

# **SWAN: SCALING WALLS A NOTE AT A TIME**

## ***FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANTS REVIEW REPORT***

**DECEMBER 31, 2025**

# SWAN: SCALING WALLS A NOTE AT A TIME

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## INDEPENDENT AUDITORS' REPORT

### Board of Trustees

**SWAN: Scaling Walls a Note at a Time**  
Lyndell, Pennsylvania

We have reviewed the accompanying financial statements of SWAN: Scaling Walls a Note at a Time ("SWAN") (a nonprofit organization), which comprise the statement of financial position – modified cash basis for the year ended December 31, 2025, and the related statements of revenues, support and expenses – modified cash basis and functional expenses – modified cash basis for the year 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 the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

### Accountant's Responsibility

Our responsibility is to conduct the review engagement 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 the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

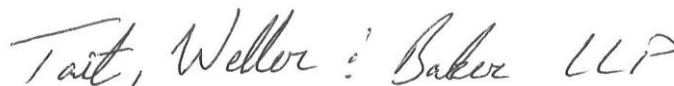
We are required to be independent of SWAN and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### Accountant's Conclusion

Based on our review, 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 the modified cash basis of accounting.

### Basis of Accounting

We draw your attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the States of America. Our report is not modified with respect to that matter.



**TAIT, WELLER & BAKER LLP**

Philadelphia, Pennsylvania  
March 18, 2026

# SWAN: SCALING WALLS A NOTE AT A TIME

## STATEMENT OF FINANCIAL POSITION - MODIFIED CASH BASIS

December 31, 2025

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### CURRENT ASSETS

Cash \$ 219,738

**Total Assets** \$ 219,738

### CURRENT LIABILITIES

Payroll liabilities 2,895

### NET ASSETS

Without donor restrictions \$ 216,843

With donor restrictions -

**Total net assets** \$ 216,843

# SWAN: SCALING WALLS A NOTE AT A TIME

## STATEMENT OF REVENUES, SUPPORT AND EXPENSES - MODIFIED CASH BASIS

For The Year Ended December 31, 2025

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### NET ASSETS WITHOUT DONOR RESTRICTIONS

#### REVENUES AND SUPPORT

Contributions	\$ 318,928
Contributions in-kind	21,095
Special events revenue (net of \$0 of direct benefit to donors)	5,564
Interest Income	924
Net assets released from restrictions	<u>84,675</u>
<b>Total Revenues and Support</b>	<u>431,186</u>

#### EXPENSES

Program	109,738
General and administrative	59,043
Fundraising	<u>64,072</u>
<b>Total Expenses</b>	<u>232,853</u>
<b>Change in net assets without donor restrictions</b>	<u>198,333</u>

### NET ASSETS WITH DONOR RESTRICTIONS

Support	
Contributions	65,500
Net assets released from restrictions	<u>(84,675)</u>
<b>Change in net assets with donor restrictions</b>	<u>(19,175)</u>

### CHANGE IN NET ASSETS

179,158

### NET ASSETS

Beginning of year	<u>37,685</u>
<b>End of year</b>	<u>\$ 216,843</u>

# SWAN: SCALING WALLS A NOTE AT A TIME

## STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

For The Year Ended December 31, 2025

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	<u>Program</u>	<u>General And Administrative</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries	\$ 43,134	\$ 37,787	\$ 27,169	\$ 108,090
Subcontractors	50,530	-	32,390	82,920
Music performance	13,424	-	-	13,424
Conferences, training and registration	628	639	1,940	3,207
Information technology	-	4,766	-	4,766
Insurance	-	3,665	-	3,665
Professional fees	-	7,553	-	7,553
Marketing and fundraising	-	-	1,733	1,733
Meetings	82	63	840	985
Office	1,575	4,570	-	6,145
Travel	<u>365</u>	<u>-</u>	<u>-</u>	<u>365</u>
Total	<u>\$ 109,738</u>	<u>\$ 59,043</u>	<u>\$ 64,072</u>	<u>\$ 232,853</u>

# SWAN: SCALING WALLS A NOTE AT A TIME

## *NOTES TO FINANCIAL STATEMENTS*

December 31, 2025

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### (1) ORGANIZATION AND PURPOSE

SWAN: Scaling Walls a Note at a Time (“SWAN”) seeks to provide free music lessons, ensemble training, performance opportunities and mentoring for children and youth affected by parental incarceration. SWAN’s program reached 72 children in 2025. Children who benefit from SWAN’s program give back to the community by performing throughout the year in events held on local platforms.

