

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

**CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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

**CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Associated Musicians of Greater New York, Local 802, A. F. of M. and Subsidiary (a nonprofit organization) and affiliates, which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, 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 Associated Musicians of Greater New York, Local 802, A. F. of M. and Subsidiary as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Associated Musicians of Greater New York, Local 802, A. F. of M. 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.

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 Associated Musicians of Greater New York, Local 802, A. F. of M. and Subsidiary's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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, including omissions, 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 financial statements.

INDEPENDENT AUDITORS' REPORT (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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 Associated Musicians of Greater New York, Local 802, A. F. of M. 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 Associated Musicians of Greater New York, Local 802, A. F. of M. and Subsidiary'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 Supplemental Information

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

Aull, Kohn's Auloff, P.C.

New York, NY
April 30, 2024

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

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022**

	2023	2022
ASSETS		
Current:		
Cash and cash equivalents	\$ 2,612,854	\$ 2,982,632
Receivables:		
Work dues	599,816	850,267
Due from related organizations	211,258	176,784
Accrued interest	18,575	16,498
Payroll withholding	8,743	0
Other	8,639	26,448
Due from broker	1,351	0
Total Receivables	848,382	1,069,997
Prepaid expenses	230,926	236,188
Total Current Assets	3,692,162	4,288,817
Other Assets:		
Investments, at fair value	4,716,189	4,411,288
Fixed assets, net of accumulated depreciation	1,843,005	1,770,718
Right-of-use asset - operating leases	144,681	0
Total Other Assets	6,703,875	6,182,006
Total Assets	\$ 10,396,037	\$ 10,470,823
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accrued expenses payable	\$ 268,504	\$ 450,371
Due to American Federation of Musicians	15,872	24,607
Deferred income	88,006	90,537
Due to MOOMA - cash balance	15,000	15,000
Escrow payable - recording and claims	410,717	708,545
Current portion of lease obligation - operating	36,933	0
Total Current Liabilities	835,032	1,289,060
Non-current Liabilities:		
Severance pay - officers	117,860	121,689
Due to NY Philharmonic Strike Fund - cash balance	96,080	94,863
Security deposits	14,756	37,046
Long-term portion of lease obligation - operating	107,748	0
Total Non-current Liabilities	336,444	253,598
Total Liabilities	1,171,476	1,542,658
Net assets without donor restrictions	9,224,561	8,928,165
Total Liabilities and Net Assets	\$ 10,396,037	\$ 10,470,823

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

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

**CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
REVENUES, GAINS AND OTHER		
Dues and fees:		
Work dues	\$ 5,261,012	\$ 5,234,406
Basic dues and application fees	1,224,272	1,227,948
Total Dues and Fees	6,485,284	6,462,354
Less Allocations to:		
American Federation of Musicians:		
Per capita and application fees	367,194	356,194
Work dues	692,433	624,598
Other	18,200	12,100
Other affiliates	27,848	25,196
Total Allocations	1,105,675	1,018,088
Net Dues and Fees Income	5,379,609	5,444,266
Other revenues:		
Net investment income (loss)	310,687	(554,725)
Rental of building	231,526	248,484
Journal advertising	39,867	43,515
Miscellaneous	4,825	4,402
Total Other Revenues	586,905	(258,324)
Total Revenues, Gains and Other	5,966,514	5,185,942
EXPENSES		
Program expenses:		
Organizing, collective bargaining and related	1,293,353	906,083
Governance, communication and publication	541,355	427,466
Members' benefits	26,915	68,681
Political	18,204	35,733
Charitable and scholarship	15,951	12,026
Total Program Expenses	1,895,778	1,449,989
General and administrative expenses	3,774,340	3,257,440
Total Functional Expenses	5,670,118	4,707,429
Change in net assets without donor restrictions	296,396	478,513
Net assets without donor restrictions:		
Beginning	8,928,165	8,449,652
Ending	\$ 9,224,561	\$ 8,928,165

