

THE NEW YORK POPS, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023



LUTZ AND CARR

CERTIFIED PUBLIC ACCOUNTANTS, LLP

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The New York Pops, Inc.

Opinion

We have audited the accompanying financial statements of The New York Pops, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The New York Pops, Inc. as of September 30, 2024 and 2023, 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 for 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The New York Pops, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 The New York Pops, Inc.'s 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 The New York Pops, Inc.'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 The New York Pops, Inc.'s 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.

Lotz + Carr, LLP

New York, New York
March 25, 2025

THE NEW YORK POPS, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash	\$ 823,182	\$ 822,570
Investments and cash equivalents held for investment	729,809	211,611
Unconditional promises to give		
Without donor restrictions	41,737	45,020
With donor restrictions	106,000	174,948
Prepaid expenses and other current assets	120,525	121,985
Operating lease right-of-use assets	508,212	610,278
Property and equipment, at cost, net of accumulated depreciation	25,632	27,444
Security deposits	<u>36,400</u>	<u>36,400</u>
Total Assets	<u><u>\$2,391,497</u></u>	<u><u>\$2,050,256</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 27,044	\$ 48,046
Operating lease liabilities	566,383	672,033
Refundable advances	140,313	75,911
Deferred revenue	<u>10,932</u>	<u>3,811</u>
Total Liabilities	<u>744,672</u>	<u>799,801</u>
Commitments and Contingencies (Notes 8 and 9)		
Net Assets		
Without donor restrictions	1,023,403	1,034,507
With donor restrictions	<u>623,422</u>	<u>215,948</u>
Total Net Assets	<u>1,646,825</u>	<u>1,250,455</u>
Total Liabilities and Net Assets	<u><u>\$2,391,497</u></u>	<u><u>\$2,050,256</u></u>

See notes to financial statements.

THE NEW YORK POPS, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Changes in Net Assets Without Donor Restrictions		
Revenue and Support		
Contributions	\$ 390,180	\$ 740,995
Fundraising event	1,708,874	1,207,163
Less: Direct benefit expenses	(364,458)	(335,675)
Concert income	898,210	868,248
Education program income	78,365	117,434
Other income	993	514
	<u>2,712,164</u>	<u>2,598,679</u>
Net assets released from restrictions		
Satisfaction of time and program restrictions	<u>160,522</u>	<u>57,705</u>
Total Revenue and Support	<u>2,872,686</u>	<u>2,656,384</u>
Expenses		
Program Services		
Performances	1,792,887	1,622,660
Education	552,545	542,041
Total Program Services	<u>2,345,432</u>	<u>2,164,701</u>
Supporting Services		
Management and general	136,162	157,911
Fundraising	473,177	420,006
Total Supporting Services	<u>609,339</u>	<u>577,917</u>
Total Expenses	<u>2,954,771</u>	<u>2,742,618</u>
Decrease in Net Assets Without Donor Restrictions		
Before Investing Activities	(82,085)	(86,234)
Net investment income	<u>70,981</u>	<u>49,269</u>
Decrease in Net Assets Without Donor Restrictions	<u>(11,104)</u>	<u>(36,965)</u>
Changes in Net Assets With Donor Restrictions		
Contributions	567,996	162,371
Net assets released from restrictions	<u>(160,522)</u>	<u>(57,705)</u>
Increase in Net Assets With Donor Restrictions	<u>407,474</u>	<u>104,666</u>
Increase in net assets	396,370	67,701
Net assets, beginning of year	<u>1,250,455</u>	<u>1,182,754</u>
Net Assets, End of Year	<u><u>\$1,646,825</u></u>	<u><u>\$1,250,455</u></u>

See notes to financial statements.

