

**THE NEW YORK POPS, INC.**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2019 AND 2018**



LUTZ AND GARR

CERTIFIED PUBLIC ACCOUNTANTS, LLP

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## INDEPENDENT AUDITORS' REPORT

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

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, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### **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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

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, 2019 and 2018, 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.

*Lotz + Carr, LLP*

New York, New York  
February 4, 2020

**THE NEW YORK POPS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Cash (Notes 1a and 4)	\$ 217,266	\$ 51,455
Investments (Notes 1c, 1d and 5)	236,279	161,943
Accounts receivable	-	11,863
Unconditional promises to give (Notes 1e and 6)		
Without donor restrictions	21,357	50,209
With donor restrictions	127,012	34,426
Prepaid expenses	85,436	93,273
Deferred leasing costs (net of accumulated amortization of \$11,121 and \$10,685 for 2019 and 2018, respectively) (Note 1f)	-	436
Property and equipment, at cost, net of accumulated depreciation (Notes 1g and 7)	20,062	16,714
Security deposits	<u>36,400</u>	<u>75,227</u>
<b>Total Assets</b>	<u><u>\$ 743,812</u></u>	<u><u>\$ 495,546</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 31,760	\$ 17,292
Deferred rent (Note 1h)	28,602	-
Deferred revenue (Note 1i)	<u>6,272</u>	<u>-</u>
Total Liabilities	<u>66,634</u>	<u>17,292</u>
Commitments and Contingencies (Notes 8 and 9)		
Net Assets		
Without donor restrictions	547,666	413,697
With donor restrictions (Note 3)	<u>129,512</u>	<u>64,557</u>
Total Net Assets	<u>677,178</u>	<u>478,254</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 743,812</u></u>	<u><u>\$ 495,546</u></u>

See notes to financial statements.

## THE NEW YORK POPS, INC.

## STATEMENTS OF ACTIVITIES

YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<b>Changes in Net Assets Without Donor Restrictions</b>		
Revenue and Support		
Contributions	\$ 592,292	\$ 630,707
Sponsorships	75,000	80,000
Program grants	33,000	-
Fundraising benefits	1,207,861	914,518
Less: Direct benefit expenses	(355,520)	(319,955)
Special projects and events	4,336	1,580
Concert income	570,743	560,889
Education program income	162,607	143,667
Other income	5,189	2,052
	<u>2,295,508</u>	<u>2,013,458</u>
Net assets released from restrictions		
Satisfaction of time and program restrictions	54,557	60,086
	<u>54,557</u>	<u>60,086</u>
Total Revenue and Support	<u>2,350,065</u>	<u>2,073,544</u>
Expenses		
Program Services		
Performances	1,170,451	1,126,094
Education	484,882	427,215
Total Program Services	<u>1,655,333</u>	<u>1,553,309</u>
Supporting services		
Management and general	153,288	144,249
Fundraising	405,761	393,242
Total Supporting Services	<u>559,049</u>	<u>537,491</u>
Total Expenses	<u>2,214,382</u>	<u>2,090,800</u>
Increase (Decrease) in Net Assets Without Donor Restrictions Before Investing Activities	135,683	(17,256)
Net investment income (loss) (Note 5)	<u>(1,714)</u>	<u>30,965</u>
Increase in Net Assets Without Donor Restrictions	<u>133,969</u>	<u>13,709</u>
<b>Changes in Net Assets with Donor Restrictions</b>		
Contributions	119,512	64,957
Net assets released from restrictions	<u>(54,557)</u>	<u>(60,086)</u>
Increase in Net Asset With Donor Restrictions	<u>64,955</u>	<u>4,871</u>
Increase in net assets	198,924	18,580
Net assets, beginning of year	<u>478,254</u>	<u>459,674</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 677,178</u></u>	<u><u>\$ 478,254</u></u>

See notes to financial statements.