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

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

**CONSOLIDATED STATEMENTS OF EXPENSES
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
PERSONNEL EXPENSES		
Payroll and related	\$ 3,622,344	\$ 3,032,039
Severance - officers	7,640	7,680
Total Personnel Expenses	\$ 3,629,984	\$ 3,039,719
BUILDING EXPENSES		
Payroll and related	\$ 272,071	\$ 219,387
Real estate taxes	184,640	172,924
Equipment rental, repairs and maintenance	147,605	132,272
Utilities	137,811	136,263
Security	80,484	75,579
Cleaning	70,191	63,476
Fuel oil	18,716	22,291
Supplies	11,799	11,791
Waste removal	7,570	9,902
Miscellaneous	5,584	4,802
Telephone	2,542	2,157
Licenses and permits	1,030	1,706
Seminars	0	26
Total Building Expenses	\$ 940,043	\$ 852,576
OFFICE EXPENSES		
Computer and copier supplies, repairs and maintenance	\$ 121,714	\$ 94,634
Data processing	53,172	42,047
Equipment rental, repairs and maintenance	52,005	54,494
Stationery, printing and postage	41,924	30,607
Telephone	24,941	23,565
Supplies	17,178	24,099
Miscellaneous office	4,151	3,413
Total Office Expenses	\$ 315,085	\$ 272,859

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

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

**CONSOLIDATED STATEMENTS OF EXPENSES
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
GENERAL EXPENSES		
Legal fees	\$ 262,776	\$ 134,169
Depreciation	109,384	81,155
Public relations	109,131	31,037
Insurance	86,937	58,190
Bank charges	59,486	45,436
Auditing fees	52,900	72,703
Conferences, conventions, and meetings	47,322	15,665
Members' life insurance	20,915	68,681
Arbitration and negotiation	13,484	17,877
Licenses and permits	12,065	14,977
Members' death benefits	6,000	0
Strike and picketing	1,800	0
Dues and subscriptions	960	958
Miscellaneous	405	630
Research	74	0
Total General Expenses	\$ 783,639	\$ 541,478
ALLEGRO EXPENSES		
Other	\$ 1,347	\$ 660
Postage	20	137
Total Allegro Expenses	\$ 1,367	\$ 797
Total Expenses	\$ 5,670,118	\$ 4,707,429

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

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

**CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 296,396	\$ 478,513
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	109,384	81,155
Non-cash lease expense	32,061	0
Realized loss on sale of investments	5,466	66,500
Unrealized (gains) losses on investments	(216,835)	555,596
(Increase) decrease in operating assets:		
Work dues receivable	250,451	(249,157)
Due from related organizations	(34,474)	(144,789)
Accrued interest receivable	(2,077)	(4,001)
Other receivables	17,809	(15,476)
Due from broker	(1,351)	0
Prepaid expenses	5,262	(43,500)
Payroll retention credit	0	74,728
Payroll withholdings	(8,743)	0
Increase (decrease) in operating liabilities:		
Due to broker	0	(4,789)
Payroll withholdings	0	(2,008)
Accrued expenses payable	(181,867)	212,433
Due to American Federation of Musicians	(8,735)	17,472
Deferred income	(2,531)	(52,624)
Severance pay - officers	(3,829)	(39,494)
Escrow dues payable - recording and claims	(297,828)	(400,665)
Due to NY Philharmonic Strike Fund - cash balance	1,217	261
Security deposits	(22,290)	(3,746)
Operating lease liability	(32,061)	0
Total Adjustments	(390,971)	47,896
Net Cash Provided By (Used For) Operating Activities	(94,575)	526,409
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from the sale of investments	2,005,595	2,220,587
Cash paid for the purchase of fixed assets	(181,671)	(94,977)
Cash paid for the purchase of investments	(2,099,127)	(2,290,911)
Net Cash (Used For) Investing Activities	(275,203)	(165,301)
Net increase (decrease) in cash and cash equivalents	(369,778)	361,108
Cash and cash equivalents:		
Beginning	2,982,632	2,621,524
Ending	\$ 2,612,854	\$ 2,982,632
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Right-of-use assets upon adoption of ASC 842	\$ 176,742	\$ 0

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

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 – GENERAL

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

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

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

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

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

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

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying consolidated financial statements of the Union have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

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

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation: Financial statement presentation follows the accounting standards requirements for not-for-profit organizations. Under these standards, an organization is required to report information regarding its financial position and activities according to two classes of net assets depending on the existence and/or nature of any donor restrictions as follows: net assets without donor restrictions and net assets with donor restrictions.

