NEW YORK STATE PUBLIC EMPLOYEES FEDERATION AND SUBSIDIARY

Consolidated Financial Statements as of
March 31, 2023 and 2022
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

August 22, 2023

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, 2023 and 2022, 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, 2023 and 2022, 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 Subsidiary 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.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the New York State Public Employees Federation and Subsidiary adopted Accounting Standards Codification 842, *Leases*, as of April 1, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the 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 and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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INDEPENDENT AUDITOR'S REPORT
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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 and Subsidiary'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 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 thru 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 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 consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Bonadio & Co., LLP

NEW YORK STATE PUBLIC EMPLOYEES FEDERATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 8,019,087	$ 9,307,479
Investments	13,156,148	13,472,996
Membership dues receivable, net	480,171	308,804
Due from related parties and other receivables	4,457,851	2,353,732
Prepaid expenses	388,359	547,881
Total current assets	26,501,616	25,990,892
PROPERTY AND EQUIPMENT, NET	4,476,723	4,905,192
OTHER ASSETS:		
Operating lease right-of-use assets	3,573,609	-
Restricted cash - COPE	93,290	89,636
Deposits	322,457	322,424
Total other assets	3,989,356	412,060
	$ 34,967,695	$ 31,308,144
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 1,699,322	$ 655,531
Current portion of finance lease liability	85,770	81,548
Current portion of operating lease liability	848,305	-
Employee organizational leave	252,397	350,000
Accrued liabilities	1,472,892	1,464,171
Accrued vacation	911,086	1,021,285
Total current liabilities	5,269,772	3,572,535
LONG-TERM LIABILITIES		
Finance lease liabilities, net of current portion	144,976	230,746
Operating lease liabilities, net of current portion	2,975,303	-
Accrued post-retirement benefits	11,730,598	12,293,906
Total long-term liabilities	14,850,877	12,524,652
Total liabilities	20,120,649	16,097,187
NET ASSETS:		
Net assets without donor restrictions:		
Designated by board	7,112,807	7,420,334
Post-retirement costs recognized in net assets	1,397,521	459,354
Undesignated	6,243,428	7,241,633
Total net assets without donor restrictions	14,753,756	15,121,321
Net assets with donor restrictions	93,290	89,636
Total net assets	14,847,046	15,210,957
	$ 34,967,695	$ 31,308,144

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, 2023 AND 2022

	2023	2022
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUES, GAINS, AND OTHER SUPPORT:		
Membership dues	$ 37,825,805	$ 38,609,753
Less:		
Divisional distributions	1,269,256	913,682
Per capita taxes, net	9,097,582	9,108,154
Affiliation dues	295,348	293,910
Net membership dues	27,163,619	28,294,007
Other support:		
Interest and dividend income	240,891	210,167
Grant income	593,139	521,174
Advertising income	15,170	31,039
Other income	1,396,900	1,050,922
Total other support	2,246,100	1,813,302
Net assets released from restrictions:		
Satisfaction of program restrictions	208,497	194,701
Total revenues, gains, and other support	29,618,216	30,302,010
EXPENSES:		
Salary and benefit expenses	20,195,006	19,749,626
Staff travel and related expenses	778,848	530,040
Program related expenses	2,182,244	787,683
Operating expenses	5,788,258	5,058,089
Depreciation	630,036	472,048
Total expenses	29,574,392	26,597,486
CHANGES IN NET ASSETS FROM OPERATIONS	43,824	3,704,524
NON-OPERATING EXPENSES:		
Other components of net periodic post-retirement expense	(485,183)	(419,509)
Investment losses, net	(864,373)	(89,329)
CHANGE IN NET ASSETS BEFORE OTHER CHANGES IN NET ASSETS	(1,305,732)	3,195,686
OTHER CHANGES IN NET ASSETS:		
Post-retirement changes other than net periodic benefit costs	938,167	538,213
TOTAL CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(367,565)	3,733,899
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions	212,151	182,870
Net assets released from restrictions	(208,497)	(194,701)
TOTAL CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	3,654	(11,831)
TOTAL CHANGE IN NET ASSETS	(363,911)	3,722,068
NET ASSETS - beginning of year	15,210,957	11,488,889
NET ASSETS - end of year	$ 14,847,046	$ 15,210,957