## THE NEW YORK POPS, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2019 WITH COMPARATIVE TOTALS FOR 2018

	Program Services			Supporting Services			2019	2018
	Performances	Education	Total	Management and General	Fundraising	Total	Total Expenses	Total Expenses
Salaries - artistic personnel	\$ 570,356	\$ -	\$ 570,356	\$ -	\$ -	\$ -	\$ 570,356	\$ 571,600
Salaries - other	90,033	381,467	471,500	39,987	168,233	208,220	679,720	639,126
Payroll taxes and benefits	134,623	35,653	170,276	7,709	34,689	42,398	212,674	204,455
Guest artist fees	84,406	-	84,406	5,749	-	5,749	90,155	75,839
Concert ticket expense	44,405	-	44,405	-	-	-	44,405	37,657
Printing and design	2,848	1,253	4,101	1,254	2,217	3,471	7,572	13,853
Music costs	60,853	-	60,853	-	-	-	60,853	70,141
Transportation and meals	203	2,022	2,225	196	-	196	2,421	246
Production services	81,104	570	81,674	-	2,797	2,797	84,471	69,940
Hall rental	4,860	-	4,860	-	-	-	4,860	6,685
Repairs and maintenance	5,001	3,334	8,335	3,538	5,001	8,539	16,874	641
Advertising and publicity	9,271	5,470	14,741	5,470	8,222	13,692	28,433	24,568
Professional fees	23,846	15,897	39,743	18,975	23,845	42,820	82,563	61,068
Indirect gala benefit expense	-	-	-	-	80,790	80,790	80,790	77,237
Postage and mailings	2,117	374	2,491	374	1,992	2,366	4,857	6,221
Occupancy	39,215	26,144	65,359	26,144	39,215	65,359	130,718	119,228
Reception expenses	322	-	322	1,837	19,167	21,004	21,326	18,719
Miscellaneous	600	558	1,158	29,321	656	29,977	31,135	28,131
Telephone	2,223	1,481	3,704	1,481	2,223	3,704	7,408	8,126
Supplies	1,863	1,091	2,954	2,312	1,981	4,293	7,247	3,575
Computer expense	3,599	2,400	5,999	2,489	3,599	6,088	12,087	21,392
Dues and subscriptions	2,365	1,079	3,444	2,149	2,792	4,941	8,385	10,774
Insurance	4,882	3,254	8,136	3,254	4,882	8,136	16,272	10,885
Merchandising	-	-	-	-	702	702	702	748
Total expenses before depreciation and amortization	1,168,995	482,047	1,651,042	152,239	403,003	555,242	2,206,284	2,080,855
Depreciation and amortization	1,456	2,835	4,291	1,049	2,758	3,807	8,098	9,945
Total Expenses, 2019	<u>\$ 1,170,451</u>	<u>\$484,882</u>	<u>\$1,655,333</u>	<u>\$ 153,288</u>	<u>\$ 405,761</u>	<u>\$559,049</u>	<u>\$2,214,382</u>	
Total Expenses, 2018	<u>\$ 1,126,094</u>	<u>\$427,215</u>	<u>\$1,553,309</u>	<u>\$ 144,249</u>	<u>\$ 393,242</u>	<u>\$537,491</u>		<u>\$2,090,800</u>

See notes to financial statements.

**THE NEW YORK POPS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2018**

	Program Services			Supporting Services			Total Expenses
	Performances	Education	Total	Management and General	Fundraising	Total	
Salaries - artistic personnel	\$ 570,729	\$ 871	\$ 571,600	\$ -	\$ -	\$ -	\$ 571,600
Salaries - other	69,026	337,204	406,230	44,519	188,377	232,896	639,126
Payroll taxes and employee benefits	132,569	24,284	156,853	9,588	38,014	47,602	204,455
Guest artist fees	70,603	5,236	75,839	-	-	-	75,839
Concert ticket expense	37,599	-	37,599	-	58	58	37,657
Printing and design	9,632	807	10,439	795	2,619	3,414	13,853
Music costs	70,141	-	70,141	-	-	-	70,141
Transportation and meals	4	-	4	197	45	242	246
Production services	69,887	53	69,940	-	-	-	69,940
Hall rental	6,685	-	6,685	-	-	-	6,685
Repairs and maintenance	193	128	321	128	192	320	641
Advertising and publicity	11,578	5,563	17,141	-	7,427	7,427	24,568
Professional fees	14,011	9,340	23,351	23,707	14,010	37,717	61,068
Indirect benefit expense	-	-	-	-	77,237	77,237	77,237
Postage and mailings	3,587	296	3,883	299	2,039	2,338	6,221
Occupancy	32,399	24,799	57,198	24,831	37,199	62,030	119,228
Reception expenses	9,200	4,864	14,064	183	4,472	4,655	18,719
Miscellaneous	611	441	1,052	26,309	770	27,079	28,131
Telephone	2,438	1,625	4,063	1,625	2,438	4,063	8,126
Supplies	950	634	1,584	661	1,330	1,991	3,575
Computer expense	6,339	4,357	10,696	4,357	6,339	10,696	21,392
Dues and subscriptions	3,336	1,914	5,250	2,303	3,221	5,524	10,774
Insurance	3,266	2,177	5,443	2,177	3,265	5,442	10,885
Merchandising	-	-	-	-	748	748	748
Total expenses before depreciation and amortization	1,124,783	424,593	1,549,376	141,679	389,800	531,479	2,080,855
Depreciation and amortization	1,311	2,622	3,933	2,570	3,442	6,012	9,945
Total Expenses	<u>\$ 1,126,094</u>	<u>\$427,215</u>	<u>\$1,553,309</u>	<u>\$ 144,249</u>	<u>\$ 393,242</u>	<u>\$537,491</u>	<u>\$2,090,800</u>

See notes to financial statements.

