

**ASSOCIATED MUSICIANS OF GREATER NEW YORK,
LOCAL 802,
A. F. of M. AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

**ASSOCIATED MUSICIANS OF GREATER NEW YORK, LOCAL 802,
A. F. of M. AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

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INDEPENDENT AUDITORS' REPORT

The Executive Board
Associated Musicians of Greater New York, Local 802,
A. F. of M. and Subsidiary

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the Associated Musicians of Greater New York, Local 802, A. F. of M. and Subsidiary (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019 and the related consolidated statements of activities and 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Associated Musicians of Greater New York, Local 802, A. F. of M. and Subsidiary as of December 31, 2020 and 2019, 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.

INDEPENDENT AUDITORS' REPORT (continued)

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules on pages fifteen and sixteen are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Auld, Kohnstien & Adolph, P.C.

New York, NY
April 22, 2021

**ASSOCIATED MUSICIANS OF GREATER NEW YORK, LOCAL 802,
A. F. of M. AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019**

	2020	2019
ASSETS		
Current:		
Cash and cash equivalents	\$ 2,937,481	\$ 2,112,357
Receivables:		
Due from related organizations	244,583	333,329
Work dues	42,520	608,625
Accrued interest	16,196	19,197
Other	14,395	4,676
Due from broker	228	0
Total Receivables	317,922	965,827
Prepaid expenses	188,831	217,789
Total Current Assets	3,444,234	3,295,973
Other Assets:		
Investments, at fair value	3,866,702	5,205,897
Fixed assets, net of accumulated depreciation	1,762,232	1,828,273
Total Other Assets	5,628,934	7,034,170
Total Assets	\$ 9,073,168	\$ 10,330,143
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Due to broker	\$ 0	\$ 281
Payroll withholdings	258	1,197
Accrued expenses payable	291,093	278,359
Due to American Federation of Musicians	86,552	6,938
Deferred income	89,694	348,445
Due to MOOMA - cash balance	15,000	14,970
Severance pay - officers	35,704	35,704
Escrow payable - recording and claims	672,664	896,948
Total Current Liabilities	1,190,965	1,582,842
Non-current Liabilities:		
Severance pay - officers	158,655	156,151
Due to NY Philharmonic Strike Fund - cash balance	94,089	93,963
Security deposits	40,476	40,365
Total Non-current Liabilities	293,220	290,479
Total Liabilities	1,484,185	1,873,321
Net assets without donor restrictions	7,588,983	8,456,822
Total Liabilities and Net Assets	\$ 9,073,168	\$ 10,330,143

The accompanying notes are an integral part of the financial statements.

**ASSOCIATED MUSICIANS OF GREATER NEW YORK, LOCAL 802,
A. F. of M. AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
REVENUES		
Dues and fees:		
Work dues	\$ 1,962,623	\$ 5,379,392
Basic dues and application fees	1,100,264	1,466,043
Total dues and fees	3,062,887	6,845,435
Less Allocations to:		
American Federation of Musicians:		
Per capita and application fees	407,778	434,871
Work dues	308,648	624,210
Other	7,800	21,450
Other affiliates	12,908	24,924
Total Allocations	737,134	1,105,455
Net Dues Income	2,325,753	5,739,980
Other revenues:		
Rental of building	261,820	235,264
Net investment income	237,764	506,778
Retention payroll credit	234,757	0
Journal advertising	60,410	56,446
Miscellaneous	3,520	6,720
Total Other Revenues	798,271	805,208
Total Revenues	3,124,024	6,545,188
EXPENSES		
Program expenses:		
Organizing, collective bargaining and related	1,118,887	1,597,636
Governance, communication and publication	534,066	744,820
Members' benefits	81,103	86,238
Political	39,469	45,505
Charitable and scholarship	24,311	33,239
Total Program Expenses	1,797,836	2,507,438
General and administrative expenses	2,194,027	3,373,793
Total Functional Expenses	3,991,863	5,881,231
Change in net assets without donor restrictions	(867,839)	663,957
Net assets without donor restrictions:		
Beginning	8,456,822	7,792,865
Ending	\$ 7,588,983	\$ 8,456,822

The accompanying notes are an integral part of the financial statements.

