

**BERKLEE CHAPTER, LOCAL 4412 AFT,
AFT MASSACHUSETTS, AFL-CIO**

Financial Statements

Years Ended August 31, 2020 and 2019

**BERKLEE CHAPTER, LOCAL 4412 AFT,
AFT MASSACHSUEETS, AFL-CIO**

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
NOTES TO FINANCIAL STATEMENTS	5 - 6



Joseph B. Cohan & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

128 Carnegie Row, Suite 206
Norwood, MA 02062

Phone: (781) 326-3311
Fax: (781) 329-3694

Independent Auditor's Report

**To the Executive Board
Berklee Chapter, Local 4412 AFT,
AFT Massachusetts, AFL-CIO
Boston, Massachusetts**

We have audited the accompanying financial statements of Berklee Chapter, Local 4412 AFT, AFT Massachusetts, AFL-CIO (the Federation) (a nonprofit organization), which comprise the statements of financial position as of August 31, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Berklee Chapter, Local 4412 AFT, AFT Massachusetts, AFL-CIO as of August 31, 2020 and 2019, 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.

Joseph B. Cohan & Associates, P.C.
Norwood, Massachusetts
November 23, 2020

BERKLEE CHAPTER, LOCAL 4412 AFT, AFT MASSACHUSETTS, AFL-CIO
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash (Note 1)	\$ 564,825	\$ 526,975
PROPERTY AND EQUIPMENT (NOTE 1)		
Equipment	9,809	8,060
Less - Accumulated Depreciation	<u>7,858</u>	<u>6,930</u>
	<u>1,951</u>	<u>1,130</u>
TOTAL ASSETS	<u>\$ 566,776</u>	<u>\$ 528,105</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 622	\$ 590
Accrued and Withheld Payroll and Payroll Taxes	608	-
Per Capita Dues Payable	<u>29,335</u>	<u>24,828</u>
TOTAL CURRENT LIABILITIES	30,565	25,418
NET ASSETS - UNRESTRICTED (NOTE 1)	<u>536,211</u>	<u>502,687</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 566,776</u>	<u>\$ 528,105</u>

The Independent Auditor's Report and Accompanying Notes
are an Integral Part of these Financial Statements.

BERKLEE CHAPTER, LOCAL 4412 AFT, AFT MASSACHUSETTS, AFL-CIO
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
SUPPORT		
Dues Income (Note 1)	\$ 596,748	\$ 574,038
Interest Income	<u>7,353</u>	<u>10,581</u>
	604,101	584,619
EXPENSES		
Arbitration	1,450	325
Conferences, Conventions and Meetings	5,031	14,399
Councilor and Division Representative Honorariums	22,307	21,525
Depreciation	928	754
Election	-	5,853
Gifts and Donations	5,950	-
Insurance - Teacher's Liability	3,794	3,873
Insurance - Worker's Compensation	345	457
Negotiations	-	7,843
Office	2,054	4,731
Outside Services	-	595
Payroll Taxes	14,095	13,380
Per Capita - AFT Massachusetts	192,413	167,241
Per Capita - American Federation of Teachers	133,006	114,032
Per Capita - Massachusetts AFL-CIO	10,358	10,534
Professional Fees	25,523	21,382
Salaries - Officers	108,172	110,807
Salaries - Other	<u>45,151</u>	<u>50,142</u>
	570,577	547,873
INCREASE IN NET ASSETS	33,524	36,746
NET ASSETS, BEGINNING OF YEAR	<u>502,687</u>	<u>465,941</u>
NET ASSETS, END OF YEAR	<u>\$ 536,211</u>	<u>\$ 502,687</u>

The Independent Auditor's Report and Accompanying Notes
are an Integral Part of these Financial Statements.

BERKLEE CHAPTER, LOCAL 4412 AFT, AFT MASSACHUSETTS, AFL-CIO
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$ 33,524	\$ 36,746
Adjustments to Reconcile Increase in Net		
Assets to Net Cash Provided by Operating Activities		
Depreciation	928	754
Increase (Decrease) In		
Accounts Payable	32	(11,822)
Accrued and Withheld Payroll and Payroll Taxes	608	-
Per Capita Payable	4,507	1,001
	<hr/>	<hr/>
NET CASH PROVIDED BY OPERATING	39,599	26,679
ACTIVITIES		
CASH FLOWS USED BY INVESTING ACTIVITIES		
Aquisition of Property and Equipment	<hr/> (1,749) <hr/>	<hr/> - <hr/>
NET INCREASE IN CASH	37,850	26,679
CASH, BEGINNING	<hr/> 526,975 <hr/>	<hr/> 500,296 <hr/>
CASH, ENDING	<hr/> \$ 564,825 <hr/>	<hr/> \$ 526,975 <hr/>

**The Independent Auditor's Report and Accompanying Notes
are an Integral Part of these Financial Statements.**

**BERKLEE CHAPTER, LOCAL 4412 AFT,
AFT MASSACHUSETTS, AFL-CIO
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020 AND 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Berklee Chapter, Local 4412 AFT, AFT Massachusetts, AFL-CIO (the Federation), established May 9, 1985, is a nonprofit educational labor union comprised of full and part-time faculty members of the Berklee College of Music and the Boston Conservatory at Berklee in Boston, Massachusetts which provides support services to members regarding labor issues. Support is primarily derived from union member dues.

