

MADISON YOUTH CHOIRS, INC.

FINANCIAL STATEMENTS

June 30, 2024 and 2023

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Madison Youth Choirs, Inc.
Madison, Wisconsin

We have reviewed the accompanying financial statements of Madison Youth Choirs, Inc., which comprise the statements of financial position as of June 30, 2024 and 2023, 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 entity 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.

Accountant's 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 Madison Youth Choirs, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's 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.



Wegner CPAs, LLP
Madison, Wisconsin
November 8, 2024

MADISON YOUTH CHOIRS, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 140,075	\$ 211,379
Investments	426,912	405,356
Accounts receivable	1,054	23,937
Current portion of unconditional promises to give	67,000	-
Prepaid expenses	13,559	9,443
Total current assets	<u>648,600</u>	<u>650,115</u>
NONCURRENT ASSETS		
Unconditional promises to give less current portion, net	133,571	-
Beneficial interest in assets held by Madison		
Community Foundation	288,409	273,534
Equipment and software		
Equipment	81,633	81,633
Software not yet placed in service	41,250	36,750
Less accumulated depreciation	<u>(80,052)</u>	<u>(78,306)</u>
Equipment and software, net	<u>42,831</u>	<u>40,077</u>
Total noncurrent assets	<u>464,811</u>	<u>313,611</u>
Total assets	<u><u>\$ 1,113,411</u></u>	<u><u>\$ 963,726</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 12,740	\$ 15,016
Deferred revenue	41,100	26,551
Total liabilities	53,840	41,567
NET ASSETS		
Without donor restrictions	859,571	887,459
With donor restrictions	<u>200,000</u>	<u>34,700</u>
Total net assets	<u>1,059,571</u>	<u>922,159</u>
Total liabilities and net assets	<u><u>\$ 1,113,411</u></u>	<u><u>\$ 963,726</u></u>

See independent accountant's review report and accompanying notes.

MADISON YOUTH CHOIRS, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Tuition fees	\$ 273,532	\$ -	\$ 273,532
Less tuition discounts	(24,725)	-	(24,725)
Tuition fees, net	248,807	-	248,807
Concerts and appearances	26,615	-	26,615
Contributions			
Foundation, corporation, individual, and grants	216,023	200,000	416,023
In-kind	4,644	-	4,644
Investment return, net	21,557	-	21,557
Change in beneficial interest in assets held by			
Madison Community Foundation	26,357	-	26,357
Other income	7,331	-	7,331
Satisfaction of purpose restrictions	34,700	(34,700)	-
Total support and revenue	586,034	165,300	751,334
EXPENSES			
Program Services			
Tuition-based educational programming	356,774	-	356,774
Concerts and appearances	128,544	-	128,544
Community education	19,764	-	19,764
Supporting Activities			
Management and general	37,000	-	37,000
Fundraising	71,840	-	71,840
Total expenses	613,922	-	613,922
Change in net assets	(27,888)	165,300	137,412
Net assets at beginning of year	887,459	34,700	922,159
Net assets at end of year	\$ 859,571	\$ 200,000	\$ 1,059,571

See independent accountant's review report and accompanying notes.

MADISON YOUTH CHOIRS, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Tuition fees	\$ 248,280	\$ -	\$ 248,280
Less tuition discounts	(18,355)	-	(18,355)
Tuition fees, net	229,925	-	229,925
Tour fees	39,117	-	39,117
Less scholarships given	(33,150)	-	(33,150)
Tour fees, net	5,967	-	5,967
Concerts and appearances	26,190	-	26,190
Contributions			
Foundation, corporation, individual, and grants	455,897	35,000	490,897
Fundraisers	1,305	-	1,305
In-kind	50	-	50
Investment return, net	6,479	-	6,479
Change in beneficial interest in assets held by			
Madison Community Foundation	13,652	-	13,652
Other income	4,830	-	4,830
Satisfaction of purpose restrictions	300	(300)	-
Total support and revenue	744,595	34,700	779,295
EXPENSES			
Program Services			
Tuition-based educational programming	359,366	-	359,366
Concerts and appearances	79,630	-	79,630
Community education	45,242	-	45,242
Supporting Activities			
Management and general	40,867	-	40,867
Fundraising	70,774	-	70,774
Total expenses	595,879	-	595,879
Change in net assets	148,716	34,700	183,416
Net assets at beginning of year	738,743	-	738,743
Net assets at end of year	<u>\$ 887,459</u>	<u>\$ 34,700</u>	<u>\$ 922,159</u>

See independent accountant's review report and accompanying notes.

