

BROADWAY CARES/  
EQUITY FIGHTS AIDS, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 and 2023

# **BROADWAY CARES/EQUITY FIGHTS AIDS, INC.**

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## **INDEPENDENT AUDITORS' REPORT**

Board of Trustees  
Broadway Cares/Equity Fights AIDS, Inc.

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Broadway Cares/Equity Fights AIDS, Inc. (the "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 each of the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Broadway Cares/Equity Fights AIDS, Inc. as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for each of 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 ("GAAS"). 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 Organization 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***

The Organization's 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.

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 Organization's ability to continue as a going concern for 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 GAAS 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 GAAS, 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 Organization'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 Organization'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.

*EisnerAmper LLP*

EISNERAMPER LLP  
New York, New York  
June 24, 2025



**BROADWAY CARES/EQUITY FIGHTS AIDS, INC.****Statements of Financial Position**

	<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 9,129,460	\$ 8,566,757
Contributions and other receivables	551,247	78,564
Inventory	267,445	350,582
Pension plan asset	651,160	580,983
Prepaid expenses and other current assets	201,293	323,967
Property and equipment, net	10,064	47,317
Right-of-use asset	5,013,720	5,631,266
Security deposits	85,173	85,173
	<b>\$ 15,909,562</b>	<b>\$ 15,664,609</b>
Total assets		
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 310,991	\$ 184,623
Event revenue received in advance	68,200	-
Lease liability	5,136,233	5,701,853
	<b>5,515,424</b>	<b>5,886,476</b>
Total liabilities		
Commitments (Note G)		
Net assets:		
Without donor restrictions	9,963,194	9,105,913
With donor restrictions:		
Purpose restrictions	430,944	570,168
Time-restricted for future periods	-	102,052
	<b>430,944</b>	<b>672,220</b>
Total net assets with donor restrictions		
	<b>10,394,138</b>	<b>9,778,133</b>
Total net assets	<b>\$ 15,909,562</b>	<b>\$ 15,664,609</b>

See notes to financial statements.

# BROADWAY CARES/EQUITY FIGHTS AIDS, INC.

## Statements of Activities

	Year Ended September 30,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public support and revenue:</b>						
Contributions (net of direct benefits to donors of \$134,542 and \$233,627 in 2024 and 2023, respectively)	\$ 25,066,874	\$ 158,560	\$ 25,225,434	\$ 21,232,109	\$ 401,808	\$ 21,633,917
Government grant	313,164	-	313,164	-	-	-
Special events (net of direct benefits to donors of \$1,110,447 and \$912,140 in 2024 and 2023, respectively)	2,254,316	-	2,254,316	1,810,414	-	1,810,414
Merchandise sales (net of cost of goods sold of \$169,748 and \$123,032 in 2024 and 2023, respectively)	33,162	-	33,162	107,273	-	107,273
Donated goods and services	354,133	-	354,133	328,082	-	328,082
Interest income	404,971	-	404,971	383,974	-	383,974
Total public support and revenue before net assets released from restrictions	28,426,620	158,560	28,585,180	23,861,852	401,808	24,263,660
Net assets released from restrictions	399,836	(399,836)	-	583,962	(583,962)	-
Total public support and revenue	28,826,456	(241,276)	28,585,180	24,445,814	(182,154)	24,263,660
<b>Expenses:</b>						
Program services	22,006,484	-	22,006,484	23,469,026	-	23,469,026
Supporting services:						
Management and general	1,989,019	-	1,989,019	1,819,628	-	1,819,628
Fund-raising	4,027,147	-	4,027,147	3,512,673	-	3,512,673
Total supporting services	6,016,166	-	6,016,166	5,332,301	-	5,332,301
Total expenses	28,022,650	-	28,022,650	28,801,327	-	28,801,327
<b>Change in net assets before other adjustments</b>	803,806	(241,276)	562,530	(4,355,513)	(182,154)	(4,537,667)
Pension – other components of net periodic costs	83,394	-	83,394	19,894	-	19,894
Pension-related changes other than operating expense portion	(29,919)	-	(29,919)	436,667	-	436,667
<b>Change in net assets</b>	857,281	(241,276)	616,005	(3,898,952)	(182,154)	(4,081,106)
Net assets - beginning of year	9,105,913	672,220	9,778,133	13,004,865	854,374	13,859,239
<b>Net assets - end of year</b>	<u>\$ 9,963,194</u>	<u>\$ 430,944</u>	<u>\$ 10,394,138</u>	<u>\$ 9,105,913</u>	<u>\$ 672,220</u>	<u>\$ 9,778,133</u>

See notes to financial statements.

