APOLLO THEATER FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019

LUTZ AND CARR
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Apollo Theater Foundation, Inc. and Subsidiary

We have audited the accompanying consolidated financial statements of Apollo Theater Foundation, Inc. (a not-for-profit corporation) and Subsidiary, which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Apollo Theater Foundation, Inc. and Subsidiary as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Apollo Theater Foundation, Inc. and Subsidiary's 2018 consolidated financial statements, and our report dated October 22, 2018, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Lutz + Carr, LLP

New York, New York
October 21, 2019

APOLLO THEATER FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019 WITH COMPARATIVE TOTALS FOR 2018

	2019	2018
Assets		
Cash and cash equivalents (Notes 1c and 5)	$ 2,438,125	$ 828,726
Accounts receivable	568,619	329,189
Unconditional promises to give (Notes 1d and 6)	6,754,182	6,266,111
Other current assets	502,187	411,243
Property and equipment (Notes 1e and 7)	36,273,118	37,378,519
Portraits (Note 8)	577,538	577,538
Total Assets	$47,113,769	$45,791,326
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 1,261,744	$ 1,067,156
Deferred revenue (Note 1f)	342,111	281,961
Loan payable (Note 9)	1,200,000	950,000
Total Liabilities	2,803,855	2,299,117
Commitments and Contingencies (Notes 10 and 11)		
Net Assets		
Without Donor Restrictions		
Operating	398,777	1,012,662
Property and equipment	36,092,513	37,446,057
Total Without Donor Restrictions	36,491,290	38,458,719
With Donor Restrictions (Notes 3 and 4)		
Time and purpose restrictions	7,768,624	4,983,490
Perpetual in nature	50,000	50,000
Total With Donor Restrictions	7,818,624	5,033,490
Total Net Assets	44,309,914	43,492,209
Total Liabilities and Net Assets	$47,113,769	$45,791,326

See notes to consolidated financial statements.

APOLLO THEATER FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE TOTALS FOR 2018

	2019						2018
	Without Donor Restrictions			With Donor Restrictions			
	Operations	Property and Equipment	Total	Time and Purpose Restrictions	Perpetual in Nature	Consolidated Totals	Consolidated Totals
Changes in Net Assets							
Support and Revenue							
Admissions	$ 2,738,273	$ -	$ 2,738,273	$ -	$ -	$ 2,738,273	$ 2,581,912
Facility rental income	2,489,226	-	2,489,226	-	-	2,489,226	3,530,782
Other income	570,283	-	570,283	-	-	570,283	981,870
Total Revenue	5,797,782	-	5,797,782	-	-	5,797,782	7,094,564
Contributions and grants							
Individuals	1,107,650	-	1,107,650	1,375,549	-	2,483,199	1,651,059
Corporations	1,017,500	-	1,017,500	277,000	-	1,294,500	1,665,000
Foundations	766,075	10,000	776,075	1,987,000	-	2,763,075	847,000
Government agencies	244,600	187,210	431,810	339,490	-	771,300	456,755
Fundraising benefits	6,227,305	-	6,227,305	(150,000)	-	6,077,305	6,991,160
Less: Direct benefit expenses	(996,594)	-	(996,594)	-	-	(996,594)	(1,108,034)
Net assets released from restrictions - time and program	1,043,905	-	1,043,905	(1,043,905)	-	-	-
Total Support	9,410,441	197,210	9,607,651	2,785,134	-	12,392,785	10,502,940
Total Support and Revenue	15,208,223	197,210	15,405,433	2,785,134	-	18,190,567	17,597,504
Expenses							
Program Services							
Arts and entertainment	8,364,877	197,210	8,562,087	-	-	8,562,087	8,920,355
Educational and outreach	3,201,013	-	3,201,013	-	-	3,201,013	2,791,789
Depreciation and amortization	-	1,549,470	1,549,470	-	-	1,549,470	1,528,233
Total Program Services	11,565,890	1,746,680	13,312,570	-	-	13,312,570	13,240,377
Supporting Services							
Management and general	1,400,933	-	1,400,933	-	-	1,400,933	1,681,486
Fundraising	2,219,609	-	2,219,609	-	-	2,219,609	2,227,533
Total Supporting Services	3,620,542	-	3,620,542	-	-	3,620,542	3,909,019
Total Expenses	15,186,432	1,746,680	16,933,112	-	-	16,933,112	17,149,396
Increase (Decrease) in Net Assets Before Items Below	21,791	(1,549,470)	(1,527,679)	2,785,134	-	1,257,455	448,108
Capital campaign consultant (Note 7c)	(439,750)	-	(439,750)	-	-	(439,750)	(420,000)
Transfers for property and equipment purchases	(195,926)	195,926	-	-	-	-	-
Increase (decrease) in net assets	(613,885)	(1,353,544)	(1,967,429)	2,785,134	-	817,705	28,108
Net assets, beginning of year	1,012,662	37,446,057	38,458,719	4,983,490	50,000	43,492,209	43,464,101
Net Assets, End of Year	$ 398,777	$36,092,513	$36,491,290	$ 7,768,624	$ 50,000	$ 44,309,914	$ 43,492,209