MADISON YOUTH CHOIRS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2024

	<u>Program Services</u>			<u>Supporting Activities</u>		<u>Total</u>
	<u>Tuition-Based Educational Programming</u>	<u>Concerts and Appearances</u>	<u>Community Education</u>	<u>Management and General</u>	<u>Fundraising</u>	
Personnel	\$ 303,201	\$ 54,336	\$ 16,673	\$ 15,271	\$ 62,691	\$ 452,172
Production	-	64,843	-	-	-	64,843
Occupancy	25,501	4,565	1,400	1,276	5,284	38,026
Professional fees	4,880	-	-	14,117	-	18,997
Insurance	6,595	1,181	362	329	1,367	9,834
Office	5,141	920	282	1,377	1,065	8,785
Artistic	5,642	1,411	-	-	-	7,053
Miscellaneous	2,016	74	23	3,525	86	5,724
Advertising	1,878	940	940	-	-	3,758
Meetings	-	-	-	1,030	1,030	2,060
Depreciation	1,171	210	64	58	243	1,746
Information technology	356	64	20	17	74	531
Camps	393	-	-	-	-	393
Total expenses	\$ 356,774	\$ 128,544	\$ 19,764	\$ 37,000	\$ 71,840	\$ 613,922

See independent accountant's review report and accompanying notes.

MADISON YOUTH CHOIRS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023

	Program Services			Supporting Activities		Total
	Tuition-Based Educational Programming	Concerts and Appearances	Community Education	Management and General	Fundraising	
Personnel	\$ 299,105	\$ 32,778	\$ 38,433	\$ 17,565	\$ 62,355	\$ 450,236
Production	-	28,628	-	-	-	28,628
Occupancy	29,965	3,284	3,850	1,760	6,247	45,106
Professional fees	-	-	488	12,992	-	13,480
Insurance	4,209	461	541	247	877	6,335
Office	5,577	611	717	328	1,163	8,396
Artistic	5,198	1,300	-	-	-	6,498
Miscellaneous	1,325	-	618	7,115	-	9,058
Advertising	1,024	513	513	-	-	2,050
Meetings	-	-	-	823	-	823
Depreciation	635	70	82	37	132	956
Camps	344	-	-	-	-	344
Tours	11,984	11,985	-	-	-	23,969
Total expenses	\$ 359,366	\$ 79,630	\$ 45,242	\$ 40,867	\$ 70,774	\$ 595,879

See independent accountant's review report and accompanying notes.

MADISON YOUTH CHOIRS, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 137,412	\$ 183,416
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	1,746	956
Net realized and unrealized gains on investments	(6,005)	(2,383)
Loss on disposal of equipment	-	634
Donated stock	-	(198,877)
Change in value of beneficial interest in assets held by Madison Community Foundation	(26,357)	(13,652)
(Increase) decrease in assets		
Accounts receivable	22,883	17,885
Unconditional promises to give	(200,571)	-
Prepaid expenses	(4,116)	(7,821)
Increase (decrease) in liabilities		
Accounts payable	(2,276)	11,233
Deferred revenue	14,549	(20,559)
Net cash flows from operating activities	(62,735)	(29,168)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment and software	(4,500)	(36,750)
Interest and dividends reinvested	(15,551)	(4,096)
Purchases of investments	-	(401,606)
Sale of investments	-	201,606
Distributions from beneficial interest in assets held by Madison Community Foundation	11,482	11,258
Net cash flows from investing activities	(8,569)	(229,588)
Net change in cash	(71,304)	(258,756)
Cash at beginning of year	211,379	470,135
Cash at end of year	<u>\$ 140,075</u>	<u>\$ 211,379</u>
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Noncash investment transaction		
Donated stock	\$ -	\$ 198,877

See independent accountant's review report and accompanying notes.

