

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

**Consolidated Financial Statements as of
March 31, 2022 and 2021
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

August 23, 2022

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

Opinion

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, 2022 and 2021, 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.

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, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New York State Public Employees Federation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about New York State Public Employees Federation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

INDEPENDENT AUDITOR'S REPORT

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of New York State Public Employees Federation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New York State Public Employees Federation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 on Schedules I thru IV is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of the individual companies and are 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 information has been subjected to the auditing procedures applied in the audit 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 financial statements as a whole.

NEW YORK STATE PUBLIC EMPLOYEES FEDERATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION MARCH 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 9,307,479	\$ 9,354,958
Investments	13,472,996	12,216,984
Membership dues receivable, net	308,804	174,122
Due from related parties and other receivables	2,353,732	1,615,796
Prepaid expenses	<u>547,881</u>	<u>438,317</u>
Total current assets	<u>25,990,892</u>	<u>23,800,177</u>
PROPERTY AND EQUIPMENT, NET	<u>4,905,192</u>	<u>4,684,462</u>
OTHER ASSETS:		
Restricted cash - COPE	89,636	101,467
Deposits	<u>322,424</u>	<u>324,892</u>
Total other assets	<u>412,060</u>	<u>426,359</u>
	<u>\$ 31,308,144</u>	<u>\$ 28,910,998</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 655,531	\$ 1,109,699
Capital lease obligation, current portion	81,548	77,533
Employee organizational leave	350,000	1,047,813
Accrued liabilities	1,464,171	1,672,463
Accrued vacation	<u>1,021,285</u>	<u>909,704</u>
Total current liabilities	<u>3,572,535</u>	<u>4,817,212</u>
LONG-TERM LIABILITIES		
Capital lease obligation, net of current maturities	230,746	312,294
Accrued post-retirement benefits	<u>12,293,906</u>	<u>12,292,603</u>
Total long-term liabilities	<u>12,524,652</u>	<u>12,604,897</u>
Total liabilities	<u>16,097,187</u>	<u>17,422,109</u>
NET ASSETS:		
Net assets (deficit) without donor restrictions:		
Designated by board	7,420,334	6,989,185
Post-retirement costs recognized in net assets	459,354	(78,859)
Undesignated	<u>7,241,633</u>	<u>4,477,096</u>
Total net assets without donor restrictions	15,121,321	11,387,422
Net assets with donor restrictions	<u>89,636</u>	<u>101,467</u>
Total net assets	<u>15,210,957</u>	<u>11,488,889</u>
	<u>\$ 31,308,144</u>	<u>\$ 28,910,998</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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUES AND GAINS:		
Membership dues	\$ 38,609,753	\$ 35,902,820
Less:		
Divisional distributions	913,682	465,876
Per capita taxes, net	9,108,154	9,419,372
Affiliation dues	293,910	299,492
Net membership dues	<u>28,294,007</u>	<u>25,718,080</u>
Other support:		
Interest and dividend income	210,167	203,020
Net unrealized and realized gains (losses)	(89,329)	1,461,099
Grant income	521,174	531,100
Advertising income	31,039	16,528
Other income	1,050,922	963,566
Total other support	<u>1,723,973</u>	<u>3,175,313</u>
Net assets released from restrictions:		
Satisfaction of program restrictions	194,701	180,795
Total revenues, gains and other support	<u>30,212,681</u>	<u>29,074,188</u>
EXPENSES:		
Salary and benefit expenses	20,169,135	18,825,042
Staff travel and related expenses	530,040	344,091
Program related expenses	787,683	653,494
Operating expenses	5,058,089	4,353,688
Depreciation	472,048	249,463
Total expenses	<u>27,016,995</u>	<u>24,425,778</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS BEFORE OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	3,195,686	4,648,410
OTHER CHANGES IN NET ASSETS:		
Post-retirement changes other than net periodic benefit costs	538,213	877,494
TOTAL CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>3,733,899</u>	<u>5,525,904</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions	182,870	184,801
Net assets released from restrictions	(194,701)	(180,795)
TOTAL CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>(11,831)</u>	<u>4,006</u>
TOTAL CHANGE IN NET ASSETS	3,722,068	5,529,910
NET ASSETS - beginning of year	11,488,889	5,958,979
NET ASSETS - end of year	<u>\$ 15,210,957</u>	<u>\$ 11,488,889</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, 2022 AND 2021

