

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

**Consolidated Financial Statements as of  
March 31, 2025 and 2024  
Together with  
Independent Auditor's Report**

## **INDEPENDENT AUDITOR'S REPORT**

August 13, 2025

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 (the Organization), which comprise the consolidated statements of financial position as of March 31, 2025 and 2024, 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 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, 2025 and 2024, 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 the Organization 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 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 the Organization'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 the Organization'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 the Organization'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.

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## **INDEPENDENT AUDITOR'S REPORT**

(Continued)

### **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 and II is presented for purposes of additional analysis of the consolidated financial statements rather than to present the statement of financial position and statement of activities and change in net assets of the individual companies and is not a required part of the consolidated financial statements. The consolidated schedule of expenses and statements of operating expenses in Schedules III and IV are presented for the purpose of additional analysis and are not required parts 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 supplementary 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 supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

# NEW YORK STATE PUBLIC EMPLOYEES FEDERATION AND SUBSIDIARY

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION MARCH 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 12,949,631	\$ 10,930,198
Investments	15,517,198	14,584,267
Membership dues receivable	726,006	520,577
Due from related parties and other receivables, net of allowance for credit losses of \$35,000 for 2025 and \$25,000 for 2024	2,474,582	1,902,273
Prepaid expenses	565,338	624,305
Total current assets	<u>32,232,755</u>	<u>28,561,620</u>
PROPERTY AND EQUIPMENT, net	<u>4,351,021</u>	<u>4,609,897</u>
<b>OTHER ASSETS:</b>		
Right-of-use assets - operating leases	2,233,718	2,876,698
Restricted cash - COPE	88,831	94,224
Deposits	321,748	322,491
Total other assets	<u>2,644,297</u>	<u>3,293,413</u>
	<u>\$ 39,228,073</u>	<u>\$ 36,464,930</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 391,847	\$ 516,275
Current portion of finance lease liability	81,501	78,147
Current portion of operating lease liabilities	854,866	878,275
Employee organizational leave	266,675	46,250
Accrued liabilities	2,384,667	1,836,965
Accrued vacation	1,066,922	942,897
Total current liabilities	<u>5,046,478</u>	<u>4,298,809</u>
<b>LONG-TERM LIABILITIES</b>		
Finance lease liability, net of current portion	266,099	347,600
Operating lease liabilities, net of current portion	1,552,451	2,174,635
Accrued post-retirement benefits	18,522,777	16,407,457
Total long-term liabilities	<u>20,341,327</u>	<u>18,929,692</u>
Total liabilities	<u>25,387,805</u>	<u>23,228,501</u>
<b>NET ASSETS:</b>		
Without donor restrictions:		
Designated by Board	7,948,689	7,821,745
Post-retirement costs (credits) recognized in net assets, net	(2,766,124)	(2,267,124)
Undesignated	8,568,872	7,587,584
Total net assets without donor restrictions	13,751,437	13,142,205
With donor restrictions	88,831	94,224
Total net assets	<u>13,840,268</u>	<u>13,236,429</u>
Total liabilities and net assets	<u>\$ 39,228,073</u>	<u>\$ 36,464,930</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, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
REVENUES, GAINS, AND OTHER SUPPORT:		
Membership dues	\$ 44,381,800	\$ 40,783,304
Less:		
Divisional distributions	1,498,908	1,327,512
Per capita taxes, net of rebates	10,127,645	9,561,305
Affiliation dues	331,945	315,940
Net membership dues	<u>32,423,302</u>	<u>29,578,547</u>
Other support:		
Interest and dividend income	566,869	339,828
Grant income	606,700	602,647
Advertising income, net	1,350	14,309
Other income	1,400,424	1,633,078
Total other support	<u>2,575,343</u>	<u>2,589,862</u>
Net assets released from restrictions:		
Satisfaction of program restrictions	<u>299,471</u>	<u>246,147</u>
Total revenues, gains, and other support	<u>35,298,116</u>	<u>32,414,556</u>
EXPENSES:		
Salary and benefit expenses	23,093,113	20,775,678
Staff travel and related expenses	870,866	840,055
Program related expenses	3,360,386	2,990,725
Operating expenses	5,968,090	5,811,924
Depreciation	694,270	644,315
Total expenses	<u>33,986,725</u>	<u>31,062,697</u>
CHANGE IN NET ASSETS FROM OPERATIONS	1,311,391	1,351,859
NON-OPERATING ACTIVITIES:		
Other components of net periodic post-retirement expense	(862,941)	(727,512)
Investment gains, net	<u>659,782</u>	<u>1,428,748</u>
CHANGE IN NET ASSETS BEFORE OTHER CHANGES IN NET ASSETS	1,108,232	2,053,095
OTHER CHANGES IN NET ASSETS:		
Post-retirement changes other than net periodic benefit costs	<u>(499,000)</u>	<u>(3,664,646)</u>
TOTAL CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>609,232</u>	<u>(1,611,551)</u>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:</b>		
Contributions	294,078	247,081
Net assets released from restrictions	<u>(299,471)</u>	<u>(246,147)</u>
TOTAL CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>(5,393)</u>	<u>934</u>
TOTAL CHANGE IN NET ASSETS	603,839	(1,610,617)
NET ASSETS - beginning of year	<u>13,236,429</u>	<u>14,847,046</u>
NET ASSETS - end of year	<u>\$ 13,840,268</u>	<u>\$ 13,236,429</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, 2025 AND 2024**