## BROADWAY CARES/EQUITY FIGHTS AIDS, INC.

### Statement of Functional Expenses

Year Ended September 30, 2024

(with summarized financial information for 2023)

	Program Services	Supporting Services				Total	
	Grantmaking and Mobilization of Theater Community	Management and General	Fund-raising	Total Supporting Services	2024	2023	
Salaries	\$ 3,399,927	\$ 795,138	\$ 814,890	\$ 1,610,028	\$ 5,009,955	\$ 4,769,454	
Payroll taxes and employee benefits	1,168,102	343,360	279,969	623,329	1,791,431	1,846,936	
Professional fees and consultants	97,467	147,012	42,783	189,795	287,262	489,720	
Rent	759,573	177,641	182,053	359,694	1,119,267	1,014,842	
Telephone	23,579	13,264	5,651	18,915	42,494	44,514	
Printing, advertising and publicity	81,148	55,550	335,941	391,491	472,639	379,822	
Postage and shipping	36,419	13,757	73,645	87,402	123,821	113,419	
Conference and meetings	42,007	43,870	29,864	73,734	115,741	59,751	
Mobilization and production costs	39,947	-	1,756,243	1,756,243	1,796,190	1,536,449	
Merchandising expenses	169,748	26,542	61,307	87,849	257,597	180,493	
Insurance	39,233	9,175	9,403	18,578	57,811	53,603	
Dues and subscriptions	4,704	7,459	29,452	36,911	41,615	38,615	
Security	8,575	16,274	48,776	65,050	73,625	51,338	
Transportation and meals	23,789	33,829	148,588	182,417	206,206	178,147	
Office supplies and expenses	151,206	91,603	68,012	159,615	310,821	344,422	
Purchase of theater tickets	11,798	10,714	185,053	195,767	207,565	316,612	
Repairs and maintenance	-	10,261	-	10,261	10,261	8,572	
Credit card commissions	215,070	118,682	51,548	170,230	385,300	308,136	
Corporate taxes and license fees	3,253	19,632	4,266	23,898	27,151	36,872	
Online processing fees	81,241	2,305	19,472	21,777	103,018	97,767	
Depreciation and amortization	-	37,253	-	37,253	37,253	45,320	
Catering and venue costs			1,110,447	1,110,447	1,110,447	912,140	
Miscellaneous	78	2,462	1,209	3,671	3,749	5,985	
	<u>6,356,864</u>	<u>1,975,783</u>	<u>5,258,572</u>	<u>7,234,355</u>	<u>13,591,219</u>	<u>12,832,929</u>	
Grants provided	<u>15,762,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,762,774</u>	<u>17,217,303</u>	
Subtotal expenses	22,119,638	1,975,783	5,258,572	7,234,355	29,353,993	30,050,232	
Change:							
Other components of net periodic costs	56,594	13,236	13,564	26,800	83,394	19,894	
Costs of goods sold	(169,748)	-	-	-	(169,748)	(123,032)	
Direct benefits to donors	-	-	(1,244,989)	(1,244,989)	(1,244,989)	(1,145,767)	
Total expenses per the statements of activities	<u>\$ 22,006,484</u>	<u>\$ 1,989,019</u>	<u>\$ 4,027,147</u>	<u>\$ 6,016,166</u>	<u>\$ 28,022,650</u>	<u>\$ 28,801,327</u>	

See notes to financial statements.

