

THE NEW YORK POPS, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024



LUTZ AND GARR

CERTIFIED PUBLIC ACCOUNTANTS, LLP

551 FIFTH AVENUE - SUITE 400, NEW YORK, NY 10176

212-697-2299 FAX: 212-949-1768

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, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The New York Pops, Inc. as of September 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis 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
February 3, 2026

THE NEW YORK POPS, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash	\$ 64,437	\$ 823,182
Investments and cash equivalents held for investment	992,077	729,809
Unconditional promises to give		
Without donor restrictions	47,015	41,737
With donor restrictions	220,718	106,000
Prepaid expenses and other current assets	176,571	120,525
Operating lease right-of-use assets	402,128	508,212
Property and equipment, at cost, net of accumulated depreciation	21,859	25,632
Security deposits	<u>36,400</u>	<u>36,400</u>
Total Assets	<u><u>\$1,961,205</u></u>	<u><u>\$2,391,497</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 50,330	\$ 27,044
Operating lease liabilities	453,138	566,383
Refundable advances	109,857	140,313
Deferred revenue	<u>13,518</u>	<u>10,932</u>
Total Liabilities	<u>626,843</u>	<u>744,672</u>
Commitments and Contingencies (Notes 8 and 9)		
Net Assets		
Without donor restrictions	693,062	1,023,403
With donor restrictions	<u>641,300</u>	<u>623,422</u>
Total Net Assets	<u>1,334,362</u>	<u>1,646,825</u>
Total Liabilities and Net Assets	<u><u>\$1,961,205</u></u>	<u><u>\$2,391,497</u></u>

See notes to financial statements.

THE NEW YORK POPS, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Changes in Net Assets Without Donor Restrictions		
Revenue and Support		
Contributions	\$ 513,623	\$ 390,180
Fundraising event	1,098,760	1,708,874
Less: Direct benefit expenses	(308,029)	(364,458)
Concert income	787,160	898,210
Education program income	67,629	78,365
Other income	16,750	993
	<u>2,175,893</u>	<u>2,712,164</u>
Net assets released from restrictions		
Satisfaction of time and program restrictions	188,564	160,522
	<u>188,564</u>	<u>160,522</u>
Total Revenue and Support	<u>2,364,457</u>	<u>2,872,686</u>
Expenses		
Program Services		
Performances	1,669,880	1,792,887
Education	550,496	552,545
Total Program Services	<u>2,220,376</u>	<u>2,345,432</u>
Supporting Services		
Management and general	119,521	136,162
Fundraising	436,030	473,177
Total Supporting Services	<u>555,551</u>	<u>609,339</u>
Total Expenses	<u>2,775,927</u>	<u>2,954,771</u>
Decrease in Net Assets Without Donor Restrictions Before Investing Activities	(411,470)	(82,085)
Net investment income	<u>81,129</u>	<u>70,981</u>
Decrease in Net Assets Without Donor Restrictions	<u>(330,341)</u>	<u>(11,104)</u>
Changes in Net Assets With Donor Restrictions		
Contributions	225,868	567,996
Reversal of prior year unconditional promise to give	(19,426)	-
Net assets released from restrictions	<u>(188,564)</u>	<u>(160,522)</u>
Increase in Net Assets With Donor Restrictions	<u>17,878</u>	<u>407,474</u>
Increase (decrease) in net assets	(312,463)	396,370
Net assets, beginning of year	<u>1,646,825</u>	<u>1,250,455</u>
Net Assets, End of Year	<u><u>\$1,334,362</u></u>	<u><u>\$1,646,825</u></u>

See notes to financial statements.

