Sounds Good Choir, NFP

Financial Statements

December 31, 2025 and 2024

CONTENTS

INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors
Sounds Good Choir, NFP
Downers Grove, Illinois

Opinion

We have audited the accompanying financial statements of Sounds Good Choir, NFP (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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 Sounds Good Choir, NFP as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sounds Good Choir, NFP 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 Sounds Good Choir, NFP's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

The Board of Directors
Sounds Good Choir, NFP
Downers Grove, Illinois

Auditor’s 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 auditor’s 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 Sounds Good Choir, NFP's 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 Sounds Good Choir, NFP's ability to continue as a going concern for a reasonable period of time.

The Board of Directors
Sounds Good Choir, NFP
Downers Grove, Illinois

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.

Costabile & Steffens PC

COSTABILE & STEFFENS PC
Certified Public Accountants

Rolling Meadows, Illinois 60008
May XX, 2026

Sounds Good Choir, NFP

STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and Cash Equivalents	$ 435,887	$ 741,917
Accrued Support	18,124	50,269
Prepaid Expenses	10,631	9,141
Total Current Assets	464,642	801,327
PROPERTY AND EQUIPMENT		
Equipment, Net of Accumulated Depreciation of $6,194 and $3,922, respectively	3,498	4,366
OTHER ASSETS		
Security Deposit	1,053	1,053
Investments - Equity Mutual Funds	337,101	293,014
Investments - Fixed Income Securities	691,782	536,166
Operating Lease Right-of-Use Assets, Net of Amortization	10,362	21,868
Total Other Assets	1,040,298	852,101
Total Assets	$ 1,508,438	$ 1,657,794

LIABILITIES AND NET ASSETS

	2025	2024
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 61,566	$ 43,115
Deferred Revenue and Program Income	51,605	17,285
Payroll Liabilities	1,589	1,729
Current Portion of Operating Lease Right-of-Use Liability Net of Amortization	10,362	11,506
Total Current Liabilities	125,122	73,635
LONG-TERM LIABILITIES		
Long-Term Portion of Operating Lease Right-of-Use Liability, Net of Amortization	-	10,362
NET ASSETS		
Without Donor Restrictions	1,383,316	1,573,797
Total Net Assets	1,383,316	1,573,797
Total Liabilities and Net Assets	$ 1,508,438	$ 1,657,794

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

Sounds Good Choir, NFP

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2025 and 2024

	2025	2024
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS: SUPPORT, REVENUE AND INVESTMENT ACTIVITY		
Contributions	$ 362,002	$ 327,770
In-Kind Contributions	38,458	-
Program Service Fees	240,005	195,836
Other Revenues	3,200	370
Investment Return, net	92,204	205,427
Total Support, Revenue and Investment Activity	735,869	729,403
EXPENSES		
Program Services	506,817	462,626
Management and General	319,693	315,308
Fundraising	99,840	73,123
Total Expenses	926,350	851,057
Decrease in Net Assets Without Donor Restrictions	(190,481)	(121,654)
Net Assets at Beginning of Year	1,573,797	1,695,451
Net Assets at End of Year	$ 1,383,316	$ 1,573,797

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

Sounds Good Choir, NFP

STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2025 and 2024

	2025				2024			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Auto Reimbursements	$ 809	$ 2,427	$ 809	$ 4,045	$ 640	$ 1,919	$ 640	$ 3,199
Computer and Software	1,242	4,656	310	6,208	1,372	4,697	312	6,381
Credit Card Processing Fees	2,067	188	1,503	3,758	3,144	286	2,287	5,717
Depreciation	-	2,272	-	2,272	-	1,595	-	1,595
Dues and Subscriptions	-	1,508	-	1,508	-	1,094	-	1,094
Employee Benefits	5,518	3,224	1,376	10,118	6,035	2,239	1,355	9,629
Fees and Licenses	310	26	-	336	-	194	-	194
Fundraising Expenses	-	-	12,828	12,828	-	-	6,955	6,955
Health Insurance	5,783	964	2,892	9,639	5,087	2,616	2,593	10,296
Insurance	-	2,375	-	2,375	-	2,295	-	2,295
Investment Fees	-	8,416	-	8,416	-	7,897	-	7,897
In-Kind Supplies and Use of Space	38,458	-	-	38,458	-	-	-	-
Legal and Professional	-	31,397	-	31,397	-	28,634	-	28,634
Advertising and Marketing	1,489	8,191	5,213	14,893	1,183	6,508	4,142	11,833
Office and Supplies	2,533	633	1,055	4,221	1,291	470	587	2,348
Outside Contract Services	162,326	105,102	18,547	285,975	156,698	109,430	-	266,128
Payroll Taxes	16,405	8,851	3,658	28,914	17,152	5,968	3,606	26,726
Postage and Shipping	318	955	-	1,273	85	253	-	338
Recruitment	-	405	-	405	-	296	-	296
Printing, Copying, Misc. Supplies	10,124	1,350	2,025	13,499	4,342	1,085	1,809	7,236
Operating Lease Expense	24,255	13,958	-	38,213	18,618	13,287	-	31,905
Salaries and Wages	213,413	114,831	49,451	377,695	225,163	115,905	48,596	389,664
Sheet Music	18,824	-	-	18,824	18,397	-	-	18,397
Telephone and Internet	1,038	2,249	173	3,460	1,445	3,131	241	4,817
Travel and Meetings	1,905	5,715	-	7,620	1,974	5,509	-	7,483
Total Expenses	$ 506,817	$ 319,693	$ 99,840	$ 926,350	$ 462,626	$ 315,308	$ 73,123	$ 851,057