Method of Accounting

The financial statements of the Federation are prepared on the accrual method of accounting.

Financial Statement Presentation

The Federation has presented its financial statements in accordance with generally accepted accounting principles for nonprofit organizations. Under this guidance, the Federation is required to report information regarding financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Federation is required to present a statement of cash flows.

Cash

The Federation maintains cash balances at one financial institution located in the Boston, Massachusetts area. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. All balances above the FDIC insurance amount are insured by the Depositors Insurance Fund (DIF).

Property and Equipment

The Federation capitalizes property and equipment over \$300. Property and equipment are recorded at cost. Depreciation is computed on the straight-line method over the useful lives of the assets.

Contributions

Under generally accepted accounting principles for nonprofit organizations, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. For the years ended August 31, 2020 and 2019, the Federation did not receive any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

**BERKLEE CHAPTER, LOCAL 4412 AFT,
AFT MASSACHUSETTS, AFL-CIO
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020 AND 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax

Berklee Chapter, Local 4412 AFT, AFT Massachusetts, AFL-CIO is a nonprofit organization that is exempt from income taxes under Section 501(c) (5) of the Internal Revenue Code.

Accounting standards provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an organization's financial statements. Under these accounting standards, the Federation is required to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. Management has evaluated its significant tax positions against the criteria established by these accounting standards and believes there are no such tax positions requiring accounting recognition.

The Federation's Form 990, Return of Organization Exempt from Income Tax, for the years ending August 31, 2018, 2019 and 2020, are subject to examination by the IRS, generally for three years after they were filed.

2. EVALUATION OF SUBSEQUENT EVENTS

The Federation has evaluated subsequent events through November 23, 2020, the date which the financial statements were available to be issued. As a result of the outbreak of the novel coronavirus disease (COVID-19) in March 2020, Federation members are working remotely to teach students, and, as of the date of the Independent Auditor's Report, the Federation has experienced a financial impact as a result of COVID-19. Due to furloughs and decreased student enrollment at Berklee College of Music, revenue from member dues is approximately ten percent (10%) lower than the same period in the previous year. A reduction in affiliate fees with state and national organizations has resulted in reduced expenses, roughly proportionate to the revenue reduction. The Federation has further reduced expenses for FY 2021 by implementing a stipend freeze for officers and representatives and reducing allocations for office supplies, faculty outreach and activism, working meals, parking, conference activity, and donations and gifts.

See Independent Auditor's Report.

**BERKLEE CHAPTER, LOCAL 4412 AFT,
AFT MASSACHUSETTS, AFL-CIO**

**Statement of Expenses and Allocation Between
Chargeable Expenses and Non-Chargeable Expenses**

**For the Year Ended
August 31, 2020**

**BERKLEE CHAPTER, LOCAL 4412 AFT,
AFT MASSACHUSETTS, AFL-CIO
TABLE OF CONTENTS**

	Page No.
INDEPENDENT AUDITOR'S REPORT	1
STATEMENT OF EXPENSES AND ALLOCATION BETWEEN CHARGEABLE EXPENSES AND NON-CHARGEABLE EXPENSES	2
NOTES TO STATEMENT OF EXPENSES AND ALLOCATION BETWEEN CHARGEABLE EXPENSES AND NON-CHARGEABLE EXPENSES	3-6



Joseph B. Cohan & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

128 Carnegie Row, Suite 206
Norwood, MA 02062

Phone: (781) 326-3311
Fax: (781) 329-3694

Independent Auditor's Report

**To the Executive Board
Berklee Chapter, Local 4412 AFT,
AFT Massachusetts, AFL-CIO
Boston, Massachusetts**

We have audited the accompanying statement of expenses and allocation between chargeable expenses and non-chargeable expenses of Berklee Chapter, Local 4412 AFT, AFT Massachusetts, AFL-CIO (the Federation) (a nonprofit organization), for the year ended August 31, 2020, and the related notes to the statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this statement, and the allocated expenses between chargeable and non-chargeable expenses, on the basis of the definitions and significant factors and assumptions described in Notes 2 and 3; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Federation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Federation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the statement referred to above presents fairly, in all material respects, the expenses of Berklee Chapter, Local 4412 AFT, AFT Massachusetts, AFL-CIO for the year ended August 31, 2020, and the allocated expenses between chargeable and non-chargeable expenses, on the basis of the definitions and significant factors and assumptions described in Notes 2 and 3.