THE NEW YORK POPS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2025 WITH COMPARATIVE TOTALS FOR 2024

	2025						2024	
	Program Services			Supporting Services			Total Expenses	
	Performances	Education	Total	Management and General	Fundraising	Total	Total Expenses	
Salaries - artistic personnel	\$ 826,935	\$ 4,400	\$ 831,335	\$ -	\$ 750	\$ 750	\$ 832,085	\$ 782,097
Salaries - other	289,740	350,786	640,526	61,748	250,164	311,912	952,438	926,229
Payroll taxes and employee benefits	44,140	51,897	96,037	12,989	55,449	68,438	164,475	151,394
Guest artist fees	108,371	7,528	115,899	-	-	-	115,899	209,961
Concert ticket expense	29,737	-	29,737	-	-	-	29,737	44,004
Printing and design	15,405	-	15,405	-	-	-	15,405	17,781
Music costs	59,714	-	59,714	-	-	-	59,714	129,689
Production services	106,273	98	106,371	-	1,831	1,831	108,202	136,815
Residency program expenses	-	17,583	17,583	-	-	-	17,583	28,496
Repairs and maintenance	1,670	1,583	3,253	589	1,575	2,164	5,417	6,428
Advertising and publicity	23,659	20,407	44,066	6,803	20,947	27,750	71,816	63,200
Professional fees	21,036	20,720	41,756	9,837	25,740	35,577	77,333	112,182
Indirect gala benefit expense	55,000	-	55,000	-	-	-	55,000	52,500
Postage and mailings	4,367	263	4,630	13	133	146	4,776	3,294
Occupancy	38,870	38,870	77,740	12,958	38,870	51,828	129,568	128,924
Reception expenses	10,458	2,906	13,364	1,983	2,906	4,889	18,253	18,660
Miscellaneous	350	308	658	1,439	357	1,796	2,454	3,624
Credit card fees	6,541	6,555	13,096	2,302	6,541	8,843	21,939	36,115
Telephone	2,496	2,496	4,992	831	2,496	3,327	8,319	8,009
Supplies	981	622	1,603	206	657	863	2,466	2,494
Computer expense	12,622	12,622	25,244	4,206	16,522	20,728	45,972	44,496
Dues and subscriptions	663	-	663	-	240	240	903	8,251
Insurance	7,587	7,587	15,174	2,529	7,587	10,116	25,290	30,281
Total expenses before depreciation and amortization	1,666,615	547,231	2,213,846	118,433	432,765	551,198	2,765,044	2,944,924
Depreciation and amortization	3,265	3,265	6,530	1,088	3,265	4,353	10,883	9,847
Total Expenses, 2025	<u>\$ 1,669,880</u>	<u>\$550,496</u>	<u>\$2,220,376</u>	<u>\$ 119,521</u>	<u>\$ 436,030</u>	<u>\$555,551</u>	<u>\$2,775,927</u>	
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>

See notes to financial statements.

THE NEW YORK POPS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2024

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

See notes to financial statements.

THE NEW YORK POPS, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$(312,463)	\$ 396,370
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Reversal of prior year unconditional promise to give	19,426	-
Donated securities	(126,939)	(149,579)
Net realized gain on investments	(24,950)	(11,756)
Net unrealized gain on investments	(8,069)	(47,793)
Non-cash operating lease expense	106,084	102,066
Depreciation and amortization	10,883	9,847
(Increase) decrease in:		
Unconditional promises to give	(139,422)	72,231
Prepaid expenses and other current assets	(56,046)	1,460
Increase (decrease) in:		
Accounts payable and accrued expenses	23,286	(21,002)
Operating lease liabilities	(113,245)	(105,650)
Refundable advances	(30,456)	64,402
Deferred revenue	2,586	7,121
Net Cash Provided (Used) By Operating Activities	(649,325)	317,717
Cash Flows From Investing Activities		
Purchase of property and equipment	(7,110)	(8,035)
Purchase of investments	(833,798)	(376,366)
Proceeds from sale or redemption of investments	731,488	67,296
Net Cash Used By Investing Activities	(109,420)	(317,105)
Net increase (decrease) in cash	(758,745)	612
Cash, beginning of year	823,182	822,570
Cash, End of Year	\$ 64,437	\$ 823,182

See notes to financial statements.

THE NEW YORK POPS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

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.