	2022			2021		
	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 10,292,646	\$ 1,166,852	\$ 11,459,498	\$ 9,664,381	\$ 1,294,910	\$ 10,959,291
Per capita	9,108,156	-	9,108,156	9,419,372	-	9,419,372
Benefits	5,618,646	1,581,675	7,200,321	5,268,915	1,131,946	6,400,861
Member meeting expense	1,219,736	-	1,219,736	122,852	14	122,866
Rent	1,078,655	27,676	1,106,331	1,077,888	37,556	1,115,444
Professional fees	951,169	124,490	1,075,659	528,868	125,474	654,342
Payroll taxes	870,120	85,282	955,402	823,617	133,024	956,641
Division	913,682	-	913,682	465,876	-	465,876
Advertising	546,994	17,422	564,416	467,654	96	467,750
Union leave	555,466	-	555,466	508,249	-	508,249
Staff transportation	515,461	13,014	528,475	339,350	4,741	344,091
Depreciation	359,161	112,885	472,046	202,075	47,388	249,463
Computer fees	9,097	306,615	315,712	9,220	71,961	81,181
Affiliation	293,910	-	293,910	299,492	-	299,492
Arbitration	212,941	-	212,941	140,935	-	140,935
Telephone	110,323	97,824	208,147	143,376	55,623	198,999
COPE	194,701	-	194,701	180,795	-	180,795
Postage	150,324	18,967	169,291	71,777	-	71,777
Reproduction	198,040	(32,229)	165,811	87,981	-	87,981
Insurance	84,970	69,661	154,631	84,371	91,091	175,462
Office supplies	58,638	77,741	136,379	40,130	46,350	86,480
Legislative	122,535	-	122,535	274,490	-	274,490
Books & reference material	98,888	942	99,830	106,381	2,900	109,281
Utility	28,185	64,499	92,684	48,963	34,662	83,625
Janitorial & Security	77,981	13,070	91,051	29,387	2,991	32,378
Maintenance and repair	4,005	64,161	68,166	147	136,301	136,448
Minor equipment purchases	17,381	45,764	63,145	7,074	15,168	22,242
Temporary hire	58,954	-	58,954	-	-	-
Scholarships	45,200	-	45,200	45,250	-	45,250
Steno and transcript fees	31,077	-	31,077	42,230	-	42,230
Contributions	10,883	-	10,883	250,977	-	250,977
Taxes	7,806	-	7,806	6,506	-	6,506
Equipment rental	375	-	375	510	-	510
Loss on disposition of property and equipment	-	-	-	35,135	-	35,135
Employee organizational leave	(427,674)	-	(427,674)	530,628	-	530,628
Miscellaneous	2,468	55,530	57,998	-	53,470	53,470
Total	\$ 33,420,900	\$ 3,911,841	\$ 37,332,741	\$ 31,324,852	\$ 3,285,666	\$ 34,610,518

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 YEARS ENDED MARCH 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 3,722,068	\$ 5,529,910
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	472,048	249,463
Loss on disposition of property and equipment	-	35,135
Net unrealized and realized gains	89,329	(1,461,099)
Changes in:		
Membership dues receivable	(134,682)	843,871
Due from related parties and other receivables	(737,936)	(106,179)
Prepaid expenses	(109,564)	(66,469)
Deposits	2,468	(169)
Accounts payable and other accrued liabilities	(662,460)	19,954
Employee organizational leave	(697,813)	252,920
Accrued vacation	111,581	168,336
Accrued postretirement benefits	1,303	(236,780)
NET CASH FLOW FROM OPERATING ACTIVITIES	2,056,342	5,228,893
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(4,504,842)	(1,885,517)
Proceeds from sale of investments	3,159,501	1,538,501
Purchases of property and equipment	(692,778)	(2,997,655)
NET CASH FLOW FROM INVESTING ACTIVITIES	(2,038,119)	(3,344,671)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on capital lease obligation	(77,533)	(52,617)
Proceeds from purchase of capital lease obligation	-	420,995
NET CASH FLOW FROM FINANCING ACTIVITIES	(77,533)	368,378
CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(59,310)	2,252,600
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - beginning of year	9,456,425	7,203,825
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - end of year	\$ 9,397,115	\$ 9,456,425
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ 17,939	\$ 8,829
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH CONSIST OF THE FOLLOWING:		
Cash and cash equivalents	\$ 9,307,479	\$ 9,354,958
Restricted cash - COPE	89,636	101,467
	\$ 9,397,115	\$ 9,456,425

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, 2022 AND 2021

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2022 and 2021.