**ASSOCIATED MUSICIANS OF GREATER NEW YORK, LOCAL 802,
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**CONSOLIDATED STATEMENTS OF EXPENSES
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
PERSONNEL EXPENSES		
Payroll and related	\$ 2,314,029	\$ 3,586,787
Severance - officers	64,424	84,749
	\$ 2,378,453	\$ 3,671,536
BUILDING EXPENSES		
Real estate taxes	\$ 222,620	\$ 208,746
Payroll and related	191,212	378,803
Utilities	86,690	88,013
Equipment rental, repairs and maintenance	50,634	56,362
Security	26,247	63,850
Cleaning	19,280	50,440
Telephone	11,164	9,229
Fuel oil	8,098	18,965
Miscellaneous	5,005	6,810
Waste removal	3,920	25,268
Supplies	3,694	15,093
Licenses and permits	1,950	2,534
Seminars	1,010	0
Dues and subscriptions	0	1,470
Conferences, conventions, and meetings	0	145
Stationery, printing and postage	0	27
	\$ 631,524	\$ 925,755
OFFICE EXPENSES		
Computer and copier supplies, repairs and maintenance	\$ 73,288	\$ 152,573
Data processing	62,811	75,785
Equipment rental, repairs and maintenance	58,890	55,477
Telephone	28,369	42,801
Stationery, printing and postage	16,769	41,149
Supplies	7,009	18,582
Miscellaneous office	2,979	2,900
	\$ 250,115	\$ 389,267

The accompanying notes are an integral part of the financial statements.

**ASSOCIATED MUSICIANS OF GREATER NEW YORK, LOCAL 802,
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**CONSOLIDATED STATEMENTS OF EXPENSES
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
GENERAL EXPENSES		
Legal fees	\$ 251,314	\$ 226,531
Depreciation	85,420	106,685
Members' life insurance	81,103	86,238
Arbitration and negotiation	64,636	91,980
Auditing fees	44,400	50,000
Insurance	42,126	41,403
Public relations	32,908	37,335
Bank charges	30,558	45,324
Brokerage fees	16,651	8,054
Conferences, conventions, and meetings	13,646	54,856
Licenses and permits	1,933	542
Miscellaneous	1,645	4,177
Dues and subscriptions	1,540	7,662
Referral service	319	542
Donations and tickets	0	2,760
	\$ 668,199	\$ 764,089
	2020	2019
ALLEGRO EXPENSES		
Printing	\$ 43,108	\$ 83,850
Postage	18,237	39,176
Other	1,027	2,458
Proof-reading	1,000	2,200
Photos, art and production	200	2,900
	\$ 63,572	\$ 130,584
Total Expenses	\$ 3,991,863	\$ 5,881,231

The accompanying notes are an integral part of the financial statements.

**ASSOCIATED MUSICIANS OF GREATER NEW YORK, LOCAL 802,
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**CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (867,839)	\$ 663,957
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	85,420	106,685
Realized (gains) on sale of investments	(347,474)	(37,817)
Unrealized (gains) losses on investments	172,439	(378,335)
(Increase) decrease in operating assets:		
Due from related organizations	88,746	6,533
Work dues receivable	566,105	69,302
Accrued interest receivable	3,001	(609)
Other receivables	(9,719)	(220)
Due from broker	(228)	(276)
Prepaid expenses	28,958	21,898
Increase (decrease) in operating liabilities:		
Due to broker	(281)	0
Payroll withholdings	(939)	(3,522)
Accrued expenses payable	12,734	56,316
Due to American Federation of Musicians	79,614	(178,686)
Deferred income	(258,751)	(21,465)
Due to MOOMA - cash balance	30	(30)
Severance pay - officers	2,504	30,732
Escrow dues payable - recording and claims	(224,284)	166,899
Due to NY Philharmonic Strike Fund - cash balance	126	503
Security deposits	111	17,128
Total Adjustments	198,112	(144,964)
Net Cash Provided By (Used For) Operating Activities	(669,727)	518,993
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from the sale of investments	4,547,321	1,398,149
Cash paid for the purchase of fixed assets	(19,379)	(29,021)
Cash paid for the purchase of investments	(3,033,091)	(1,510,582)
Net Cash Provided By (Used For) Investing Activities	1,494,851	(141,454)
Net increase in cash and cash equivalents	825,124	377,539
Cash and cash equivalents:		
Beginning	2,112,357	1,734,818
Ending	\$ 2,937,481	\$ 2,112,357