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, 2025 AND 2024

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, 2025 AND 2024

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 that are 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 February 3, 2026, the date that the financial statements are considered available to be issued.

THE NEW YORK POPS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

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 and fundraising event revenue raised during the current year, and 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, 2025 and 2024 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2025</u>	<u>2024</u>
Financial Assets at Year End:		
Cash	\$ 64,437	\$ 823,182
Investments and cash equivalents held for investment	992,077	729,809
Unconditional promises to give	<u>267,733</u>	<u>147,737</u>
Total Financial Assets	1,324,247	1,700,728
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions for specific purposes or future periods	(641,300)	(623,422)
Plus: Net assets with donor restrictions expected to be met in less than one year	<u>204,659</u>	<u>123,422</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$ 887,606</u>	<u>\$1,200,728</u>

THE NEW YORK POPS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Note 3 - Net Assets With Donor Restrictions

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

	<u>2025</u>	<u>2024</u>
Annual fund - future periods	\$ 75,000	\$ 12,996
Education	472,850	534,426
PopsEd Residencies	39,500	26,000
Caring Kind	-	20,000
Other program	<u>53,950</u>	<u>30,000</u>
Total Net Assets With Donor Restrictions	<u>\$641,300</u>	<u>\$623,422</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>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash and cash equivalents	\$818,077	\$818,077	\$376,701	\$376,701
Equities	5,034	5,405	50,607	55,521
Mutual funds and exchange traded products	<u>43,105</u>	<u>168,595</u>	<u>184,709</u>	<u>297,587</u>
	<u>\$866,216</u>	<u>\$992,077</u>	<u>\$612,017</u>	<u>\$729,809</u>

THE NEW YORK POPS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

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

Net investment income for the years ended September 30, 2025 and 2024 is summarized as follows:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$48,110	\$11,432
Net realized gain	24,950	11,756
Net unrealized gain	<u>8,069</u>	<u>47,793</u>
Net Investment Income	<u>\$81,129</u>	<u>\$70,981</u>

Note 6 - Unconditional Promises to Give

Unconditional promises to give are due as follows:

	<u>2025</u>	<u>2024</u>
Due within one year	\$227,724	\$147,737
Due in one to five years	<u>41,209</u>	<u>-</u>
	268,933	147,737
Less: Discount	<u>(1,200)</u>	<u>-</u>
	<u>\$267,733</u>	<u>\$147,737</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>2025</u>	<u>2024</u>
Furniture and fixtures	15 years	\$25,437	\$25,437
Production equipment	5 years	21,877	20,177
Computer equipment	5 years	<u>43,970</u>	<u>38,560</u>
		91,284	84,174
Less: Accumulated depreciation		<u>(69,425)</u>	<u>(58,542)</u>
		<u>\$21,859</u>	<u>\$25,632</u>

THE NEW YORK POPS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

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 \$28,879 and \$21,556 for the years ended September 30, 2025 and 2024, 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.

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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 2025 and 2024 is for the plan's year-end at March 31, 2025 and March 31, 2024, 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>2025</u>	<u>2024</u>		<u>2025</u>	<u>2024</u>		
Pension Fund of Local 802, American Federation of Musicians	13-0452820	Red	Red	Implemented	<u>\$74,846</u>	<u>\$77,407</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 both years ended September 30, 2025 and 2024 totaled \$125,012. There were no variable lease costs incurred. As of September 30, 2025, the weighted average remaining term of the Organization's operating leases is forty-two months, and the weighted average discount rate is 3.68%.

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Note 10 - Operating Lease Liabilities (continued)

Maturities of the Organization's lease liabilities as of September 30, 2025 are as follows:

<u>Year Ending September 30,</u>	
2026	\$135,390
2027	138,698
2028	138,754
Thereafter, through March 2029	<u>70,720</u>
	483,562
Less: Amount attributable to interest	<u>(30,424)</u>
	<u>\$453,138</u>

Note 11 - Refundable Advances

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