tours of approximately $312,000 and $-0- at June 30, 2025 and July 1, 2024, respectively. See Note 13 related to tour fees included in contract liabilities at June 30, 2025.

Disaggregation of revenue:

Revenue from contracts with customers disaggregated by category for the year ended June 30, 2025 was as follows:

Year ended June 30, 2025	
Revenue recognized over time:	
Singer tuition	$ 633,266
School program fees	324,341
Total revenue recognized over time	957,607
Revenue recognized at a point in time:	
Special events	312,500
Concerts and other performances	172,319
Tour fees	239,349
Total revenue recognized at a point in time	724,168
Total contract revenue	$ 1,681,775

Contract balances:

Accounts receivable related to revenue from contracts with customers were $121,339 and $104,330 at June 30, 2025 and July 1, 2024, respectively. Contract liabilities related to revenue from contracts with customers were $513,164 and $200,386 at June 30, 2025 and July 1, 2024, respectively. There were no contract assets related to revenue from contracts with customers at June 30, 2025 and July 1, 2024.

4. Revenue from contracts with customers (continued)

Significant judgments:

Significant judgments are required to be made by management to determine the appropriate approach to applying the revenue recognition criteria. Management has determined the transaction prices for benefits included in special events where stand-alone purchase prices were not available. Management also determines price discounts and price concessions for tuition using a sliding fee scale and for school program fees using a rubric to determine financial need.

5. Liquidity and availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

June 30, 2025		
Financial assets at year-end:		
Cash and cash equivalents	$	758,871
Investments		10,528,349
Tuition, tours and other fees receivable		121,339
Contributions receivable, net		1,249,883
Employee Retention Credit receivable		29,256
Total financial assets		12,687,698
Less amounts not available to be used within one year:		
Contributions receivable, noncurrent without donor purpose restrictions		219,104
Board-designated net assets		2,964,273
Net assets with donor purpose restrictions, including endowment held in perpetuity		7,043,293
Total amounts not available to be used within one year		10,226,670
Financial assets available to meet general expenditures within one year	$	2,461,028

The Organization has budgeted to meet $1,190,000 of purpose restrictions during the year ending June 30, 2026.

5. Liquidity and availability (continued)

Although the Organization does not intend to spend from its Board-designated investments totaling $2,964,273 at June 30, 2025, these amounts could be made available if necessary.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

As part of its liquidity management plan, the Organization invests excess cash in short-term fixed income and money market funds. Management also monitors liquidity throughout the year through a quarterly review of budgets and financial reports with the Organization's finance committee.

6. Fair value measurements

The Organization reports investments at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
Level 2	Inputs to the valuation methodology include: • quoted prices for similar assets or liabilities in active markets; • quoted prices for identical or similar assets or liabilities in inactive markets; • inputs other than quoted prices that are observable for the asset or liability; • inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

6. Fair value measurements (continued)

In some cases, the inputs used to measure the fair value of an asset or liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

Investments consist of the following at June 30, 2025:

June 30, 2025	Level 1	Level 2	Total
Equities	$ 4,722,693		$ 4,722,693
Fixed income	1,548,950		1,548,950
Real assets	917,823		917,823
Money market instruments		$ 3,338,883	3,338,883
Total	$ 7,189,466	$ 3,338,883	$ 10,528,349

The valuation methodologies used for assets measured at fair value are as follows:

> Equities, fixed income, and real assets are valued at the market value of shares held by the Organization at year-end.
>
> The fair value of money market instruments is estimated to approximate deposit account balances, payable on demand, as no discounts for credit quality or liquidity were determined to be applicable.

Risks and uncertainties:

The Organization's investments are exposed to various risks such as interest rate, credit, and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments will occur in the near term and could materially affect the amounts reported in the statement of financial position.

7. Tax status

The Organization is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. In addition, the Internal Revenue Service (IRS) has determined that the Organization is not a private foundation within the meaning of Section 509(a) of the Code.

The Organization has determined that it was not required to record a liability related to uncertain tax positions as of June 30, 2025.

8. Contributions receivable

Unconditional promises to give are as follows:

June 30, 2025	
Receivable due in less than one year	$ 890,636
Receivable due in one to five years	378,000
Total unconditional promises to give	1,268,636
Less discounts to net present value	18,753
Net unconditional promises to give	$ 1,249,883

Unconditional promises to give due in more than one year were discounted at rates ranging from 3.95% to 4.87% for the year ended June 30, 2025.