MADISON YOUTH CHOIRS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Madison Youth Choirs, Inc. (MYC) creates accessible, meaningful opportunities for youth to thrive in the arts and beyond. MYC offers students of all experience levels a comprehensive music education that inspires a spirit of inquiry leading students to become “expert noticers” through choral rehearsals and performances. Regularly collaborating with a diverse range of local organizations, MYC is committed to breaking down barriers to music education, whether financial, physical, or perceptual, and welcomes a vibrant community of singers who reflect the cultural tapestry of our community. MYC serves more than 1,000 young people, ages 7-18, and over 20,000 audience members annually. MYC is primarily funded by tuition fees and contributions.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Equipment and Software

All acquisitions of equipment and software of \$1,000 or more are capitalized. Equipment and software are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Promises to Give

Unconditional promises to give are recognized as support 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 only when the conditions on which they depend are substantially met and the promises become unconditional. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows.

MADISON YOUTH CHOIRS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable

Accounts receivable represent amounts due from students. MYC uses the current aging of accounts receivable and historical loss information as the basis to determine expected credit losses for accounts receivable. Management believes the composition of accounts receivable at the end of the year is consistent with historical conditions because credit terms, practices, and the client base have not changed significantly. As of June 30, 2024 and 2023, management has determined that future credit losses, if any, are not expected to be significant and no allowance for credit losses is necessary.

Revenue Recognition

Tuition fees revenue includes a variety of courses that range from a couple of weeks to nine months. The majority of MYC's tuition revenue is derived from courses that run September – May (consistent with the academic year). Revenue from tuition fees is recognized ratably over the respective course period. Tuition fees revenue is stated net of discounts on the statements of activities. Discounts are awarded based on the financial need of the students using factors including household size and income. Certain courses require upfront payment while others allow for more flexible payments with all payments eventually being due by the end of the course period. Enrollment typically opens several months before a course's start date. Payments received in advance of a course's start date are recorded as deferred revenue. Refunds are not significant. If a student joins a course mid-season, they are charged a pro-rated fee.

Tour fees are from a multi-week education and performance trip to Scotland that is held on a bi-annual basis. Tour fees are recognized ratably over the period of the trip. Like tuition fees, tour fees are reported net of scholarships that students apply for to offset the trip cost.

Concerts and appearances are primarily related to the academic year tuition courses. Each academic year course typically includes two performances, one in the Fall or Winter and another in the Spring. Revenue from concerts and appearances is derived from ticket sales at each event. Revenue is recognized at a point in time when the performance occurs.

Accounts receivable and deferred revenue for the years ended June 30 were as follows:

	2024	
	Beginning of Year	End of Year
Accounts receivable, gross	\$ 23,937	\$ 1,054
Deferred revenue	26,551	41,100
	2023	
	Beginning of Year	End of Year
Accounts receivable, gross	\$ 41,822	\$ 23,937
Deferred revenue	47,110	26,551

MADISON YOUTH CHOIRS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Personnel, occupancy, insurance, office, artistic, miscellaneous, advertising, meetings, depreciation, and information technology include some expenses that are allocated based on estimates of time and effort.

The following program services and supporting activities are included in the accompanying financial statements:

Tuition-based educational programming – MYC is dedicated to creating meaningful educational experiences for its singers so that they gain a deeper personal connection to music that will enhance their entire lives. MYC achieves this through weekly rehearsals, retreats, special projects, and guest artists. MYC serves children ages 7-18 in eleven different choirs, each designed to address the social and musical development of each participant. In addition, MYC offers regional and international touring opportunities to broaden singers' cultural and musical experiences.

Concerts and appearances – Performance is an integral part of MYC. In addition to producing two public concert series each year, MYC collaborates regularly with professional arts organizations including Madison Opera, Madison Symphony Orchestra, Wisconsin Chamber Orchestra, and Madison Choral Project, among others. In addition, MYC is often asked to perform at special events throughout the community.

Community education – MYC is committed to investing in and supporting the music education ecosystem of Madison and the wider region while inspiring the broader community to participate in and enjoy choral music. Community education programs include professional development opportunities for music educators, facilitation of professional collaborations around expanding teacher toolkits, and Big Sing events for the public highlighting diverse culture-bearers and featuring their songs and stories.

Management and general – Management and general activities relate to the overall direction of MYC and include the activities necessary to ensure proper administrative functioning of the board of directors, managing of the financial responsibilities, and the performance of other administrative functions.

Fundraising – Provides the structure necessary to encourage and secure grants and other private financial support from foundations, corporations, and individuals.