The accompanying notes are an integral part of the financial statements.

**ASSOCIATED MUSICIANS OF GREATER NEW YORK, LOCAL 802,
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**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 – GENERAL

Organization: The Associated Musicians of Greater New York, Local 802 A. F. of M and Subsidiary (the “Union”) is a labor union established to provide collective bargaining representation to its members. The membership consists of workers in the music industry in Nassau and Suffolk Counties of Long Island and the New York City vicinity. The Union is an affiliated Local of the American Federation of Musicians (AFL-CIO/TLC).

The purpose of the Union is to organize all persons within its jurisdiction; establish and maintain equitable wages and working conditions; to elevate the moral, social and intellectual standing of its members; to guard members’ financial interests; to promote their general welfare; to secure employment for its members; and to assist employers in the music industry. The operations of the Union are financed primarily by members’ dues and fees.

General Fund: The General Fund is funded mostly by membership and work dues and consists of several departments including recording and organizing. These departments are used for the specific purposes as stipulated in the bylaws of the Union or otherwise established.

Members Benefit Strike Fund: The Members Benefit Strike Fund (the “Strike Fund”) was set up to pay expenses incurred in strikes, lockouts, and informational picketing, including payments to individuals or to musicians unemployed as the result of such actions.

Special Projects and Services Fund: The objectives of the Special Projects and Services Fund are to create new work opportunities for all members of the Union; to promote the more effective operation and management of the Union; and to lease and/or purchase such equipment and machinery as shall be necessary or appropriate. The Special Projects and Services Fund is to enable executives, staff, and members of any duly sanctioned committee of the Union to avail themselves of management seminars dealing with new business methods, computer programming, modern accounting procedures and labor negotiations.

Members Legal Services Fund: The Members Legal Services Fund provides legal services for bargaining units provided certain requirements are met.

Club Corp: The Club Corp was incorporated in New York on December 31, 1991, to own and operate the land and building located at 322 West 48th Street, New York, NY 10036, which is the Union’s headquarters. All of the issued and outstanding stock of the Club Corp. is owned by the Union. All officers of the Union are also officers of the Club Corp.

Anne Walker Scholarship Fund: Members in good standing of the Union and their children are eligible to apply for grants from the Anne Walker Scholarship Fund to be applied toward tuition for a degree or diploma oriented program at an accredited institution.

Recording and Claims Funds: The Union is custodian of cash for the Recording and Claims Funds, which is reported as both assets and liabilities in the Statement of Financial Position. The Recording Fund holds wages due to covered employees, which can be in the form of an employer check or employer deposits. The Claims Fund holds deposits from employers as security until wages are paid to covered employees.

Tax Status: The Union is exempt from federal income tax under Section 501(c)(5) of the Internal Revenue Code (IRC). The Anne Walker Scholarship Fund is a Section 501(c)(3) exempt private foundation. The Club Corp is a tax exempt 501(c)(2) title-holding corporation.

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**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying consolidated financial statements of the Union 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: 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.

Consolidation: The accompanying consolidated financial statements of the Union include the accounts of the Union's General Fund, Strike Fund, Special Projects and Services Fund, Building Fund, Members' Legal Services Fund, Anne Walker Scholarship Fund, the Union's wholly owned subsidiary, the Greater New York Musicians Club Corporation (the "Club Corp."), and the Recording and Claims Funds, which are escrow accounts held on behalf of both members and employers. All significant inter-fund and intra-fund transactions and accounts have been eliminated in the consolidation.