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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2022 and 2021. For larger divisions, the distribution allocated in excess of 200 members was \$25.12 for both the years ended March 31, 2022 and 2021.

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 \$142,454 and \$146,752 for the years ended March 31, 2022 and 2021, respectively.

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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

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>2022</u>	<u>2021</u>
<u>Contract Revenue Types</u>		
Goods and services transferred over time	\$ 39,660,675	\$ 37,397,486
Goods and services transferred at a point in time	31,039	16,528
Revenue recognized outside the scope of ASC606	<u>642,012</u>	<u>1,664,119</u>
	<u>\$ 40,333,726</u>	<u>\$ 39,078,133</u>

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>2022</u>	<u>2021</u>	<u>2020</u>
Membership dues receivable, net	<u>\$ 308,804</u>	<u>\$ 174,122</u>	<u>\$ 1,017,993</u>
Due from related parties and other receivables	<u>\$ 2,353,732</u>	<u>\$ 1,615,796</u>	<u>\$ 1,509,617</u>
Unearned revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,051</u>

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. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

Most 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

Although the expiration date has passed and contract negotiations continue, PEF is committed to complying with the terms of the expired agreement until a new agreement is reached.

Advertising Costs

The Organization expenses advertising costs as incurred. The total advertising expense for the years ended March 31, 2022 and 2021 was \$568,807 and \$467,750, 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 statements 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, 2022 **and 2021**, 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>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 9,307,479	\$ 9,354,958
Investments	13,472,996	12,216,984
Membership dues receivable, net	308,804	174,122
Due from related parties and other receivables	2,353,732	1,615,796
Restricted cash	<u>89,636</u>	<u>101,467</u>
Total financial assets	<u>25,532,647</u>	<u>23,463,327</u>
Less: Assets unavailable for general expenditure		
Net assets with donor restrictions	(89,636)	(101,467)
Net assets designated by board	<u>(7,420,334)</u>	<u>(6,989,185)</u>
	<u>(7,509,970)</u>	<u>(7,090,652)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 18,022,677</u>	<u>\$ 16,372,675</u>

The Organization has \$18,022,677 and \$16,372,675 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, 2022 **and 2021**, 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>2022</u>	<u>2021</u>
U.S Treasury notes and bills	\$ 8,982,694	\$ 7,788,869
GNMA pass-thru securities	42,251	55,683
Equity securities	4,313,609	4,181,231
Corporate bonds	<u>134,442</u>	<u>191,201</u>
	<u>\$ 13,472,996</u>	<u>\$ 12,216,984</u>

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at March 31:

	<u>2022</u>	<u>2021</u>
Land	\$ 165,905	\$ 165,905
Building	1,846,198	1,846,198
Building Improvements	3,626,332	672,544
Furniture, fixtures and equipment	868,458	851,017
Automobiles	70,715	70,715
Computer equipment	2,600,656	1,093,657
Construction in progress	<u>-</u>	<u>3,785,452</u>
	9,178,264	8,485,488
Less: Accumulated depreciation and amortization	<u>(4,273,072)</u>	<u>(3,801,026)</u>
Property and equipment, net	<u>\$ 4,905,192</u>	<u>\$ 4,684,462</u>

Depreciation and amortization expense amounted to \$472,048 and \$249,463 for the years ended March 31, 2022 **and 2021**, 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 \$2,266,121 and \$2,150,264 for the years ended March 31, 2022 and 2021, 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.

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.

7. EMPLOYEE BENEFIT PLANS (Continued)

Pension Plan Summary (Continued)

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, 2022 **and 2021**, 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
		Green	Yellow		3/31/2022	3/31/2021		
SEIU Affiliates Officers and Employees Pension Plan	52-0812348 (001)	Green	Green	N/A	\$ 2,266,121	\$ 2,150,264	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 \$393,767 and \$374,290 for the years ended March 31, 2022 **and 2021**, 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.