	2025			2024		
	<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	\$ 11,767,297	\$ 1,562,133	\$ 13,329,430	\$ 10,879,736	\$ 1,424,302	\$ 12,304,038
Per capita	10,127,645	-	10,127,645	9,561,305	-	9,561,305
Benefits	6,712,395	935,694	7,648,089	5,410,142	1,521,066	6,931,208
Member meetings expense	2,805,259	-	2,805,259	2,596,896	440	2,597,336
Divisional distributions	1,498,908	-	1,498,908	1,327,512	-	1,327,512
Professional fees	1,278,950	155,299	1,434,249	1,225,438	149,394	1,374,832
Rent	1,075,811	32,357	1,108,168	1,091,847	32,259	1,124,106
Payroll taxes	1,017,630	141,945	1,159,575	917,483	163,609	1,081,092
Union leave	930,869	-	930,869	462,791	-	462,791
Staff transportation	840,477	30,387	870,864	758,538	49,243	807,781
Depreciation	562,463	131,751	694,214	521,991	122,324	644,315
Computer fees	59,137	581,780	640,917	33,803	441,062	474,865
Employee organizational leave	555,127	-	555,127	427,320	-	427,320
Advertising	374,981	34,781	409,762	488,723	44,716	533,439
Affiliation dues	331,945	-	331,945	315,940	-	315,940
COPE	299,471	-	299,471	246,147	-	246,147
Legislative	265,115	-	265,115	175,600	-	175,600
Arbitration	230,917	-	230,917	239,365	-	239,365
Insurance	114,972	111,523	226,495	141,645	97,363	239,008
Postage	139,544	47,268	186,812	162,897	41,990	204,887
Telephone	128,026	41,219	169,245	87,988	96,306	184,294
Office supplies	46,949	79,299	126,248	74,458	60,760	135,218
Reproduction	149,474	(27,840)	121,634	227,629	(31,940)	195,689
Utility	62,418	59,005	121,423	60,345	49,793	110,138
Janitorial and security	102,081	18,742	120,823	97,732	17,799	115,531
Temporary hires	98,210	7,488	105,698	61,994	4,931	66,925
Books and reference material	89,534	805	90,339	81,615	1,773	83,388
Maintenance and repair	6,945	78,519	85,464	3,684	102,034	105,718
Contributions	70,268	-	70,268	41,341	-	41,341
Scholarships	46,100	-	46,100	46,700	-	46,700
Steno and transcript fees	45,069	-	45,069	41,203	-	41,203
Training	13,950	14,653	28,603	-	-	-
Minor equipment purchases	13,401	13,418	26,819	9,341	15,051	24,392
Interest	16,427	-	16,427	9,703	-	9,703
Credit loss expense	-	10,000	10,000	-	-	-
Taxes	-	-	-	18,455	-	18,455
Miscellaneous	1,178	6,054	7,232	2,133	13,739	15,872
Total	\$ 41,878,943	\$ 4,066,280	\$ 45,945,223	\$ 37,849,440	\$ 4,418,014	\$ 42,267,454