9. Property and equipment

Property and equipment consists of the following at June 30, 2025:

June 30, 2025		
Leasehold improvements	$	163,671
Equipment		78,439
Furniture and fixtures		40,733
Instruments		34,611
Website and software		152,808
		470,262
Less accumulated depreciation and amortization		321,598
Property and equipment, net	$	148,664

10. Board-designated net assets

The Board of Directors has established a reserve fund (the Fund), in which the Board occasionally directs a portion of any operating surplus to be placed into the Fund along with the reinvestment of earnings on these funds. The Fund serves as a reserve for general operations and tour related expenditures. Use of these funds must be pre-approved by the Board of Directors. The Board of Directors also established an endowment fund (Note 12). Board-designated funds totaled $2,964,273 at June 30, 2025.

11. Net assets with donor restrictions

Net assets with donor restrictions were available for the following purpose or time restrictions:

June 30, 2025	
Purpose restrictions:	
Strategic priorities	$ 2,757,234
Neighborhood Choir programs	74,163
School programs	204,163
Paint the Town Red event	48,593
Artistic innovation	240,224
Time restrictions:	
Contributions receivable	534,104
Endowment:	
Endowment subject to spending policy and appropriation held in perpetuity	3,718,916
Endowment income not yet appropriated for expenditure	786,541
Total net assets with donor restrictions	$ 8,363,938

Net assets were released from donor restrictions by incurring expenses satisfying the following purpose restrictions specified by donors and by expiration of time restrictions:

Year ended June 30, 2025	
Purpose restrictions:	
Strategic priorities	$ 693,674
Neighborhood Choir programs	5,000
School programs	55,000
Time restrictions:	
Contributions receivable	80,500
Endowment income appropriated for expenditure	150,000
Total net assets released from restrictions	$ 984,174

12. Endowment

The Organization's endowment was established in 2017 and consists of two funds. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has interpreted the enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization retains in perpetuity the original value of the gifts donated to the permanent endowment. The investment income or increases in fair value (if not required to be restricted by the donor) and remaining portion of the donor-restricted endowment fund (such as Board appropriated additions to the Fund) are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the Fund
- The purpose of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

The Organization has investment and spending policies for the endowment fund that:

- Protect the invested assets
- Preserve spending capacity of the fund income
- Provide a growing stream of revenue over the endowment fund's investment horizon while adhering to the Organization's risk parameters
- Comply with applicable laws

12. Endowment (continued)

Return objectives and risk parameters:

The Organization has adopted investment and spending policies for endowment assets that will allow the fund to grow its corpus, cover any future adopted annual payout to the Organization and its investment expenses while preserving purchasing power. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to provide for growth of the assets while simultaneously protecting the principal of the assets through constraints on approved investments and diversification through asset allocation.

Strategies employed for achieving objectives:

To satisfy its long-term rate of return objectives, the Organization emphasizes total return from capital appreciation and dividend and interest income (balancing the need for total income with the need to preserve principal) and the preservation of purchasing power (to achieve returns in excess of the rate of inflation over a long-term investment horizon).

Spending policy and how the investment objectives relate to spending policy:

At the establishment of the endowment and as of June 30, 2025, the Board's objective is to generate returns from the corpus of the fund as well as fund general operations. The spending policy is based on 4% of the average quarterly endowment balance for the previous four quarters and is approved annually by the Board in the year prior to appropriation.

Endowment net assets composition by type as of June 30, 2025 is as follows:

June 30, 2025	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment		$ 4,505,457	$ 4,505,457
Board-designated endowment	$ 40,023		40,023
Total endowment net assets	$ 40,023	$ 4,505,457	$ 4,545,480

12. Endowment (continued)

Spending policy and how the investment objectives relate to spending policy: (continued)

Changes in endowment net assets for the year ended June 30, 2025 are as follows:

Year ended June 30, 2025	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	$ 38,334	$ 4,123,542	$ 4,161,876
Contributions		54,500	54,500
Appropriation for expenditure		(150,000)	(150,000)
Net investment return	1,689	477,415	479,104
Endowment net assets, end of year	$ 40,023	$ 4,505,457	$ 4,545,480

13. Tour fee revenue and expense

Historically, the Organization's Voice of Chicago ensemble culminates each program year with a major tour. For the 2024-2025 program year, the major tour to Italy commenced on July 4, 2025. Accordingly, all revenue and expenses related to this tour will be recognized in the subsequent fiscal year ending June 30, 2026, consistent with the timing of the tour and satisfaction of the performance obligations, as described in Note 4.

As of June 30, 2025, approximately $387,000 of expenses related to the Italy tour were expended and are reported as prepaid expenses in the statement of financial position. Additionally, approximately $312,000 of tour participation fees were collected as of June 30, 2025 and are reported as contract liabilities in the statement of financial position.

14. Retirement plan

The Organization has a 403(b) defined-contribution plan (the Plan) for all qualified employees. The Organization matches participant contributions to the Plan at a discretionary amount up to 3% of each eligible employee's salary up to statutory limits. Participation in the Organization's retirement plan is voluntary. Participant and employer contributions are immediately vested. Employer contributions to the Plan amounted to $61,273 for the year ended June 30, 2025.