THE NEW YORK POPS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2024 WITH COMPARATIVE TOTALS FOR 2023

	2024						2023	
	Program Services			Supporting Services			Total Expenses	Total Expenses
	Performances	Education	Total	Management and General	Fundraising	Total		
Salaries - artistic personnel	\$ 777,447	\$ 4,650	\$ 782,097	\$ -	\$ -	\$ -	\$ 782,097	\$ 821,160
Salaries - other	263,592	362,189	625,781	58,560	241,888	300,448	926,229	869,911
Payroll taxes and employee benefits	43,954	45,418	89,372	9,752	52,270	62,022	151,394	149,684
Guest artist fees	204,612	5,349	209,961	-	-	-	209,961	127,735
Concert ticket expense	44,004	-	44,004	-	-	-	44,004	31,152
Printing and design	15,203	304	15,507	112	2,162	2,274	17,781	14,672
Music costs	129,689	-	129,689	-	-	-	129,689	74,765
Production services	132,731	228	132,959	-	3,856	3,856	136,815	140,535
Residency program expenses	-	28,496	28,496	-	-	-	28,496	19,555
Repairs and maintenance	2,501	1,614	4,115	690	1,623	2,313	6,428	6,000
Advertising and publicity	22,669	16,926	39,595	6,192	17,413	23,605	63,200	76,786
Professional fees	19,310	18,934	38,244	6,811	67,127	73,938	112,182	69,999
Indirect gala benefit expense	52,500	-	52,500	-	-	-	52,500	52,500
Postage and mailings	1,658	566	2,224	291	779	1,070	3,294	6,544
Occupancy	38,677	36,627	75,304	14,943	38,677	53,620	128,924	127,150
Reception expenses	12,066	-	12,066	-	6,594	6,594	18,660	18,196
Miscellaneous	1,228	917	2,145	340	1,139	1,479	3,624	2,530
Credit card fees	2,471	2,428	4,899	28,788	2,428	31,216	36,115	30,245
Telephone	2,460	2,209	4,669	881	2,459	3,340	8,009	8,084
Supplies	629	614	1,243	290	961	1,251	2,494	11,750
Computer expense	10,796	10,177	20,973	3,980	19,543	23,523	44,496	38,332
Dues and subscriptions	2,669	2,275	4,944	739	2,568	3,307	8,251	6,545
Insurance	9,219	8,773	17,992	3,171	9,118	12,289	30,281	28,555
Total expenses before depreciation and amortization	1,790,085	548,694	2,338,779	135,540	470,605	606,145	2,944,924	2,732,385
Depreciation and amortization	2,802	3,851	6,653	622	2,572	3,194	9,847	10,233
Total Expenses, 2024	<u>\$ 1,792,887</u>	<u>\$ 552,545</u>	<u>\$2,345,432</u>	<u>\$ 136,162</u>	<u>\$ 473,177</u>	<u>\$609,339</u>	<u>\$2,954,771</u>	
Total Expenses, 2023	<u>\$ 1,622,660</u>	<u>\$ 542,041</u>	<u>\$2,164,701</u>	<u>\$ 157,911</u>	<u>\$ 420,006</u>	<u>\$577,917</u>		<u>\$2,742,618</u>

See notes to financial statements.

THE NEW YORK POPS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2023

	Program Services			Supporting Services			Total Expenses
	Performances	Education	Total	Management and General	Fundraising	Total	
Salaries - artistic personnel	\$ 821,160	\$ -	\$ 821,160	\$ -	\$ -	\$ -	\$ 821,160
Salaries - other	184,951	402,971	587,922	41,716	240,273	281,989	869,911
Payroll taxes and employee benefits	35,731	42,162	77,893	20,036	51,755	71,791	149,684
Guest artist fees	127,336	399	127,735	-	-	-	127,735
Concert ticket expense	31,152	-	31,152	-	-	-	31,152
Printing and design	9,450	-	9,450	-	5,222	5,222	14,672
Music costs	74,765	-	74,765	-	-	-	74,765
Production services	136,657	107	136,764	-	3,771	3,771	140,535
Residency program expenses	-	19,555	19,555	-	-	-	19,555
Repairs and maintenance	3,225	1,352	4,577	580	843	1,423	6,000
Advertising and publicity	33,404	12,395	45,799	12,395	18,592	30,987	76,786
Professional fees	20,848	13,899	34,747	14,404	20,848	35,252	69,999
Indirect gala benefit expense	52,500	-	52,500	-	-	-	52,500
Postage and mailings	4,111	501	4,612	441	1,491	1,932	6,544
Occupancy	38,145	25,430	63,575	25,430	38,145	63,575	127,150
Reception expenses	5,306	3,527	8,833	3,443	5,920	9,363	18,196
Miscellaneous	760	834	1,594	178	758	936	2,530
Credit card fees	5,156	42	5,198	24,984	63	25,047	30,245
Telephone	2,425	1,617	4,042	1,617	2,425	4,042	8,084
Supplies	9,705	500	10,205	516	1,029	1,545	11,750
Computer expense	9,008	6,005	15,013	6,211	17,108	23,319	38,332
Dues and subscriptions	6,122	26	6,148	26	371	397	6,545
Insurance	8,567	5,979	14,546	5,443	8,566	14,009	28,555
Total expenses before depreciation and amortization	1,620,484	537,301	2,157,785	157,420	417,180	574,600	2,732,385
Depreciation and amortization	2,176	4,740	6,916	491	2,826	3,317	10,233
Total Expenses	<u>\$ 1,622,660</u>	<u>\$ 542,041</u>	<u>\$2,164,701</u>	<u>\$ 157,911</u>	<u>\$ 420,006</u>	<u>\$577,917</u>	<u>\$2,742,618</u>