## BROADWAY CARES/EQUITY FIGHTS AIDS, INC.

### Statement of Functional Expenses Year Ended September 30, 2023

	Program Services Grantmaking and Mobilization of Theater Community	Supporting Services			
		Management and General	Fund- raising	Total Supporting Services	Total
Salaries	\$ 3,049,687	\$ 785,680	\$ 934,087	\$ 1,719,767	\$ 4,769,454
Payroll taxes and employee benefits	1,180,969	304,249	361,718	665,967	1,846,936
Professional fees and consultants	379,183	81,991	28,546	110,537	489,720
Rent	674,363	155,549	184,930	340,479	1,014,842
Telephone	27,518	8,567	8,429	16,996	44,514
Printing, advertising and publicity	114,684	56,067	209,071	265,138	379,822
Postage and shipping	42,198	41,359	29,862	71,221	113,419
Conference and meetings	27,278	17,376	15,097	32,473	59,751
Mobilization and production costs	250,703	-	1,285,746	1,285,746	1,536,449
Merchandising expenses	123,032	1,717	55,744	57,461	180,493
Insurance	34,275	8,830	10,498	19,328	53,603
Dues and subscriptions	2,900	5,227	30,488	35,715	38,615
Security	10,739	26,949	13,650	40,599	51,338
Transportation and meals	18,706	34,233	125,208	159,441	178,147
Office supplies and expenses	172,395	105,162	66,865	172,027	344,422
Purchase of theater tickets	2,088	10,075	304,449	314,524	316,612
Repairs and maintenance	-	8,572	-	8,572	8,572
Credit card commissions	185,072	66,378	56,686	123,064	308,136
Corporate taxes and license fees	-	35,097	1,775	36,872	36,872
Online processing fees	66,244	17,233	14,290	31,523	97,767
Depreciation and amortization	-	45,320	-	45,320	45,320
Catering and venue costs	-	-	912,140	912,140	912,140
Miscellaneous	-	720	5,265	5,985	5,985
	6,362,034	1,816,351	4,654,544	6,470,895	12,832,929
Grants provided	17,217,303	-	-	-	17,217,303
	23,579,337	1,816,351	4,654,544	6,470,895	30,050,232
Subtotal expenses					
Change:					
Other components of net periodic costs	12,721	3,277	3,896	7,173	19,894
Costs of goods sold	(123,032)	-	-	-	(123,032)
Direct benefits to donors	-	-	(1,145,767)	(1,145,767)	(1,145,767)
Total expenses per the statements of activities	\$ 23,469,026	\$ 1,819,628	\$ 3,512,673	\$ 5,332,301	\$ 28,801,327

See notes to financial statements.



# BROADWAY CARES/EQUITY FIGHTS AIDS, INC.

## Statements of Cash Flows

	Year Ended September 30,	
	2024	2023
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 616,005	\$ (4,081,106)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	37,253	45,320
Donated investments	(157,618)	(147,791)
Proceeds from sales of donated investments	172,593	150,265
Realized gains from sales of donated investments	(14,975)	(2,474)
Noncash lease amortization	617,546	597,817
Changes in:		
Contributions and other receivables	(472,683)	198,873
Inventory	83,137	(16,006)
Pension plan asset	(70,177)	(445,876)
Prepaid expenses and other current assets	122,674	(110,913)
Security deposits	-	(500)
Lease liability	(565,620)	(527,230)
Accounts payable and accrued expenses	126,368	(9,670)
Event revenue received in advance	68,200	-
Net cash provided by (used in) operating activities	<u>562,703</u>	<u>(4,349,291)</u>
<b>Change in cash and cash equivalents</b>	<b>562,703</b>	<b>(4,349,291)</b>
Cash and cash equivalents - beginning of year	<u>8,566,757</u>	<u>12,916,048</u>
<b>Cash and cash equivalents - end of year</b>	<u><u>\$ 9,129,460</u></u>	<u><u>\$ 8,566,757</u></u>
<b>Supplemental disclosures of cash flow information:</b>		
Noncash donations of goods and services	<u>\$ 354,133</u>	<u>\$ 328,082</u>
Noncash lease liability arising from obtaining right-of-use asset	<u>\$ -</u>	<u>\$ 6,229,083</u>

See notes to financial statements.