See notes to consolidated financial statements.

APOLLO THEATER FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE TOTALS FOR 2018

	2019								2018
	Program Services				Supporting Services				
	Arts and Entertainment	Educational and Outreach	Depreciation and Amortization	Total	Management and General	Fundraising	Total	Total Expenses	Total Expenses
Salaries	$ 4,170,505	$ 1,891,271	$ -	$ 6,061,776	$ 720,656	$ 1,253,465	$1,974,121	$ 8,035,897	$ 7,834,612
Fringe and employee benefits	1,257,475	447,812	-	1,705,287	180,666	258,234	438,900	2,144,187	2,178,686
Professional fees	668,223	291,404	-	959,627	77,643	122,791	200,434	1,160,061	1,112,410
Artists fees	605,489	61,485	-	666,974	3,540	2,213	5,753	672,727	913,410
Printing and materials	136,653	116,398	-	253,051	2,951	50,013	52,964	306,015	323,956
Telephone and communication	49,865	18,005	-	67,870	35,619	27,514	63,133	131,003	165,000
Office supplies	12,443	10,600	-	23,043	5,255	11,343	16,598	39,641	117,477
Maintenance, repairs and equipment rental	295,717	95,997	-	391,714	38,062	44,618	82,680	474,394	508,314
Postage and shipping	16,343	2,425	-	18,768	1,101	23,213	24,314	43,082	22,402
Permits and license fees	52,751	1,669	-	54,420	3,514	2,196	5,710	60,130	56,986
Rent	23,068	5,398	-	28,466	9,617	18,511	28,128	56,594	74,307
Utilities	119,887	42,947	-	162,834	171,790	108,358	280,148	442,982	249,237
Insurance	58,210	23,282	-	81,492	93,128	58,241	151,369	232,861	229,152
Travel	290,308	19,001	-	309,309	3,408	9,133	12,541	321,850	282,791
Food and lodging	200,030	25,658	-	225,688	11,996	32,042	44,038	269,726	329,467
Dues and fees	23,702	14,437	-	38,139	7,082	10,085	17,167	55,306	222,955
Awards	69,586	23,982	-	93,568	500	313	813	94,381	62,352
Promotion and advertising	318,871	39,127	-	357,998	154	5,016	5,170	363,168	527,446
Bank, credit card fees and interest	20,595	7,830	-	28,425	29,071	52,294	81,365	109,790	75,802
Depreciation and amortization	-	-	1,549,470	1,549,470	-	-	-	1,549,470	1,528,233
Bad debt expense	4,404	1,545	-	5,949	496	12,194	12,690	18,639	13,107
Hospitality	85,010	24,877	-	109,887	2,202	69,813	72,015	181,902	123,792
Miscellaneous expenses	82,952	35,863	-	118,815	2,482	48,009	50,491	169,306	197,502
Total Expenses	$ 8,562,087	$ 3,201,013	$ 1,549,470	$13,312,570	$ 1,400,933	$ 2,219,609	$3,620,542	$16,933,112	$17,149,396

See notes to financial statements.