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, 2023 AND 2022

	2023			2022		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Salaries	$ 10,447,052	$ 1,061,815	$ 11,508,867	$ 10,292,646	$ 1,166,852	$ 11,459,498
Per capita	9,097,537	-	9,097,537	9,108,156	-	9,108,156
Benefits	5,398,447	1,706,898	7,105,345	5,737,350	1,581,675	7,319,025
Member meetings expense	2,285,765	-	2,285,765	1,219,736	-	1,219,736
Divisional distributions	1,269,256	-	1,269,256	913,682	-	913,682
Professional fees	1,040,950	123,248	1,164,198	951,169	124,490	1,075,659
Rent	1,046,285	32,278	1,078,563	1,078,655	27,676	1,106,331
Payroll taxes	866,168	170,410	1,036,578	870,120	85,282	955,402
Staff transportation	752,636	24,417	777,053	515,461	13,014	528,475
Depreciation	510,421	119,614	630,035	359,161	112,885	472,046
Union leave	546,443	-	546,443	555,466	-	555,466
Advertising	515,308	21,777	537,085	546,994	17,422	564,416
Legislative	444,400	-	444,400	122,535	-	122,535
Computer fees	26,499	347,591	374,090	9,097	306,615	315,712
Arbitration	372,983	-	372,983	212,941	-	212,941
Affiliation dues	295,348	-	295,348	293,910	-	293,910
Insurance	141,111	89,589	230,700	84,970	69,661	154,631
COPE	208,497	-	208,497	194,701	-	194,701
Telephone	100,018	102,504	202,522	110,323	97,824	208,147
Postage	114,638	70,181	184,819	150,324	18,967	169,291
Temporary hires	139,617	1,041	140,658	58,954	-	58,954
Office supplies	67,901	62,649	130,550	58,638	77,741	136,379
Utility	50,856	72,523	123,379	28,185	64,499	92,684
Janitorial and security	100,836	18,455	119,291	77,981	13,070	91,051
Books and reference material	96,169	2,550	98,719	98,888	942	99,830
Reproduction	116,595	(27,667)	88,928	198,040	(32,229)	165,811
Maintenance and repair	2,452	68,774	71,226	4,005	64,161	68,166
Contributions	62,480	-	62,480	10,883	-	10,883
Scholarships	46,500	-	46,500	45,200	-	45,200
Steno and transcript fees	40,657	-	40,657	31,077	-	31,077
Minor equipment purchases	10,895	8,385	19,280	17,381	45,764	63,145
Equipment rental	1,133	-	1,133	375	-	375
Taxes	1,120	-	1,120	7,806	-	7,806
Employee organizational leave	(97,603)	-	(97,603)	(427,674)	-	(427,674)
Miscellaneous	5,908	34,268	40,176	2,468	55,530	57,998
Total	$ 36,125,278	$ 4,111,300	$ 40,236,578	$ 33,539,604	$ 3,911,841	$ 37,451,445

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, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (363,911)	$ 3,722,068
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation and amortization	630,036	472,048
Gain on disposition of property and equipment	(8,813)	-
Net depreciation (appreciation) of investments	864,373	89,329
Changes in operating assets and liabilities:		
Membership dues receivable	(171,367)	(134,682)
Due from related parties and other receivables	(2,104,119)	(737,936)
Prepaid expenses	159,522	(109,564)
Operating lease expense	249,999	-
Deposits	(33)	2,468
Accounts payable and other accrued liabilities	1,052,512	(662,460)
Employee organizational leave	(97,603)	(697,813)
Accrued vacation	(110,199)	111,581
Accrued postretirement benefits	(563,308)	1,303
Net cash flow from operating activities	(462,911)	2,056,342
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(4,293,195)	(4,504,842)
Proceeds from sale of investments	3,745,668	3,159,501
Proceeds from sale of property and equipment	17,086	-
Purchases of property and equipment	(209,838)	(692,778)
Net cash flow from investing activities	(740,279)	(2,038,119)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on finance lease obligation	(81,548)	(77,533)
Net cash flow from financing activities	(81,548)	(77,533)
CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(1,284,738)	(59,310)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - beginning of year	9,397,115	9,456,425
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - end of year	$ 8,112,377	$ 9,397,115
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$ 13,925	$ 17,939
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH CONSIST OF THE FOLLOWING:		
Cash and cash equivalents	$ 8,019,087	$ 9,307,479
Restricted cash - COPE	93,290	89,636
	$ 8,112,377	$ 9,397,115

The accompanying notes are an integral part of these statements.

