

**NEW YORK STATE PUBLIC EMPLOYEES FEDERATION  
AND SUBSIDIARY**

**Consolidated Financial Statements as of  
March 31, 2021 and 2020  
Together with  
Independent Auditor's Report**

**Bonadio & Co., LLP**  
Certified Public Accountants

## **INDEPENDENT AUDITOR'S REPORT**

August 4, 2021

To the Officers and Trustees of  
New York State Public Employees Federation and Subsidiary:

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of New York State Public Employees Federation (a nonprofit organization) and Subsidiary, which comprise the consolidated statements of financial position as of March 31, 2021 and 2020, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated 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 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 auditor's 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.

## **INDEPENDENT AUDITOR'S REPORT**

(Continued)

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of New York State Public Employees Federation and Subsidiary as of March 31, 2021 and 2020, and the changes in their net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Consolidating and Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in Schedules I and II is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and activities of the individual entities and is not a required part of the consolidated financial statements. The supplementary information in Schedules III and IV is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The consolidating and supplementary information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

# NEW YORK STATE PUBLIC EMPLOYEES FEDERATION AND SUBSIDIARY

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2021 and 2020

### ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 9,354,958	\$ 7,106,364
Investments	12,216,984	10,408,870
Membership dues receivable, net	174,122	1,017,993
Due from related parties and other receivables	1,615,796	1,509,617
Prepaid expenses	<u>438,317</u>	<u>371,848</u>
Total current assets	<u>23,800,177</u>	<u>20,414,692</u>
PROPERTY AND EQUIPMENT, NET	<u>4,684,462</u>	<u>1,971,404</u>
OTHER ASSETS:		
Restricted cash - COPE	101,467	97,461
Deposits	<u>324,892</u>	<u>324,723</u>
Total other assets	<u>426,359</u>	<u>422,184</u>
	<u>\$ 28,910,998</u>	<u>\$ 22,808,280</u>

### LIABILITIES AND NET ASSETS (DEFICIT)

#### CURRENT LIABILITIES:

Accounts payable	\$ 1,109,699	\$ 1,282,805
Capital lease obligation, current portion	77,533	21,449
Employee organizational leave	1,047,813	794,893
Accrued liabilities	1,672,463	1,479,403
Accrued vacation	<u>909,704</u>	<u>741,368</u>
Total current liabilities	<u>4,817,212</u>	<u>4,319,918</u>

#### LONG-TERM LIABILITIES

Capital lease obligation, net of current maturities	312,294	-
Accrued post-retirement benefits	<u>12,292,603</u>	<u>12,529,383</u>
Total long-term liabilities	<u>12,604,897</u>	<u>12,529,383</u>
Total liabilities	<u>17,422,109</u>	<u>16,849,301</u>

#### NET ASSETS (DEFICIT):

Net assets (deficit) without donor restrictions:		
Designated by board	6,989,185	6,070,807
Post-retirement costs recognized in net assets	(78,859)	(956,353)
Undesignated	<u>4,477,096</u>	<u>747,064</u>
Total net assets (deficit) without donor restrictions	11,387,422	5,861,518
Net assets with donor restrictions	<u>101,467</u>	<u>97,461</u>
Total net assets (deficit)	<u>11,488,889</u>	<u>5,958,979</u>
	<u>\$ 28,910,998</u>	<u>\$ 22,808,280</u>

The accompanying notes are an integral part of these statements.

# NEW YORK STATE PUBLIC EMPLOYEES FEDERATION AND SUBSIDIARY

## CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS FOR THE YEARS ENDED MARCH 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUES AND GAINS:		
Membership dues	\$ 35,902,820	\$ 36,242,228
Less:		
Divisional distributions	465,876	1,302,061
Per capita taxes, net	9,419,372	9,714,382
Affiliation dues	<u>299,492</u>	<u>298,012</u>
Net Membership dues	25,718,080	24,927,773
Other support:		
Interest and dividend income	203,020	212,431
Net unrealized and realized gains	1,461,099	146,904
Grant income	531,100	575,338
Advertising income	16,528	32,815
Other income	<u>963,566</u>	<u>1,164,134</u>
Total other support	<u>3,175,313</u>	<u>2,131,622</u>
Net assets released from restrictions:		
Satisfaction of program restrictions	<u>180,795</u>	<u>160,835</u>
Total revenues, gains and other support	<u>29,074,188</u>	<u>27,220,230</u>
EXPENSES:		
Salary and benefit expenses	18,825,042	18,186,307
Staff travel and related expenses	344,091	642,619
Program related expenses	653,494	2,641,272
Operating expenses	4,353,688	4,593,230
Depreciation	<u>249,463</u>	<u>285,375</u>
Total expenses	<u>24,425,778</u>	<u>26,348,803</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS BEFORE OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	4,648,410	871,427
OTHER CHANGES IN NET ASSETS:		
Post-retirement changes other than net periodic benefit costs	<u>877,494</u>	<u>(2,296,333)</u>
TOTAL CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>5,525,904</u>	<u>(1,424,906)</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions	184,801	152,750
Net assets released from restrictions	<u>(180,795)</u>	<u>(160,835)</u>
TOTAL CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>4,006</u>	<u>(8,085)</u>
TOTAL CHANGE IN NET ASSETS	5,529,910	(1,432,991)
NET ASSETS - beginning of year	<u>5,958,979</u>	<u>7,391,970</u>
NET ASSETS - end of year	<u>\$ 11,488,889</u>	<u>\$ 5,958,979</u>

The accompanying notes are an integral part of these statements.