8. ACCRUED POSTRETIREMENT BENEFITS (Continued)

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>2022</u>	<u>2021</u>
Accumulated postretirement benefit obligation:		
Benefit obligation at beginning of year	\$ 12,292,602	\$ 12,529,382
Service cost	823,766	917,714
Interest cost	419,509	351,099
Medicare Part D Drug Subsidy	(7,981)	(9,633)
Benefits paid	(703,758)	(628,099)
Recognition of actuarial loss (gain)	<u>(530,232)</u>	<u>(867,861)</u>
Benefit obligation at end of year	<u>\$ 12,293,906</u>	<u>\$ 12,292,602</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>\$ 12,293,906</u>	<u>\$ 12,292,602</u>

The net periodic postretirement health care benefit cost for the years ended March 31, 2022 and 2021 consist of the following components:

	<u>2022</u>	<u>2021</u>
Service cost	\$ 823,766	\$ 917,714
Interest cost	<u>419,509</u>	<u>351,099</u>
Net periodic postretirement benefit cost	<u>\$ 1,243,275</u>	<u>\$ 1,268,813</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>

8. ACCRUED POSTRETIREMENT BENEFITS (Continued)

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>2022</u>	<u>2021</u>
Net periodic benefit cost for the year:		
Discount rate	3.21%	3.03%
Benefit obligation at year end:		
Discount rate	4.20%	3.21%

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	\$ 178,000	\$ (144,000)
Effect on postretirement benefit obligation	\$ 1,226,000	\$ (1,038,000)

The measurement date used to determine the 2022 amounts was March 31, 2022. The annual healthcare trend rate assumption used for fiscal year end 2022 is 7.0% (6.0% post 65) grading down by .25% each year until the ultimate rate of 4.0% is reached.

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

Years Ending March 31,

2023	\$ 487,000
2024	515,000
2025	576,000
2026	606,000
2027	661,000
2028 to 2032	<u>3,544,000</u>
Total	<u>\$ 6,389,000</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>2022</u>	<u>2021</u>
Divisions	\$ 1,362,201	\$ 1,495,818
Contract fightback	<u>6,058,133</u>	<u>5,493,367</u>
Total board designated net assets	<u>\$ 7,420,334</u>	<u>\$ 6,989,185</u>

Net assets with donor restrictions at March 31, 2022 **and 2021** are available for the following purposes:

	<u>2022</u>	<u>2021</u>
COPE:		
Political Contributions	<u>\$ 89,636</u>	<u>\$ 101,467</u>

Changes in net assets with donor restrictions for the years ended March 31, 2022 **and 2021** consisted of the following:

	<u>2022</u>	<u>2021</u>
COPE:		
Contributions received with donor restrictions	<u>\$ 182,870</u>	<u>\$ 184,801</u>
Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose	<u>\$ 194,701</u>	<u>\$ 180,795</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 accumulated amortization of \$186,334 and \$102,135, as of March 31, 2022 and 2021, respectively. Future minimum payments under all noncancelable operating leases having initial terms in excess of one year at March 31, 2022 consist of the following:

	<u>Capital Leases</u>	<u>Operating Leases</u>
Year ending March 31:		
2023	\$ 95,473	902,980
2024	95,473	934,229
2025	95,473	941,401
2026	55,692	852,091
2027	-	695,207
Thereafter	<u>-</u>	<u>500,484</u>
Total	342,111	<u>\$ 4,826,392</u>
Less amounts representing interest:	<u>(29,817)</u>	
Present Value of Net Minimum Lease Payments	312,294	
Less: Current maturities of capital lease obligations	<u>(81,548)</u>	
Capital Lease Obligations, net of current maturities	<u>\$ 230,746</u>	

Total rental expense related to operating leases for the years ended March 31, 2022 and 2021 was \$1,106,332 and \$1,115,444, 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 \$265,633 and \$257,280 at March 31, 2022 and 2021, 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, 2022 and 2021.

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, 2022 and 2021.

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, 2022 and 2021, are receivables from the Program of \$912,660 and \$538,742, respectively. Included in accounts payable at March 31, 2022 and 2021 are amounts due from PEF to the Program of \$17,393 and \$0, 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, 2022 and 2021 are receivables from the Retirees' Fund for \$71,404 and \$24,175, respectively. Included in accounts payable at March 31, 2022 and 2021 are amounts due from PEF to the Retirees' Fund of \$4,230 and \$0, 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, 2022 and 2021 are receivables from the PEF Relief Fund for \$81,956 and \$79,956, 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. 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, 2022 and 2021, there were no changes in the valuation methodologies used to determine fair value.