Investments

Investments as of June 30, 2024 and 2023, consist of certificates of deposit, which are valued using a market approach on yields currently available on comparable securities of issuers with similar credit rates which are Level 2 fair value measurements. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

MADISON YOUTH CHOIRS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Beneficial Interest in Assets Held by Madison Community Foundation

MYC's beneficial interest in assets held by Madison Community Foundation (the Foundation) represents an agreement between MYC and the Foundation in which MYC transfers assets to the Foundation in exchange for future distributions. The beneficial interest is not actively traded and significant other observable inputs are not available. The fair value of the beneficial interest is based on the fair value of the underlying assets as reported to MYC by the Foundation. Little information about those assets is released publicly. The estimated fair value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

Leases

MYC does not recognize short-term leases in the statements of financial position. For these leases, MYC recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. MYC also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, MYC uses a risk-free rate as the discount rate for the lease for all classes of underlying assets. MYC leases theater and office space through an agreement with a related party as described in Note 7.

Income Tax Status

MYC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to MYC's tax-exempt purpose is subject to taxation as unrelated business income. In addition, MYC qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Date of Management's Review

Management has evaluated subsequent events through November 8, 2024, the date which the financial statements were available to be issued.

NOTE 2 – ECONOMIC DEPENDENCY

During the year ended June 30, 2024, a single donor accounted for 27% of MYC's total support and revenue. 92% of the gross unconditional promise to give balance is from this donor.

MADISON YOUTH CHOIRS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 3 – AGENCY ENDOWMENTS

As of June 30, 2024 and 2023, MYC's board of directors has designated \$288,409 and \$273,534, respectively, of net assets without donor restrictions as a general endowment fund to support the mission of MYC. Since those amounts resulted from an internal designation and are not donor-restricted, they are classified and reported as net assets without donor restrictions.

MYC established three funds at the Madison Community Foundation to invest its endowment assets. The agreement between MYC and the Foundation states that the transfer of assets is irrevocable and that the transferred assets will not be returned to MYC. However, the Foundation will make annual distributions of the income earned on the fund subject to the Foundation's spending policy. The agreement also grants variance power to the Foundation, which permits the Foundation to substitute another beneficiary in place of MYC if MYC ceases to exist or if the Foundation's board of governors votes that support of MYC either is no longer necessary or is inconsistent with the needs of the community.

The Foundation's primary investment goal is to deliver long-term investment returns sufficient to cover both spending and inflation to preserve the purchasing power of the investment portfolio. The Foundation seeks to achieve this goal through cost-effective implementation at an appropriate level of risk, diversification of asset classes and strategies to provide consistent returns, capital preservation in down market cycles to provide stability in spending support, and long-term capital appreciation through the incorporation of risk-based assets, including nonmarketable, illiquid alternatives.

Composition of and changes in endowment net assets for the years ended June 30, 2024 and 2023 were as follows:

	2024	2023
Board-designated endowment funds at beginning of year	\$ 273,534	\$ 271,140
Change in value of beneficial interest	26,357	13,652
Distributions	(11,482)	(11,258)
Board-designated endowment funds at end of year	\$ 288,409	\$ 273,534

NOTE 4 – DIANE BALLWEG PERFORMANCE FUND

The Diane Ballweg Performance Fund (the Fund) is a component fund of the Madison Community Foundation. The Fund was established by a \$195,102 gift from Diane Ballweg in February 2014. The Foundation, as a charitable trust, serves the mutual interests of Dane County and those individuals and organizations who wish to enhance the quality of life in the community through charitable giving. Donors, for the benefit of the community, establish component funds at the Foundation, and when these funds are established, donors may indicate what organizations or causes should benefit from distributions from the fund. However, donors also grant the Foundation variance power that allows the Foundation to modify the donors' stipulations under certain circumstances as the Foundation monitors the changing needs of the community. Therefore, the Fund is not included in the financial statements. The fair value of the Fund at June 30, 2024 and 2023 was \$249,228 and \$236,383, respectively. The Fund made contributions to MYC during the years ended June 30, 2024 and 2023 of \$9,932 and \$9,765, respectively.