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 (GAAP).

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.

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.

Recently Adopted Accounting Guidance – Leases
In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) 842, *Leases* to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Guidance - Leases (Continued)

The Organization adopted the standard effective April 1, 2022 using the modified retrospective approach and comparative financial information has not been restated. In addition, lease disclosures for the year ended March 31, 2022 are made under prior lease guidance in FASB ASC 840.

The Organization elected the available practical expedients to account for the existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on April 1, 2022 operating lease liabilities of $4,447,431 and operating ROU assets of $4,447,431. The standard did not have an impact on the statements of activities and change in net assets or cash flows.

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 Committee of Political Education (COPE) contributions received from members. These funds are segregated and forwarded to both American Federation of Teachers (AFT) COPE and Service Employees International Union (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 was reasonable as of March 31, 2023 and 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables (Continued)
Due from related parties consist of amount due from entities that share common members or from PEF members themselves, see Note 11 for additional information regarding related party receivables.

Other receivables consist of amounts due from the Organization's insurance carrier for claims incurred and paid and reimbursable under a self-funded plan.

Property and Equipment
Property and equipment are carried at cost. Depreciation is computed using 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 GAAP, 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:

<u>Divisional Distributions:</u> 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, 2023 and 2022. For larger divisions, the distribution allocated in excess of 200 members was $25.12 for both the years ended March 31, 2023 and 2022.

<u>Per Capita Taxes:</u> 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 $138,311 and $142,454 for the years ended March 31, 2023 and 2022, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Membership Dues (Continued)

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 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 ended March 31:

	2023	2022
Contract Revenue Types		
Goods and services transferred over time	$ 39,222,705	$ 39,660,675
Goods and services transferred at a point in time	15,170	31,039
Revenue recognized outside the scope of ASC 606	(30,343)	642,012
	$ 39,207,532	$ 40,333,726

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:

	2023	2022	2021
Membership dues receivable, net	$ 480,171	$ 308,804	$ 174,122
Due from related parties and other receivables	$ 4,457,851	$ 2,353,732	$ 1,615,796

Leases

The Organization determines if an arrangement is a lease at inception. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The lease may include renewal and termination options, which are included in the lease term when the Organization is reasonably certain to exercise these options.

For all underlying classes of assets, the Organization has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes fixed short-term lease cost on a straight-line basis over the lease term and variable lease cost in the period in which the obligation is incurred.

The Organization elected for all classes of underlying assets, to use the risk-free rate as the discount rate if the implicit rate in the lease contract is not readily determinable. Variable lease costs paid to or on behalf of the lessor, consisting mainly of property taxes, maintenance expense and insurance, are excluded from the measurement of the ROU asset and lease liability and are expensed in the period incurred.

The Organization elected for all classes of underlying assets to not separate the lease and non-lease components of a contract and to account for as a single lease component.

In evaluating contracts to determine is they qualify as a lease, the Organization considers factors such as if the Organization obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used, and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Subsequent to April 1, 2023, the Organization reached agreement on a new contract expiring March 31, 2026. The contract was ratified during July 2023.

Statement of Activities and Change in Net Assets

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 change in net assets from operating activities. Revenues associated with realized and unrealized gains and losses on investments and charges related to other components of net periodic post-retirement costs are reported on the statements of activities and change in net assets as non-operating.