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, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 603,839	\$ (1,610,617)
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation and amortization	694,270	644,315
Net depreciation (appreciation) of investments	(659,782)	(1,428,748)
Credit loss expense	10,000	-
Changes in:		
Membership dues receivable	(205,429)	(40,406)
Due from related parties and other receivables	(582,309)	2,555,578
Prepaid expenses	58,967	(235,946)
Operating leases	(2,613)	(73,787)
Deposits	743	(34)
Accounts payable and other accrued liabilities	(124,428)	(1,183,047)
Accrued liabilities	547,702	364,073
Employee organizational leave	220,425	(206,147)
Accrued vacation	124,025	31,811
Accrued postretirement benefits	<u>2,115,320</u>	<u>4,676,859</u>
Net cash flow from operating activities	<u>2,800,730</u>	<u>3,493,904</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	(3,974,130)	(3,081,934)
Proceeds from sale of investments	3,700,981	3,082,563
Proceeds from sale of property and equipment	115	180,087
Purchases of property and equipment	<u>(435,509)</u>	<u>(957,576)</u>
Net cash flow from investing activities	<u>(708,543)</u>	<u>(776,860)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Issuance of finance lease obligation	-	425,746
Repayment on finance lease liabilities	<u>(78,147)</u>	<u>(230,745)</u>
Net cash flow from financing activities	<u>(78,147)</u>	<u>195,001</u>
<b>CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	<b>2,014,040</b>	<b>2,912,045</b>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - beginning of year</b>	<b><u>11,024,422</u></b>	<b><u>8,112,377</u></b>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - end of year</b>	<b><u>\$ 13,038,462</u></b>	<b><u>\$ 11,024,422</u></b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	<u>\$ 16,427</u>	<u>\$ 9,703</u>
<b>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH CONSIST OF THE FOLLOWING:</b>		
Cash and cash equivalents	\$ 12,949,631	\$ 10,930,198
Restricted cash - COPE	<u>88,831</u>	<u>94,224</u>
	<u>\$ 13,038,462</u>	<u>\$ 11,024,422</u>

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, 2025 AND 2024

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### 1. THE ORGANIZATION

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

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

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting**

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

#### **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.

#### **Use of Estimates**

The preparation of consolidated financial statements in accordance with GAAP 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.

#### **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 and cash equivalents 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.

## 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, less investment management fees.

### **Receivables, net**

#### Membership Dues and Other Receivables

Membership dues receivable and other receivables are stated at the unpaid balances net of allowances for credit losses based on review of all outstanding amounts on a monthly basis. The carrying amount of the receivables is reduced by an allowance for credit losses that reflects management's best estimate of the amounts that will not be collected. Management periodically evaluates the allowance for credit losses by identifying troubled accounts and by using historical experience applied to an aging of accounts. The allowance method is used for providing bad debts from receivables. Accounts are written-off when management determines they are uncollectible.

A receivable is considered past due if any portion of the receivable balance is outstanding for more than 180 days. The Organization does not charge interest on any past due balances.

Due from related parties consist of amounts due from entities that share common members or from PEF members themselves, see Note 12 for additional information regarding related party receivables.

#### Allowance for Credit Losses

An allowance for credit losses is an estimate based upon historical account write-off trends, facts about the current financial condition of the debtor, forecasts of future operating results based upon current trends, and macroeconomic factors. Credit quality is monitored through the timing of payments compared to payment terms and known facts regarding the financial condition of debtors. Accounts receivable balances are charged off against the allowance for credit losses after recovery efforts have ceased.

The Organization uses historical loss information based on the aging of receivables as the basis to determine expected credit losses for receivables and believes that the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the membership base has not changed significantly. The Organization calculated the estimate for the allowance for credit losses based on an annual historical average calculation of credit loss expenses to the receivables balance at year-end.

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

### Allowance for Credit Losses (Continued)

Change in the allowance for credit losses for the years ended March 31, 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 25,000	\$ 25,000
Provision for credit losses	10,000	-
Write-offs	<u>-</u>	<u>-</u>
Ending balance	<u>\$ 35,000</u>	<u>\$ 25,000</u>

### **Property and Equipment, net**

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 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 gain or loss is included in the change in net assets. 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.

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

### **Revenue Recognition (Continued)**

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 \$36.77 and \$35.70 per member up to 200 members for the years ended March 31, 2025 and 2024, respectively. For larger divisions, the distribution allocated in excess of 200 members was \$29.43 and \$28.57 for the years ended March 31, 2025 and 2024, respectively.

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 \$153,805 and \$144,099 for the years ended March 31, 2025 and 2024, 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 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.