NEW YORK STATE PUBLIC EMPLOYEES FEDERATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020

	2021			2020		
	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salary	\$ 9,664,381	\$ 1,294,910	\$ 10,959,291	\$ 8,901,823	\$ 1,315,020	\$ 10,216,843
Per capita	9,419,372	-	9,419,372	9,714,382	-	9,714,382
Benefits	5,268,915	1,131,946	6,400,861	5,221,463	1,154,946	6,376,409
Rent	1,077,888	37,556	1,115,444	1,031,958	41,031	1,072,989
Payroll taxes	823,617	133,024	956,641	739,175	201,195	940,370
Professional fees	528,868	125,474	654,342	819,673	141,373	961,046
Employee organizational leave	530,628	-	530,628	766,513	-	766,513
Union leave	508,249	-	508,249	656,384	-	656,384
Advertising	467,654	96	467,750	343,923	-	343,923
Division	465,876	-	465,876	1,302,061	-	1,302,061
Staff transportation	339,350	4,741	344,091	623,747	15,132	638,879
Affiliation	299,492	-	299,492	298,012	-	298,012
Legislative	274,490	-	274,490	170,189	-	170,189
Contributions	250,977	-	250,977	46,990	-	46,990
Depreciation	202,075	47,388	249,463	231,172	54,203	285,375
Telephone	143,376	55,623	198,999	148,623	48,209	196,832
COPE	180,795	-	180,795	160,835	-	160,835
Insurance	84,371	91,091	175,462	47,193	78,294	125,487
Arbitration	140,935	-	140,935	219,580	-	219,580
Maintenance and repair	147	136,301	136,448	573	134,790	135,363
Member meeting expense	122,852	14	122,866	1,868,202	6,546	1,874,748
Books & reference material	106,381	2,900	109,281	80,471	2,568	83,039
Reproduction	87,981	-	87,981	128,941	-	128,941
Office supplies	40,130	46,350	86,480	57,038	11,405	68,443
Utility	48,963	34,662	83,625	51,388	44,601	95,989
Computer fees	9,220	71,961	81,181	33,536	56,211	89,747
Postage	71,777	-	71,777	179,123	98,791	277,914
Scholarships	45,250	-	45,250	43,750	-	43,750
Steno and transcript fees	42,230	-	42,230	40,390	-	40,390
Loss on disposition of property and equipment	35,135	-	35,135	-	-	-
Janitorial & Security	29,387	2,991	32,378	89,583	18,783	108,366
Minor equipment purchases	7,074	15,168	22,242	17,062	9,474	26,536
Taxes	6,506	-	6,506	1,962	-	1,962
Equipment rental	510	-	510	4,369	-	4,369
Temporary hire	-	-	-	116,043	19,289	135,332
Miscellaneous	-	53,470	53,470	-	55,270	55,270
<b>Total</b>	<b>\$ 31,324,852</b>	<b>\$ 3,285,666</b>	<b>\$ 34,610,518</b>	<b>\$ 34,156,127</b>	<b>\$ 3,507,131</b>	<b>\$ 37,663,258</b>

The accompanying notes are an integral part of these statements.

## NEW YORK STATE PUBLIC EMPLOYEES FEDERATION AND SUBSIDIARY

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 5,529,910	\$ (1,432,991)
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	249,463	285,375
Loss on disposition of property and equipment	35,135	-
Net unrealized and realized gains	(1,461,099)	(146,904)
Changes in:		
Membership dues receivable	843,871	(163,564)
Due from related parties and other receivables	(106,179)	278,752
Prepaid expenses	(66,469)	163,032
Deposits	(169)	(4,889)
Accounts payable and other accrued liabilities	19,954	(1,042,525)
Employee organizational leave	252,920	(48,191)
Accrued vacation	168,336	33,160
Accrued postretirement benefits	(236,780)	2,876,687
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>5,228,893</b>	<b>797,942</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	(1,885,517)	(2,148,146)
Proceeds from sale of investments	1,538,501	2,059,458
Purchases of property and equipment	(2,997,655)	(1,282,122)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(3,344,671)</b>	<b>(1,370,810)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on capital lease obligation	(52,617)	(62,555)
Proceeds from purchase of capital lease obligation	420,995	-
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>368,378</b>	<b>(62,555)</b>
<b>CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	<b>2,252,600</b>	<b>(635,423)</b>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - beginning of year</b>	<b>7,203,825</b>	<b>7,839,248</b>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - end of year</b>	<b>\$ 9,456,425</b>	<b>\$ 7,203,825</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	<b>\$ 8,829</b>	<b>\$ 2,361</b>
<b>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH CONSISTS OF THE FOLLOWING:</b>		
Cash and cash equivalents	\$ 9,354,958	\$ 7,106,364
Restricted cash - COPE	101,467	97,461
	<b>\$ 9,456,425</b>	<b>\$ 7,203,825</b>

The accompanying notes are an integral part of these statements.

# NEW YORK STATE PUBLIC EMPLOYEES FEDERATION AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021 AND 2020

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### 1. THE ORGANIZATION

The New York State Public Employees Federation (PEF) is affiliated with the American Federation of Teachers (AFT) and the Service Employees International Union (SEIU). PEF is a self-governing unit representing predominantly the professional, scientific and technical employees of the State of New York.

PEF Land Holding Corporation was formed to hold title to the land and office building used to house PEF's headquarters.

The two companies, together, are hereafter referred to as the "Organization."

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting**

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

#### **Use of Estimates**

The preparation of consolidated financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates, particularly given the economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic, and such differences may be significant.

#### **Adoption of New Accounting Standard**

In May 2014, the FASB issued guidance (Accounting Standards Codification [ASC] 606, *Revenue from Contracts with Customers*) which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. ASC 606 is effective for annual reporting periods beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.

On April 1, 2020, the Organization adopted ASC 606 using the modified retrospective transition method of accounting. There was no effect on the consolidated financial statements as a result of the adoption of ASC 606. As part of the adoption, the Organization elected the transition practical expedients to apply to only those contracts which were not completed as of April 1, 2020 and to evaluate contract modifications in the aggregate on the transition date. Because the standard does not result in a change to the timing of performance obligation satisfaction, there is not a significant impact as a result of electing these practical expedients. Results for reporting periods beginning after April 1, 2020 are presented under ASC 606, while prior period amounts are not adjusted and continue to be reported in accordance with the Organization's historic accounting under ASC 605 "Revenue Recognition".



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Adoption of New Accounting Standard (Continued)**

The Organization has determined that the impact of transition to the new standard is not significant to the Organization's revenue recognition model. Accordingly, the Organization has not made an adjustment to opening net assets or other statement of financial position accounts.