See notes to financial statements.

THE NEW YORK POPS, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
Cash Flows From Operating Activities		
Increase in net assets	\$396,370	\$ 67,701
Adjustments to reconcile increase in net assets to net cash used by operating activities:		
Donated securities	(149,579)	(205,967)
Net unrealized gain on investments	(47,793)	(39,812)
Net realized gain on investments	(11,756)	(4,836)
Depreciation and amortization	9,847	10,233
Non-cash operating lease expense	102,066	98,134
(Increase) decrease in:		
Unconditional promises to give	72,231	(89,186)
Prepaid expenses and other current assets	1,460	(28,001)
Increase (decrease) in:		
Accounts payable and accrued expenses	(21,002)	5,585
Operating lease liabilities	(105,650)	(96,502)
Refundable advances	64,402	60,911
Deferred revenue	7,121	3,141
Net Cash Provided (Used) By Operating Activities	317,717	(218,599)
 Cash Flows From Investing Activities		
Purchase of property and equipment	(8,035)	(1,121)
Purchase of investments	(376,366)	(4,534)
Proceeds from sale or redemption of investments	67,296	251,169
Net Cash Provided (Used) By Investing Activities	(317,105)	245,514
 Net increase in cash	612	26,915
Cash, beginning of year	822,570	795,655
 Cash, End of Year	\$823,182	\$822,570
 Supplemental Disclosure of Non-Cash Investing Activities:		
Operating lease right-of-use assets obtained in exchange for lease liabilities	\$ -	\$ 708,412

See notes to financial statements.

THE NEW YORK POPS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

The New York Pops, Inc. (the "Organization") offers public symphonic concerts, special concerts for senior citizens and children, free park concerts and musical education, primarily in the New York City metropolitan area.

b - Investments and Cash Equivalents Held for Investment

The Organization reflects investments at fair value in the statement of financial position. Investment income, including unrealized gains and losses on investments, is reflected in the statement of activities as an increase or decrease in net assets without donor restrictions unless its use is restricted by explicit donor stipulations or by law. Investment income that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restrictions expire in the fiscal year in which investment income is recognized.

c - Fair Value Measurements

Fair value is an estimate of the exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e., the exit price at the measurement date). Fair value measurements are not adjusted for transaction costs. The fair value hierarchy prioritizes inputs to valuation techniques used to measure fair value into three levels.

Unadjusted quoted prices in active markets for identical assets and liabilities are referred to as Level 1 inputs. Inputs other than quoted market prices that are observable, either directly or indirectly and reasonably available are referred to as Level 2 inputs. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the assumptions developed based on available information about what market participants would use in valuing the asset or liability and are referred to as Level 3 inputs.

An asset or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Availability of observable inputs can vary and is affected by a variety of factors. The investment managers use judgment in determining fair value of assets and liabilities. Level 3 assets and liabilities involve greater judgment than Level 1 or Level 2 assets or liabilities.

All of the Organization's investments are classified within Level 1 (quoted prices in active markets for identical assets or liabilities) of the fair value hierarchy.