## **BROADWAY CARES/EQUITY FIGHTS AIDS, INC.**

### **Notes to Financial Statements September 30, 2024 and 2023**

#### **NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **[1] The Organization:**

Broadway Cares/Equity Fights AIDS, Inc. (the "Organization"), a not-for-profit entity formed in 1988 in the State of New York, raises money to provide grants to (i) organizations providing assistance for healthcare to those individuals in the entertainment industry who are affected by critical health issues, including but not limited to HIV/AIDS, and (ii) organizations and programs nationwide and internationally that provide care and services to people living with HIV/AIDS. The Organization also facilitates the fund-raising capabilities of the theater community to address and support an urgent crisis or need, as directed by the Board of Trustees (the "Board").

The Organization is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (the "Code"), and from state and local taxes under comparable laws.

##### **[2] Basis of accounting:**

The financial statements of the Organization have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations.

##### **[3] Use of estimates:**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, public support and revenue and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates and assumptions.

##### **[4] Cash and cash equivalents:**

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

##### **[5] Contributions and other receivables:**

These receivables consist of contributions and payments owed from fund-raising events. As of September 30, 2024, the contributions and other receivables balance also included \$313,164 related to the Employee Retention Credit Program. The amounts are expected to be fully collected within the next fiscal-year; accordingly, no allowance for doubtful amounts has been established. The balance of the Employee Retention Credit receivable was collected in full in May 2025.

##### **[6] Inventory:**

Inventory consists of merchandise available for sale. Certain items have been contributed to inventory and have been recorded at their approximate fair values at the dates of donation. Inventories are valued at the lower of cost and net realizable value. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the first-in-first-out principle. Trade goods purchased from third parties are valued at the purchase price.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to complete the sale. Obsolete inventory is written off as necessary.

## **BROADWAY CARES/EQUITY FIGHTS AIDS, INC.**

### **Notes to Financial Statements September 30, 2024 and 2023**

#### **NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **[7] Property and equipment:**

Property and equipment are stated at their costs at the dates of acquisition, or, if contributed, at their estimated fair values at the dates of donation, less accumulated depreciation. The Organization capitalizes as assets those items of property and equipment that both have a cost of \$2,000 or more and useful lives greater than five years; whereas the costs of minor repairs and maintenance are expensed as incurred. Depreciation of furniture, fixtures, and equipment is provided using the straight-line method over estimated useful life of five years, and leasehold improvements are amortized using the straight-line method over the term of the underlying lease.

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and when triggering events indicate that the fair value of the long-lived assets may be less than the carrying value, and the Organization recognizes any impairment in the year of determination. There were no triggering events during fiscal years 2024 and 2023 requiring management to test for impairment that would require any adjustments to property and equipment. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

##### **[8] Leases:**

The Organization determines if an arrangement is a lease at inception. For the Organization's operating leases, right-of-use ("ROU") assets represent the Organization's right to use the underlying assets for the lease terms and the operating leases liability represents an obligation to make lease payments arising from the leases. The ROU assets and leases liability are recognized at the lease commencement dates based on the present value of lease payments over the lease terms. Since the Organization's lease agreement does not provide an implicit interest rate, the Organization uses a risk-free rate based on the information available at the commencement dates in determining the present value of the lease payments. Operating lease expense is recognized on a straight-line basis over the lease terms, subject to any changes in the lease or expectations regarding the terms.

##### **[9] Accrued vacation:**

Accrued vacation represents the Organization's obligation for the cost of unused employee vacation time that would be payable in the event that all employees left the Organization. As of September 30, 2024 and 2023, the accrued vacation obligation was approximately \$68,000 and \$62,000, respectively, and was reported as a part of accounts payable and accrued expenses in the accompanying statements of financial position.

##### **[10] Net assets:**

###### *(i) Net assets without donor restrictions:*

The Organization's net assets without donor restrictions represent those resources that are available for current operations, as there are no restrictions by donors regarding their use.