### **Principles of Consolidation**

The consolidated financial statements include the accounts of PEF and its subsidiary, PEF Land Holding Corporation. PEF and PEF Land Holding Corporation have been consolidated because they have common control. The Executive Officers of the PEF Board of Directors are also the Officers for the PEF Land Holding Corporation. All significant intercompany transactions and balances have been eliminated.

PEF leases their operating facilities from PEF Land Holding Corporation

### **Cash and Cash Equivalents**

Cash and cash equivalents include cash and money market funds, with an original maturity of less than three months. The Organization's cash balances may at times exceed federally insured limits. The Organization has not experienced any losses in these accounts and believes they are not exposed to any significant risk with respect to cash and cash equivalents.

### **Restricted Cash**

Restricted cash represents COPE contributions received from members. These funds are segregated and forwarded to both AFT COPE and SEIU COPE.

### **Investments**

The Organization invests in various types of investment securities which are stated at fair value based on quoted market prices. Investment securities are exposed to various risks, such as interest rate, market, and credit risk. 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 that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Organization's gains and losses on investments bought and sold as well as held during the year.

### **Receivables**

Membership dues receivable, and other receivables are stated at the unpaid balances net of allowances for doubtful accounts. The carrying amount of the receivables is reduced by an allowance for doubtful accounts that reflects management's best estimate of the amounts that will not be collected. Management periodically evaluates uncollected receivables based on aging and balances. The allowance method is used for providing bad debts from receivables. Accounts are written-off when management determines they are uncollectible. Management reviewed the balances and believes an allowance of \$25,000 is reasonable as of March 31, 2021 and 2020.

Due from related parties and other receivables consists of amounts due from entities that share common members or from PEF members themselves.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Property and Equipment

Property and equipment are carried at cost. Depreciation is computed using the straight-line and accelerated methods, which are designed to amortize the cost of various classes of assets over their estimated useful lives. The ranges of estimated useful lives used in computing financial reporting depreciation are as follows:

Building and improvements	31.5 years
Furniture, fixtures and equipment	3-10 years
Automobiles	3-10 years
Computer equipment	3-10 years

Expenditures for maintenance, repairs, and renewals of relatively minor items are generally charged to expense as incurred while replacements of significant items are capitalized. The cost and accumulated depreciation of property items sold or retired are eliminated from the accounts, and the resulting profit or loss is included in income. On an on-going basis, the Organization assesses impairment of its property and records the appropriate adjustments, if necessary.

### Revenue Recognition

#### *Membership Dues*

The Organization derives its revenue primarily through the collection of dues from members using a standard percentage withheld of a members' annual compensation during each pay period worked and received by PEF each pay cycle. In return for their dues, members receive the following benefits, which are also the Organization's performance obligations: labor representation, meeting and convention education, labor education, monthly publications, and political actions in local, state, and federal governments. In accordance with Topic 606, revenue shall be recognized upon satisfaction of performance obligations. Therefore, revenue from member dues is recognized ratably over the course of the membership period as the related performance obligations are provided consistently throughout the period. The transaction price is the amount of consideration to which the Organization expects to be entitled in exchange for providing the member benefits, which are established in the Organization's policy manual.

The Organization records membership dues as revenue based on the amounts collected from members. The Organization is the primary affiliation for the members. A portion of the dues are payable to parent Organizations, affiliated divisions and regions, and labor councils as follows:

Divisional Distributions: Divisional Distributions represent allocations to local organizations of PEF members. Each division was allocated \$31.39 per member up to 200 members for both the years ended March 31, 2021 and 2020. For larger divisions, the distribution allocated in excess of 200 members was \$25.12 for both the years ended March 31, 2021 and 2020.

Per Capita Taxes: PEF is required to pay per capita taxes on a monthly basis to AFT and SEIU as a result of its affiliation with these organizations. Per capita taxes are presented net of the AFT constitutional rebates of \$146,752 and \$150,544 for the years ended March 31, 2021 and 2020, respectively.

Affiliation Dues: Affiliation dues are amounts paid by PEF to participate with other labor organizations in various labor councils in New York State.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Revenue Recognition (Continued)

#### *Grant Revenue*

The Organization completes applications of grants available for funding from New York State (NYS) programs offered through its various departments. In order to receive the funds, the Organization fulfills and maintains certain eligibility requirements listed out within the applicable grant agreements. Documentation detailing the compliance of these stipulations is submitted to the respective NYS departments for specific time periods, typically on a quarterly basis. The Organization recognizes revenue from grants ratably over the course of the relevant grant period, as the conditions are met.

#### *Shared Services Revenue*

A related entity, Public Employees Federation Member Benefits Program, utilizes a number of the Organization's employees from multiple departments to aid in the completion of administrative functions. The Organization bills the related entity monthly for a portion of each of the employees' salary, payroll taxes and benefits based on a percentage for each department agreed upon between the parties. Revenue is recognized from shared services over time, as the services are provided on a consistent basis throughout the period. The transaction price is the amount of consideration to which the Organization expects to be entitled in exchange for the services provided. Shared services revenue is included in other income on the consolidated statements of activities and changes in net assets.

#### *Advertising Income*

Advertising income is net of provision for doubtful accounts and in-kind charges. The Organization recognizes revenue at a point in time based on advertising provided at published rates.

