THE LEXINGTON SINGERS, INC.
LEXINGTON, KENTUCKY

FINANCIAL STATEMENTS

JUNE 30, 2025 and 2024

SKW CPAs & Advisors, PLLC

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SKW CPAs & Advisors, PLLC

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
The Lexington Singers, Inc.
Lexington, Kentucky

We have reviewed the accompanying financial statements of The Lexington Singers, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of The Lexington Singers, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

SKW CPAs & Advisors, PLLC

Lexington, Kentucky
September 10, 2025

THE LEXINGTON SINGERS, INC.
STATEMENTS OF FINANCIAL POSITION
June 30,

ASSETS

	2025	2024	Variance
Current Assets			
Cash and cash equivalents	$ 9,361	$ 59,925	$ (50,564)
Money market	46,062	45,915	147
Accounts receivable	-	1,530	(1,530)
Total Current Assets	55,423	107,370	(51,947)
Property and Equipment - Net	8,331	9,328	(997)
Other Assets			
Marketable securities	219,113	66,336	152,777
ASSETS	$ 282,867	$ 183,034	$ 99,833

LIABILITIES AND NET ASSETS

	2025	2024	Variance
Current Liabilities			
Deposits - Paris/ London Trip 2026	$ 11,354	$ -	$ 11,354
Total Current Liabilities	11,354	-	11,354
Net Assets			
Without donor restrictions or board designation	88,896	183,034	(94,138)
Board-designated endowment fund	182,617	-	182,617
Total Net Assets without donor restrictions	271,513	183,034	88,479
LIABILITIES AND NET ASSETS	$ 282,867	$ 183,034	$ 99,833

See accompanying Independent Accountants' Review Report and Notes to Financial Statements.

THE LEXINGTON SINGERS, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Concert income	$ 32,727	$ -	$ 32,727
Donor income	122,623	-	122,623
Sponsors and grants	6,226	-	6,226
Dues	64,736	-	64,736
Programming income	2,019	-	2,019
Miscellaneous income	4,539	-	4,539
Dividends and interest	8,093	-	8,093
Unrealized gain on investments	10,902	-	10,902
Total operating revenues	251,865	-	251,865
Operating Expenses			
Program costs	129,234	-	129,234
Management and general	34,152	-	34,152
Total operating expenses	163,386	-	163,386
Change in net assets	88,479	-	88,479
Net assets, beginning of year	183,034	-	183,034
Net assets, end of year	$ 271,513	$ -	$ 271,513

See accompanying Independent Accountants' Review Report and Notes to Financial Statements.

THE LEXINGTON SINGERS, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Concert income	$ 32,072	$ -	$ 32,072
Donor income	18,200	-	18,200
Sponsors and grants	10,394	-	10,394
Dues	66,681	-	66,681
Programming income	2,533	-	2,533
Miscellaneous income	395	-	395
Dividends and interest	4,321	-	4,321
Unrealized gain on investments	6,107	-	6,107
Total operating revenues	140,703	-	140,703
Operating Expenses			
Program costs	112,042	-	112,042
Management and general	31,750	-	31,750
Total operating expenses	143,792	-	143,792
Change in net assets	(3,089)	-	(3,089)
Net assets, beginning of year	186,123	-	186,123
Net assets, end of year	$ 183,034	$ -	$ 183,034

See accompanying Independent Accountants' Review Report and Notes to Financial Statements.

THE LEXINGTON SINGERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2025

	Program Service	Management and General	Total
Bank fees	$ -	$ 2,063	$ 2,063
Children's Choir	3,861	-	3,861
Concerts	42,578	-	42,578
Depreciation	2,498	-	2,498
Dues and memberships	3,872	-	3,872
Insurance	2,001	222	2,223
Office	4,617	513	5,130
Payroll - salaries and wages	63,346	21,115	84,461
Payroll - taxes	4,836	1,612	6,448
Payroll - processing fees	-	1,077	1,077
Professional fees	-	7,550	7,550
Rehearsal space	125	-	125
Scholarships and awards	1,500	-	1,500
	$ 129,234	$ 34,152	$ 163,386

See accompanying Independent Accountants' Review Report and Notes to Financial Statements.

THE LEXINGTON SINGERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2024

	Program Service	Management and General	Total
Bank fees	$ -	$ 2,006	$ 2,006
Children's Choir	581	-	581
Concerts	37,077	-	37,077
Depreciation	1,641	-	1,641
Dues and memberships	4,087	-	4,087
Insurance	1,887	210	2,097
Office	3,559	395	3,954
Payroll - salaries and wages	56,828	18,943	75,771
Payroll - taxes	4,332	1,444	5,776
Payroll - processing fees	-	900	900
Professional fees	-	7,852	7,852
Rehearsal space	400	-	400
Scholarships and awards	1,650	-	1,650
	$ 112,042	$ 31,750	$ 143,792

See accompanying Independent Accountants' Review Report and Notes to Financial Statements.