Fixed Assets and Depreciation: Fixed assets are stated at cost less depreciation accumulated since acquisition. Such amounts do not purport to represent replacement or realizable values. The building is being depreciated on the straight-line method over an estimated useful life of forty years. Furniture and equipment is being depreciated over estimated useful lives of five to ten years. Expenditures for normal replacements are charged to current operations. All other expenditures for fixed assets are capitalized.

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.

Valuation of Investments: Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 11 for a discussion of fair value measurements.

Cash and Cash Equivalents: For the purpose of the Consolidated Statements of Cash Flows, cash is considered to be all checking, money market accounts and certificates of deposit with original maturities of three months or less that are not part of a managed investment portfolio.

Receivables: Work dues receivable is based on subsequent cash collections. As a consequence, consideration of an allowance for uncollectible work dues receivable is not necessary. Due from related organizations is reported at the outstanding unpaid principal balance. Interest is not accrued or recorded on outstanding receivables. The Union has determined that no allowance was required as of December 31, 2020 and 2019.

Revenue Recognition: Revenue from dues and assessments are recorded in the applicable membership period. Dues received in advance of the applicable membership period are recorded as deferred revenue and recognized in that future period.

Functional Expenses: The costs of program and supporting services activities have been summarized on a functional basis on the statement of activities for the years ended December 31, 2020 and 2019. Management has reviewed all overhead costs and determined that it is appropriate to allocate a portion of these costs to the program services.

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**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 3 – CONCENTRATION OF CREDIT RISK

Financial instruments that subject the Union to concentration of credit risk include cash and short-term investments. While the Union 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 – RELATED PARTY TRANSACTIONS

Receivables from related parties at December 31, 2020 and 2019 were as follows:

	2020	2019
Local 802 Musicians Health Fund	\$ 313,485	\$ 379,726
Others	(68,902)	(46,397)
	\$ 244,583	\$ 333,329

The Union is reimbursed for payroll costs, rent and other administrative expenses incurred on behalf of the Local 802 Musicians Health Fund (the “Plan”) as described in the administrative services and cost-sharing agreement and the lease for office space between the Union and the Plan. The Union was also reimbursed for overhead expenses incurred on behalf of other related organizations. The reimbursements from related parties were \$716,610 and \$736,598 for the years ended December 31, 2020 and 2019, respectively.

NOTE 5 – LIQUIDITY RESOURCES

The Union’s primary revenue sources are its members’ dues and fees. The Union has various sources of liquidity at its disposal, including cash and cash equivalents, and investments.

The following table reflects the Union’s financial assets available to meet general expenditures within one year as of December 31, 2020:

Cash and cash equivalents	\$ 2,937,481
Investments	3,866,702
Receivables	317,922
Financial assets available to meet cash needs for general expenditures within one year	\$ 7,122,105

NOTE 6 – FIXED ASSETS

Fixed assets at December 31, 2020 and 2019 by classification are summarized as follows:

	2020	2019
Land, building and improvements	\$ 3,752,239	\$ 3,733,731
Computer software and equipment	217,226	216,355
Furniture and equipment	105,211	105,211
	4,074,676	4,055,297
Less - Accumulated depreciation	2,312,444	2,227,024
Net Fixed Assets	\$ 1,762,232	\$ 1,828,273

**ASSOCIATED MUSICIANS OF GREATER NEW YORK, LOCAL 802,
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**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 7 – ESCROW ACCOUNT LIABILITY

The Union is custodian of cash for the Recording and Claims Funds, which is reported as both an asset and a liability in the Statement of Financial Position. The Recording Fund holds wages due to covered employees, which can be in the form of an employer check or employer deposit held by the Union for those musicians who are out of town at the time. The Claims Fund holds deposits from employers as security until wages are paid to covered employees. Cash held for the Recording and Claims Funds as of December 31, 2020 and 2019, was \$672,664 and \$896,948 respectively.