### *Other Income*

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.

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

### Timing of Revenue Recognition

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

	<u>2025</u>	<u>2024</u>
<u>Contract Revenue Types</u>		
Goods and services transferred over time	\$ 45,782,224	\$ 42,416,382
Goods and services transferred at a point in time	<u>1,350</u>	<u>14,309</u>
	<u>\$ 45,783,574</u>	<u>\$ 42,430,691</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 recognized, a contract liability (unearned revenue) is recorded. Contract balances were as follows for the years ended March 31:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Contract Assets:			
Membership dues receivable	\$ 726,006	\$ 520,577	\$ 480,171
Due from related parties and other receivables	<u>2,474,582</u>	<u>1,902,273</u>	<u>4,457,851</u>
	<u>\$ 3,200,588</u>	<u>\$ 2,422,850</u>	<u>\$ 4,938,022</u>

### Leases

The Organization determines if an arrangement is a lease at inception. Right-of-use ("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.

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.

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.

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

### **Leases (Continued)**

In evaluating contracts to determine if 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.

### **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, 2023 through April 1, 2026.

### **Statements of Activities and Change in Net Assets**

The statements of activities and change in net assets are 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 operations. 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 activities.

### **Statements of Functional Expenses**

In the statements 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. As of March 31, 2025 and 2024, net assets with donor restrictions are made up entirely of COPE contributions.

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

### 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, 2026

### Advertising Costs

The Organization expenses advertising costs as incurred. The total advertising expense for the years ended March 31, 2025 and 2024 was \$409,762 and \$533,439, 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 Organization 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.

## 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, 2025 and 2024, 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:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash and cash equivalents	\$ 12,943,020	\$ 10,930,198
Investments	15,517,198	14,584,267
Membership dues receivable	726,006	520,577
Due from related parties and other receivables, net	2,474,582	1,902,273
Total financial assets	<u>31,660,806</u>	<u>27,937,315</u>
Less: Assets unavailable for general expenditure		
Net assets designated by board	<u>(7,948,689)</u>	<u>(7,821,745)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 23,712,117</u>	<u>\$ 20,115,570</u>

### 3. LIQUIDITY (Continued)

The Organization has \$23,712,117 and \$20,115,570 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, 2025 and 2024, 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.

The Organization also had Board designated net assets without donor restrictions of \$7,948,689. Although the Organization's Board does not intend to release these designations, these funds are available if necessary.

### 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>2025</u>	<u>2024</u>
U.S. Treasury notes and bills	\$ 10,986,639	\$ 9,539,113
GNMA pass-thru securities	-	27,366
Equity securities	4,356,657	4,894,915
Corporate bonds	<u>173,902</u>	<u>122,873</u>
	<u>\$ 15,517,198</u>	<u>\$ 14,584,267</u>

### 5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at March 31:

	<u>2025</u>	<u>2024</u>
Land	\$ 165,905	\$ 165,905
Building	1,846,198	1,846,198
Building improvements	3,439,162	3,439,162
Furniture, fixtures, and equipment	715,772	715,772
Automobiles	314,225	314,225
Computer equipment	1,856,408	1,785,895
Construction in progress	<u>603,840</u>	<u>238,958</u>
	8,941,510	8,506,115
Less: Accumulated depreciation and amortization	<u>(4,590,489)</u>	<u>(3,896,218)</u>
Property and equipment, net	<u>\$ 4,351,021</u>	<u>\$ 4,609,897</u>

Depreciation and amortization expense amounted to \$694,270 and \$644,315 for the years ended March 31, 2025 and 2024, 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 that covers various copier, print and fax equipment through October 2029, at which time title will transfer to the Organization.

The components of total lease cost are as follows for the years ended March 31:

	<u>2025</u>	<u>2024</u>
Operating lease expense	\$ 943,859	\$ 938,429
Variable lease expense	(28,743)	18,455
Finance lease cost:		
Amortization of the right-of-use-asset	<u>42,575</u>	<u>42,575</u>
	<u><u>\$ 957,691</u></u>	<u><u>\$ 999,459</u></u>

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

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of leases liabilities:		
Operating cash flows from operating leases	\$ 943,859	\$ 938,429
Financing cash flows from finance leases	<u>94,574</u>	<u>94,574</u>
Total	<u><u>\$ 1,038,433</u></u>	<u><u>\$ 1,033,003</u></u>
ROU assets obtained in exchange for lease obligations:		
Operating leases	<u>\$ -</u>	<u>\$ 73,787</u>
Total	<u><u>\$ -</u></u>	<u><u>\$ 73,787</u></u>