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

Sounds Good Choir, NFP

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (190,481)	$ (121,654)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation	2,272	1,595
(Gain) Loss on Sale of Marketable Securities	-	(150,527)
Unrealized (Gain) Loss on Investments	(65,548)	(12,392)
(Increase) Decrease in Operating Assets		
Accrued Support	32,145	(6,083)
Prepaid Expenses and Deposits	(1,490)	2,914
Deferred Program Income	34,320	16,266
Increase (Decrease) in Accounts Payable and Accrued Expenses	18,311	12,647
Net Cash Provided by (Used in) Operating Activities	(170,471)	(257,234)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from (Purchases of) Marketable Securities, Net	(134,155)	832,254
Purchases of Equipment	(1,404)	(1,323)
Net Cash Provided by (Used in) Investing Activities	(135,559)	830,931
Net Increase (Decrease) in Cash and Cash Equivalents	(306,030)	573,697
Cash and Cash Equivalents - Beginning of Year	741,917	168,220
Cash and Cash Equivalents - End of Year	$ 435,887	$ 741,917
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	$ -	$ -
Cash Paid During the Year for Income Taxes	$ -	$ -

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

Sounds Good Choir, NFP

NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 1 - ORGANIZATION

Sounds Good Choir, NFP (the Organization) is a non-profit Organization that was organized to be a fun, welcoming community where older adults enhance their well-being through the joy of singing. The Organization operates two primary programs, the Sounds Good Choir and the Good Memories Choir, and its primary sources of revenue are contributions and program fees.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization reports information regarding its position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net Assets Without Donor Restriction - Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restriction - Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Leases - The Organization has an operating lease, described in Note 7. The Organization recognizes expense for the operating lease on a straight-line basis over the lease term. The Organization recognized operating lease right-of-use asset and related lease liability equal to present value of the fixed rental payments over the term of the lease. Operating right-of-use assets are amortized over the remaining term of the lease. The Organization elected to use the incremental borrowing rate as the discount rate for calculating the right-of-use asset and lease liability for all leases.

Revenue Recognition - Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received. Program service fees are recorded as revenues of the period the program takes place and consists of performance obligations that are typically one year or less.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued) - The contracts with members do not contain variable consideration and contract modifications are minimal. Incidental items that are immaterial in the context of the contract are recognized as expense.

In-Kind Contributions - The Organization receives contributed services from numerous volunteers, donated use of facilities and supplies. In accordance with generally accepted accounting principles, the value of volunteer services which do not meet the criteria under GAAP for recognition, have not been recognized in the accompanying financial statements. In-kind contributions of facilities and supplies are recorded at fair value at the date of receipt.

Estimates - The preparation of financial statements in conformity with the basis of accounting described above requires management to make estimates and assumptions that affect the reported amounts. Actual results could differ from those estimates.

Cash and Cash Equivalents - The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents. The Organization maintains its cash balance at two financial institutions in the Chicago area.

Accrued Support and Promises to Give - The Organization's accrued support consists of grant(s) receivable from the State of Illinois and unconditional promises to give. Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of benefits received. The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. The Organization determines the allowance for uncollectible promises to give based on assessment of donor and economic conditions. As of December 31, 2025 and 2024 no allowance for uncollectible promises to give was deemed necessary by management.

Equipment - Equipment has been recorded at cost. However, if donated, it is recorded at fair value at the date of donation. The Organization capitalized all equipment purchases in excess of $1,000. Depreciation is provided using straight-line methods over the estimated useful life of the related assets. Depreciation for the year ended December 31, 2025 and 2024 was $2,272 and $1,595, respectively.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments - Investments, consisting of mutual funds and fixed income securities, are stated at fair value. Investments in mutual funds and fixed income securities with readily determinable values are valued based on quoted market prices in active markets in which the mutual funds are traded. Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the statement of activities as increases or decreases in net assets without donor restrictions.

Deferred Revenue and Program Income - Deferred balance at December 31, 2025 and 2024 consists of funds held for program fees and unearned grant revenue. These are deferred to the applicable period in which the related services are performed or expenditures are incurred. At December 31, 2025 the deferred balance of $51,605 mainly consisted of subsequent period program fees. At December 31, 2024 the deferred balance consisted mainly of subsequent period program fees in the amount of $17,285.

Functional Allocation of Expenses - The accompanying financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Some expenses, including supplies and materials, are directly identifiable and are charged to programs and supporting services accordingly. Administrative and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Allocation of significant costs, including compensation, payroll taxes and related expenses, contractors, and professional and consultant fees, are based on estimates of time and effort and other reasonable methods.