## BROADWAY CARES/EQUITY FIGHTS AIDS, INC.

### Notes to Financial Statements September 30, 2024 and 2023

#### NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### [10] Net assets: (continued)

###### (ii) *Net assets with donor restrictions:*

Net assets with donor restrictions represent those resources that are subject to donor-imposed restrictions, such as specific purposes and/or a specified period of time. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statements of activities as "net assets released from restrictions." For the Organization, net assets with donor restrictions restricted for purpose are comprised of funds received for fiscal-sponsorships whereby the Organization serves as a sponsor for groups that engage in activities that relate to the Organization's mission. Funds received by the Organization under these fiscal-sponsorship programs are considered with donor restrictions until expenditures occur, at which point they are released from restriction. Contributions with restrictions, the requirements of which are met in the same year of donation, are reported as without donor restrictions.

##### [11] Revenue recognition:

###### (i) *Contributions and government grant:*

Contributions made to the Organization are recognized as revenue upon the receipt of cash, other assets, or of unconditional pledges. The Organization records bequest income at the time it has an established right to a bequest and the proceeds are measurable. Contributions are reported as "with donor restrictions" if they are received with donor stipulations or time considerations as to their use. Conditional contributions are recognized when the donor's conditions have been met by requisite actions of the Organization's management or necessary events have taken place, and, if received in advance, are recognized in the statements of financial position as funds received in advance.

During fiscal year 2024, the Organization applied for the Employee Retention Credit, a government program. The revenue related to this application has been reflected in the accompanying statements of activities as government grant revenue (see Note A [5]).

###### (ii) *Special events:*

The Organization conducts special events for which the use of a host Broadway theater may be donated and the performers and support staff donate their time. A portion of the gross proceeds paid by the attendees represents payment for the direct costs of the benefits received by the attendees at the event. Such special-event income is reported net of the direct costs of the event that is attributable to the benefit that the donors receive. In the absence of a verifiable objective means to demonstrate otherwise, the fair value of entertainment provided at these special events is measured at the actual cost to the Organization. At times the Organization may receive funds in advance of an event taking place, which represents the value of the goods or services the attendee is to receive. These funds are reported as "event revenue received in advance" in the accompanying statements of financial position.

## BROADWAY CARES/EQUITY FIGHTS AIDS, INC.

### Notes to Financial Statements September 30, 2024 and 2023

#### NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### [11] Revenue recognition: (continued)

###### *(iii) Contributed goods and services:*

For recognition of donated services in the Organization's financial statements, such services must: (i) require a specialized skill, (ii) be provided by individuals possessing these skills, and (iii) typically need to be acquired if not provided by donation. Donated services are recorded as support at their estimated fair values at the dates of donation. Donated goods are valued based upon estimates of fair value that would be received for selling the goods in their principal marketplace considering their condition and utility for use at the time the goods are contributed by the donor. It is the Organization's policy that contributions of nonfinancial assets are only utilized within operations to support the Organization's mission and not monetized. Donated goods and services are reported as both contributions and expenses in the accompanying statements of activities.

###### *(iv) Revenue from contracts with customers:*

The Organization recognizes revenue when, or as, performance obligations are satisfied associated with contracts with customers. Revenue is measured as the amount of consideration the Organization expects to receive in exchange for providing services. The primary sources of revenue from contracts with customers for the Organization are Care-Tix and merchandise sales.

###### *a. Care-Tix sales:*

The Organization has access to available seats at Broadway and Off-Broadway shows, which are sold to the general public generally for double the face value of the ticket, resulting in the recording of 50% of the ticket price as a contribution to the Organization. Revenue from Care-Tix sales is recognized at the time of a related event or performance. In the financial statements, the amount reported in contributions is net of the proceeds received and the actual costs of the tickets (considered direct benefits to donors). Should amounts be received in advance of the show, the exchange portion of the proceeds is deferred until the show takes place.

###### *b. Merchandise sales:*

The Organization operates a retail outreach program that sells AIDS-awareness red-ribbon items; items crafted by workshops sheltered for people living with AIDS; general Broadway-show-related memorabilia; and various other collector items. Sales are conducted via a printed catalog and on-line through the Organization's website. Revenue is recognized once the merchandise has been shipped.

##### [12] Advertising costs:

The Organization expenses the cost of advertising as incurred.