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

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

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. This affects the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

Adoption of New Lease Standard: Effective January 1, 2023, the Union adopted Accounting Standards Update (ASU) 2016-02, Leases (ASC Topic 842) and subsequent amendments. ASC 842 affects all entities that enter into lease arrangements, with certain exclusions under limited scope limitations. Under ASU 2016-02, an entity recognizes right-of-use assets and lease obligations on its balance sheet for all leases with a lease term of more than 12 months. Short-term rentals under year-to-year leases or remaining lease terms of 12 months or less are exempt from being capitalized.

As part of the implementation, the Union elected to use a package of optional practical expedients which permit the Union to avoid reassessing previous lease identifications within contracts, the existence of initial direct costs, and the lease classifications of any expired and existing leases. Moreover, in accordance with the expedients, all leases classified as operating leases under previous U.S. GAAP are automatically classified as operating leases under the new standard, and all leases previously classified as capital leases are recorded as finance leases.

Leases recognized under the new standard include leases that were not capitalized under previous U.S. Generally Accepted Accounting Principles (U.S. GAAP), as well as certain other leases that were capitalized based on different GAAP criteria.

On January 1, 2023, the Union recorded in its January 1, 2023, balance sheet a right-of-use asset and lease obligation for operating leases in the amount of \$176,742.

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

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Lease Policies: The new standard requires that leases with a term of more than 12 months be classified as either finance or operating leases. Leases are classified as finance leases when the Union expects to consume a major part of the economic benefits of the leased assets over the remaining lease term. Conversely, the Union is not expected to consume a major part of the economic benefits of assets classified as operating leases. The lease classification affects both the pattern and presentation of expense recognized in the consolidated statements of activities, the categorization of assets and liabilities in the consolidated statements of financial position, and classification of cash flows in the consolidated statement of cash flows.

Total lease cost consists of two components: amortization expense related to the write-off of right-of-use assets, and interest expense from lease obligations.

For financing leases, total lease cost is recorded on an accelerated basis whereby interest expense is recorded using the effective interest method and right-of-use assets are amortized on a straight-line basis over the remaining lease term. For operating leases, total lease cost is measured and recorded on a straight-line basis over the lease term.

Non-lease components, such as common area maintenance (CAM) charges, are separated from lease components based on the terms of the related lease. Variable lease components consist of real estate taxes and insurance charges related to the real estate lease and are recorded as lease expense as incurred.

Lease obligations are measured and recorded at the present value of future lease payments using a discount rate. Because the Union generally does not have access to the rate implicit in its leases, lease obligations are measured using the risk free rate as the discount rate for all leases. The incremental borrowing rate is the rate that would be paid to borrow on a collateralized basis over a similar term and amount equal to the lease payments in a similar economic environment.

Right-of-use assets are generally measured and recorded at the sum of the lease obligation, any initial direct costs to consummate the lease, and any lease payments made on or before the commencement date. No additional leases were capitalized in 2023.

Election For A Nonpublic Entity To Use A Risk-Free Rate As Its Discount Rate: The Union has made an accounting policy election to use a risk-free rate as the discount rate in measuring its lease obligations. Under this election, the risk-free rate used is the rate for a United States Treasury instrument with a term consistent with the remaining lease term of an applicable lease. This election is made for all leases.

Valuation of Investments: Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 10 for a discussion of fair value measurements.

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

Receivables: Work dues receivable is based on subsequent cash collections. As a consequence, consideration of an allowance for uncollectible work dues receivable is not necessary. Due from related organizations is reported at the outstanding unpaid principal balance. Interest is not accrued or recorded on outstanding receivables. The Union has determined that no allowance was required as of December 31, 2023 and 2022.

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

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**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Expenses: The costs of program and supporting services activities have been summarized on a functional basis on the statement of activities for the years ended December 31, 2023 and 2022. Management has reviewed all overhead costs and determined that it is appropriate to allocate a portion of these costs to the program services.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Union.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Union’s related party transactions with the Local 802 Musicians Health Fund (the “Health Fund”) and other related Funds are summarized as follows:

	Totals	Health Fund	All Other
Beginning balances	\$ 176,784	\$ 344,982	\$ (168,198)
Current period activity:			
Payments	(718,195)	(718,195)	0
Expense reimbursements	779,694	779,694	0
Exchanges	(27,025)	0	(27,025)
Total Current Activity	34,474	61,499	(27,025)
Ending balances	\$ 211,258	\$ 406,481	\$ (195,223)

The Union is reimbursed for payroll costs, rent and other administrative expenses incurred on behalf of the Health Fund as described in the administrative services and cost-sharing agreement and the lease for office space between the Union and the Health Fund. The Union was also reimbursed for overhead expenses incurred on behalf of other related organizations.