### Timing of Revenue Recognition

Revenue by revenue recognition methodology was as follows for the years ending March 31:

	<u>2021</u>	<u>2020</u>
<u>Contract Revenue Types</u>		
Goods and services transferred over time	\$ 37,397,486	\$ 36,723,938
Goods and services transferred at a point in time	16,528	32,815
Revenue recognized outside the scope of ASC606	<u>1,664,119</u>	<u>1,617,097</u>
	<u>\$ 39,078,133</u>	<u>\$ 38,373,850</u>

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Contract Balances

The timing of revenue recognition may not align with the right to invoice the member. The Organization records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been earned, unearned revenue (a contract liability) is recorded. The beginning and ending contract balances were as follows at March 31:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Membership dues receivable, net	\$ 174,122	\$ 1,017,993	\$ 854,429
Due from related parties and other receivables	\$ 1,615,796	\$ 1,509,617	\$ 1,788,369
Unearned revenue	\$ -	\$ 2,051	\$ 277

### Contract with New York State

The majority of PEF's revenue is earned through dues remittances from professional, scientific and technical employees of the State of New York. The Organization's contract with New York State expired on March 31, 2019 and has not been renewed. Subsequent to March 31, 2021, an agreement was reached between the Organization and New York State formalizing a contract renewal from April 2, 2019 through April 1, 2023. The contract was ratified by the membership on July 27, 2021, and the agreement made final.

### Statement of Activities

The statement of activities is divided into operating and non-operating components. All revenue and expenses directly associated with the day-to-day operations are included in income or loss from operations.

### Functional Expenses

In the Statement of Functional Expenses, expenses have been reported by their functional classification, a method of grouping expenses according to the purpose for which they were incurred. The primary functional classifications are program services and management and general activities. Program services are the activities that result in services being provided to members that fulfill the purposes or mission for which the organization exists. Management and General activities are all activities of an organization, other than program services. Certain costs have been allocated among the programs and supporting services benefitted. Expenses are allocated to program and management and general based on where time and efforts are made and benefit received. Depreciation and certain building costs were allocated based on departmental square footage. Certain management and communication costs were based on departmental full time equivalent headcount.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Financial Reporting

The Organization reports its net assets and changes therein in the following classifications:

- Net Assets Without Donor Restrictions are net assets that are not subject to donor imposed stipulations and are therefore available for the support of the Organization's operational activities. In addition, net assets without donor restrictions include other resources designated by the Board for specific purposes. Designations include new contract campaigns, member mobilization or political action. Any change in designations requires approval by at least three-quarters of the Executive Board.
- Net Assets With Donor Restrictions are net assets whose use by the Organization is limited by donor imposed stipulations. This category of net assets represents donor-imposed restrictions that permit the Organization to use up or expend the donated assets as specified. These restrictions are satisfied either by the passage of time or by actions of the Organization.

### Union Agreements

A majority of the Organization's wages were paid to employees subject to a collective bargaining agreement. The union and expiration date of the collective bargaining agreement that cover applicable employees is as follows:

<u>Union</u>	<u>Expiration Date</u>
United Steelworkers, AFL-CIO, CLC Local 9265	June 30, 2022

### Advertising Costs

The Organization expenses advertising costs as incurred. The total advertising expense for the years ended March 31, 2021 and 2020 was \$467,750 and \$343,925, respectively.

### Tax Status

PEF is a not-for-profit unincorporated association and is exempt from income taxes as an organization qualified under Section 501(c)(5) of the Internal Revenue Code. The PEF Land Holding Corporation is exempt from federal income taxes under the provisions of Section 501(c)(2) of the Internal Revenue Code.

### Reclassifications

Certain reclassifications have been made to the prior year information to conform to the current year presentation.

### 3. LIQUIDITY

The Organization is substantially supported by membership dues. In addition, some support is received through grants from New York State and other private organizations which do not have donor restrictions. As of March 31, 2021 and 2020, the Organization has the following liquid resources available to meet cash needs for general expenditures within one year of the statement of financial position date:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash	\$ 9,354,958	\$ 7,106,364
Investments	12,216,984	10,408,870
Membership dues receivable, net	174,122	1,017,993
Due from related parties and other receivables	1,615,796	1,509,617
Restricted cash	<u>101,467</u>	<u>97,461</u>
 Total financial assets	 <u>23,463,327</u>	 <u>20,140,305</u>
Less: Assets unavailable for general expenditure		
Net assets with donor restrictions	(101,467)	(97,461)
Net assets designated by board	<u>(6,989,185)</u>	<u>(6,070,807)</u>
	 <u>(7,090,652)</u>	 <u>(6,168,268)</u>
 Total financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 16,372,675</u>	 <u>\$ 13,972,037</u>

The Organization has \$16,372,675 and \$13,972,037 of financial assets available within one year of the date of the statement of financial position to meet cash needs for general expenditures as of March 31, 2021 and 2020, respectively. The membership dues receivable, amounts due from related parties and other receivables, and other assets are subject to implied time restrictions, but are expected to be collected within one year.

### 4. INVESTMENTS

The Organization's investments are held at a brokerage firm and managed under a separate contract by an investment management company. The following presents the fair values of investments as of March 31:

	<u>2021</u>	<u>2020</u>
U.S Treasury notes and bills	\$ 7,788,869	\$ 7,876,616
GNMA pass-thru securities	55,683	65,102
Equity securities	4,181,231	2,381,069
Corporate bonds	<u>191,201</u>	<u>86,083</u>
 Total investments	 <u>\$ 12,216,984</u>	 <u>\$ 10,408,870</u>

## 5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at March 31:

	<u>2021</u>	<u>2020</u>
Land	\$ 165,905	\$ 165,905
Building	1,846,198	1,846,198
Building Improvements	672,544	672,544
Furniture, fixtures and equipment	851,017	653,728
Automobiles	70,715	73,389
Computer equipment	1,093,657	1,079,356
Construction in progress	<u>3,785,452</u>	<u>1,263,060</u>
	8,485,488	5,754,180
Less: Accumulated depreciation and amortization	<u>(3,801,026)</u>	<u>(3,782,776)</u>
Property and equipment, net	<u>\$ 4,684,462</u>	<u>\$ 1,971,404</u>

Depreciation and amortization expense amounted to \$249,463 and \$285,375 for the years ended March 31, 2021 and 2020, respectively.

## 6. POLITICAL ACTION FUND

PEF maintains a Political Action Fund (the Fund) from which political contributions are disbursed. Contributions are approved by PEF's Executive Board and funded from PEF's net assets without donor restrictions. The Fund is administered within PEF by the Legislative Department, which is also responsible for other lobbying activities.