##### [13] Functional allocation of expenses:

The costs of providing the Organization's various program and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expense present expenses by functional and natural classification. Accordingly, direct costs have been allocated among the program and supporting services based on the nature of the expense. Indirect expenses have been allocated on the basis of time allocation with the exception of rent, insurance, depreciation and amortization, which are allocated based on square footage.

## **BROADWAY CARES/EQUITY FIGHTS AIDS, INC.**

### **Notes to Financial Statements September 30, 2024 and 2023**

#### **NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **[14] Grants expenses:**

Unconditional grants are recognized as obligations at the time of approval. Grants approved, but unpaid as of year-end are reported as liabilities in the statements of financial position. There were no grants payable as of September 30, 2024 and 2023, respectively.

##### **[15] Volunteers:**

A substantial number of unpaid volunteers have made significant contributions of their time to the Organization. The value of this contributed time does not meet the criteria for recognition of contributed services required under U.S. GAAP and, accordingly, is not included in the financial statements.

##### **[16] Income tax uncertainties:**

The Organization is subject to the provisions of the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. For the Organization, these provisions could be applicable to the incurrence of unrelated business taxable income ("UBTI") attributable to certain of its merchandise sales. Because the Organization has always recorded the potential liability for this tax, when applicable, and because of the Organization's general tax-exempt status, management believes ASC Topic 740 has not had, and is not anticipated to have, a material impact on the financial statements.

##### **[17] Measure of operations:**

The Organization includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. Non-operating activities consist of pension-related changes other than the operating portion of periodic costs.

##### **[18] Adoption of accounting principle:**

Effective October 1, 2023, the Organization adopted FASB Accounting Standards Update ("ASU") 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended ("Topic 326"). ASU 2016-13 replaces the "incurred loss" credit losses framework with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology, which requires management's measurement of the allowance for credit losses to be based on a broader range of reasonable and supportable information for lifetime credit loss estimates. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized costs.

The Organization adopted ASU 2016-13 using the modified retrospective method for all financial assets measured as amortized cost which consisted of accounts receivables. The adoption and application of the standard did not have a material effect on these consolidated financial statements.

##### **[19] Subsequent events:**

The Organization evaluated subsequent events through June 24, 2025, the date on which the financial statements were available to be issued.

## BROADWAY CARES/EQUITY FIGHTS AIDS, INC.

### Notes to Financial Statements September 30, 2024 and 2023

#### NOTE B - PROPERTY AND EQUIPMENT

At each fiscal year-end, property and equipment consisted of the following:

	September 30,	
	2024	2023
Office furniture and fixtures	\$ 189,618	\$ 189,618
Equipment	168,557	168,557
Leasehold improvements	341,406	341,406
	699,581	699,581
Less: accumulated depreciation and amortization	(689,517)	(652,264)
	<u>\$ 10,064</u>	<u>\$ 47,317</u>

#### NOTE C - NET ASSETS WITH DONOR RESTRICTIONS

At each fiscal year-end, net assets with donor restrictions consisted of the following:

	September 30,	
	2024	2023
Purpose restricted:		
Revolution Latina - human growth through artistic experience	\$ 62,144	\$ 145,121
Green Alliance - environmental practices in theaters	34,550	109,560
Broadway Serves - volunteerism	232,962	218,386
Broadway and Beyond - promoting diversity	101,288	97,101
Total purpose restrictions	<u>\$ 430,944</u>	<u>\$ 570,168</u>
Time-restricted for future periods	<u>-</u>	<u>102,052</u>
	<u>\$ 430,944</u>	<u>\$ 672,220</u>

**BROADWAY CARES/EQUITY FIGHTS AIDS, INC.****Notes to Financial Statements  
September 30, 2024 and 2023****NOTE C - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

During each fiscal-year, net assets were released from restrictions as the following donor restrictions were satisfied:

	<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>
Purpose restrictions:		
Revolution Latina - human growth through artistic experience	\$ 145,121	\$ 95,638
Green Alliance - environmental practices in theaters	109,560	39,852
Broadway Serves - volunteerism	35,522	2,657
Broadway and Beyond - promoting diversity	7,581	-
	<b>297,784</b>	<b>138,147</b>
Time-restricted for future periods	<b>102,052</b>	<b>445,815</b>
	<b>\$ 399,836</b>	<b>\$ 583,962</b>