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

	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term:		
Operating leases	3.24 years	4.10 years
Finance leases	4.55 years	5.55 years

Weighted-average discount rate:		
Operating leases	2.49%	2.51%
Finance leases	4.21%	4.21%

## 6. LEASES (Continued)

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

	<u>2025</u>	<u>2024</u>
Finance leases:		
Property and equipment	\$ 425,746	\$ 425,746
Accumulated depreciation and amortization	<u>(120,508)</u>	<u>(42,575)</u>
Right-of-use asset - finance, net	<u>\$ 305,238</u>	<u>\$ 383,171</u>
Current portion of finance lease liabilities	\$ 81,501	\$ 78,147
Finance lease liabilities, net of current portion	<u>266,099</u>	<u>347,600</u>
Total finance lease liabilities	<u>\$ 347,600</u>	<u>\$ 425,747</u>

Maturities of lease liabilities as of March 31, 2025 were as follows:

For The Year Ending March 31:	<u>Operating</u>	<u>Finance</u>
2026	\$ 869,393	\$ 94,574
2027	752,359	94,574
2028	409,338	94,574
2029	93,318	94,575
2030	94,218	-
Thereafter	<u>27,778</u>	<u>-</u>
Total lease payments	2,246,404	378,297
Less: Interest	<u>(153,083)</u>	<u>(30,697)</u>
Total present value of lease liabilities	2,093,321	347,600
Less: Current portion of lease liabilities	<u>826,342</u>	<u>81,501</u>
Long-term portion of lease liabilities	<u>\$ 1,266,979</u>	<u>\$ 266,099</u>

## 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 \$2,586,896 and \$2,432,357 for the years ended March 31, 2025 and 2024, 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.

The Pension Protection Act ("PPA") of 2006 was enacted as part of a comprehensive funding reform effort for multi-employer pension plans. The PPA further defined the funding rules of defined benefit pension plans and instituted certain requirements that were designed to identify and address financial problems associated with such plans. The PPA of 2006 created new funding classifications for multi-employer pension plans.

Under the PPA, plans are classified as one of the following four colors based on the plan's financial status:

Green (Safe):	A plan is generally in "safe" status if it is more than 80% funded.
Yellow (Endangered):	A plan is generally in "endangered" status if its funded percentage is less than 80% or if it has an accumulated funding deficiency for the current plan year or is projected to have an accumulated funding deficiency for any of the next six plan years.
Orange (Seriously Endangered):	A "seriously endangered" plan generally has a funded percentage of 70% or less.
Red (Critical):	A plan is generally in "critical" status if its funded percentage is less than 65% and it is not projected to improve its funded percentage over the next seven years; or, if a funding deficiency in excess of specified amounts is expected in the foreseeable future.

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

## 8. EMPLOYEE BENEFIT PLANS (Continued)

### Pension Plan Summary (Continued)

The following table represents information about the Pension Plan as of and for the years ended March 31, 2025 and 2024, 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
				3/31/2025	3/31/2024		
SEIU Affiliates Officers and Employees Pension Plan	52-0812348 (001)	Green 12/31/23	Green 12/31/22 N/A	<u>\$ 2,586,896</u>	<u>\$ 2,432,357</u>	N/A	6/30/2026

### 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 \$451,133 and \$440,643 for the years ended March 31, 2025 and 2024, 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 plus years of service for a combined 80 years. 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 was 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 was done for the entire Management/Confidential employee unit. As of July 1, 2023, PEF is now required to contribute a defined contribution of 4.0% of total gross compensation of the entire USWA bargaining unit into the Retiree Premium Fund for the period of July 1, 2023 until June 30, 2024, and each year thereafter. The same will be done for the entire Management/Confidential employee unit.

## 9. ACCRUED POSTRETIREMENT BENEFITS (Continued)

In 2024, PEF switched from a self-insurance health insurance plan to a fully insured health insurance plan, which provided an offsetting gain in the liability.