12. FAIR VALUE MEASUREMENT (Continued)

Fair values of assets measured on a recurring basis at March 31, 2022 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S Treasury notes and bills	\$ -	\$ 8,982,694	\$ -	\$ 8,982,694
GNMA pass-thru securities	-	42,251	-	42,251
Equity securities	4,313,609	-	-	4,313,609
Corporate bonds	-	134,442	-	134,442
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets at fair value	<u>\$ 4,313,609</u>	<u>\$ 9,159,387</u>	<u>\$ -</u>	<u>\$ 13,472,996</u>

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>

13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 23, 2022, which is the date these consolidated financial statements were available to be issued.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
MARCH 31, 2022

	2022			
	New York State Public Employees Federation	PEF Land Holding Corporation	Eliminations	Consolidated
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 9,307,479	\$ -	\$ -	\$ 9,307,479
Investments	13,472,996	-	-	13,472,996
Membership dues receivable, net	308,804	-	-	308,804
Due from related parties and other receivables	2,353,732	-	-	2,353,732
Prepaid expenses	547,881	-	-	547,881
Total current assets	<u>25,990,892</u>	<u>-</u>	<u>-</u>	<u>25,990,892</u>
PROPERTY AND EQUIPMENT, NET	<u>4,738,403</u>	<u>166,789</u>	<u>-</u>	<u>4,905,192</u>
OTHER ASSETS:				
Investment in PEF Land Holding Corporation	166,789	-	(166,789)	-
Restricted cash	89,636	-	-	89,636
Deposits	322,424	-	-	322,424
Total other assets	<u>578,849</u>	<u>-</u>	<u>(166,789)</u>	<u>412,060</u>
Total assets	<u>\$ 31,308,144</u>	<u>\$ 166,789</u>	<u>\$ (166,789)</u>	<u>\$ 31,308,144</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Accounts payable	655,531	-	-	655,531
Capital lease obligation, current portion	81,548	-	-	81,548
Employee organizational leave	350,000	-	-	350,000
Other accrued liabilities	1,464,171	-	-	1,464,171
Accrued vacation	1,021,285	-	-	1,021,285
Total current liabilities	<u>3,572,535</u>	<u>-</u>	<u>-</u>	<u>3,572,535</u>
LONG-TERM LIABILITIES:				
Capital lease obligation, net of current maturities	230,746	-	-	230,746
Accrued post-retirement benefits	12,293,906	-	-	12,293,906
Total long-term liabilities	<u>12,524,652</u>	<u>-</u>	<u>-</u>	<u>12,524,652</u>
Total liabilities	<u>16,097,187</u>	<u>-</u>	<u>-</u>	<u>16,097,187</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS:				
Designated by board	7,420,334	-	-	7,420,334
Post-retirement costs recognized in net assets	459,354	-	-	459,354
Undesignated	7,241,633	166,789	(166,789)	7,241,633
Total net assets without donor restrictions	15,121,321	166,789	(166,789)	15,121,321
NET ASSETS WITH DONOR RESTRICTIONS	<u>89,636</u>	<u>-</u>	<u>-</u>	<u>89,636</u>
TOTAL NET ASSETS	<u>15,210,957</u>	<u>166,789</u>	<u>(166,789)</u>	<u>15,210,957</u>
Total liabilities and net assets	<u>\$ 31,308,144</u>	<u>\$ 166,789</u>	<u>\$ (166,789)</u>	<u>\$ 31,308,144</u>

The accompanying notes are an integral part of these schedules.