15. Facilities

The Organization rents its office and rehearsal space from the City of Chicago under a contractual agreement with an original term of two years effective January 1, 2023. The agreement provides for $1 rent over the term of the agreement plus monthly operating expenses. The agreement also provides for three consecutive one-year extensions provided by mutual agreement by both parties through December 31, 2027. The agreement also provides a termination clause whereby the Organization or the City of Chicago may terminate the existing agreement with 180 days' notice, without penalty. See Note 2 regarding contributed use of facilities.

16. Lease commitments

Neighborhood rehearsal space:

The Organization leases twelve locations for its neighborhood choir rehearsal spaces under various operating leases. These facilities are leased from August to June. Lease payments are billed by the lessor in accordance with the specific lease agreement. Certain leases require monthly payments, and others require full payment at the end of the lease term. The short-term lease exemption applies to these leases. Total short-term lease costs under these leases were $45,934 for the year ended June 30, 2025.

Office equipment lease:

The Organization has a finance lease for two copy machines that calls for monthly payments of $1,665 through December 2026. The lease contains the option to purchase the copiers at fair value or renew the lease, both of which the Organization is not reasonably certain to exercise and is not included in the measurement of the lease liability and right-of-use asset.

Future lease payments are as follows:

Year ending June 30:	Amount
2026	$ 19,980
2027	9,990
Total undiscounted lease payments	29,970
Less imputed interest	1,446
Finance lease liability	$ 28,524

16. Lease commitments (continued)

Office equipment lease: (continued)

At June 30, 2025, the weighted-average remaining lease term was 1.5 years and the weighted-average discount rate was 3.79%.

Finance lease costs consist of the following:

Year ended June 30, 2025		
Finance lease costs:		
Amortization of right-of-use asset	$	17,889
Interest on the lease liability		1,771
Total finance lease costs	$	19,660

17. Related-party transactions

The Organization receives contributions from its Board of Directors on an annual basis. During the year ended June 30, 2025, total contributions received from members of the Board of Directors were approximately $1,245,000. At June 30, 2025, total contributions receivable from members of the Board of Directors was $372,783.

18. Concentrations

The Organization maintains its cash and cash equivalents in bank and brokerage accounts which, at times, may exceed federally-insured deposit limits. At June 30, 2025, cash and cash equivalents in excess of these limits totaled approximately $271,000. The Organization believes that it is not exposed to any significant credit risk on cash and cash equivalents.

Approximately 26% of the Organization’s total revenue before investment return for the year ended June 30, 2025 was generated from a single special event, its annual Red Jacket Optional event.

Two donors represented approximately 33% of contributions receivable at June 30, 2025.

UNITING VOICES

STATEMENT OF ACTIVITIES BY LOCATION

Year ended June 30, 2025	Chicago Programs			Lexington Programs			
	Without donor restrictions	With donor restrictions	Total Chicago programs	Without donor restrictions	With donor restrictions	Total Lexington programs	Total
Revenue:							
Contributions:							
Foundation and corporate	$ 796,905	$ 499,976	$ 1,296,881	$ 95,590		$ 95,590	$ 1,392,471
Individual	365,277	551,272	916,549	34,489		34,489	951,038
Strategic initiatives		88,195	88,195				88,195
Endowment priority gifts		54,500	54,500				54,500
Government grants	145,000	40,000	185,000	675		675	185,675
Contributed goods and services	326,577		326,577	6,512		6,512	333,089
Tuition and school program fees	936,075		936,075	21,532		21,532	957,607
Tour fees	221,961		221,961	17,388		17,388	239,349
Concerts and other performances	146,736		146,736	25,583		25,583	172,319
Special events, net of direct benefit to donors	1,392,390		1,392,390	8,624		8,624	1,401,014
Other	19,760		19,760				19,760
Net assets released from restrictions	976,174	(976,174)		8,000	$ (8,000)		
Total revenue before investment return	5,326,855	257,769	5,584,624	218,393	(8,000)	210,393	5,795,017
Net investment return	474,828	477,415	952,243				952,243
Total revenue	5,801,683	735,184	6,536,867	218,393	(8,000)	210,393	6,747,260
Expenses:							
Program services	3,908,277		3,908,277	129,158		129,158	4,037,435
Supporting services:							
Management and general	600,498		600,498	14,406		14,406	614,904
Fundraising	910,420		910,420	32,202		32,202	942,622
Total expenses	5,419,195		5,419,195	175,766		175,766	5,594,961
Change in net assets	382,488	735,184	1,117,672	42,627	(8,000)	34,627	1,152,299
Net assets:							
Beginning of year	3,732,240	7,628,754	11,360,994	33,605	8,000	41,605	11,402,599
End of year	$ 4,114,728	$ 8,363,938	$ 12,478,666	$ 76,232	$ -	$ 76,232	$ 12,554,898