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:

Union	Expiration Date
United Steelworkers, AFL-CIO, CLC Local 9265	June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Union Agreements (Continued)

Although the expiration date has passed, negotiations continue between United Steelworkers, AFL-CIO, CLC Local 9265 and PEF. United Steelworkers, AFL-CIO, CLC Local 9265 and PEF are committed to complying with the terms of the expired collective bargaining 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, 2023 and 2022 was $543,472 and $568,807, 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.

Financial Instruments Measured at Fair Value

The Organization uses various valuation techniques in determining fair value and classifies into a three-level hierarchy based on the nature of the inputs. Level 1 valuations are based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Level 2 valuations are based on inputs, other than quoted prices included within Level 1 that are observable either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement. The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

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, 2023 and 2022, the Organization has the following financial assets available to meet cash needs for general expenditures within one year of the statement of financial position date:

3. LIQUIDITY (Continued)

	2023	2022
Financial assets:		
Cash and cash equivalents	$ 8,019,087	$ 9,307,479
Investments	13,156,148	13,472,996
Membership dues receivable, net	480,171	308,804
Due from related parties and other receivables	4,457,851	2,353,732
Restricted cash	93,290	89,636
Total financial assets	26,206,547	25,532,647
Less: Assets unavailable for general expenditure		
Net assets with donor restrictions	(93,290)	(89,636)
Net assets designated by board	(7,112,807)	(7,420,334)
Total financial assets available to meet cash needs for general expenditures within one year	$ 19,000,450	$ 18,022,677

The Organization has $18,907,160 and $18,022,677 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, 2023 and 2022, 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:

	2023	2022
U.S Treasury notes and bills	$ 9,131,264	$ 8,982,694
GNMA pass-thru securities	33,908	42,251
Equity securities	3,818,249	4,313,609
Corporate bonds	172,727	134,442
	$ 13,156,148	$ 13,472,996

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at March 31:

	2023	2022
Land	$ 165,905	$ 165,905
Building	1,846,198	1,846,198
Building improvements	3,634,832	3,626,332
Furniture, fixtures, and equipment	912,425	868,458
Automobiles	172,272	70,715
Computer equipment	2,643,343	2,600,656
	9,374,975	9,178,264
Less: Accumulated depreciation and amortization	(4,898,252)	(4,273,072)
Property and equipment, net	$ 4,476,723	$ 4,905,192

Depreciation and amortization expense amounted to $630,036 and $472,048 for the years ended March 31, 2023 and 2022, respectively.

6. LEASES

The Organization leases certain office spaces under operating leases that expire between June 2025 and June 2030, however the Organization has an option to extend the leases for up to 5 years.

The Organization has a finance lease for various copy, print and fax equipment through October 2025, at which time title will transfer to the Organization.

The components of total lease cost for the year ended March 31, 2023 are as follows:

Operating lease expense	$ 693,610
Variable lease expense	1,120
Finance lease cost:	
Amortization of the right-of-use-asset	84,199
	$ 778,929

6. LEASES (Continued)

Supplemental cash flow information related to leases for the year ended March 31, 2023 are as follows:

Cash paid for amounts included in the measurement of leases liabilities	
Operating cash flows from operating leases	$ 693,610
Financing cash flows from finance leases	95,473
Total	$ 789,083
ROU assets obtained in exchange for lease obligations:	
Operating leases	$ 4,447,431
Total	$ 4,447,431

Other information related to leases as of March 31, 2023 is as follows:

Finance leases	2.58 years
Weighted-average discount rate - operating leases	
Operating leases	2.51%
Finance leases	5.06%

The following summarizes the lease line items in the consolidated statement of financial position as of March 31, 2023:

Finance leases:	
Property and equipment	$ 420,995
Accumulated depreciation and amortization	(210,498)
Right-of-use asset - finance, net	$ 210,497
Current portion of finance lease liabilities	$ 85,770
Finance lease liabilities, net of current portion	144,976
Total finance lease liabilities	$ 230,746

6. LEASES (Continued)

Maturities of lease liabilities are as follows for the years ending March 31:

	Operating	Finance
2024	$ 935,280	$ 95,473
2025	943,300	95,473
2026	872,071	55,692
2027	752,001	-
2028	409,263	-
Thereafter	223,053	-
Total undiscounted cash flows	4,134,968	246,638
Less: Present value discount	(311,360)	(15,892)
Total lease liabilities	$ 3,823,608	$ 230,746