NOTE 4 – LIQUIDITY RESOURCES

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

The following table reflects the Union’s financial assets available to meet general expenditures within one year as of December 31, 2023 and 2022:

	2023	2022
Cash and cash equivalents - less escrow account balances	\$ 2,612,854	2,982,632
Investments	4,716,189	4,411,288
Receivables	848,382	1,069,997
Less:		
Escrow payable - recording and claims	(409,378)	(707,583)
Due to MOOMA	(15,000)	(15,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 7,753,047	7,741,334

**ASSOCIATED MUSICIANS OF GREATER NEW YORK, LOCAL 802,
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**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 – FIXED ASSETS

Fixed assets at December 31, 2023 and 2022 by classification are summarized as follows:

	2023	2022
Land, building and improvements	\$ 4,047,473	\$ 3,872,802
Computer software and equipment	45,131	74,924
Furniture and equipment	16,596	9,596
	4,109,200	3,957,322
Less - Accumulated depreciation	2,266,195	2,186,604
Net Fixed Assets	\$ 1,843,005	\$ 1,770,718

NOTE 6 – ESCROW ACCOUNT LIABILITY

The Union is custodian of cash for the Recording and Claims Funds, which is reported as both an asset and a liability in the Statement of Financial Position. The Recording Fund holds wages due to covered employees, which can be in the form of an employer check or employer deposit held by the Union for those musicians who are out of town at the time. The Claims Fund holds deposits from employers as security until wages are paid to covered employees. Cash held for the Recording and Claims Funds as of December 31, 2023 and 2022, was \$409,378 and \$707,582 respectively.

	Recording Fund	Claims Fund
RECEIPTS		
Escrow monies received	\$ 320,114	\$ 0
Claims and transient items collected	0	25,000
Total Receipts	320,114	25,000
DISBURSEMENTS		
Escrow monies disbursed	641,048	0
Claims and transient items paid	0	2,271
Total Disbursements	641,048	2,271
Increase (decrease) in cash	(320,934)	22,729
CASH BALANCE		
January 1, 2023	665,148	42,435
December 31, 2023	\$ 344,214	\$ 65,164

NOTE 7 – RISKS AND UNCERTAINTIES

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

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NOTE 8 – CONCENTRATION OF CREDIT RISK

Financial instruments that subject the Union to concentration of credit risk include cash and short-term investments. While the Union attempts to limit any financial exposure, its cash deposit balances may at times exceed federally insured limits. Short-term investments are not covered by the Federal Deposit Insurance Corporation.

NOTE 9 – EVALUATION OF SUBSEQUENT EVENTS

The Union has evaluated subsequent events through April 30, 2024, the date the financial statements were available to be issued.

NOTE 10 – FAIR VALUE MEASUREMENTS

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

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

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

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

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

The following is a description of the valuation methodologies used for assets at fair value. There have been no changes in the methodologies used at December 31, 2023 and 2022.

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

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

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NOTE 10 – FAIR VALUE MEASUREMENTS (continued)

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

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

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

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

The following table sets forth by level, within the fair value hierarchy, the Union's assets at fair value as of December 31, 2023 and 2022:

December 31, 2023				
Investment	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ 2,123,626	0	0	\$ 2,123,626
U.S. government securities	0	881,157	0	881,157
Corporate debt instruments	0	659,665	0	659,665
Corporate stocks	808,827	0	0	808,827
Registered investment companies	242,914	0	0	242,914
	\$ 3,175,367	\$ 1,540,822	\$ 0	\$ 4,716,189

December 31, 2022				
Investment	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ 2,038,693	0	0	\$ 2,038,693
U.S. government securities	0	982,300	0	982,300
Corporate debt instruments	0	540,551	0	540,551
Corporate stocks	690,529	0	0	690,529
Registered investment companies	159,215	0	0	159,215
	\$ 2,888,437	\$ 1,522,851	\$ 0	\$ 4,411,288

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DECEMBER 31, 2023 AND 2022**

NOTE 11 – NET INVESTMENT INCOME

Net investment income for the years ended December 31, 2023 and 2022 is summarized as follows:

	2023	2022
Interest, dividends and other	\$ 126,389	\$ 94,832
Unrealized gains (losses) on investments	216,835	(555,596)
Realized (losses) on sale of investments	(5,466)	(66,500)
	337,758	(527,264)
Less - Investment fees	27,071	27,461
Net Investment Income (Loss)	\$ 310,687	\$ (554,725)

NOTE 12 – FUTURE RENTAL INCOME

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

- The Health Fund (a related party, see Note 3) for the period July 1, 2015 through June 30, 2025 at a base rent of \$4,988 with a 2.5% per annum escalation. There is a 4.6% proportionate share of any increase in real estate tax, fuel expense, and quarterly maintenance contract of the air conditioning.
- Actors Federal Credit Union for the period January 1, 2018 through December 31, 2020 at a base rent of \$701 per month with a 2.5% per annum escalation. There is a monthly fixed water charge of \$4, a proportionate share of 1.56% real estate tax increase, as well as a 1.56% proportionate share of both the quarterly maintenance contract for all repairs and maintenance of the air conditioning system and fuel expense. This lease has not been renewed and Actors Federal Credit Union is paying rent on a month-to-month basis.
- Stage Call, Inc. for the period November 1, 2022 through October 31, 2025 at a base rent of \$3,276 per month with a 3% per annum escalation. There is a proportionate share of 3.52% real estate tax increase, as well as a 3.52% proportionate share of both the quarterly maintenance contract for all repairs and maintenance of the air conditioning system and fuel expense.

The annual minimum lease income under these non-cancelable leases as of December 31, 2023, is:

Year ending December 31:	2024	\$	115,840
	2025		44,580
Aggregate future minimum rentals		\$	160,420

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**NOTES TO FINANCIAL STATEMENTS
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NOTE 13 – PENSION PLANS AND OFFICERS’ SEVERANCE

Eligible employees of the Union are covered under the following multiemployer defined benefit pension plans. Pension expense amounted to \$429,163 and \$355,693 in 2023 and 2022, respectively.

Pension Fund Name	E.I.N.	Plan No.	Pension Protection Act		FIP/RP Status Pending / Implemented	Contributions			Surcharge Imposed	Expiration Date Of Collective Bargaining Agreement
			Zone Status			2023	2022	2021		
			2023	2022						
American Federation of Musicians Employers' Pension Fund	51-6120204	001	Red	Red	Implemented	\$ 404,346	\$ 337,276	\$ 202,921	Yes	6/30/2021
Local 153 Pension	13-2864289	001	Red	Red	Implemented	24,817	18,417	7,145	Yes	3/31/2019
						<u>\$ 429,163</u>	<u>\$ 355,693</u>	<u>\$ 210,066</u>		

Eligible officers are entitled to severance payments upon termination of employment. The liability for these payments is initially recorded when an officer completes five years of service. Officers’ severance pay expense amounted to \$7,640 and \$7,680 in 2023 and 2022, respectively.

NOTE 14 – LEASE COMMITMENTS

Amounts recognized as right-of-use assets related to operating leases are included in assets in the balance sheet, while related lease liabilities are included in debt. The Union had no finance leases as of December 31, 2023.

As of December 31, 2023, right-of-use assets and lease liabilities related to operating leases were as follows:

Right-of-use asset:	
Operating lease asset	<u>\$ 144,681</u>
Lease liability:	
Operating lease liability	<u>\$ 144,681</u>

The Union has an office equipment lease with Xerox Financial Services for the period March 1, 2023 through February 29, 2028 with monthly payments of \$2,875. The Union has another office equipment lease with Pitney Bowes for the period March 1, 2021 through June 31, 2024 with monthly payments of \$444.

The following are the Union’s future undiscounted cash flows for operating leases as of December 31, 2023, and a reconciliation to operating lease liabilities reported:

Years ending December 31:	2024	\$ 38,050
	2025	34,500
	2026	34,500
	2027	34,500
	2028	<u>5,750</u>
Aggregate future minimum rentals		147,300
Less interest		<u>(2,619)</u>
Present value of lease liability		<u>\$ 144,681</u>

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**SUPPLEMENTAL CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022**