APOLLO THEATER FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE TOTALS FOR 2018

	2019	2018
Cash Flows From Operating Activities		
Increase in net assets	$ 817,705	$ 28,108
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	1,549,470	1,528,233
Increase in:		
Accounts receivable	(239,430)	(30,538)
Unconditional promises to give	(488,071)	(1,198,092)
Other current assets	(90,944)	(91,840)
Increase (decrease) in:		
Accounts payable and accrued expenses	194,588	(483,701)
Deferred revenue	60,150	(175,758)
Net Cash Provided (Used) By Operating Activities	1,803,468	(423,588)
Cash Flows From Investing Activities		
Purchases of property and equipment	(444,069)	(289,851)
Cash Flows From Financing Activities		
Proceeds from loan payable	2,650,000	1,700,000
Repayment of loan payable	(2,400,000)	(1,349,967)
Net Cash Provided By Financing Activities	250,000	350,033
Net increase (decrease) in cash and cash equivalents	1,609,399	(363,406)
Cash and cash equivalents, beginning of year	828,726	1,192,132
Cash and Cash Equivalents, End of Year	$2,438,125	$ 828,726
Supplemental Disclosure		
Interest paid	$ 72,003	$ 41,926

See notes to consolidated financial statements.

APOLLO THEATER FOUNDATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization
Apollo Theater Foundation, Inc. (the "Apollo") is a not-for-profit organization formed under the laws of the State of New York to operate exclusively for charitable purposes. The Apollo is dedicated to the preservation and development of the legendary Apollo Theater through the Apollo experience, including world class performances and education programs that honor the influence and advance the contributions of African American artists, and advance emerging creative voices across cultural and artistic media.

b - Principles of Consolidation
The accompanying consolidated financial statements include the accounts of the Apollo and its wholly owned subsidiary: Apollo Theater Managing Member, Inc. All significant intercompany transactions have been eliminated in consolidation.

Apollo Theater Managing Member, Inc. was formed to create a structure, whereby the Apollo could obtain capital from a financial institution, to be used for the rehabilitation of the Apollo’s theater, in exchange for the value of New Markets and Historic tax credits generated from such rehabilitation.

c - Cash and Cash Equivalents
For purposes of the statement of cash flows, the Apollo considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents.

d - Contributions and Unconditional Promises to Give
Contributions are recognized when the donor makes a promise to give to the Apollo, 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.

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

APOLLO THEATER FOUNDATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019

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

e - Property and Equipment
Property and equipment acquired are recorded at cost and are depreciated using the straight-line method over the estimated useful life of the related asset. Leasehold improvements are amortized over the lesser of the life of the lease or the estimated useful life of the asset.

f - Deferred Revenue
Revenue from advance ticket sales and facility rentals is deferred until the performance of the related event.

g - Advertising Costs
Advertising costs are charged to operations when incurred.

h - Financial Statement Presentation
The financial statements of the Apollo have been prepared in accordance with U.S. generally accepted accounting principles, which require the Apollo 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 Apollo. These net assets may be used at the discretion of the Apollo'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 Apollo or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

i - Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

j - Tax Status
Apollo Theater Foundation, Inc. is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

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

j - Tax Status (continued)
Apollo Theater Managing Member, Inc. is a for-profit corporation and is subject to Federal, New York State and New York City tax on its net income, or for New York State and City, on its capital, as defined.

k - Comparative Financial Information
The consolidated financial statements include certain prior-year summarized comparative information. Such information should be read in conjunction with the Apollo's financial statements for the year ended June 30, 2018 from which the summarized information was derived.