Income Taxes - The Organization received a determination from the Internal Revenue Service that it is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (the Code) as an organization described in Section 501(c)(3), and that it will be treated as a publicly supported organization (and not as a private Organization) under Section 509(a) of the Code. Accordingly, no provision for income taxes has been included in the accompanying statement of activities.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBTI).

The tax benefits recognized in the financial statements from such position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for years ended December 31, 2025 and 2024.

Income Taxes (Continued) - The Organization files its forms 990 in the U.S. federal jurisdiction and the office of the state's attorney general for the State of Illinois. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2023.

Financial Instruments - Financial instruments include cash and cash equivalents, which approximate the fair value.

Advertising - the Organization expenses the costs of advertising and promotion as incurred.

NOTE 3 - PROPERTY AND EQUIPMENT

The Organization's property and equipment at December 31, 2025 and 2024 consisted of office equipment with a cost of $9,692 and $8,288, respectively and accumulated depreciation of $6,194 and $3,922, respectively.

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

The cost and estimated fair value, adjusted on a recurring basis based on quoted market prices in active markets for identical assets, of marketable equity and fixed income securities classified as trading securities are as follows as of December 31, 2025 and 2024:

2025	Cost	Fair Market Value	Cumulative Unrealized Income (Loss)
Equity Mutual Funds	$ 271,957	$ 337,101	$ 65,144
Fixed Income Securities	576,557	691,782	115,225
	$ 848,514	$1,028,883	$ 180,369

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

2024	Cost	Fair Market Value	Cumulative Unrealized Income (Loss)
Equity Mutual Funds	$ 221,060	$ 293,014	$ 71,954
Fixed Income Securities	522,690	536,166	13,476
	$ 743,750	$ 829,180	$ 85,430

NOTE 5 - CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash and cash equivalents in a depository institution account that may at times exceed federally insured limits. The Organization has not experienced any losses in such account. In management's opinion, risk retained to such concentrations is minimal.

The Organization has investments in mutual funds that are made and monitored by the management of the Organization pursuant to an investment policy adopted by the Board of Directors. Though the market value of investments is subject to fluctuations on a year-to-year basis, management believes that the investment policy is prudent for the long-term welfare of the Organization.

NOTE 6 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

Cash and Cash Equivalents	$ 435,887
Accrued Support	18,124
Investments	1,028,883
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 1,482,894

Sounds Good Choir, NFP
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 7 - LEASES

The Organization is a lessee of an office under a non-cancelable operating lease that was renewed on September 5, 2023 and will expire on September 30, 2026. Operating right-of-use liabilities are recognized based on the net present value of lease payments over the lease term at the commencement date of the lease and are reduced by payments made on each lease on the straight-line basis. Because the lease does not provide an implicit rate of return, the Organization uses its incremental borrowing rate based on information available at the commencement date of the lease in determining the present value of lease payments. Generally, the Organization cannot determine the interest rate implicit in the lease because it does not have access to the information. Therefore, the Organization generally uses its incremental borrowing rate as the discount rate for the lease.

The Organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments using similar terms. Leases with an initial term of 12 months or less are not recorded on the statement of financial position; rather, rent expense for these leases are recognized on a straight-line basis over the lease term, or when incurred if a month-to-month lease.

All lease agreements generally require the Organization to pay maintenance, repairs, and insurance costs, which are variable amounts based on actual costs incurred during each applicable period. Such costs are not included in the determination of the right-of-use lease liability or right-of-use lease asset. Variable lease cost also includes escalating rent payments that are not fixed at commencement but are based on an index that is determined in future periods over the lease term based on changes in the Consumer Price Index or other measure of cost inflation. Variable lease payments associated with the Organization's leases are recognized when the event, activity, or circumstance in the lease agreement on which those payments are assessed occurs.

Amortization of Net Present Value of Operating Lease Liability at December 31:

	2026	$ 10,362
Total minimum annual rentals including interest		10,362
Less: imputed interest		-
Operating Lease Liability		10,362
Deferred Lease Liability		-
Total Operating Lease Liability		$ 10,362

NOTE 7 - LEASES (CONTINUED)

Future minimum annual lease payments are as follows:

2026	$ 10,080

Operating lease expense for the year ended December 31, 2025 and 2024 was $38,213 and $31,905, respectively. The Organization's incremental borrowing rate of 8.50% was used as the discount rate in order to determine present value.

The carrying value of the related right-of-use operating asset as of December 31, was:

	2025	2024
Accumulated Basis	$ 42,153	$ 42,153
Less: Accumulated Amortization	(31,791)	(20,285)
	$ 10,362	$ 21,868

NOTES 8 - EMPLOYEE BENEFIT PLAN

The Organization established an employee retirement plan in which all eligible employees can participate. The Organization matches employee contributions either based on a set amount or a percentage of salary contributed by participants up to a maximum amount. Employee contributions are 100% vested immediately. The Organization's expense for the plan was $10,118 and $9,629 for the years ended December 31, 2025 and 2024, respectively.

NOTE 9 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through May XX, 2026, the date on which the financial statements were available to be issued. No subsequent events were identified that would require accrual or disclosure in the financial statements.