## 7. EMPLOYEE BENEFIT PLANS

### Pension Plan Summary

Substantially all employees of PEF are eligible to participate in the Affiliates Officers and Employees Pension Plan of SEIU (the Pension Plan). The Pension Plan is a defined benefit multiemployer pension plan. Total pension expense was \$2,150,264 and \$2,252,248 for the years ended March 31, 2021 and 2020, respectively. These amounts are based upon a contribution rate of 21% of total eligible employee compensation. Actuarial and plan asset data relating to employees of PEF is not available.

## 7. EMPLOYEE BENEFIT PLANS (Continued)

### Pension Plan Summary (Continued)

The risks of participating in a multiemployer plan are different from a single-employer plan in the following aspects: (1) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers; (2) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; (3) if the Organization chooses to stop participating in the multiemployer plan, they may be required to pay the Pension Plan an amount based on the funded status of the plan, referred to as a withdrawal liability. The Organization currently has no intention of withdrawing from the multiemployer pension plan.

PEF's contributions to the Pension Plan do not represent more than 5% of total contributions to the Pension Plan.

The following table represents information about the Pension Plan as of and for the years ended March 31, 2021 and 2020, which is the most recent date for which the PPA zone status is available. The zone status is based on information received from the plan and is certified by the plan's actuary:

Pension Trust Fund	Employer Identification Number (Plan Number)	Pension Protection Act ("PPA") Certified Zone Status		FIP/RP Status Pending / Implemented	Contributions		Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
					3/31/2021	3/31/2020		
SEIU Affiliates Officers and Employees Pension Plan	52-0812348 (001)	Green	Green	N/A	\$ 2,150,264	\$ 2,252,248	N/A	6/30/2022

### Defined Contribution Plans

PEF also has two defined contribution plans covering all full-time employees with three (3) months of eligible service. Under the USWA plan, PEF shall make a 3% safe harbor contribution annually on behalf of each eligible employee. Under the Management Confidential plan, PEF shall make an employee matching contribution annually on behalf of each participant in an amount equal to 2% of the active participant's compensation contributed to the plan. In addition to the 2% matching contribution under the Management Confidential plan, those eligible employees covered under this plan will also receive a 3% safe harbor contribution. These amounts were negotiated in the USWA/PEF Contract and the Management Confidential benefit synopsis and approved by the Executive Board. The total retirement expense for the two defined contribution plans was \$374,290 and \$379,351 for the years ended March 31, 2021 and 2020, respectively.



## 8. ACCRUED POSTRETIREMENT BENEFITS

Retired PEF employees can convert unused sick leave to cash for the purpose of paying health insurance benefits. To be eligible, retiring employees must meet one of the three following criteria: sixty-five years of age and three years of service; fifty-five years of age and ten years of service; or age fifty and thirty years of service. PEF recognizes the cost of providing postretirement health insurance benefits by estimating the accumulated postretirement benefit. It is at least reasonably possible that this significant estimate will change within the next year.

In 2004, PEF established a Retiree Premium Fund and contributed a percentage of salary to a fund dedicated to assist retirees with payment of their health insurance premiums. PEF contributed into the fund until 2011 when the contractual obligation to contribute ceased. Beginning with the contract year commencing July 1, 2019, PEF is again required contribute a defined contribution of 1.0% of total gross compensation of the entire USWA bargaining unit into the Retiree Premium Fund for the period July 1, 2019 until June 30, 2020, and each year thereafter. The same will be done for the entire Management/Confidential employee unit.

Employees of the Public Employees Federation Membership Benefits Program (the Program) are covered under the postretirement health care benefit. PEF assumes all liability related to this benefit for its employees as well as the Program's employees. For years in which PEF makes benefit payments on behalf of Program employees, PEF will bill the Program for those costs.

The following table sets forth the plan's status reconciled with the amount shown in PEF's statements of financial position at March 31:

	<u>2021</u>	<u>2020</u>
Accumulated postretirement benefit obligation:		
Benefit obligation at beginning of year	\$ 12,529,383	\$ 9,652,696
Service cost	917,714	734,566
Interest cost	351,099	372,343
Medicare Part D Drug Subsidy	(9,633)	(10,597)
Benefits paid	(628,099)	(526,551)
Recognition of actuarial loss (gain)	<u>(867,861)</u>	<u>2,306,926</u>
Benefit obligation at end of year	<u>\$ 12,292,603</u>	<u>\$ 12,529,383</u>
Fair value of plan net assets at end of year	<u>\$ -</u>	<u>\$ -</u>
Accumulated postretirement benefit obligation: in excess of plan assets	<u>\$ 12,292,603</u>	<u>\$ 12,529,383</u>

## 8. ACCRUED POSTRETIREMENT BENEFITS (Continued)

The net periodic postretirement health care benefit cost for the years ended March 31, 2021 and 2020 consist of the following components:

	<u>2021</u>	<u>2020</u>
Service cost	\$ 917,714	\$ 734,566
Interest cost	<u>351,099</u>	<u>372,343</u>
Net periodic postretirement benefit cost	<u>\$ 1,268,813</u>	<u>\$ 1,106,909</u>

The expected effect of unamortized items in the unrestricted net assets in the next fiscal year is as follows:

Amortization of unrecognized prior service cost (credit)	<u>\$ -</u>
Amortization of unrecognized actuarial loss	<u>\$ -</u>

The assumptions used in the measurement of the Organization's net periodic benefit costs and benefit obligations are shown in the following table for the years ended March 31:

	<u>2021</u>	<u>2020</u>
Net periodic benefit cost for the year:		
Discount rate	3.03%	3.78%
Benefit obligation at year end:		
Discount rate	3.21%	3.03%

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage point change in the health care trend rates would have the following effects on the accrued postretirement benefit:

	<u>One Point Increase</u>	<u>One Point Decrease</u>
Effect on total of service and interest cost components	\$ 205,000	\$ (158,000)
Effect on postretirement benefit obligation	\$ 1,252,000	\$ (1,037,000)

The measurement date used to determine the 2021 amounts was March 31, 2021. The annual healthcare trend rate assumption used for fiscal year end 2021 is 7.0% (6.0% post 65) grading down by .25% each year until the ultimate rate of 4.0% is reached.