	2023								2022	
	General Fund	Members' Benefit Strike Fund	Special Projects Fund	Legal Services Fund	Club Corp	Anne Walker Scholarship Fund	Recording Fund	Claims Fund	Consolidated Totals	Consolidated Totals
ASSETS										
Current:										
Cash and cash equivalents	\$ 1,936,331	\$ 243,924	\$ 482	\$ 22,739	\$ 0	\$ 0	\$ 344,214	\$ 65,164	\$ 2,612,854	\$ 2,982,632
Receivables:										
Work dues	599,816	0	0	0	0	0	0	0	599,816	850,267
Due from related organizations	5,251,465	9,143	47,131	457,039	(5,631,470)	77,950	0	0	211,258	176,784
Accrued interest	11,640	6,935	0	0	0	0	0	0	18,575	16,498
Payroll withholdings	8,743	0	0	0	0	0	0	0	8,743	0
Other	4,871	0	0	0	3,768	0	0	0	8,639	26,448
Due from broker	1,351	0	0	0	0	0	0	0	1,351	0
Total Receivables	<u>5,877,886</u>	<u>16,078</u>	<u>47,131</u>	<u>457,039</u>	<u>(5,627,702)</u>	<u>77,950</u>	<u>0</u>	<u>0</u>	<u>848,382</u>	<u>1,069,997</u>
Prepaid expenses	230,926	0	0	0	0	0	0	0	230,926	236,188
Total Current Assets	<u>8,045,143</u>	<u>260,002</u>	<u>47,613</u>	<u>479,778</u>	<u>(5,627,702)</u>	<u>77,950</u>	<u>344,214</u>	<u>65,164</u>	<u>3,692,162</u>	<u>4,288,817</u>
Other Assets:										
Investments, at fair value	2,592,563	2,123,626	0	0	0	0	0	0	4,716,189	4,411,288
Fixed assets, net of accumulated depreciation	290,335	0	0	0	1,552,670	0	0	0	1,843,005	1,770,718
Right-of-use asset - operating leases	144,681	0	0	0	0	0	0	0	144,681	0
Total Other Assets	<u>3,027,579</u>	<u>2,123,626</u>	<u>0</u>	<u>0</u>	<u>1,552,670</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,703,875</u>	<u>6,182,006</u>
Total Assets	<u>\$ 11,072,722</u>	<u>\$ 2,383,628</u>	<u>\$ 47,613</u>	<u>\$ 479,778</u>	<u>\$ (4,075,032)</u>	<u>\$ 77,950</u>	<u>\$ 344,214</u>	<u>\$ 65,164</u>	<u>\$ 10,396,037</u>	<u>\$ 10,470,823</u>
LIABILITIES AND ASSETS										
Current Liabilities:										
Accrued expenses payable	\$ 268,264	\$ 240	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 268,504	\$ 450,371
Due to American Federation of Musicians	15,872	0	0	0	0	0	0	0	15,872	24,607
Deferred income	88,006	0	0	0	0	0	0	0	88,006	90,537
Due to MOOMA - cash balance	15,000	0	0	0	0	0	0	0	15,000	15,000
Escrow payable - recording and claims	0	0	0	0	0	0	345,553	65,164	410,717	708,545
Current portion of lease obligation - operating	36,933	0	0	0	0	0	0	0	36,933	0
Total Current Liabilities	<u>424,075</u>	<u>240</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>345,553</u>	<u>65,164</u>	<u>835,032</u>	<u>1,289,060</u>
Non-current Liabilities:										
Severance pay - officers	117,860	0	0	0	0	0	0	0	117,860	121,689
Due to NY Philharmonic Strike Fund - cash balance	96,080	0	0	0	0	0	0	0	96,080	94,863
Security deposits	14,756	0	0	0	0	0	0	0	14,756	37,046
Long-term portion of lease obligation - operating	107,748	0	0	0	0	0	0	0	107,748	0
Total Non-current Liabilities	<u>336,444</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>336,444</u>	<u>253,598</u>
Total Liabilities	<u>760,519</u>	<u>240</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>345,553</u>	<u>65,164</u>	<u>1,171,476</u>	<u>1,542,658</u>
Net assets without donor restrictions	<u>10,312,203</u>	<u>2,383,388</u>	<u>47,613</u>	<u>479,778</u>	<u>(4,075,032)</u>	<u>77,950</u>	<u>(1,339)</u>	<u>0</u>	<u>9,224,561</u>	<u>8,928,165</u>
Total Liabilities and Net Assets	<u>\$ 11,072,722</u>	<u>\$ 2,383,628</u>	<u>\$ 47,613</u>	<u>\$ 479,778</u>	<u>\$ (4,075,032)</u>	<u>\$ 77,950</u>	<u>\$ 344,214</u>	<u>\$ 65,164</u>	<u>\$ 10,396,037</u>	<u>\$ 10,470,823</u>