THE NEW YORK POPS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

d - Contributions and Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional. Conditional promises to give, that is, those with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend have been met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contribution is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible promises to give. The allowance, when necessary, is based on prior years' experience and management's analysis of specific promises made.

e - Property and Equipment

Property and equipment are recorded at cost and are being depreciated using the straight-line method over the estimated useful life of the asset. Donations of property and equipment are recorded as contributions at the estimated fair value at the date of donation.

f - Revenue Recognition

The Organization has multiple revenue streams that are accounted for as exchange transactions including concert income and education program income. Concert income is recognized on the date of performance. Education program revenue is recorded over the period during which the educational program takes place. Payments received in advance of performances or education program services provided is deferred until the program takes place.

g - Advertising and Publicity

Advertising and publicity costs are charged to operations when advertising first takes place.

h - Operating Lease Right-of-Use Assets and Operating Lease Liabilities

For leases with an initial term greater than twelve months, the Organization's operating lease liabilities are initially recorded at the present value of the unpaid lease payments as of the lease commencement date. The Organization's operating lease right-of-use assets are initially recorded at the carrying amount of the lease liability adjusted for initial direct costs, accruals, deferred rent liability and lease incentives, if any. Operating lease cost is recognized on a straight-line basis over the lease term.

THE NEW YORK POPS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

i - Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

j - Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

k - Functional Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs where applicable or allocated on a reasonable and consistent basis. A substantial amount of the Organization's expenses are directly related to program activities. Expenses that are allocated include salaries, payroll taxes and benefits, occupancy and other administrative costs, which are allocated based upon estimates of employee time and effort.

l - Tax Status

The New York Pops, Inc. is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the internal Revenue Code and has been designated as an organization which is not a private foundation.

m - Subsequent Events

The Organization has evaluated subsequent events through March 25, 2025, the date that the financial statements are considered available to be issued.

THE NEW YORK POPS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

Note 2 - Information Regarding Liquidity and Availability

The Organization operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. A substantial amount of annual revenue is comprised of contribution revenue raised during the current year, concert and education program income. The Organization considers general expenditures to consist of all expenses related to ongoing program activities, and the expenses related to management and general activities undertaken to support those services.

The Organization regularly monitors liquidity to meet its operating needs and other commitments and obligations while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs and has a policy to maintain liquid financial assets on an ongoing basis sufficient to cover ninety days of general expenditures rebalanced quarterly with investment committee approval.

The Organization's financial assets of as of September 30, 2024 and 2023 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2024</u>	<u>2023</u>
Financial Assets at Year End:		
Cash	\$ 823,182	\$ 822,570
Investments and cash equivalents held for investment	729,809	211,611
Unconditional promises to give	<u>147,737</u>	<u>219,968</u>
Total Financial Assets	1,700,728	1,254,149
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions for specific purposes or future periods	(623,422)	(215,948)
Plus: Net assets with donor restrictions expected to be met in less than one year	<u>123,422</u>	<u>144,948</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$1,200,728</u>	<u>\$1,183,149</u>

THE NEW YORK POPS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

Note 3 - Net Assets With Donor Restrictions

Net assets with donor restrictions at September 30 consist of the following:

	<u>2024</u>	<u>2023</u>
Annual fund - future periods	\$ 12,996	\$ 72,022
Education	534,426	36,926
PopsEd Residencies	26,000	52,000
Caring Kind	20,000	35,000
Other program	<u>30,000</u>	<u>20,000</u>
Total Net Assets With Donor Restrictions	<u>\$623,422</u>	<u>\$215,948</u>

Note 4 - Concentration of Credit Risk

The Organization maintains its cash at a financial institution in New York. Certain cash balances are insured by the Federal Deposit Insurance Corporation. Cash balances, at times, may exceed federally insured limits.

Note 5 - Investments and Cash Equivalents Held for Investment

Investments, which are all classified as Level 1 in the fair value hierarchy, are stated at fair value and consist of the following:

	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash and cash equivalents	\$376,701	\$376,701	\$ 4,885	\$ 4,885
Mutual Funds:				
Equities	92,501	198,944	39,385	105,232
Bond funds	54,346	55,166	52,319	51,613
Exchange traded products	<u>88,469</u>	<u>98,998</u>	<u>45,023</u>	<u>49,881</u>
	<u>\$612,017</u>	<u>\$729,809</u>	<u>\$141,612</u>	<u>\$211,611</u>