For comparability, certain 2018 amounts have been reclassified, where appropriate, to conform to the financial statement presentation used in 2019.

l - Subsequent Events
The Apollo has evaluated subsequent events through October 21, 2019, the date that the financial statements are considered available to be issued.

m - Functional Allocation of 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 portion of the Apollo's expenses are directly related to program activities, which are made up of the arts and entertainment and educational and outreach programs. The expenses that are allocated include salaries, fringe and employee benefits, depreciation and amortization, insurance, and office supplies, which are allocated on a basis of time and effort.

n - New Accounting Pronouncement
The Apollo 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 classes of net assets 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; (d) modifying the presentation of underwater endowment funds and related disclosures; and (e) 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 Apollo opted to not disclose liquidity and availability information for 2018.

APOLLO THEATER FOUNDATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019

Note 2 - Information Regarding Liquidity and Availability

The Apollo operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. A substantial portion of annual revenue is comprised of admissions, facility rentals and contribution revenue raised during the current year. The Apollo considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to general and administrative and fundraising activities undertaken to support those services.

The Apollo 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 maintains liquid financial assets on an ongoing basis sufficient to cover ninety days of general expenditures. Financial assets in excess of daily cash requirements are invested in cash, money market funds, or other short-term investments.

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

Financial Assets at Year End:	
Cash and cash equivalents	$2,438,125
Accounts receivable	568,619
Unconditional promises to give	6,754,182
Total Financial Assets	9,760,926
Less: Amounts not Available to be Used within One Year:	
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(7,768,624)
Net assets with donor restrictions for endowment	(50,000)
Plus: Net assets with donor restrictions expected to be met in less than one year	6,857,624
Financial Assets Available to Meet General Expenditures within One Year	$8,799,926

Note 3 - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	2019	2018
Operating:		
Subject to expenditure for specified purpose	$1,793,634	$1,292,990
Subject to passage of time	120,000	-
Capital campaign expenditures	5,854,990	3,690,500
	7,768,624	4,983,490
Endowment subject to spending policy and appropriation (Note 4):		
Historic preservation	50,000	50,000
Total Net Assets with Donor Restrictions	$7,818,624	$5,033,490

Note 4 - Endowment Funds

The Apollo’s endowment consists of a single $50,000 fund established for historic preservation use.

Consistent with New York State Not-for-Profit Corporation Law and the New York Prudent Management of Institutional Funds Act (“NYPMIFA”), the Apollo classified as net assets with donor restrictions the original value of this gift.

There were no changes in the Apollo's endowment for the years ended June 30, 2019 and 2018.

The Apollo has placed these assets in a certificate of deposit, in order to maintain its principal value and makes available for historic preservation purposes the interest earned.

Note 5 - Concentration of Credit Risk

The Apollo maintains cash and cash equivalent balances in financial institutions, which from time to time, exceed the Federal Depository Insurance Corporation limit and subject the Apollo to concentration of credit risk. However, the Apollo monitors this risk on a regular basis.

Note 6 - Unconditional Promises to Give

Unconditional promises to give at June 30 consist of the following:

	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
Due in less than one year	$3,518,692	$2,149,490	$5,668,182	$3,874,111
Due in one to five years	-	1,200,000	1,200,000	2,520,000
	3,518,692	3,349,490	6,868,182	6,394,111
Less: Discounting to present value	-	(114,000)	(114,000)	(128,000)
	$3,518,692	$3,235,490	$6,754,182	$6,266,111

Uncollectible promises are expected to be insignificant. Unconditional promises to give for periods due after one year are discounted to net present value using an annual discount rate of 3%.

At June 30, 2019 and 2018, unconditional promises to give from two donors accounted for approximately 29% and 46% of the total, respectively.