## THE NEW YORK POPS, INC.

## STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$198,924	\$ 18,580
Adjustments to reconcile increase in net assets to to net cash provided (used) by operating activities:		
Net unrealized (gain) loss on investments	23,852	(7,339)
Net realized gain on sale of investments	(18,747)	(20,055)
Depreciation and amortization	8,098	9,945
Loss on disposal of equipment	7,392	5,800
(Increase) decrease in:		
Accounts receivable	11,863	(2,052)
Unconditional promises to give	(63,734)	75,505
Prepaid expenses	7,837	(28,304)
Security deposits	38,827	(36,400)
Increase (decrease) in:		
Accounts payable and accrued expenses	14,468	(37,809)
Deferred rent	28,602	-
Deferred revenue	6,272	(5,161)
Net Cash Provided (Used) By Operating Activities	<u>263,654</u>	<u>(27,290)</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	(18,402)	(2,159)
Purchase of investments	(223,094)	(130,212)
Proceeds from sale or redemption of investments	143,653	174,179
Net Cash Provided (Used) By Investing Activities	<u>(97,843)</u>	<u>41,808</u>
Net increase in cash	165,811	14,518
Cash, beginning of year	<u>51,455</u>	<u>36,937</u>
<b>Cash, End of Year</b>	<u><u>\$217,266</u></u>	<u><u>\$ 51,455</u></u>

See notes to financial statements.



**THE NEW YORK POPS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

**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 - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents, except for those managed by the Organization's investment managers as part of its long-term investment strategies.

c - Investments

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.

d - 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.

**THE NEW YORK POPS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

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

d - Fair Value Measurements (continued)

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 (prices in active markets for identical assets or liabilities) of the fair value hierarchy.

e - Contributions and Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give, that is, in substance, unconditional. 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 contributions are 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 and reported on the statement of activities as net assets released from restrictions.

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

f - Deferred Leasing Costs

Deferred leasing costs are amortized on a straight-line basis, over the life of the lease.

g - 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.

h - Deferred Rent

The Organization records rent expense associated with its leases on a straight-line basis over the life of the lease (Note 8a). The difference between the straight-line amount and amounts actually paid during the year is recorded as a liability and expense in the accompanying financial statements.

i - Deferred Revenue

Revenue received in advance of performances and education program services provided and for upcoming special projects are deferred until the programs take place.

**THE NEW YORK POPS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

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

j - Advertising and Publicity

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

k - 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 ("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.

l - Estimates

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

m - 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.

n - 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.

**THE NEW YORK POPS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

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

o - Prior Year Information

Certain 2018 amounts have been reclassified to conform to the financial statement presentation used in 2019.

p - Recent Accounting Pronouncements

In 2019, The Organization adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two net asset classes now entitled “net assets without donor restrictions” and “net assets with donor restrictions”; (b) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources; (c) requiring that all nonprofits present an analysis of expenses by function and nature and disclose the methods used to allocate costs and (d) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. As permitted under the ASU in the year of adoption, The Organization opted not to disclose liquidity and availability information for 2018.

In February 2016, the Financial Accounting Standards Board issued ASU 2016-02, *Leases (Topic 842)*. The core principles of ASU 2016-02 changes the way organizations will account for their leases by recognizing lease assets and related liabilities on the statement of financial position for all leases with terms longer than twelve months and disclosing key information about leasing arrangements. ASU 2016-02 is effective for fiscal years beginning after December 15, 2020. The Organization is currently evaluating the impact of ASU 2016-02 on its financial statements.

q - Subsequent Events

The Organization has evaluated subsequent events through February 4, 2020 the date that the financial statements are considered available to be issued.

**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 NEW YORK POPS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

**Note 2 - Information Regarding Liquidity and Availability (continued)**

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 90 days of general expenditures rebalanced quarterly with investment committee approval.