Maturities of lease liabilities as of March 31, 2022 were as follows:

For the years ending March 31,:	Operating	Finance
2023	$ 902,980	$ 95,473
2024	934,229	95,473
2025	941,401	95,473
2026	852,091	55,692
2027	695,207	-
Thereafter	500,484	-
Total	$ 4,826,392	342,111
Less: Amounts representing interest		(29,817)
Present value of net minimum lease payments		312,294
Less: Current portion of capital lease obligations		(81,548)
Capital lease obligations, net of current portion		$ 230,746

7. 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.

8. 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 $2,327,330 and $2,266,121 for the years ended March 31, 2023 and 2022, 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.

8. EMPLOYEE BENEFIT PLANS (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, 2023 and 2022, 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
					3/31/2023	3/31/2022		
SEIU Affiliates Officers and Employees Pension Plan	52-0812348 (001)	Green 12/31/21	Green 12/31/20	N/A	$ 2,327,330	$ 2,266,121	N/A	6/30/2022

Defined Contribution Plans

PEF also has two defined contribution plans covering all full-time employees with 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 $415,069 and $393,767 for the years ended March 31, 2023 and 2022, respectively.

9. 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: 65 years of age and three years of service; 55 years of age and ten years of service; or age 50 and 30 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.

9. ACCRUED POSTRETIREMENT BENEFITS (Continued)

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 to 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 funded status reconciled with the amount shown in PEF's statements of financial position at March 31:

	2023	2022
Accumulated postretirement benefit obligation:		
Benefit obligation at beginning of year	$ 12,293,906	$ 12,292,602
Service cost	660,294	823,766
Interest cost	485,183	419,509
Medicare Part D Drug Subsidy	(7,680)	(7,981)
Benefits paid	(770,622)	(703,758)
Recognition of actuarial gain	(930,483)	(530,232)
Benefit obligation at end of year	11,730,598	12,293,906
Fair value of plan net assets at end of year	-	-
Accumulated postretirement benefit obligation: in excess of plan assets	$ 11,730,598	$ 12,293,906

The net periodic postretirement health care benefit cost for the years ended March 31, 2023 and 2022 consist of the following components:

	2023	2022
Service cost	$ 660,294	$ 823,766
Interest cost	485,183	419,509
Net periodic postretirement benefit cost	$ 1,145,477	$ 1,243,275

9. ACCRUED POSTRETIREMENT BENEFITS (Continued)

The amounts not yet recognized as components of net periodic benefit costs are as follows:

Amounts not yet recognized as components of		
net periodic post-retirement cost:		
Prior service cost	$ -	$ -
Actuarial gain	(1,397,521)	(459,354)
Total unrecognized amounts	$ (1,397,521)	$ (459,354)

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	$ -
Amortization of unrecognized actuarial gain	$ (14,000)

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

	2023	2022
Net periodic benefit cost for the year:		
Discount rate	4.20%	3.21%
Benefit obligation at year end:		
Discount rate	4.71%	4.20%

The service cost component of net periodic post-retirement benefit costs are included in operating expenses as part of administrative costs within other employee compensation costs. The other components of the net periodic post-retirement benefit costs are classified as non-operating expenses on the face of the statement of activities and changes in net assets.

Changes in Actuarial Assumptions

The following changes in actuarial assumptions have been implemented for the year ended March 31, 2023:

- The mortality assumption was revised to the sex-distinct Pri.H-2012 Mortality Tables for employees, healthy retirees, and contingent survivors, adjusted for mortality improvements with the MP-2021 mortality improvement scale on a generational basis. This change was made based on a review of recently published studies and the demographics of the plan. The revised assumption resulted in an increase in liabilities.

- The discount rate was changed from 4.20% to 4.70%. The change in the discount rate resulted in a decrease in liabilities of approximately $824,000.

- The annual rate of increase in healthcare costs was revised to better reflect future expectations, including updating long-term rates based on the SOA Long Term Healthcare Cost Trends Model v2022_fa (the Getzen model). A review of published Nation trend survey data in relation to the retiree health plan offerings was the basis for this change. The revised assumption resulted in an increase in liabilities of approximately $106,000.