	Recording Fund	Claims Fund
RECEIPTS		
Escrow monies received	\$ 138,440	\$ 0
DISBURSEMENTS		
Escrow monies disbursed	362,724	0
Increase (decrease) in cash	(224,284)	0
CASH BALANCE		
January 1, 2020	856,783	40,165
December 31, 2020	\$ 632,499	\$ 40,165

NOTE 8 – RISKS AND UNCERTAINTIES

The Union invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the statement of financial position.

NOTE 9 – NET INVESTMENT INCOME

Net investment income for the years ended December 31, 2020 and 2019 is summarized as follows:

	2020	2019
Interest, dividends and other	\$ 86,941	\$ 124,180
Unrealized gains (losses) on investments	(172,439)	378,334
Realized gains on sale of investments	347,474	37,817
	261,976	540,331
Less - Investment fees	24,212	33,553
Net Investment Income	\$ 237,764	\$ 506,778

NOTE 10 – EVALUATION OF SUBSEQUENT EVENTS

The Union has evaluated subsequent events through April 22, 2021, the date the financial statements were available to be issued.

**ASSOCIATED MUSICIANS OF GREATER NEW YORK, LOCAL 802,
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**NOTES TO FINANCIAL STATEMENTS
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NOTE 11 – FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Union has the ability to access.
- Level 2: Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

Certificates of deposit: Certificates of deposit are readily convertible into cash, and carried at fair value, as reported by the financial institutions.

U.S. government securities: Certain U.S. government securities are valued using pricing models maximizing the use of observable inputs for similar securities.

Corporate debt instruments: Certain corporate debt instruments are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.

Corporate stocks: Corporate stocks are valued at the closing price reported on the New York Stock Exchange and other exchanges.

Registered investment companies: Certain registered investment companies are valued at the closing price reported in the active market on which they are traded. Others are valued at estimated fair value as determined by the investment manager based on the market value and estimated fair value of the underlying investments in the portfolio. In establishing the fair value of these investments, the investment manager takes into consideration information about the net asset value of shares held at year end.

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NOTE 11 – FAIR VALUE MEASUREMENTS (continued)

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Union believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Union's assets at fair value as of December 31, 2020 and 2019:

December 31, 2020				
Investment	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ 1,476,486	\$ 0	\$ 0	\$ 1,476,486
U.S. government securities	0	1,647,520	0	1,647,520
Corporate debt instruments	0	328,601	0	328,601
Corporate stocks	306,225	0	0	306,225
Registered investment companies	107,870	0	0	107,870
	\$ 1,890,581	\$ 1,976,121	\$ 0	\$ 3,866,702

December 31, 2019				
Investment	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ 2,215,212	\$ 0	\$ 0	\$ 2,215,212
U.S. government securities	0	697,687	0	697,687
Corporate debt instruments	0	883,459	0	883,459
Corporate stocks	939,296	0	0	939,296
Registered investment companies	470,243	0	0	470,243
	\$ 3,624,751	\$ 1,581,146	\$ 0	\$ 5,205,897

NOTE 12 – LEASE COMMITMENTS

The Union had equipment leases with Great America. These leases were bought out by Carr Business Systems for \$34,606, which was received by the Union in 2018. The Union has been paying down the Great America leases, and the balance at December 31, 2020 was \$1,176, which is scheduled to be fully paid in 2021 per the term of the leases. The Great America leases have been replaced with leases from Carr Business Systems and the commitments under all leases as of December 31, 2020 are as follows:

Years ending December 31:	2021	\$	32,082
	2022		31,200
	2023		5,200
			68,482
Aggregate future minimum rentals		\$	68,482

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**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 12 – LEASE COMMITMENTS (continued)

The Union entered into non-cancellable lease agreements to rent space to the following tenants:

- Harvey Mars LLC for the period September 1, 2013 through August 31, 2018 at a base rent of \$3,426 per month with a 3% per annum escalation. There is a monthly fixed water charge of \$15, a proportionate share of 4.68% real estate tax increase, as well as a 4.68% proportionate share of both the quarterly maintenance contract for all repairs and maintenance of the air conditioning system and fuel expense. This lease has not been renewed and Harvey Mars LLC is paying rent on a month-to-month basis.
- Musicians Local 802 Health Benefits Fund (a related party, see Note 4) for the period July 1, 2015 through June 30, 2025 at a base rent of \$4,988 with a 2.5% per annum escalation. There is a 4.6% proportionate share of any increase in real estate tax, fuel expense, and quarterly maintenance contract of the air conditioning.
- Actors Federal Credit Union for the period January 1, 2018 through December 31, 2020 at a base rent of \$701 per month with a 2.5% per annum escalation. There is a monthly fixed water charge of \$4, a proportionate share of 1.56% real estate tax increase, as well as a 1.56% proportionate share of both the quarterly maintenance contract for all repairs and maintenance of the air conditioning system and fuel expense.
- The New York Songspace Ltd. For the period July 30, 2019 through September 30, 2024 at a base rent of \$ 7,121 per month with a 3 % per annum escalation. There is a monthly fixed water charge of \$100 and electricity charges of \$ 639.

The annual minimum lease income under these non-cancelable leases as of December 31, 2020, is:

Year ending December 31:	2021	\$	159,228
	2022		163,661
	2023		168,220
	2024		110,762
	2025		37,379
Aggregate future minimum rentals		\$	639,250

NOTE 13 – PENSION PLANS AND OFFICERS' SEVERANCE

Eligible employees of the Union are covered under the following multiemployer defined benefit pension plans. Pension expense amounted to \$268,763 and \$402,163 in 2020 and 2019, respectively.

Pension Fund		E.I.N.		Plan No.		Pension Protection			Contributions	Surcharge Imposed	Expiration Date Of Collective Bargaining Agreement	
						Act	FIP/RP Status	Zone Status				
Name				2020	2019	Pending / Implemented	2020	2019	2018			
AFM-EPF		51-6120204		001	Red	Red	Implemented	\$ 252,863	\$ 355,075	\$ 401,057	Yes	6/30/2021
Local 153 Health Pension & LTD Funds		13-2864289		001	Red	Red	Implemented	15,900	47,088	72,881	Yes	3/31/2022
								\$ 268,763	\$ 402,163	\$ 473,938		

Eligible officers are entitled to severance payments upon termination of employment. The liability for these payments is initially recorded when an officer completes five years of service. Officers' severance pay expense amounted to \$64,424 and \$84,749 in 2020 and 2019, respectively.