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:

	<u>2025</u>	<u>2024</u>
Accumulated postretirement benefit obligation:		
Benefit obligation at beginning of year	\$ 16,407,458	\$ 11,730,598
Service cost	1,317,463	852,891
Interest cost	862,941	727,512
Plan amendment	-	4,122,524
Benefits paid	(645,296)	(568,189)
Recognition of actuarial gain	<u>580,214</u>	<u>(457,878)</u>
Benefit obligation at end of year	18,522,780	16,407,458
Fair value of plan net assets at end of year	<u>-</u>	<u>-</u>
Accumulated postretirement benefit obligation: in excess of plan assets	<u>\$ 18,522,780</u>	<u>\$ 16,407,458</u>

The net periodic postretirement health care benefit cost for the years ended March 31, 2025 and 2024 consist of the following components:

	<u>2025</u>	<u>2024</u>
Service cost	\$ 1,317,463	\$ 852,891
Interest cost	862,941	727,512
Amortization of prior service cost	<u>792,793</u>	<u>396,397</u>
Net periodic postretirement benefit cost	<u>\$ 2,973,197</u>	<u>\$ 1,976,800</u>

## 9. ACCRUED POSTRETIREMENT BENEFITS (Continued)

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

	<u>2025</u>	<u>2024</u>
Amounts not yet recognized as components of net periodic post-retirement cost:		
Actuarial loss	<u>\$ 2,766,124</u>	<u>\$ 2,267,124</u>
Total unrecognized amounts	<u>\$ 2,766,124</u>	<u>\$ 2,267,124</u>

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

Amortization of unrecognized actuarial gain	<u>\$ 3,069,094</u>
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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:

	<u>2025</u>	<u>2024</u>
Net periodic benefit cost for the year:		
Discount rate	5.11%	4.70%
Benefit obligation at year end:		
Discount rate	5.45%	5.11%

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 in the statement of activities and change in net assets.

### Changes in Actuarial Assumptions

The following changes in actuarial assumptions have been implemented for the year ended March 31, 2025:

- The trend rates were updated to an initial rate of 8.50% (7.50% for Post-65) grading down to an ultimate rate of 4.00%. The select trend rates are updated to reflect the higher than anticipated rising healthcare costs environment.
- The discount rate was changed from 5.11% to 5.45%. The change in the discount rate resulted in a decrease in liabilities of approximately \$223,000.

All other methods and assumptions used in the actuarial valuation of the Organization's postretirement benefit plan as of March 31, 2025 are the same as those used during the prior period.

**9. ACCRUED POSTRETIREMENT BENEFITS (Continued)**

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

2026	\$ 706,000
2027	801,000
2028	882,000
2029	923,000
2030	991,000
2031 to 2035	<u>6,124,000</u>
Total	<u>\$ 10,427,000</u>

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:

	<u>2025</u>	<u>2024</u>
Divisions	\$ 971,381	\$ 1,208,840
Contract fightback	<u>6,977,308</u>	<u>6,612,905</u>
Total board designated net assets	<u>\$ 7,948,689</u>	<u>\$ 7,821,745</u>

Net assets with donor restrictions at March 31, 2025 and 2024 are available for the following purposes:

	<u>2025</u>	<u>2024</u>
COPE:		
Political Contributions	<u>\$ 88,831</u>	<u>\$ 94,224</u>

Changes in net assets with donor restrictions for the years ended March 31, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
COPE:		
Contributions received with donor restrictions	<u>\$ 294,078</u>	<u>\$ 247,081</u>
Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose	<u>\$ 299,471</u>	<u>\$ 246,147</u>

## 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.

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

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 2025. 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, 2025 and 2024, are receivables from the Program of \$1,670,777 and \$1,278,713, respectively. Included in accounts payable at March 31, 2025 and 2024 are amounts due from PEF to the Program of \$0 and \$2,811, 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, 2025 and 2024 are receivables from the Retirees' Fund for \$109,342 and \$60,928, respectively. There were no payables due from PEF to the Retirees' Fund as of March 31, 2025 and 2024.

### **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, 2025 and 2024 are receivables from the PEF Relief Fund for \$84,978 and \$86,002, 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* – Valued using Level 1 inputs at the quoted closing price reported on national exchanges and are available for withdrawal with one day notice.

*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.

