

**LOCAL 802 MUSICIANS'
EMERGENCY RELIEF FUND**

DECEMBER 31, 2019 AND 2018

**LOCAL 802 MUSICIANS'
EMERGENCY RELIEF FUND**

**FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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D. ROBERT GOULD, C.P.A. (1933-2015)
STUART L. KOBRICK, C.P.A. (RETIRED)
STEVEN T. SCHLAPP, C.P.A.
MICHAEL A. VAN SERTIMA, C.P.A., C.F.E., M.S.

TEL: 212-564-9451
FAX: 212-268-6562

EMAIL: GKS@GKSPC.COM
WWW.GKSPC.COM

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Executive Board
Local 802 Musicians' Emergency Relief Fund

We have reviewed the accompanying financial statements of the Local 802 Emergency Relief Fund, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Gould, Kobrick & Schlapp, P.C.

New York, NY
June 1, 2020

**LOCAL 802 MUSICIANS'
EMERGENCY RELIEF FUND**

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
ASSETS		
Current:		
Cash and cash equivalents	\$ 185,034	\$ 199,022
Due from Local 802, American Federation of Musicians	37,652	15,961
Account receivable	30,831	1,641
Total Current Assets	<u>\$ 253,517</u>	<u>\$ 216,624</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 15,109	\$ 12,641
Net assets without donor restrictions	<u>238,408</u>	<u>203,983</u>
Total Liabilities and Net Assets	<u>\$ 253,517</u>	<u>\$ 216,624</u>

See accompanying notes and independent accountants' review report.

**LOCAL 802 MUSICIANS'
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**STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
REVENUES		
Public support:		
Contributions, donations and other support	\$ 94,736	\$ 106,611
EXPENSES		
Program Services:		
Grants	<u>32,465</u>	<u>27,348</u>
Supporting Services:		
Fundraising	23,719	22,801
Administrative expenses	<u>4,127</u>	<u>3,230</u>
Total Supporting Services	<u>27,846</u>	<u>26,031</u>
Total Expenses	<u>60,311</u>	<u>53,379</u>
Change in net assets without donor restrictions	34,425	53,232
Net assets without donor restrictions:		
Beginning	<u>203,983</u>	<u>150,751</u>
Ending	<u>\$ 238,408</u>	<u>\$ 203,983</u>

See accompanying notes and independent accountants' review report.

**LOCAL 802 MUSICIANS'
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**STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	<u>\$ 34,425</u>	<u>\$ 53,232</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in operating assets:		
Due from Local 802, American Federation of Musicians	(21,691)	(10,132)
Accounts receivable	(29,190)	6,683
(Decrease) in operating liabilities:		
Accounts payable and accrued expenses	<u>2,468</u>	<u>(14,325)</u>
Total Adjustments	<u>(48,413)</u>	<u>(17,774)</u>
Net Cash Provided By (Used For) Operating Activities	<u>(13,988)</u>	<u>35,458</u>
Net increase (decrease) in cash and cash equivalents	<u>(13,988)</u>	<u>35,458</u>
Cash and cash equivalents:		
Beginning	<u>199,022</u>	<u>163,564</u>
Ending	<u><u>\$ 185,034</u></u>	<u><u>\$ 199,022</u></u>

See accompanying notes and independent accountants' review report.

**LOCAL 802 MUSICIANS'
EMERGENCY RELIEF FUND**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 1 – GENERAL

Organization: The Local 802 Musicians' Emergency Relief Fund (the "Fund") was established by the passage of a resolution by the Executive Board of Local 802, American Federation of Musicians (the "Union") on July 21, 1967, in accordance with and under the bylaws and constitution of the Union. The Fund was created and operates exclusively for the charitable purpose of aiding members of the Union. The Fund is administered by three trustees, all of whom are members of the Executive Board of the Union.

Tax Status: On July 31, 1967, the Internal Revenue Service advised that the Fund is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code as a private non-operating foundation. The Fund is subject to a 1% tax on investment income.

The Fund's tax filings for years prior to calendar 2016 are no longer subject to examination by the tax authorities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying combined financial statements of the Fund have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of Presentation: The financial statement presentation follows the accounting standards requirements for not-for-profit organizations. Under these standards, an organization is required to report information regarding its financial position and activities according to two classes of net assets depending on the existence and/or nature of any donor restrictions as follows: net assets without donor restrictions and net assets with donor restrictions

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. This affects the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

Cash and Cash Equivalents: For the purpose of the Statement of Cash Flows, cash is considered to be all checking and money market accounts.

Adoption of accounting standard: In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. ASU 2016-14 improves the financial reporting of not-for-profit organizations by providing more useful information to donors, grantors, creditors and other financial statement users. ASU 2016-14 changes the existing classes of net assets, improves the transparency and utility of liquidity information, changes the required presentation of cash flow information and requires the presentation of expenses by both function and natural classification. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017. As a result of the adoption of ASU 2016-14, the Fund has presented its net asset classifications as such and expanded the disclosures related to supporting service expenses and liquidity information.

Accounts Receivable: Accounts receivables are reported at their outstanding unpaid principal balances, reduced by an allowance for doubtful accounts, if any. The Fund estimates doubtful accounts based on the ability to pay and current economic trends. The Fund writes off accounts receivable against the allowance when a balance is determined to be uncollectible. Interest is not accrued or recorded on outstanding receivables. The Fund has determined that no allowance was required as of December 31, 2019

Revenue recognition: Revenue from donations are recorded in the applicable period.

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**NOTES TO FINANCIAL STATEMENTS
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NOTE 3 – CONCENTRATION OF CREDIT RISK

Financial instruments that subject the Fund to concentration of credit risk include cash and short-term investments. While the Fund attempts to limit any financial exposure, its cash deposit balances may at times exceed federally insured limits. Short-term investments are not covered by the Federal Deposit Insurance Corporation.

NOTE 4 – EVALUATION OF SUBSEQUENT EVENTS

The Fund has evaluated subsequent events through June 1, 2020, the date the financial statements were available to be issued.

NOTE 5 – LIQUIDITY RESOURCES

The Fund's primary revenue source is donations. The Fund has various sources of liquidity at its disposal, including cash and cash equivalents, and receivables.

The following table reflects the Fund's financial assets available to meet general expenditures within one year as of December 31, 2019:

Cash and cash equivalents	\$ 185,034
Account receivable	<u>68,483</u>
Financial assets available to meet cash needs for general expenditures within one year.	<u>\$ 253,517</u>