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**SUPPLEMENTAL CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023								2022	
	General Fund	Members' Benefit Strike Fund	Special Projects Fund	Legal Services Fund	Club Corp	Anne Walker Scholarship Fund	Recording Fund	Claims Fund	Consolidated Totals	Consolidated Totals
REVENUES, GAINS AND OTHER										
Dues and fees:										
Work dues	\$ 5,261,012	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,261,012	\$ 5,234,406
Basic dues and application fees	1,224,272	0	0	0	0	0	0	0	1,224,272	1,227,948
Total Dues and Fees	<u>6,485,284</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,485,284</u>	<u>6,462,354</u>
Less Allocations to:										
American Federation of Musicians:										
Per capita and application fees	367,194	0	0	0	0	0	0	0	367,194	356,194
Work dues	692,433	0	0	0	0	0	0	0	692,433	624,598
Other	18,200	0	0	0	0	0	0	0	18,200	12,100
Other affiliates	27,848	0	0	0	0	0	0	0	27,848	25,196
Total Allocations	<u>1,105,675</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,105,675</u>	<u>1,018,088</u>
Net Dues Income	<u>5,379,609</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,379,609</u>	<u>5,444,266</u>
Other revenues:										
Net investment income (loss)	219,051	91,636	0	0	0	0	0	0	310,687	(554,725)
Rental of building	0	0	0	0	231,526	0	0	0	231,526	248,484
Journal advertising	39,867	0	0	0	0	0	0	0	39,867	43,515
Miscellaneous	1,655	0	0	0	0	3,170	0	0	4,825	4,402
Total Other Revenues	<u>260,573</u>	<u>91,636</u>	<u>0</u>	<u>0</u>	<u>231,526</u>	<u>3,170</u>	<u>0</u>	<u>0</u>	<u>586,905</u>	<u>(258,324)</u>
Total Revenues, Gains and Other	<u>5,640,182</u>	<u>91,636</u>	<u>0</u>	<u>0</u>	<u>231,526</u>	<u>3,170</u>	<u>0</u>	<u>0</u>	<u>5,966,514</u>	<u>5,185,942</u>
EXPENSES										
Program expenses:										
Organizing, collective bargaining and related	1,287,213	1,800	4,340	0	0	0	0	0	1,293,353	1,111,909
Governance, communication and publication	539,350	0	2,005	0	0	0	0	0	541,355	529,920
Members' benefits	26,915	0	0	0	0	0	0	0	26,915	68,681
Political	18,136	0	68	0	0	0	0	0	18,204	44,314
Charitable and scholarship	15,892	0	59	0	0	0	0	0	15,951	14,914
Total Expenses	<u>1,887,506</u>	<u>1,800</u>	<u>6,472</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,895,778</u>	<u>1,769,738</u>
General and administrative expenses	2,823,873	35	9,733	0	940,272	51	376	0	3,774,340	2,937,691
Total Functional Expenses	<u>4,711,379</u>	<u>1,835</u>	<u>16,205</u>	<u>0</u>	<u>940,272</u>	<u>51</u>	<u>376</u>	<u>0</u>	<u>5,670,118</u>	<u>4,707,429</u>
Change in net assets without donor restrictions	<u>928,803</u>	<u>89,801</u>	<u>(16,205)</u>	<u>0</u>	<u>(708,746)</u>	<u>3,119</u>	<u>(376)</u>	<u>0</u>	<u>296,396</u>	<u>478,513</u>
Net assets without donor restrictions:										
Beginning	9,444,331	2,293,587	54,853	430,812	(3,366,286)	71,831	(963)	0	8,928,165	8,449,652
Transfers (to) from other Funds	(60,931)	0	8,965	48,966	0	3,000	0	0	0	0
Ending	<u>\$ 10,312,203</u>	<u>\$ 2,383,388</u>	<u>\$ 47,613</u>	<u>\$ 479,778</u>	<u>\$ (4,075,032)</u>	<u>\$ 77,950</u>	<u>\$ (1,339)</u>	<u>\$ 0</u>	<u>\$ 9,224,561</u>	<u>\$ 8,928,165</u>