Fair values of investments measured on a recurring basis at March 31, 2025 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Treasury notes and bills	\$ -	\$ 10,986,639	\$ -	\$ 10,986,639
Equity securities	4,356,657	-	-	4,356,657
Corporate bonds	-	173,902	-	173,902
	<u>\$ 4,356,657</u>	<u>\$ 11,160,541</u>	<u>\$ -</u>	<u>\$ 15,517,198</u>

Fair values of investments measured on a recurring basis at March 31, 2024 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Treasury notes and bills	\$ -	\$ 9,539,113	\$ -	\$ 9,539,113
GNMA pass-thru securities	-	27,366	-	27,366
Equity securities	4,894,915	-	-	4,894,915
Corporate Bonds	-	122,873	-	122,873
	<u>\$ 4,894,915</u>	<u>\$ 9,689,352</u>	<u>\$ -</u>	<u>\$ 14,584,267</u>

### 14. SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 13, 2025, which is the date these consolidated financial statements were available to be issued.

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2025**

	New York State Public Employees Federation	PEF Land Holding Corporation	Eliminations	Consolidated
<b>ASSETS</b>				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 12,949,631	\$ -	\$ -	\$ 12,949,631
Investments	15,517,198	-	-	15,517,198
Membership dues receivable	726,006	-	-	726,006
Due from related parties and other receivables, net of allowance for credit losses of \$35,000 for 2025	2,474,582	-	-	2,474,582
Prepaid expenses	565,338	-	-	565,338
Total current assets	32,232,755	-	-	32,232,755
PROPERTY AND EQUIPMENT, NET	4,184,396	166,625	-	4,351,021
OTHER ASSETS:				
Operating lease right-of-use assets	2,233,718	-	-	2,233,718
Investment in PEF Land Holding Corporation	166,625	-	(166,625)	-
Restricted cash	88,831	-	-	88,831
Deposits	321,748	-	-	321,748
Total other assets	2,810,922	-	(166,625)	2,644,297
Total assets	\$ 39,228,073	\$ 166,625	\$ (166,625)	\$ 39,228,073
<b>LIABILITIES AND NET ASSETS</b>				
CURRENT LIABILITIES:				
Accounts payable	\$ 391,847	\$ -	\$ -	\$ 391,847
Current portion of finance lease liability	81,501	-	-	81,501
Current portion of operating lease liabilities	854,866	-	-	854,866
Employee organizational leave	266,675	-	-	266,675
Other accrued liabilities	2,384,667	-	-	2,384,667
Accrued vacation	1,066,922	-	-	1,066,922
Total current liabilities	5,046,478	-	-	5,046,478
LONG-TERM LIABILITIES:				
Finance lease liability, net of current portion	266,099	-	-	266,099
Operating lease liabilities, net of current portion	1,552,451	-	-	1,552,451
Accrued post-retirement benefits	18,522,777	-	-	18,522,777
Total long-term liabilities	20,341,327	-	-	20,341,327
Total liabilities	25,387,805	-	-	25,387,805
NET ASSETS WITHOUT DONOR RESTRICTIONS:				
Designated by board	7,948,689	-	-	7,948,689
Post-retirement costs recognized in net assets	(2,766,124)	-	-	(2,766,124)
Undesignated	8,568,872	166,625	(166,625)	8,568,872
Total net assets without donor restrictions	13,751,437	166,625	(166,625)	13,751,437
NET ASSETS WITH DONOR RESTRICTIONS	88,831	-	-	88,831
TOTAL NET ASSETS	13,840,268	166,625	(166,625)	13,840,268
Total liabilities and net assets	\$ 39,228,073	\$ 166,625	\$ (166,625)	\$ 39,228,073