9. ACCRUED POSTRETIREMENT BENEFITS (Continued)

Changes in Actuarial Assumptions (Continued)
All other methods and assumptions used in the actuarial valuation of the Organization's postretirement benefit plan as of March 31, 2023 are the same as those used during the prior period.

The following estimated benefit payments, which reflect expected future service, as appropriate, are expected to be paid during the years ended March 31:

2024	537,000
2025	605,000
2026	617,000
2027	682,000
2028	715,000
2029 to 2033	3,543,000
Total	$ 6,699,000

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

10. BOARD DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS AND NET WITH DONOR RESTRICTIONS

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

	2023	2022
Divisions	$ 1,197,145	$ 1,362,201
Contract fightback	5,915,662	6,058,133
Total board designated net assets	$ 7,112,807	$ 7,420,334

Net assets with donor restrictions at March 31, 2023 and 2022 are available for the following purposes:

	2023	2022
COPE:		
Political Contributions	$ 93,290	$ 89,636

10. BOARD DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS AND NET WITH DONOR RESTRICTIONS (Continued)

Changes in net assets with donor restrictions for the years ended March 31, 2023 and 2022 consisted of the following:

	2023	2022
COPE:		
Contributions received with donor restrictions	$ 212,151	$ 182,870
Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose	$ 208,497	$ 194,701

11. COMMITMENTS AND CONTINGENCIES

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 $200,000 and $75,000 for the years ended March 31, 2023 and 2022, respectively.

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
During 2018, the U.S. Supreme Court ruled that the collection of financial core fees from nonmembers in the public sector is a violation of the First Amendment of the United States Constitution. At this time, the Organization is not aware of any lawsuits regarding the *Janus* decision that directly impact PEF.

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 2023. The Organization does not believe that any financial settlement would be material.

12. RELATED ORGANIZATIONS

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.

PEF incurs costs on behalf of the Program, which are billed to the Program. Included in other receivables at March 31, 2023 and 2022, are receivables from the Program of $881,191 and $912,660, respectively. Included in accounts payable at March 31, 2023 and 2022 are amounts due from PEF to the Program of $400 and $17,393, 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, 2023 and 2022 are receivables from the Retirees' Fund for $91,381 and $71,404, respectively. Included in accounts payable at March 31, 2023 and 2022 are amounts due from PEF to the Retirees' Fund of $4,356 and $4,230, 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, 2023 and 2022 are receivables from the PEF Relief Fund for $77,700 and $81,956, respectively.

13. FAIR VALUE MEASUREMENT

The following is a description of the valuation methodologies used for assets measured at fair value.

U.S. Government Treasury notes and bills – Fair value is based on the present value of the bond's or fund's future interest payments and the final value upon maturity.

Government National Mortgage Association (GNMA) pass-thru securities – Fair value is based on inputs corroborated from and benchmarked to observed prices of recent securitization transactions of similar securities with adjustments incorporating an evaluation of various factors, including prepayment speeds, default rates and cash flow structures. GNMA project loan bonds and mortgage-backed securities are categorized within Level 2 of the fair value hierarchy.

Equity Securities – Fair value is determined by discounting the related cash flows based on effective annual yields as outlined in the funding agreement with the custodian.

Corporate Bonds – Valued using Level 2 inputs based on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

13. FAIR VALUE MEASUREMENT (Continued)

Fair values of assets measured on a recurring basis at March 31, 2023 are as follows:

	Level 1	Level 2	Level 3	Total
U.S Treasury notes and bills	$ -	$ 9,131,264	$ -	$ 9,131,264
GNMA pass-thru securities	-	33,908	-	33,908
Equity securities	3,818,249	-	-	3,818,249
Corporate bonds	-	172,727	-	172,727
	$ 3,818,249	$ 9,337,899	$ -	$ 13,156,148

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

	Level 1	Level 2	Level 3	Total
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
	$ 4,313,609	$ 9,159,387	$ -	$ 13,472,996

Fair value of the Organization's U.S. Treasury notes and bills, GNMA pass-thru securities, equity securities, and corporate bonds are derived using the market approach and relevant market-driven data, which includes using market price quotes corroborated by recently executed transactions observable in the market. In addition, the valuation of bonds is calculated at the present value of the bond's future interest payments and the bond's value upon maturity.

14. SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 22, 2023, which is the date these consolidated financial statements were available to be issued.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
MARCH 31, 2023

ASSETS	New York State Public Employees Federation	PEF Land Holding Corporation	Eliminations	Consolidated
CURRENT ASSETS:				
Cash and cash equivalents	$ 8,019,087	$ -	$ -	$ 8,019,087
Investments	13,156,148	-	-	13,156,148
Membership dues receivable, net	480,171	-	-	480,171
Due from related parties and other receivables	4,457,851	-	-	4,457,851
Prepaid expenses	388,359	-	-	388,359
Total current assets	26,501,616	-	-	26,501,616
PROPERTY AND EQUIPMENT, NET	4,309,988	166,735	-	4,476,723
OTHER ASSETS:				
Operating lease right-of-use assets	3,573,609	-	-	3,573,609
Investment in PEF Land Holding Corporation	166,735	-	(166,735)	-
Restricted cash	93,290	-	-	93,290
Deposits	322,457	-	-	322,457
Total other assets	4,156,091	-	(166,735)	3,989,356
Total assets	$ 34,967,695	$ 166,735	$ (166,735)	$ 34,967,695
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Accounts payable	$ 1,699,322	$ -	$ -	$ 1,699,322
Current portion of finance lease liability	85,770	-	-	85,770
Current portion of operating lease liability	848,305	-	-	848,305
Employee organizational leave	252,397	-	-	252,397
Other accrued liabilities	1,472,892	-	-	1,472,892
Accrued vacation	911,086	-	-	911,086
Total current liabilities	5,269,772	-	-	5,269,772
LONG-TERM LIABILITIES:				
Finance lease liabilities, net of current portion	144,976	-	-	144,976
Operating lease liabilities, net of current portion	2,975,303	-	-	2,975,303
Accrued post-retirement benefits	11,730,598	-	-	11,730,598
Total long-term liabilities	14,850,877	-	-	14,850,877
Total liabilities	20,120,649	-	-	20,120,649
NET ASSETS WITHOUT DONOR RESTRICTIONS:				
Designated by board	7,112,807	-	-	7,112,807
Post-retirement costs recognized in net assets	1,397,521	-	-	1,397,521
Undesignated	6,243,428	166,735	(166,735)	6,243,428
Total net assets without donor restrictions	14,753,756	166,735	(166,735)	14,753,756
NET ASSETS WITH DONOR RESTRICTIONS	93,290	-	-	93,290
TOTAL NET ASSETS	14,847,046	166,735	(166,735)	14,847,046
Total liabilities and net assets	$ 34,967,695	$ 166,735	$ (166,735)	$ 34,967,695

The accompanying notes are an integral part of these schedules.