### (2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ***BASIS OF ACCOUNTING***

SWAN prepares its financial statements on the modified cash basis of accounting. Under that basis, revenues are recognized when collected rather than when earned, and expenses are generally recognized when paid rather than when incurred. Outstanding promises to give and obligations for expenses unpaid, except payroll withholdings, at the date of the financial statements are not included in the financial statements. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

#### ***ACCOUNTING ESTIMATES***

The preparation of the financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### ***CREDIT RISK***

SWAN maintains its cash in two commercial banks. The amounts on deposit at these banks may periodically exceed federally insured limits. This risk is managed by monitoring the financial institution in which deposits are made.

#### ***CONTRIBUTIONS***

SWAN records gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net assets with donor restrictions are classified to net assets without donor restriction and reported in the statements of revenues, support and expenses as net assets released from restrictions. Conditional contributions include donor-imposed conditions that include one or more barriers that must be overcome and a right of return to the contributor for assets transferred or a right of release of the contributor from its obligation to transfer assets before the Foundation is entitled to the assets transferred. SWAN recognizes conditional contributions when the conditions are substantially met or waived.

# SWAN: SCALING WALLS A NOTE AT A TIME

## NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2025

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### ***IN-KIND CONTRIBUTIONS***

SWAN recognizes donated services, if any, that create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A number of volunteers have made significant contributions of their time to SWAN. For the years ended December 31, 2025, the fair market value of donated services that SWAN received are as follows:

Professional services	\$ 2,530
Music performance	4,500
Music instruction and related services	<u>12,490</u>
	<u>\$ 19,520</u>

SWAN recognizes the value of contributed goods when there is an objective basis available to measure the value. Contributed musical instruments and equipment are recorded as support at the estimated values at date of receipt. Contributed goods for the year ended December 31, 2025, totaled \$1,575 which benefited SWAN's programmatic activities. Donated equipment was not monetized.

Management's estimates and assumptions affect the reported contributions and corresponding expenses.

In-kind contributions primarily supported the program of SWAN, except for professional services which benefited management and general and fundraising functions.

### ***NET ASSETS***

SWAN's net assets are classified based on the existence or absence of donor-imposed restrictions. All contributions are considered available for unrestricted use, unless specifically restricted by the donor. Accordingly, SWAN's net assets and changes therein are classified and reported as follows:

**Net assets without donor restrictions** – Net assets that are not subject to donor-imposed stipulations.

**Net assets with donor restrictions** – Net assets subject to donor-imposed stipulations. Such donor-imposed restrictions will be met either by actions of SWAN and/or the passage of time.

### ***FUNCTIONAL ALLOCATIONS***

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on time and effort.

### ***INCOME TAXES***

SWAN is an organization exempt from United States federal income tax under Section 501(c)(3) of the Internal Revenue Code. Management has reviewed the tax positions for each of the open tax years (2022 – 2024) or expected to be taken in SWAN's 2025 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

# SWAN: SCALING WALLS A NOTE AT A TIME

## NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2025

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### (4) NET ASSETS

At December 31, 2025, there were no net assets that carried donor restrictions.

Net assets with donor restrictions were released to net assets without donor restrictions during the year ended December 31, 2025 as purpose restrictions were met, as follows:

Rising stars	\$ 81,925
Drum therapy	2,500
Other	<u>250</u>
	<u>\$ 84,675</u>

### (5) RELATED PARTY RELATIONSHIPS

SWAN repaid a \$35,000 loan previously made by its Executive Director during the year ended December 31, 2025.

### (6) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

SWAN strives to maintain liquid financial assets to be available as its general expenditures and obligations as they become due. Financial assets in excess of daily cash requirements are invested in a savings account. For the year ended December 31, 2025, the total financial assets available to meet general expenditures within one year, which exclude restricted net assets, was \$219,738.

### (7) SUBSEQUENT EVENTS

Subsequent events after the statement of financial position date through the date that the financial statements were available for issuance, March 18, 2026, have been evaluated in the preparation of the financial statements.