THE LEXINGTON SINGERS, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30,

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 88,479	$ (3,089)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	2,498	1,641
Unrealized gain on investments	(10,902)	(6,107)
In-kind contributions - publicly traded securities	(89,650)	-
Changes in operation assets and liabilities:		
Accounts receivable	1,530	(1,530)
Deposits - Lincoln Center Trip 2024	-	(4,091)
Deposits - Paris/ London Trip 2026	11,354	-
Net cash flows from operating activities	3,309	(13,176)
Cash flows from investing activities		
Purchases of property and equipment	(1,500)	(10,547)
Purchases of marketable securities	(52,226)	(2,997)
Net cash flows from investing activities	(53,726)	(13,544)
Cash flows from financing activities	-	-
Change in cash and cash equivalents:	(50,417)	(26,720)
Cash and cash equivalents, beginning of year	105,840	132,560
Cash and cash equivalents, end of year	$ 55,423	$105,840
Cash payments for interest	$ -	$ -
Cash payments for taxes	$ -	$ -

See accompanying Independent Accountants' Review Report and Notes to Financial Statements.

NOTE 1 – NATURE OF OPERATIONS AND ACCOUNTING POLICIES

Nature of Activities

The Lexington Singers, Inc. ("Organization"), is a non-profit organization whose purpose is to provide opportunities for the citizens of Lexington and the surrounding communities to participate in the performance and enjoyment of choral music and to further the understanding among all peoples through the medium of music.

Basis of Financial Statements

The accompanying financial statements have been prepared on the accrual basis of accounting and are in accordance with the recommendations of the Financial Accounting Standards Board. The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions include both undesignated and board designated funds. Undesignated net assets may be used at the discretion of management to support the mission of the Organization. Board designated net assets are net assets without donor restrictions designated by the Board of Directors as a quasi-endowment, for which the earnings thereon are to be used for the purpose of funding the Organization's operations.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that will be met either by action of the Organization and/or the passage of time, or are restricted in perpetuity by the donor for investment purposes.

Property and Equipment

Property and equipment are recorded at cost or at estimated fair market value at the date of the gift, if donated. Depreciation is computed on a straight-line basis over the estimated useful lives of the property and equipment (5-10 years).

The cost and accumulated depreciation of property sold or retired is removed from the related asset and accumulated depreciation accounts and any resulting gain or loss is recorded in the period of disposal. Improvements, which extend the useful lives of assets, are capitalized at cost. Maintenance and repairs are included as management and general expenses in the statement of activities.

Contributions

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

NOTE 1 – NATURE OF OPERATIONS AND ACCOUNTING POLICIES (continued)

Contributions (continued)

Support that is restricted by the donor or granting agency is reported as an increase in the net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends, or purpose 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.

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Public Support, Revenues and Operations

Agencies and organizations, volunteers, businesses, the general community and others contribute substantial amounts of materials and services toward the fulfillment of the programs administered by the Organization. To the extent that contributions of materials are made under the control of the Organization, are objectively measurable, and represent program or support expenditures which would otherwise be incurred by the Organization's personnel, they are reflected in both public support and program expense in the accompanying financial statements at their fair value.

Donated Services

No amounts have been reflected in the statements for donated services in as much as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of time to the Organization's community awareness program and its fund-raising activities.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that 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 revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with a partial maturity of three months or less to be cash equivalents. These include cash on deposit, cash on hand and money market funds.

NOTE 1 – NATURE OF OPERATIONS AND ACCOUNTING POLICIES (continued)

Advertising Costs

The Organization expenses the cost of advertising as incurred. For the years ended June 30, 2025 and 2024, advertising was $650 and $725, respectively.

Fair Value of Financial Instruments

Financial instruments are composed of cash, cash equivalents, investments and accounts receivable, the carrying value of which approximates fair market value.

Measurements

The Organization follows Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures*, with respect to financial assets and liabilities. Topic 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 established a fair value hierarchy that prioritized the inputs to valuation techniques used to measure fair value into three broad levels.

The following is a brief description of those three levels:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs that are derived principally from or corroborated by observable market data; and

Level 3: Inputs that are unobservable and significant to the overall fair value measurement

Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. It is, however, subject to income taxes on "unrelated business income", of which management has determined there was none for the years ended June 30, 2025 and 2024.