MADISON YOUTH CHOIRS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 5 – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are as follows:

	2024	2023
Receivable in less than one year	\$ 67,000	\$ -
Receivable in one to five years	150,000	-
Total amount to be received	217,000	-
Less discount to net present value	(16,429)	-
Unconditional promises to give, net	\$ 200,571	\$ -

The present value of future payments expected to be received by MYC is calculated at a discount rate of between 4.68% and 5.02%.

NOTE 6 – NET ASSETS

Net assets with donor restrictions are restricted for the following purposes or periods:

	2024	2023
Subsequent years' activities	\$ 200,000	\$ -
Amplifying Every Voice project	-	34,700
Net assets without donor restrictions	\$ 200,000	\$ 34,700

Included in net assets without donor restrictions is a board-designated endowment fund as described in Note 3.

NOTE 7 – RELATED PARTY TRANSACTIONS

MYC has signed an operating agreement with Madison Youth Arts Center, Inc. (MYAC) as one of the two anchor partners. MYAC's mission is to support the anchor partners by providing facility space as outlined in the operating agreement. Being one of the two anchor partners on the operating agreement, MYC is represented by two of the six members on MYAC's board of directors. The operating agreement can be terminated by MYAC or either of the anchor partners with a two-year notice.

As part of the operating agreement, MYC makes quarterly payments to MYAC for the use of MYAC's facilities. The payments are variable and determined at the start of each calendar year based on MYC's budget. In addition to the regular space usage, MYC also pays MYAC for additional performance space each year. The cost of the additional performance space is based on rates provided by MYAC, the number of performances, and the dates and durations of the performances. Occasionally there are shared expenses between the related parties where one organization will reimburse the other.

MADISON YOUTH CHOIRS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 7 – RELATED PARTY TRANSACTIONS (continued)

Details of the related party transactions for the years ended June 30, 2024 and 2023 are outlined below:

	2024	2023
Regular use of facility space	\$ 38,026	\$ 45,106
Miscellaneous reimbursements	-	1,684
Accounts payable to related party	9,759	9,688

NOTE 8 – LIQUIDITY AND AVAILABILITY

The table below reflects MYC's financial assets of June 30, 2024 and 2023, reduced by amounts that are not available to meet general expenditures within one year of those dates.

	2024	2023
Cash	\$ 140,075	\$ 211,379
Investments	426,912	405,356
Accounts receivable	1,054	23,937
Unconditional promises to give	200,571	-
Beneficial interest in assets held by Madison Community Foundation	288,409	273,534
Financial assets, at year end	1,057,021	914,206
Less those unavailable for general expenditures within one year due to		
Restricted by donor with purpose restrictions	-	(34,700)
Restricted by donor with time restrictions in excess of one year	(150,000)	-
Board-designated agency endowment funds	(288,409)	(273,534)
Financial assets available to meet cash needs for general expenditures within one year	\$ 618,612	\$ 605,972

As part of MYC's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

MADISON YOUTH CHOIRS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 9 – PAYCHECK PROTECTION PROGRAM LOANS

MYC received loans totaling \$141,827 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). On April 30, 2021, the SBA preliminarily approved forgiveness of MYC's first draw loan. On July 26, 2021, the SBA preliminarily approved forgiveness of MYC's second draw loan. MYC must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review MYC's good-faith certification concerning the necessity of its loan request, whether MYC calculated the loan amount correctly, whether MYC used loan proceeds for the allowable uses specified in the CARES Act, and whether MYC is entitled to loan forgiveness in the amount claimed on its application. If SBA determines MYC was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

NOTE 10 – EMPLOYEE RETENTION CREDIT

During the years ended June 30, 2022 and 2021, MYC claimed Employee Retention Credits (ERC) totaling \$40,520 and \$76,585 under the provisions of the Coronavirus Aid, Relief, and Economic Security Act, as amended. Employers are eligible for the ERC if they experience either a significant decline in gross receipts or the full or partial suspension of operations because of governmental orders limiting commerce, travel, or group meetings due to COVID-19. MYC determined it had a significant decline in gross receipts and claimed the ERC for the second, third, and fourth calendar quarters of 2020 and the first, second, and third calendar quarters of 2021. The Internal Revenue Service (IRS) generally has five years from the date an ERC claim is filed to audit the claim. Therefore, the IRS may audit MYC's eligibility for the ERC and its substantiation of the amounts claimed. If the IRS determines MYC was ineligible for the ERC, MYC could be required to repay the amount claimed along with penalties and interest.