**ASSOCIATED MUSICIANS OF GREATER NEW YORK, LOCAL 802,
A. F. of M. AND SUBSIDIARY**

**SUPPLEMENTAL CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019**

	2020								2019	
	General Fund	Members' Benefit Strike Fund	Special Projects Fund	Legal Services Fund	Club Corp	Anne Walker Scholarship Fund	Recording Fund	Claims Fund	Consolidated Totals	Consolidated Totals
ASSETS										
Current:										
Cash and cash equivalents	\$ 1,208,105	\$ 1,034,118	\$ 482	\$ 22,739	\$ 0	\$ 0	\$ 631,873	\$ 40,164	\$ 2,937,481	\$ 2,112,357
Receivables:										
Due from related organizations	3,961,277	9,156	38,207	399,057	(4,219,552)	56,438	0	0	244,583	333,329
Work dues	42,520	0	0	0	0	0	0	0	42,520	608,625
Accrued interest	10,771	5,425	0	0	0	0	0	0	16,196	19,197
Other	14,395	0	0	0	0	0	0	0	14,395	4,676
Due from broker	228	0	0	0	0	0	0	0	228	0
Total Receivables	<u>4,029,191</u>	<u>14,581</u>	<u>38,207</u>	<u>399,057</u>	<u>(4,219,552)</u>	<u>56,438</u>	<u>0</u>	<u>0</u>	<u>317,922</u>	<u>965,827</u>
Prepaid expenses	188,831	0	0	0	0	0	0	0	188,831	217,789
Total Current Assets	<u>5,426,127</u>	<u>1,048,699</u>	<u>38,689</u>	<u>421,796</u>	<u>(4,219,552)</u>	<u>56,438</u>	<u>631,873</u>	<u>40,164</u>	<u>3,444,234</u>	<u>3,295,973</u>
Other Assets:										
Investments, at fair value	2,390,216	1,476,486	0	0	0	0	0	0	3,866,702	5,205,897
Fixed assets, net of accumulated depreciation	72,687	0	0	0	1,689,545	0	0	0	1,762,232	1,828,273
Total Other Assets	<u>2,462,903</u>	<u>1,476,486</u>	<u>0</u>	<u>0</u>	<u>1,689,545</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,628,934</u>	<u>7,034,170</u>
Total Assets	<u>\$ 7,889,030</u>	<u>\$ 2,525,185</u>	<u>\$ 38,689</u>	<u>\$ 421,796</u>	<u>\$ (2,530,007)</u>	<u>\$ 56,438</u>	<u>\$ 631,873</u>	<u>\$ 40,164</u>	<u>\$ 9,073,168</u>	<u>\$ 10,330,143</u>
LIABILITIES AND ASSETS										
Current Liabilities:										
Due to broker	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 281
Payroll withholdings	258	0	0	0	0	0	0	0	258	1,197
Accrued expenses payable	291,093	0	0	0	0	0	0	0	291,093	278,359
Due to American Federation of Musicians	86,552	0	0	0	0	0	0	0	86,552	6,938
Deferred income	89,694	0	0	0	0	0	0	0	89,694	348,445
Due to MOOMA - cash balance	15,000	0	0	0	0	0	0	0	15,000	14,970
Severance pay - officers	35,704	0	0	0	0	0	0	0	35,704	35,704
Escrow payable - recording and claims	0	0	0	0	0	0	632,499	40,165	672,664	896,948
Total Current Liabilities	<u>518,301</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>632,499</u>	<u>40,165</u>	<u>1,190,965</u>	<u>1,582,842</u>
Non-current Liabilities:										
Severance pay - officers	158,655	0	0	0	0	0	0	0	158,655	156,151
Due to NY Philharmonic Strike Fund - cash balance	94,089	0	0	0	0	0	0	0	94,089	93,963
Security deposits	40,476	0	0	0	0	0	0	0	40,476	40,365
Total Non-current Liabilities	<u>293,220</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>293,220</u>	<u>290,479</u>
Total Liabilities	<u>811,521</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>632,499</u>	<u>40,165</u>	<u>1,484,185</u>	<u>1,873,321</u>
Net assets without donor restrictions	<u>7,077,509</u>	<u>2,525,185</u>	<u>38,689</u>	<u>421,796</u>	<u>(2,530,007)</u>	<u>56,438</u>	<u>(626)</u>	<u>(1)</u>	<u>7,588,983</u>	<u>8,456,822</u>
Total Liabilities and Net Assets	<u>\$ 7,889,030</u>	<u>\$ 2,525,185</u>	<u>\$ 38,689</u>	<u>\$ 421,796</u>	<u>\$ (2,530,007)</u>	<u>\$ 56,438</u>	<u>\$ 631,873</u>	<u>\$ 40,164</u>	<u>\$ 9,073,168</u>	<u>\$ 10,330,143</u>