**NOTE D - DONATED GOOD AND SERVICES**

The Organization received contributed goods and services for airline tickets and advertising. Revenue for such contributed goods and services have been recognized, with an equivalent expense to program or general and administrative expenses, based on a fair value. In-kind contributions (contributions of nonfinancial assets) consisted of the following:

**Year Ended September 30, 2024**

	<b>Revenue Recognized</b>	<b>Utilization in Programs/Activities</b>	<b>Donor Restrictions</b>	<b>Valuation Techniques and inputs</b>
Donated airline tickets	<b>\$298,000</b>	Fundraising-related activities	N/A	Reflected at market prices in the various principal markets where these items are consumed.
Donated advertising	<b>\$56,133</b>	Fundraising-related activities	N/A	Standard industry pricing for similar services/actual costs incurred by contributor.

**Year Ended September 30, 2023**

	<b>Revenue Recognized</b>	<b>Utilization in Programs/Activities</b>	<b>Donor Restrictions</b>	<b>Valuation Techniques and inputs</b>
Donated airline tickets	\$271,782	Fundraising-related activities	N/A	Reflected at market prices in the various principal markets where these items are consumed.
Donated advertising	\$56,300	Fundraising-related activities	N/A	Standard industry pricing for similar services/actual costs incurred by contributor.



# BROADWAY CARES/EQUITY FIGHTS AIDS, INC.

## Notes to Financial Statements September 30, 2024 and 2023

### NOTE E - RELATED-PARTY TRANSACTIONS

#### [1] Professional services:

A member of the Board is a principal owner of the press agency used by the Organization. Fees paid for services and expense reimbursements to the press agency were \$17,320 and \$16,940 in fiscal year 2024 and 2023, respectively.

#### [2] Grants:

For fiscal-years 2024 and 2023, grants of approximately \$6,500,000 and \$7,643,000, respectively, were made to a not-for-profit organization that has board members in common with the Organization's Board.

### NOTE F - RETIREMENT BENEFITS

The Organization has a defined-benefit retirement plan formed under the Code Section 403(b) that covers all employees who meet certain length-of-service requirements. Vesting of the Organization's contributions occurs after the completion of five years of service.

At each fiscal year-end, the plan's funded status, accrued benefit cost, and other underlying data were as follows:

	September 30,	
	2024	2023
Accumulated benefit obligation	<u>\$ (6,975,644)</u>	<u>\$ (5,857,436)</u>
Projected benefit obligation	(6,975,644)	(5,857,436)
Fair value of plan assets	<u>7,626,804</u>	<u>6,438,419</u>
Funded status and recognized asset	<u>\$ 651,160</u>	<u>\$ 580,983</u>
Pension plan asset reported in the statements of financial position	<u>\$ 651,160</u>	<u>\$ 580,983</u>
Adjustments to net assets, revenue reported as "pension-related changes other than periodic costs" in the statements of activities:		
Changes in retirement benefits other than included in operating expenses	\$ (29,919)	\$ 436,667
Other components of net periodic costs	<u>83,394</u>	<u>19,894</u>
	<u>\$ 53,475</u>	<u>\$ 456,561</u>
Net periodic pension cost included the following components:		
Service cost benefits earned during the period	\$ 233,298	\$ 260,685
Interest cost on projected benefit obligation	356,794	336,210
Amortization of net loss	11,063	47,577
Actual return on assets	(1,437,750)	(650,851)
Net asset loss (gain) deferred during period	1,028,915	289,586
Amortization of prior service cost	<u>(42,416)</u>	<u>(42,416)</u>
Net periodic pension costs	<u>\$ 149,904</u>	<u>\$ 240,791</u>
Weighted-average assumptions:		
Discount rate	5.32%	6.25%
Expected return on plan assets	6.50%	6.50%
Rate of compensation increase	2.80%	2.80%
Employer contributions	<u>\$ 250,000</u>	<u>\$ 250,000</u>
Benefits paid	<u>\$ (499,365)</u>	<u>\$ (127,238)</u>

## BROADWAY CARES/EQUITY FIGHTS AIDS, INC.

### Notes to Financial Statements September 30, 2024 and 2023

#### NOTE F - RETIREMENT BENEFITS (CONTINUED)

There is no required funding for fiscal-year 2024 or 2023.