The Organization's financial assets of as of September 30, 2019, and those available within one year to meet cash needs for general expenditures are summarized as follows:

Financial Assets at Year-End:	
Cash and cash equivalents	\$217,266
Investments	236,279
Unconditional promises to give	<u>148,369</u>
Total Financial Assets	601,914
Less Amounts Not Available to be Used Within One Year:	
Net assets with donor restrictions subject to expenditure for specified purposes	(129,512)
Plus: Net assets with restrictions expected to be met in less than one year	<u>90,000</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$562,402</u>

**Note 3 - Net Assets With Donor Restrictions**

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

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:		
Annual fund/general operating FY20/FY21	\$ 10,000	\$ -
Program support	49,512	-
Education	70,000	29,426
NYSCA REDC Fellowships	-	27,108
Other	<u>-</u>	<u>8,023</u>
Total Net Assets With Donor Restrictions	<u>\$129,512</u>	<u>\$64,557</u>

**THE NEW YORK POPS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

**Note 4 - Concentration of Credit Risk**

The Organization maintains its cash and cash equivalents 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**

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

	<u>2019</u>		<u>2018</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Cash and cash equivalents	\$ 1,544	\$ 1,544	\$ 873	\$ 873
Mutual Funds				
Equities	134,785	85,501	141,553	69,380
Bond funds	88,452	88,408	-	-
Common stocks	<u>11,498</u>	<u>12,150</u>	<u>19,517</u>	<u>19,162</u>
	<u>\$236,279</u>	<u>\$187,603</u>	<u>\$161,943</u>	<u>\$89,415</u>

Net investment income (loss) for the years ended September 30, 2019 and 2018 is summarized as follows:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 3,391	\$ 3,571
Net realized gain	18,747	20,055
Net unrealized gain (loss)	<u>(23,852)</u>	<u>7,339</u>
Net Investment Income (Loss)	<u>\$ (1,714)</u>	<u>\$30,965</u>

**THE NEW YORK POPS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

**Note 6 - Unconditional Promises to Give**

Unconditional promises to give are due as follows:

	<b>2019</b>		
	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Due within one year	\$21,357	\$105,000	\$126,357
Due in one to five years	<u>-</u>	<u>25,000</u>	<u>25,000</u>
	21,357	130,000	151,357
Less: Discount	<u>-</u>	<u>(2,988)</u>	<u>(2,988)</u>
	<b><u>\$21,357</u></b>	<b><u>\$127,012</u></b>	<b><u>\$148,369</u></b>
	<b>2018</b>		
	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Due within one year	\$50,209	\$25,000	\$75,209
Due in one to five years	<u>-</u>	<u>10,000</u>	<u>10,000</u>
	50,209	35,000	85,209
Less: Discount	<u>-</u>	<u>(574)</u>	<u>(574)</u>
Total	<b><u>\$50,209</u></b>	<b><u>\$34,426</u></b>	<b><u>\$84,635</u></b>

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.

**THE NEW YORK POPS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

**Note 7 - Property and Equipment**

Property and equipment consists of the following at September 30:

	<u>Life</u>	<u>2019</u>	<u>2018</u>
Furniture and fixtures	15 years	\$23,743	\$ 47,772
Master recordings	5 years	30,302	30,302
Computer equipment	5 years	<u>36,245</u>	<u>24,054</u>
		90,290	102,128
Less: Accumulated depreciation		<u>(70,228)</u>	<u>(85,414)</u>
		<u>\$20,062</u>	<u>\$ 16,714</u>

**Note 8 - Commitments and Contingencies**

a - The Organization moved its offices in December 2018. The Organization occupies office space under leases which provide for annual minimum rentals as follows:

<u>Year Ending September 30,</u>	
2020	\$102,148
2021	114,262
2022	117,118
2023	120,046
2024	125,268
Thereafter, through March 31, 2029	605,748

b - Government supported projects are subject to audit by the applicable government granting agencies.

c - The Organization has an employment agreement with its music director which expires in 2022.

d - The Organization employs musicians under the terms of a contract with a union which expires on September 10, 2023. Musician salaries and related expenses are paid through a third party.



**THE NEW YORK POPS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

**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 a discretionary contribution of \$10,607 and \$9,108 for the years ended September 30, 2019 and 2018, 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 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 2019 and 2018 is for the plan's year-end at March 31, 2019 and March 31, 2018, 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>2019</u>	<u>2018</u>		<u>2019</u>	<u>2018</u>		
Pension Fund of Local 802, American Federation of Musicians	13-0452820	Red	Red	Implemented	<u>\$65,318</u>	<u>\$60,730</u>	No	September 10, 2023