NEW YORK STATE PUBLIC EMPLOYEES FEDERATION AND SUBSIDIARY

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2023

	New York State Public Employees Federation	PEF Land Holding Corporation	Eliminations	Consolidated
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:				
REVENUE, GAINS, AND OTHER SUPPORT:				
Membership dues	$ 37,825,805	$ -	$ -	$ 37,825,805
Less:				
Divisional distributions	1,269,256	-	-	1,269,256
Per capita taxes, net	9,097,582	-	-	9,097,582
Affiliation dues	295,348	-	-	295,348
Net membership dues	27,163,619	-	-	27,163,619
OTHER SUPPORT:				
Interest and dividend income	240,891	-	-	240,891
Grant income	593,139	-	-	593,139
Advertising income, net	15,170	-	-	15,170
Rental income	-	137,680	(137,680)	-
Other income	1,396,900	-	-	1,396,900
Net loss of subsidiary	(54)	-	54	-
Total other support	2,246,046	137,680	(137,626)	2,246,100
NET ASSETS RELEASED FROM RESTRICTIONS:				
Satisfaction of program restrictions	208,497	-	-	208,497
Total revenues, gains, and other support	29,618,162	137,680	(137,626)	29,618,216
EXPENSES:				
Salary and benefit expenses	20,195,006	-	-	20,195,006
Staff travel and related expenses	778,848	-	-	778,848
Program related expenses	2,182,244	-	-	2,182,244
Operating expenses	5,788,258	123,754	(123,754)	5,788,258
Depreciation	629,982	54	-	630,036
Interest expense	-	13,926	(13,926)	-
Total expenses	29,574,338	137,734	(137,680)	29,574,392
CHANGES IN NET ASSETS FROM OPERATIONS	43,824	(54)	54	43,824
NON-OPERATING EXPENSES:				
Other components of net periodic post-retirement expense	(485,183)	-	-	(485,183)
Investment losses, net	(864,373)	-	-	(864,373)
CHANGES IN NET ASSETS BEFORE OTHER CHANGES IN NET ASSETS	(1,305,732)	(54)	54	(1,305,732)
OTHER CHANGES IN NET ASSETS:				
Post-retirement charges other than net periodic benefit costs	938,167	-	-	938,167
TOTAL CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(367,565)	(54)	54	(367,565)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS				
Contributions	212,151	-	-	212,151
Net assets released from restrictions	(208,497)	-	-	(208,497)
TOTAL CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS	3,654	-	-	3,654
TOTAL CHANGE IN NET ASSETS	(363,911)	(54)	54	(363,911)
NET ASSETS - beginning of year	15,210,957	166,789	(166,789)	15,210,957
NET ASSETS - end of year	$ 14,847,046	$ 166,735	$ (166,735)	$ 14,847,046

The accompanying notes are an integral part of these schedules.

NEW YORK STATE PUBLIC EMPLOYEES FEDERATION AND SUBSIDIARY

Schedule III

CONSOLIDATED SCHEDULE OF EXPENSES
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022

	2023	2022
SALARY AND BENEFIT EXPENSES:		
Salaries	$ 11,508,851	$ 11,459,500
Health insurance	4,137,664	3,900,141
Pension expense	2,327,330	2,266,121
Payroll taxes	1,036,590	955,407
Union leave	546,445	555,465
401(k) plan	415,069	393,767
Term life insurance	124,341	118,227
Long-term disability	51,221	49,062
Dependent care	47,495	51,936
Total salary and benefit expenses	$ 20,195,006	$ 19,749,626
STAFF TRAVEL AND RELATED BENEFITS:		
Automobile expense	$ 239,042	$ 272,920
Staff travel	539,806	257,120
Total staff travel and related benefits	$ 778,848	$ 530,040
PROGRAM RELATED EXPENSES:		
Employee organizational leave	$ (97,603)	$ (427,667)
Program related travel	2,279,847	1,215,350
Total program related expenses	$ 2,182,244	$ 787,683

The accompanying notes are an integral part of these schedules.

CONSOLIDATED STATEMENTS OF OPERATING EXPENSES
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022

	2023	2022
OPERATING EXPENSES:		
Professional and consultant fees	$ 1,164,200	$ 1,075,663
Office rent and parking	1,078,562	1,106,332
Advertising	543,472	568,807
Political and associated contributions	444,400	122,535
Computer fees	374,090	315,714
Arbitration	372,983	212,941
Insurance	230,699	154,632
COPE expense	208,497	194,701
Telephone and communications	202,519	208,149
Postage	184,820	169,294
Outside temporary hires	140,656	58,955
Office supplies	130,549	136,379
Utilities	123,379	92,684
Janitorial	119,291	91,051
Books and reference material	95,411	99,004
Maintenance and repairs	71,226	68,167
Printing	70,137	151,999
Charitable and other contributions	62,480	10,883
Scholarships	46,500	45,200
Steno and transcript fees	40,657	31,078
Minor equipment purchases	20,411	63,522
Reproduction	18,793	13,810
Photographic supplies	3,307	825
Real estate taxes	1,120	7,807
Miscellaneous	40,099	57,957
Total operating expenses	$ 5,788,258	$ 5,058,089