As of June 30, 2025 and 2024, the Organization has no uncertain tax positions that qualify for disclosure in the financial statements.

Functional Expenses

The costs of providing program and supporting services have been reported on a functional basis in the statements of activities and the statements of functional expenses. Expenses are charged directly to program, management and general, and fundraising expenses based on an estimate of the amount of time spent by employees on these functions and/or an estimate of the amount of cost associated with that function.

NOTE 2 – INVESTMENTS

The Organization carries investments in marketable equity securities with readily determinable fair values and investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

The fair values of investments are based on quoted prices in active markets for identical assets, and accordingly, are classified as Level 1 investments under the hierarchy outlined by ASC 820, *Fair Value Measurements.*

The Organization's investments at June 30, 2025 consisted of the following, recorded at fair market value:

	MARKET	COST	UNREALIZED GAIN / (LOSS)
Cash and cash equivalents	$ 7,260	$ 7,260	$ -
Stocks	4,372	2,572	1,800
Mutual funds	207,481	174,575	32,906
	$ 219,113	$ 184,407	$ 34,706

The Organization's investments at June 30, 2024 consisted of the following, recorded at fair market value:

	MARKET	COST	UNREALIZED GAIN / (LOSS)
Cash and cash equivalents	$ 1,607	$ 1,607	$ -
Stocks	12,948	11,700	1,248
Mutual funds	51,781	29,225	22,556
	$ 66,336	$ 42,532	$ 23,804

The change in unrealized gains / (losses) for the year ended June 30, 2025 was a gain of $10,902 and for the year ended June 30, 2024 a gain of $6,107.

NOTE 3 – PROPERTY AND EQUIPMENT

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

Musical instruments	$ 18,320
Trailer	1,500
Less accumulated depreciation	(11,489)
Net property and equipment	$ 8,331

Property and equipment at June 30, 2024, consisted of the following:

Musical instruments	$ 18,320
Less accumulated depreciation	(8,992)
Net property and equipment	$ 9,328

NOTE 4 – BOARD-DESIGNATED ENDOWMENT FUND

During the year ended June 30, 2025, the Organization established a Board-Designated Endowment Fund to support its long-term financial sustainability and provide a source of funding for strategic initiatives. Although this fund functions similarly to a traditional endowment, it was designated by the Board of Directors rather than being donor-restricted.

As of June 30, 2025, the balance of the Board-Designated Endowment Fund was $182,617. No funds were disbursed during the year ended June 30, 2025.

Funding

The Endowment was initially funded with $175,000 in cash, stock, and other funds. The Board has also adopted a policy that no less than 50% of each bequest received by the Organization after February 1, 2025, will be set aside in this permanent Endowment without further Board action.

Annual Withdrawals

At the beginning of each fiscal year, the Treasurer transfers from the Endowment an amount equal to 5% of the value of the entire endowment, based on the account statement at the end of the previous calendar year.

Investment

Funds are invested in low-cost, low-fee, diversified investments intended to grow substantially over the long term. This typically includes mutual funds invested primarily in U.S. stocks and bonds.

Oversight

The Lexington Singers Finance Committee serves as the Endowment Investment Committee and reviews the performance and investment strategy of the Endowment at least annually. As long as the Finance Committee includes at least the Treasurer and President, the committee may make changes to the investments as needed, with regular and timely reporting to the Board.

Accounting Classification

Under FASB ASU 2016-14, the Board-Designated Endowment Fund is classified as net assets without donor restrictions. While the Board has earmarked these funds for endowment purposes, such designations are not legally binding and may be reversed by Board action.

Balance as of June 30, 2024	$ -
Capital contributed	175,000
Investment return (net)	7,617
Balance as of June 30, 2025	$ 182,617

NOTE 5 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES

As of June 30, 2025, financial assets available within one year for general expenditure, such as operating expenses, were as follows:

Financial assets		
Cash and cash equivalents	$	55,423
Investments:		
Total investments		219,113
Less: investments with board designated restrictions		(182,617)
Total financial assets available within one year	$	91,919

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in short-term investments, such as its money market account.

NOTE 6 – IN-KIND CONTRIBUTIONS

For the years ended June 30, 2025 and 2024, gifts-in-kind recognized by the Organization totaled $89,650 and $0. During the fiscal year ended June 30, 2025, the Organization received marketable securities with a fair market value of $89,650.

The Organization also receives various other in-kind contributions from time to time. The total of these items is not considered to have a material effect on the financial statements and therefore have not been recorded in these statements.

NOTE 7 – DATE OF MANAGEMENT REVIEW

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 10, 2025, which is the date the financial statements were available to be issued.