## 8. ACCRUED POSTRETIREMENT BENEFITS (Continued)

The following estimated benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

### Years Ending March 31,

2022	\$ 527,000
2023	535,000
2024	547,000
2025	560,000
2026	580,000
2027 to 2031	<u>3,096,000</u>
Total	<u>\$ 5,845,000</u>

The plan is unfunded and therefore, contributions equal benefits paid.

## 9. BOARD DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS AND NET ASSETS WITH DONOR RESTRICTIONS

Board Designated net assets without donor restrictions have been designated for the following purposes at March 31:

	<u>2021</u>	<u>2020</u>
Divisions	\$ 1,495,818	\$ 1,360,025
Contract fightback	<u>5,493,367</u>	<u>4,710,782</u>
Total board designated net assets	<u>\$ 6,989,185</u>	<u>\$ 6,070,807</u>

Net assets with donor restrictions at March 31, 2021 and 2020 are available for the following purposes:

	<u>2021</u>	<u>2020</u>
COPE:		
Political Contributions	<u>\$ 101,467</u>	<u>\$ 97,461</u>

Changes in net assets with donor restrictions for the years ended March 31, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
COPE:		
Contributions received with donor restrictions	<u>\$ 184,801</u>	<u>\$ 152,750</u>
Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose	<u>\$ 180,795</u>	<u>\$ 160,835</u>

## 10. COMMITMENTS AND CONTINGENCIES

### Leases

PEF has entered into a variety of leases, primarily for the use of office space and equipment, which are accounted for as operating leases. In addition, PEF has certain office and computer equipment leases that are accounted for as capital leases. Included within “furniture, fixtures and equipment” is equipment held under a capital lease with a cost basis of \$481,031 and \$291,951 and accumulated amortization of \$102,135 and \$262,756, as of March 31, 2021 and 2020, respectively. Future minimum payments under all noncancelable operating leases having initial terms in excess of one year at March 31, 2021 consist of the following:

	<u>Capital Leases</u>	<u>Operating Leases</u>
Year ending March 31:		
2022	\$ 95,473	861,555
2023	95,473	868,902
2024	95,473	899,310
2025	95,473	850,720
2026	55,692	814,916
Thereafter	<u>-</u>	<u>1,195,691</u>
Total	<u>\$ 437,584</u>	<u>\$ 5,491,094</u>
Less amounts representing interest:	<u>(47,757)</u>	
Present Value of Net Minimum Lease Payments	389,827	
Less: Current maturities of capital lease obligations	<u>(77,533)</u>	
Capital Lease Obligations, net of current maturities	<u>\$ 312,294</u>	

Total rental expense related to operating leases for the years ended March 31, 2021 and 2020 was \$1,115,444 and \$1,072,989, respectively. Lease agreements frequently include renewal options and require PEF to pay utilities, taxes, insurance and maintenance.

In accordance with accounting principles generally accepted in the United States of America, the leases have been recognized using the straight-line method resulting in a lease liability of \$257,280 and \$249,492 at March 31, 2021 and 2020, respectively.

On November 1, 2016, PEF entered into a standby letter of credit with a local financial institution in the amount of \$287,790. The letter of credit is to be used as a deposit relating to one of PEF’s office leases and lists the landlord as the beneficiary. If an event of default occurs or if PEF fails to vacate the premises and surrender possession thereof in accordance with the terms of the lease upon expiration of the lease, then in either such event the landlord may present letter of credit to the financial institution for payment. In accordance with the terms of the lease, the letter of credit may be reduced at a future point in time. The standby letter of credit is included in Other Assets in the statement of financial position as of March 31, 2021 and 2020.

## 10. COMMITMENTS AND CONTINGENCIES (Continued)

### **Litigation**

PEF has been named as a defendant in several lawsuits and claims. While the ultimate outcome of these actions cannot be predicted at this time, it is the opinion of management that the disposition of these lawsuits and claims will not have a material adverse effect on the financial position of PEF.

### **Health Insurance**

PEF provides health insurance benefits utilizing a self-funded plan that covers substantially all full-time employees. The liability for claims incurred and claims incurred but not reported was approximately \$75,000 for both the years ended March 31, 2021 and 2020.

PEF has purchased individual risk and excess risk stop-loss insurance to limit its exposure to claims in excess of specified amounts.

### **Supreme Court Ruling: Janus v. AFSCME**

The June 27, 2018 Supreme Court ruling that the application of public sector union fees to non-members is a violation of the First Amendment of the US Constitution, was anticipated by the Organization to pose risks to enrolling and retaining dues-paying members. Proactive membership engagement, budgetary allocations and policy measures undertaken prior to the ruling, and on-going initiatives continued to the present have largely mitigated adverse effects. The Organization remains vigilant to all such threats.

### **SEIU Obligation**

As part of the Organization's agreement with the Service Employees International Union (SEIU), PEF is obligated to contribute an amount equivalent to at least \$6.00 per member per year to support the overall SEIU political education and action program. If the Organization does not meet its annual fundraising obligation, it may be required to fund the deficiency plus an amount determined by the International Executive Board of SEIU. An agreement was reached between PEF and SEIU that removes PEF's obligation and penalty from prior years while PEF commits to reaching its annual COPE obligation by the end of 2022. The Organization does not believe that any financial settlement would be material.

### **Global Health Emergency**

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID - 19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The future impact of this situation on the Organization and its results and financial position is not presently determinable.

## 11. RELATED ORGANIZATIONS

PEF is affiliated with the following:

### **Public Employees Federation Membership Benefits Program (The Program)**

The Program was established to provide PEF members the opportunity to obtain various insurance and other benefits at group rates. The Program is outside the operations of PEF and is not included within the accompanying consolidated financial statements. PEF is not responsible for the debts of the Program and any remaining assets upon termination of the Program revert to the participating members and not to PEF.