**ASSOCIATED MUSICIANS OF GREATER NEW YORK, LOCAL 802,
A. F. of M. AND SUBSIDIARY**

**SUPPLEMENTAL CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020								2019	
	General Fund	Members' Benefit Strike Fund	Special Projects Fund	Legal Services Fund	Club Corp	Anne Walker Scholarship Fund	Recording Fund	Claims Fund	Consolidated Totals	Consolidated Totals
REVENUES										
Dues and fees:										
Work dues	\$ 1,962,623	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,962,623	\$ 5,379,392
Basic dues and application fees	1,100,264	0	0	0	0	0	0	0	1,100,264	1,466,043
	<u>3,062,887</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,062,887</u>	<u>6,845,435</u>
Less Allocations to:										
American Federation of Musicians:										
Work dues	308,648	0	0	0	0	0	0	0	308,648	624,210
Per capita and application fees	407,778	0	0	0	0	0	0	0	407,778	434,871
Other	7,800	0	0	0	0	0	0	0	7,800	21,450
Other affiliates	12,908	0	0	0	0	0	0	0	12,908	24,924
Total Allocations	<u>737,134</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>737,134</u>	<u>1,105,455</u>
Net Dues Income	<u>2,325,753</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,325,753</u>	<u>5,739,980</u>
Other revenues:										
Rental of building	0	0	0	0	261,820	0	0	0	261,820	235,264
Net investment income (loss)	180,111	57,653	0	0	0	0	0	0	237,764	506,778
Retention payroll credit	214,725	0	0	0	20,032	0	0	0	234,757	0
Journal advertising	60,410	0	0	0	0	0	0	0	60,410	56,446
Miscellaneous	0	30	0	1	0	3,489	0	0	3,520	6,720
Total Other Revenues	<u>455,246</u>	<u>57,683</u>	<u>0</u>	<u>1</u>	<u>281,852</u>	<u>3,489</u>	<u>0</u>	<u>0</u>	<u>798,271</u>	<u>805,208</u>
Total Revenues	<u>2,780,999</u>	<u>57,683</u>	<u>0</u>	<u>1</u>	<u>281,852</u>	<u>3,489</u>	<u>0</u>	<u>0</u>	<u>3,124,024</u>	<u>6,545,188</u>
EXPENSES										
Program expenses:										
Organizing, collective bargaining and related	867,828	0	364	83,230	167,465	0	0	0	1,118,887	1,597,636
Governance, communication and publication	449,896	0	182	0	83,988	0	0	0	534,066	744,820
Members' benefits	81,103	0	0	0	0	0	0	0	81,103	86,238
Political	32,408	0	15	0	7,046	0	0	0	39,469	45,505
Charitable and scholarship	19,961	0	9	0	4,340	0	0	0	24,310	33,239
Total Expenses	<u>1,451,196</u>	<u>0</u>	<u>570</u>	<u>83,230</u>	<u>262,839</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,797,835</u>	<u>2,507,438</u>
General and administrative expenses	1,823,268	0	1,928	0	368,682	0	149	1	2,194,028	3,373,793
Total Functional Expenses	<u>3,274,464</u>	<u>0</u>	<u>2,498</u>	<u>83,230</u>	<u>631,521</u>	<u>0</u>	<u>149</u>	<u>1</u>	<u>3,991,863</u>	<u>5,881,231</u>
Change in net assets without donor restrictions	<u>(493,465)</u>	<u>57,683</u>	<u>(2,498)</u>	<u>(83,229)</u>	<u>(349,669)</u>	<u>3,489</u>	<u>(149)</u>	<u>(1)</u>	<u>(867,839)</u>	<u>663,957</u>
Net assets without donor restrictions:										
Beginning	7,630,280	2,467,502	33,034	456,872	(2,180,338)	49,949	(477)	0	8,456,822	7,792,865
Transfers (to) from other Funds	<u>(59,306)</u>	<u>0</u>	<u>8,153</u>	<u>48,153</u>	<u>0</u>	<u>3,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending	<u>\$ 7,077,509</u>	<u>\$ 2,525,185</u>	<u>\$ 38,689</u>	<u>\$ 421,796</u>	<u>\$ (2,530,007)</u>	<u>\$ 56,438</u>	<u>\$ (626)</u>	<u>\$ (1)</u>	<u>\$ 7,588,983</u>	<u>\$ 8,456,822</u>