As of January 1, 2016, the Board amended the defined-benefit pension plan. This amendment resulted in the conversion to a 1.5% unit accrual plan and benefits accrued prior to December 31, 2015 were preserved. The amended plan is based on a projected cost to the Organization of approximately 7% of eligible payroll each year.

At each fiscal year-end, plan assets were invested as follows:

	September 30,	
	2024	2023
Money-market funds	5%	8%
Equity funds	83	76
Fixed-income	12	16
Total	100%	100%

Based on expected future service, the benefit distributions expected to be paid in future fiscal-years are:

Year Ending September 30,	Expected Benefit Distributions
2025	\$ 284,000
2026	270,000
2027	323,000
2028	348,000
2029	355,000
2030 - 2034	2,316,000

#### NOTE G - COMMITMENTS

##### [1] Operating leases:

The Organization rents office space under an operating lease agreement that expires on August 31, 2031.

Information relating to the "lease costs," which includes all costs during the period associated with an operating lease, were approximately \$995,000 and \$899,000 for 2024 and 2023, respectively. There were no costs related to variable lease components.

## BROADWAY CARES/EQUITY FIGHTS AIDS, INC.

### Notes to Financial Statements September 30, 2024 and 2023

#### NOTE G - COMMITMENTS (CONTINUED)

##### [1] Operating leases: (continued)

Minimum future lease payments under the lease agreements are as follows:

<b>Year Ending September 30,</b>	<b>2024</b>	<b>2023</b>
2024	\$ -	\$ 765,464
2025	784,601	784,601
2026	804,216	804,216
2027	824,321	824,321
2028	844,929	844,929
2029	866,052	866,052
Thereafter	1,720,043	1,720,043
Total minimum lease payments	5,844,162	6,609,626
Less: amount representing interest	(707,929)	(907,773)
Amount reported on statements of financial position	<u>\$ 5,136,233</u>	<u>\$ 5,701,853</u>
<b>Weighted average remaining lease term:</b>		
Operating leases	6.92 years	7.92 years
<b>Weighted average discount rate:</b>		
Operating leases	3.67%	3.67%

##### [2] Other contracts:

In the normal course of business, the Organization enters into various contracts for professional and other services, which are typically renewable on a year-to-year basis.

#### NOTE H - CREDIT RISK

The Organization maintains its cash balances in established financial institutions in amounts which, at times, may be in excess of federally insured limits. The Organization has not experienced any losses in such accounts, and management monitors the risk associated with concentrations on an ongoing basis. Management believes the Organization does not face a significant risk of loss on these accounts that might result from the failure of the financial institutions.

## BROADWAY CARES/EQUITY FIGHTS AIDS, INC.

### Notes to Financial Statements September 30, 2024 and 2023

#### NOTE I - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets as of the statements of financial position date available for general expenditure (which includes scheduled grant payments and contributions to the defined-benefit plan) within one year of September 30, 2024 and 2023, reduced by amounts not available because of donor-imposed restrictions:

	September 30,	
	2024	2023
Cash and cash equivalents	\$ 9,129,460	\$ 8,566,757
Contributions and other receivables	551,247	78,564
	<u>9,680,707</u>	<u>8,645,321</u>
Total financial assets available within one year		
Less:		
Amounts unavailable for general expenditures within one year, due to donor restrictions for:		
Purpose restrictions	(430,944)	(570,168)
Time-restricted for future periods	-	(102,052)
	<u>(430,944)</u>	<u>(672,220)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 9,249,763</u>	<u>\$ 7,973,101</u>

#### Liquidity policy:

As part of the Organization's liquidity management, the Organization maintains a sufficient level of operating cash to be available as its general expenditures, liabilities, and other obligations come due.