## 11. RELATED ORGANIZATIONS (Continued)

### **Public Employees Federation Membership Benefits Program (Continued)**

PEF incurs costs on behalf of the Program, which are billed to the Program. Included in other, receivables at March 31, 2021 and 2020 are receivables from the Program of \$538,742 and \$734,067, respectively. Included in accounts payable at March 31, 2021 and 2020 are amounts due from PEF to the Program of \$0 and \$6,935, respectively.

### **PEF Travel**

PEF Travel was established by the Public Employees Federation Membership Benefits Program to offer discounted travel for members and staff. PEF Travel is outside the operations of PEF and is not included within the accompanying consolidated financial statements. PEF is not responsible for the debts of PEF Travel. During September 2020, PEF Travel was dissolved.

Included in other receivables at March 31, 2021 and 2020 are receivables from PEF Travel of \$0 and \$25,206, respectively. Included in accounts payable at March 31, 2021 and 2020 are amounts due from PEF to PEF Travel of \$0 and \$786, respectively.

### **Retirees' Fund**

The Retirees' Fund was established to provide various services, such as continuing insurance and seminars, to retired PEF members. This fund is outside the operations and control of PEF and is not included within the accompanying consolidated financial statements. PEF incurs various costs for payroll, benefits and office expenses on behalf of the Retirees' Fund, which it bills to the Retirees' Fund. Included in other receivables at March 31, 2021 and 2020 are receivables from the Retirees' Fund for \$24,175 and \$77,585, respectively.

### **PEF Relief Fund**

The PEF Relief Fund was established to provide contributions to members who are in need of assistance due to the occurrence of natural or manmade disasters. This fund is outside the operations and control of PEF and is not included within the accompanying financial statements. Included in other receivables at March 31, 2021 and 2020 are receivables from the PEF Relief Fund for \$79,956 and \$0, respectively.

## 12. FAIR VALUE MEASUREMENT

FASB ASC 820, *Fair Value Measurements and Disclosures* establishes a common definition for fair value to be applied to U.S. GAAP requiring use of fair value, establishes a framework for measuring fair value, and requires disclosure about such fair value measurements. FASB ASC 820 defines fair value as 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 (exit price). FASB ASC 820 classifies the inputs used to measure fair value into the following hierarchy:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, or unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs that are derived principally from or corroborated by observable market data by correlation or other means, or inputs other than quoted prices that are observable for the asset or liability;

Level 3: Unobservable inputs for the asset or liability based on the Company's own assumptions.

## 12. FAIR VALUE MEASUREMENT (Continued)

The methods described above may produce a fair value estimate that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while PEF believes its valuation methodologies 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. During the years ended March 31, 2021 and 2020, there were no changes in the valuation methodologies used to determine fair value.

Fair values of assets measured on a recurring basis at March 31, 2021 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S Treasury notes and bills	\$ -	\$ 7,788,869	\$ -	\$ 7,788,869
GNMA pass-thru securities	-	55,683	-	55,683
Equity securities	4,181,231	-	-	4,181,231
Corporate bonds	-	191,201	-	191,201
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets at fair value	<u>\$ 4,181,231</u>	<u>\$ 8,035,753</u>	<u>\$ -</u>	<u>\$ 12,216,984</u>

Fair values of assets measured on a recurring basis at March 31, 2020 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S Treasury notes and bills	\$ -	\$ 7,876,616	\$ -	\$ 7,876,616
GNMA pass-thru securities	-	65,102	-	65,102
Equity securities	2,381,069	-	-	2,381,069
Corporate Bonds	-	86,083	-	86,083
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets at fair value	<u>\$ 2,381,069</u>	<u>\$ 8,027,801</u>	<u>\$ -</u>	<u>\$ 10,408,870</u>

## 13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 4, 2021, which is the date these consolidated financial statements were available to be issued.

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2021**

	2021			
	New York State Public Employees Federation	PEF Land Holding Corporation	Eliminations	Consolidated
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$ 9,354,958	\$ -	\$ -	\$ 9,354,958
Investments	12,216,984	-	-	12,216,984
Membership dues receivable, net	174,122	-	-	174,122
Due from related parties and other receivables	1,615,796	-	-	1,615,796
Prepaid expenses	438,317	-	-	438,317
Total current assets	<u>23,800,177</u>	<u>-</u>	<u>-</u>	<u>23,800,177</u>
PROPERTY AND EQUIPMENT, NET	<u>4,517,619</u>	<u>166,843</u>	<u>-</u>	<u>4,684,462</u>
<b>OTHER ASSETS:</b>				
Investment in PEF Land Holding Corporation	166,843	-	(166,843)	-
Restricted cash	101,467	-	-	101,467
Deposits	324,892	-	-	324,892
Total other assets	<u>593,202</u>	<u>-</u>	<u>(166,843)</u>	<u>426,359</u>
Total assets	<u>\$ 28,910,998</u>	<u>\$ 166,843</u>	<u>\$ (166,843)</u>	<u>\$ 28,910,998</u>
<b>LIABILITIES AND NET ASSETS (DEFICIT)</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable	1,109,699	-	-	1,109,699
Capital lease obligation, current portion	77,533	-	-	77,533
Employee organizational leave	1,047,813	-	-	1,047,813
Other accrued liabilities	1,672,463	-	-	1,672,463
Accrued vacation	909,704	-	-	909,704
Total current liabilities	<u>4,817,212</u>	<u>-</u>	<u>-</u>	<u>4,817,212</u>
<b>LONG-TERM LIABILITIES:</b>				
Capital lease obligation, net of current maturities	312,294	-	-	312,294
Accrued post-retirement benefits	12,292,603	-	-	12,292,603
Total long-term liabilities	<u>12,604,897</u>	<u>-</u>	<u>-</u>	<u>12,604,897</u>
Total liabilities	<u>17,422,109</u>	<u>-</u>	<u>-</u>	<u>17,422,109</u>
<b>NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS:</b>				
Designated by board	6,989,185	-	-	6,989,185
Post-retirement costs recognized in net assets	(78,859)	-	-	(78,859)
Undesignated	4,477,096	166,843	(166,843)	4,477,096
Total net assets (deficit) without donor restrictions	11,387,422	166,843	(166,843)	11,387,422
NET ASSETS WITH DONOR RESTRICTIONS	<u>101,467</u>	<u>-</u>	<u>-</u>	<u>101,467</u>
TOTAL NET ASSETS (DEFICIT)	<u>11,488,889</u>	<u>166,843</u>	<u>(166,843)</u>	<u>11,488,889</u>
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	<u>\$ 28,910,998</u>	<u>\$ 166,843</u>	<u>\$ (166,843)</u>	<u>\$ 28,910,998</u>

The accompanying notes are an integral part of these schedules.



**CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2021**

	2021			
	<u>New York State Public Employees Federation</u>	<u>PEF Land Holding Corporation</u>	<u>Eliminations</u>	<u>Consolidated</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:				
REVENUE AND GAINS:				
Membership dues	\$ 35,902,820	\$ -	\$ -	\$ 35,902,820
Less:				
Divisional distributions	465,876	-	-	465,876
Per capita taxes, net	9,419,372	-	-	9,419,372
Affiliation dues	299,492	-	-	299,492
Net membership dues	<u>25,718,080</u>	<u>-</u>	<u>-</u>	<u>25,718,080</u>
OTHER SUPPORT:				
Interest and dividend income	203,020	-	-	203,020
Net unrealized and realized gains (losses)	1,461,099	-	-	1,461,099
Grant income	531,100	-	-	531,100
Advertising income, net	16,528	-	-	16,528
Rental income	-	131,613	(131,613)	-
Other income	963,566	-	-	963,566
Net income (loss) of subsidiary	(54)	-	54	-
Total other support	<u>3,175,259</u>	<u>131,613</u>	<u>(131,559)</u>	<u>3,175,313</u>
NET ASSETS RELEASED FROM RESTRICTIONS:				
Satisfaction of program restrictions	180,795	-	-	180,795
Total revenues, gains and other support	<u>29,074,134</u>	<u>131,613</u>	<u>(131,559)</u>	<u>29,074,188</u>
EXPENSES:				
Salary and benefit expenses	18,825,042	-	-	18,825,042
Staff travel and related expenses	344,091	-	-	344,091
Program related expenses	653,494	-	-	653,494
Operating expenses	4,353,688	122,781	(122,781)	4,353,688
Depreciation	249,409	54	-	249,463
Interest expense	-	8,830	(8,830)	-
Total expenses	<u>24,425,724</u>	<u>131,665</u>	<u>(131,611)</u>	<u>24,425,778</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS BEFORE OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	4,648,410	(52)	52	4,648,410
OTHER CHANGES IN NET ASSETS:				
Post-retirement charges other than net periodic benefit costs	877,494	-	-	877,494
TOTAL CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>5,525,904</u>	<u>(52)</u>	<u>52</u>	<u>5,525,904</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS				
Contributions	184,801	-	-	184,801
Net assets released from restrictions	(180,795)	-	-	(180,795)
TOTAL CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS	<u>4,006</u>	<u>-</u>	<u>-</u>	<u>4,006</u>
TOTAL CHANGE IN NET ASSETS	5,529,910	(52)	52	5,529,910
NET ASSETS (DEFICIT) - beginning of year	5,958,979	166,895	(166,895)	5,958,979
NET ASSETS (DEFICIT) - end of year	<u>\$ 11,488,889</u>	<u>\$ 166,843</u>	<u>\$ (166,843)</u>	<u>\$ 11,488,889</u>

The accompanying notes are an integral part of these schedules.

**CONSOLIDATED SCHEDULE OF EXPENSES  
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020**

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	<u>2021</u>	<u>2020</u>
SALARY AND BENEFIT EXPENSES:		
Salaries	\$ 10,959,291	\$ 10,216,843
Health insurance	3,663,525	3,565,010
Pension expense	2,150,264	2,252,248
Payroll taxes	956,641	940,412
Union leave	508,249	656,384
401(k) plan	374,290	379,351
Term life insurance	114,904	119,171
Long-term disability	47,374	46,589
Dependent care	43,989	1,300
Tuition reimbursement	6,515	8,999
	<hr/>	<hr/>
Total salary and benefit expenses	<u>\$ 18,825,042</u>	<u>\$ 18,186,307</u>
STAFF TRAVEL AND RELATED BENEFITS:		
Automobile expense	\$ 250,588	\$ 271,404
Staff travel	93,503	371,215
	<hr/>	<hr/>
Total staff travel and related benefits	<u>\$ 344,091</u>	<u>\$ 642,619</u>
PROGRAM RELATED EXPENSES:		
Employee organizational leave	\$ 530,628	\$ 766,519
Program related travel	122,866	1,874,753
	<hr/>	<hr/>
Total program related expenses	<u>\$ 653,494</u>	<u>\$ 2,641,272</u>

**CONSOLIDATED STATEMENTS OF OPERATING EXPENSES  
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020**


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	<u>2021</u>	<u>2020</u>
OPERATING EXPENSES:		
Office rent and parking	\$ 1,115,444	\$ 1,072,989
Professional and consultant fees	654,309	961,046
Advertising	467,750	343,925
Political and associated contributions	274,490	170,189
Charitable and other contributions	250,974	46,992
Telephone and communications	198,999	196,834
COPE expense	180,795	160,835
Insurance	175,462	125,489
Arbitration	140,935	219,580
Maintenance and repairs	136,448	135,362
Books and reference material	109,283	82,423
Office supplies	86,482	68,441
Utilities	83,625	95,991
Computer fees	81,182	89,748
Postage	71,780	277,909
Minor equipment purchases	57,378	26,538
Printing	53,375	99,797
Scholarships	45,250	43,750
Steno and transcript fees	42,230	40,391
Reproduction	34,610	29,147
Janitorial	32,378	108,366
Real estate taxes	6,506	1,962
Equipment rental	510	4,369
Outside temporary hires	-	135,330
Photographic supplies	-	619
Miscellaneous	53,493	55,208
	<hr/>	<hr/>
Total operating expenses	<u>\$ 4,353,688</u>	<u>\$ 4,593,230</u>