THE NEW YORK POPS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

Note 5 - Investments and Cash Equivalents Held for Investment (continued)

Net investment income for the years ended September 30, 2024 and 2023 is summarized as follows:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$11,432	\$ 4,621
Net realized gain	11,756	4,836
Net unrealized gain	<u>47,793</u>	<u>39,812</u>
Net Investment Income	<u>\$70,981</u>	<u>\$49,269</u>

Note 6 - Unconditional Promises to Give

Unconditional promises to give are due as follows:

	<u>2024</u>	<u>2023</u>
Due within one year	\$147,737	\$210, 542
Due in one to five years	<u>-</u>	<u>10,000</u>
	147,737	220,542
Less: Discount	<u>-</u>	<u>(574)</u>
	<u>\$147,737</u>	<u>\$219,968</u>

Uncollectible promises to give are expected to be insignificant. Unconditional promises due after one year are discounted to net present value using a discount rate of 3% per annum.

Note 7 - Property and Equipment

Property and equipment consists of the following at September 30:

	<u>Life</u>	<u>2024</u>	<u>2023</u>
Furniture and fixtures	15 years	\$25,437	\$25,437
Production equipment	5 years	20,177	20,177
Computer equipment	5 years	<u>38,560</u>	<u>30,525</u>
		84,174	76,139
Less: Accumulated depreciation		<u>(58,542)</u>	<u>(48,695)</u>
		<u>\$25,632</u>	<u>\$27,444</u>

THE NEW YORK POPS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

Note 8 - Commitments and Contingencies

- a - Government supported projects are subject to audit by the applicable government granting agencies.
- b - The Organization employs musicians under the terms of a contract with a union which expires on September 10, 2028. Musician salaries and related expenses are paid through a third party.
- c - The Organization has an employment agreement with its music director which expires in 2028.

Note 9 - Pension Plans

- a - The Organization has a Tax Deferred Annuity Plan under Section 403(b) of the Internal Revenue Code for all employees who choose to participate. The Organization made contributions of \$21,556 and \$20,441 for the years ended September 30, 2024 and 2023, respectively.
- b - The Organization contributes to a multiemployer defined benefit pension plan under the terms of a collective-bargaining agreement that covers its union-represented employees. The risks of participating in this multiemployer plan are different from single-employer plans in the following aspects:
 - Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
 - If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
 - If the Organization chooses to stop participating in some of its multiemployer plans, the Organization may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

THE NEW YORK POPS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

Note 9 - Pension Plans (continued)

b - (continued)

The Organization's participation in this plan is summarized below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number, if applicable. The most recent Pension Protection Act (PPA) zone status available in 2024 and 2023 is for the plan's year-end at March 31, 2024 and March 31, 2023, respectively. The zone status is based on information that the Organization received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates whether a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

<u>Pension Fund</u>	<u>EIN/Pension Plan Number</u>	<u>Pension Protection Act Zone Status</u>		<u>FIP/RP Status Pending/Implemented</u>	<u>Contributions of the Organization</u>		<u>Surcharge Imposed</u>	<u>Expiration Date of Collective Bargaining Agreement</u>
		<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>		
Pension Fund of Local 802, American Federation of Musicians	13-0452820	Red	Red	Implemented	<u>\$77,407</u>	<u>\$42,030</u>	No	September 10, 2028

Note 10 - Operating Lease Liabilities

The Organization entered into lease agreements for office space and equipment which expire through March 2029.

Operating lease costs for the years ended September 30, 2024 and 2023 totaled \$128,924 and \$127,149, respectively. There were no variable lease costs incurred. As of September 30, 2024, the weighted average remaining term of the Organization's operating leases is fifty-four months, and the weighted average discount rate is 3.68%.

THE NEW YORK POPS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

Note 10 - Operating Lease Liabilities (continued)

Maturities of the Organization's lease liabilities as of September 30, 2024 are as follows:

<u>Year Ending September 30,</u>	
2025	\$132,174
2026	135,390
2027	138,698
2028	139,031
Thereafter, through March 2029	<u>70,730</u>
	616,023
Less: Amount attributable to interest	<u>(49,640)</u>
	<u>\$566,383</u>

Note 11 - Refundable Advances

Amounts received in advance of the Organization's gala and cabaret are recorded as refundable advances.