**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2022**

	2022			
	New York State Public Employees Federation	PEF Land Holding Corporation	Eliminations	Consolidated
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:				
REVENUE AND GAINS:				
Membership dues	\$ 38,609,753	\$ -	\$ -	\$ 38,609,753
Less:				
Divisional distributions	913,682	-	-	913,682
Per capita taxes, net	9,108,154	-	-	9,108,154
Affiliation dues	293,910	-	-	293,910
Net membership dues	28,294,007	-	-	28,294,007
OTHER SUPPORT:				
Interest and dividend income	210,167	-	-	210,167
Net unrealized and realized gains (losses)	(89,329)	-	-	(89,329)
Grant income	521,174	-	-	521,174
Advertising income, net	31,039	-	-	31,039
Rental income	-	141,814	(141,814)	-
Other income	1,050,922	-	-	1,050,922
Net income (loss) of subsidiary	(54)	-	54	-
Total other support	1,723,919	141,814	(141,760)	1,723,973
NET ASSETS RELEASED FROM RESTRICTIONS:				
Satisfaction of program restrictions	194,701	-	-	194,701
Total revenues, gains and other support	30,212,627	141,814	(141,760)	30,212,681
EXPENSES:				
Salary and benefit expenses	20,169,135	-	-	20,169,135
Staff travel and related expenses	530,040	-	-	530,040
Program related expenses	787,683	-	-	787,683
Operating expenses	5,058,089	123,874	(123,874)	5,058,089
Depreciation	471,994	54	-	472,048
Interest expense	-	17,940	(17,940)	-
Total expenses	27,016,941	141,868	(141,814)	27,016,995
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS BEFORE OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
	3,195,686	(54)	54	3,195,686
OTHER CHANGES IN NET ASSETS:				
Post-retirement charges other than net periodic benefit costs	538,213	-	-	538,213
TOTAL CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	3,733,899	(54)	54	3,733,899
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS				
Contributions	182,870	-	-	182,870
Net assets released from restrictions	(194,701)	-	-	(194,701)
TOTAL CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS	(11,831)	-	-	(11,831)
TOTAL CHANGE IN NET ASSETS	3,722,068	(54)	54	3,722,068
NET ASSETS - beginning of year	11,488,889	166,843	(166,843)	11,488,889
NET ASSETS - end of year	\$ 15,210,957	\$ 166,789	\$ (166,789)	\$ 15,210,957

**CONSOLIDATED SCHEDULE OF EXPENSES
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
SALARY AND BENEFIT EXPENSES:		
Salaries	\$ 11,459,500	\$ 10,959,291
Health insurance	4,319,650	3,663,525
Pension expense	2,266,121	2,150,264
Payroll taxes	955,407	956,641
Union leave	555,465	508,249
401(k) plan	393,767	374,290
Term life insurance	118,227	114,904
Long-term disability	49,062	47,374
Dependent care	51,936	43,989
Tuition reimbursement	-	6,515
	<hr/>	<hr/>
Total salary and benefit expenses	<u>\$ 20,169,135</u>	<u>\$ 18,825,042</u>
STAFF TRAVEL AND RELATED BENEFITS:		
Automobile expense	\$ 272,920	\$ 250,588
Staff travel	<u>257,120</u>	<u>93,503</u>
	<hr/>	<hr/>
Total staff travel and related benefits	<u>\$ 530,040</u>	<u>\$ 344,091</u>
PROGRAM RELATED EXPENSES:		
Employee organizational leave	\$ (427,667)	\$ 530,628
Program related travel	<u>1,215,350</u>	<u>122,866</u>
	<hr/>	<hr/>
Total program related expenses	<u>\$ 787,683</u>	<u>\$ 653,494</u>

**CONSOLIDATED STATEMENTS OF OPERATING EXPENSES
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
OPERATING EXPENSES:		
Office rent and parking	\$ 1,106,332	\$ 1,115,444
Professional and consultant fees	1,075,663	654,309
Advertising	568,807	467,750
Computer fees	315,714	81,182
Arbitration	212,941	140,935
Telephone and communications	208,149	198,999
COPE expense	194,701	180,795
Postage	169,294	71,780
Insurance	154,632	175,462
Printing	151,999	53,375
Office supplies	136,379	86,482
Political and associated contributions	122,535	274,490
Books and reference material	99,004	109,283
Utilities	92,684	83,625
Janitorial	91,051	32,378
Maintenance and repairs	68,167	136,448
Minor equipment purchases	63,522	57,378
Outside temporary hires	58,955	-
Scholarships	45,200	45,250
Steno and transcript fees	31,078	42,230
Reproduction	13,810	34,610
Charitable and other contributions	10,883	250,974
Real estate taxes	7,807	6,506
Photographic supplies	825	-
Equipment rental	-	510
Miscellaneous	57,957	53,493
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Total operating expenses	<u>\$ 5,058,089</u>	<u>\$ 4,353,688</u>