Unconditional promises to give at June 30 are for the following purposes:

	2019	2018
Operations	$3,518,692	$3,006,611
Future programs and periods	493,000	751,500
Capital campaign expenditures	2,742,490	2,508,000
	$6,754,182	$6,266,111

Note 7 - Property and Equipment

a - Property and equipment consist of the following:

	2019	2018
Furniture, fixtures and equipment	$ 3,944,115	$ 3,765,689
Leasehold improvements	49,178,546	49,161,046
Construction in progress	758,143	510,000
	53,880,804	53,436,735
Less: Accumulated depreciation and amortization	(17,607,686)	(16,058,216)
	$36,273,118	$37,378,519

Note 7 - Property and Equipment (continued)

a - (continued)

Depreciation and amortization expense for the years ended June 30, 2019 and 2018 was $1,549,470 and $1,528,233, respectively.

b - Historically, the City of New York has made capital appropriations to the Apollo relating to the restoration of the Apollo Theater. The City's investment of capital funding obligated the Apollo to operate the facility for the related bonding term as a non-profit entity, open to and used and maintained for the benefit of the people of the City of New York for cultural, educational or artistic uses and/or related purposes approved by the City.

c - The Apollo Theater is in the quiet phase of a multi-year capital campaign to raise $65 million for: the restoration and renovation of the historic Theater ($42,000,000); the expansion to the Victoria ($3,000,000) and a Future Fund to commission, create and produce new works, establish a cash reserve and fund campaign expenses ($20,000,000).

Note 8 - Portraits

The Apollo capitalizes its collection of portraits. Donated works are recorded at the estimated fair market value at the time of donation. Portraits purchased by the Apollo are capitalized at cost. These portraits are held primarily for artistic and theatrical purposes.

Note 9 - Loan Payable

The Apollo has a line of credit agreement with a bank, to be used for working capital, which allows for borrowings up to $2,000,000. Borrowings bear interest, payable monthly, at a fixed rate of 7% per annum, and are due February 1, 2020. The line is secured by the Apollo's business assets. At June 30, 2019 and 2018, the Apollo had an outstanding balance of $1,200,000 and $950,000, respectively, under this line. This balance was repaid during August 2019 to satisfy the clean up provision in the agreement.

During the years ended June 30, 2019 and 2018, interest of $72,003 and $41,926, respectively, was incurred in connection with this loan.

Note 10 - Commitments and Contingencies

a - In December 1992, the Apollo entered into a 99-year lease agreement with the Apollo Theater Redevelopment Corporation, a subsidiary of the New York State Urban Development Corporation.

The lease stipulates payment of a base rent of $1 per year plus "additional rent", if any, equal to the difference between gross operating revenue less operating expenses (as defined in the agreement). There was no additional rent due for the years ended June 30, 2019 and 2018.

b - The Apollo provides its employees the option of deferring a portion of their current earnings by participating in a tax deferred 403(b) retirement plan. The Apollo also has a 401(k) plan for the benefit of its eligible employees. The Apollo will match 100% of employee contributions up to 4% of their eligible salary. During the years ended June 30, 2019 and 2018, the expense under this plan was $117,209 and $119,953, respectively.

c - Government grants are subject to audit by the granting agency.

Note 11 - Multiemployer Defined Benefit Pension Plans

The Apollo contributes to two multiemployer defined benefit pension plans under the terms of collective-bargaining agreements that cover its union-represented employees. The risk of participating in multiemployer plans is 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 Apollo chooses to stop participating in its multiemployer plan, the Apollo may be required to pay that plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

Note 11 - Multiemployer Defined Benefit Pension Plans (continued)

The Apollo's participation in these plans, which comprises greater than 5% of the total plan for the fiscal years ended June 30, 2019 and 2018, is outlined 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 December 31, 2018, respectively. The zone status is based on information that the Apollo 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 plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration date of the collective-bargaining agreement to which the plan is subject.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending Implementation	Contributions of the Apollo		Surcharge Imposed	Expiration of Collective Bargaining Agreement	Plan Year Ends
		2019	2018		2019	2018			
American Federation of Musicians and Employers Pension Fund	51-6120204/001	Red	Red	Implemented	$ 23,687	$ 21,295	Yes	December 31, 2019	March 31, 2020
Pension Fund of the Local No1 of IATSE	13-6414973/001	Green	Green	N/A	96,517	119,870	No	September 22, 2019	December 31,2019
					$120,204	$141,165			