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

Schedule II

**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2025**

	New York State Public Employees Federation	PEF Land Holding Corporation	Eliminations	Consolidated
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>				
REVENUE, GAINS, AND OTHER SUPPORT:				
Membership dues	\$ 44,381,800	\$ -	\$ -	\$ 44,381,800
Less:				
Divisional distributions	1,498,908	-	-	1,498,908
Per capita taxes, net of rebates	10,127,645	-	-	10,127,645
Affiliation dues	331,945	-	-	331,945
Net membership dues	32,423,302	-	-	32,423,302
OTHER SUPPORT:				
Interest and dividend income	566,869	-	-	566,869
Grant income	606,700	-	-	606,700
Advertising income, net	1,350	-	-	1,350
Rental income	-	125,776	(125,776)	-
Other income	1,400,424	-	-	1,400,424
Net loss of subsidiary	(56)	-	56	-
Total other support	2,575,287	125,776	(125,720)	2,575,343
NET ASSETS RELEASED FROM RESTRICTIONS:				
Satisfaction of program restrictions	299,471	-	-	299,471
Total revenues, gains, and other support	35,298,060	125,776	(125,720)	35,298,116
EXPENSES:				
Salary and benefit expenses	23,093,113	-	-	23,093,113
Staff travel and related expenses	870,866	-	-	870,866
Program related expenses	3,360,386	-	-	3,360,386
Operating expenses	5,968,090	125,776	(125,776)	5,968,090
Depreciation	694,214	56	-	694,270
Total expenses	33,986,669	125,832	(125,776)	33,986,725
CHANGES IN NET ASSETS FROM OPERATIONS	1,311,391	(56)	56	1,311,391
NON-OPERATING EXPENSES:				
Other components of net periodic post-retirement expense	(862,941)	-	-	(862,941)
Investment gains, net	659,782	-	-	659,782
CHANGE IN NET ASSETS BEFORE OTHER CHANGES IN NET ASSETS	1,108,232	(56)	56	1,108,232
OTHER CHANGES IN NET ASSETS:				
Post-retirement charges other than net periodic benefit costs	(499,000)	-	-	(499,000)
TOTAL CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	609,232	(56)	56	609,232
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS				
Contributions	294,078	-	-	294,078
Net assets released from restrictions	(299,471)	-	-	(299,471)
TOTAL CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(5,393)	-	-	(5,393)
TOTAL CHANGE IN NET ASSETS	603,839	(56)	56	603,839
NET ASSETS - beginning of year	13,236,429	166,681	(166,681)	13,236,429
NET ASSETS - end of year	\$ 13,840,268	\$ 166,625	\$ (166,625)	\$ 13,840,268

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, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>SALARY AND BENEFIT EXPENSES:</b>		
Salaries	\$ 13,329,429	\$ 12,304,042
Health insurance	4,352,102	3,813,686
Pension expense	2,586,896	2,432,357
Payroll taxes	1,159,575	1,081,092
Union leave	930,870	462,791
401(k) plan	451,133	440,643
Term life insurance	144,503	135,301
Long-term disability	54,801	52,752
Dependent care	55,200	53,014
Tuition reimbursement	28,604	-
	<u>28,604</u>	<u>-</u>
Total salary and benefit expenses	<u>\$ 23,093,113</u>	<u>\$ 20,775,678</u>
<b>STAFF TRAVEL AND RELATED BENEFITS:</b>		
Automobile expense	\$ 295,534	\$ 216,722
Staff travel	<u>575,332</u>	<u>623,333</u>
Total staff travel and related benefits	<u>\$ 870,866</u>	<u>\$ 840,055</u>
<b>PROGRAM RELATED EXPENSES:</b>		
Employee organizational leave	\$ 555,126	\$ 427,320
Program related travel	<u>2,805,260</u>	<u>2,563,405</u>
Total program related expenses	<u>\$ 3,360,386</u>	<u>\$ 2,990,725</u>

The accompanying notes are an integral part of these schedules.

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

Schedule IV

**CONSOLIDATED STATEMENTS OF OPERATING EXPENSES  
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
OPERATING EXPENSES:		
Professional and consultant fees	\$ 1,436,899	\$ 1,387,607
Office rent and parking	1,136,854	1,124,107
Computer fees	630,718	474,870
Advertising	409,763	533,439
COPE expense	299,471	246,147
Political and associated contributions	265,115	175,600
Arbitration	230,917	239,365
Insurance	226,496	239,006
Postage	186,812	204,890
Telephone and communications	179,442	184,292
Office supplies	126,249	135,219
Utilities	121,423	110,139
Janitorial	120,823	115,530
Outside temporary hires	105,697	66,926
Books and reference material	90,338	83,094
Maintenance and repairs	85,463	105,718
Printing	74,238	158,163
Charitable and other contributions	70,268	41,341
Scholarships	46,100	46,700
Steno and transcript fees	45,070	41,203
Reproduction	30,970	37,523
Minor equipment purchases	26,820	24,393
Interest expense	16,427	9,703
Credit loss expense	10,000	-
Outside legal fees	3,455	-
Photographic supplies	-	143
Real estate taxes	(28,743)	18,455
Miscellaneous	21,005	8,351
	<u>\$ 5,968,090</u>	<u>\$ 5,811,924</u>

The accompanying notes are an integral part of these schedules.