Other Matter

The total expenses reflected in Column A of the statement are based on the expenses of the Federation for the year ended August 31, 2020. The allocation of expenses between chargeable (column B) and non-chargeable (column C) is based on the definitions and significant factors and assumptions described in Notes 2 and 3.

Intended Use of Report of Independent Auditors

This report is intended solely for the information and use of Berklee Chapter, Local 4412 AFT, AFT Massachusetts, AFL-CIO and its agency fee payers and is not intended to be and should not be used by anyone other than these specified parties.

Joseph B. Cohan & Associates, P.C.

Norwood, Massachusetts
November 23, 2020

**BERKLEE CHAPTER, LOCAL 4412 AFT,
AFT MASSACHUSETTS, AFL-CIO
STATEMENT OF EXPENSES AND ALLOCATION BETWEEN
CHARGEABLE EXPENSES AND NON-CHARGEABLE EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2020**

	<u>COLUMN A</u>	<u>COLUMN B</u>	<u>COLUMN C</u>	
	<u>TOTAL</u>	<u>CHARGEABLE</u>	<u>NON-</u>	
<u>EXPENSES</u>	<u>EXPENSES</u>	<u>EXPENSES</u>	<u>CHARGEABLE</u>	<u>NOTES</u>
			<u>EXPENSES</u>	
Arbitration	\$ 1,450	\$ 1,450	-	3 (a)
Conferences, Conventions and Meetings	5,031	5,031	-	3 (b)
Councilor and Division Representative				3 (c)
Honorariums	22,307	22,307	-	
Depreciation	928	928	-	3 (d)
Gifts and Donations	5,950	-	5,950	3 (e)
Insurance - Teacher's Liability	3,794	3,794	-	3 (f)
Insurance - Worker's Compensation	345	345	-	3 (g)
Office	2,054	2,054	-	3 (h)
Payroll Taxes	14,095	14,095	-	3 (i)
Per Capita - AFT Massachusetts	192,413	157,278	35,135	3 (j)
Per Capita - American Federation of Teachers	133,006	92,998	40,008	3 (k)
Per Capita - Massachusetts AFL-CIO	10,358	3,975	6,383	3 (l)
Professional Fees	25,523	25,523	-	3 (m)
Salaries - Officers	108,172	108,172	-	3 (n)
Salaries - Other	45,151	45,151	-	3 (n)
	<u>\$ 570,577</u>	<u>\$ 483,101</u>	<u>\$ 87,476</u>	
	<u>100.00%</u>	<u>84.67%</u>	<u>15.33%</u>	

**The Independent Auditor's Report and Accompanying Notes
are an Integral Part of these Financial Statements.**

**BERKLEE CHAPTER, LOCAL 4412 AFT,
AFT MASSACHUSETTS, AFL-CIO
NOTES TO STATEMENT OF EXPENSES AND ALLOCATION BETWEEN
CHARGEABLE EXPENSES AND NON-CHARGEABLE EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2020**

Note 1 - Summary of Significant Accounting Policies

- (a) **Nature of Activities** – Berklee Chapter, Local 4412 AFT, AFT Massachusetts, AFL-CIO (the Federation), established May 9, 1985, is a nonprofit educational labor union comprised of full and part-time faculty members of the Berklee College of Music and the Boston Conservatory at Berklee in Boston, Massachusetts which provides support services to members regarding labor issues. Support is derived primarily from union member dues.
- (b) **Method of Accounting** – The financial statements of the Federation are prepared on the accrual method of accounting.
- (c) **Basis of Presentation** - The accompanying statement was prepared for the purpose of determining the fair share cost of services rendered by Berklee Chapter, Local 4412 AFT, AFT Massachusetts, AFL-CIO for employees represented by, but not members of, Berklee Chapter, Local 4412 AFT, AFT Massachusetts, AFL-CIO. The accompanying statement is not intended to be a complete presentation of the Federation's financial position, changes in its net assets, or cash flows in accordance with accounting principles generally accepted in the United States of America.
- (d) **Property and Equipment** – Property and Equipment are recorded at cost. Depreciation is computed on the straight-line method over the useful lives of the assets.
- (e) **Estimates** - The preparation of financial statements requires management to make estimates and assumptions that affect the reported expenses during the reported period and the allocation of expenses between chargeable and non-chargeable. Actual results could differ from those estimates.
- (f) **Income Tax** – Berklee Chapter, Local 4412 AFT, AFT Massachusetts, AFL-CIO is a nonprofit organization that is exempt from income taxes under Section 501(c)(5) of the Internal Revenue Code.

Accounting standards provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an organization's financial statements. Under these accounting standards, the Federation is required to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. Management has evaluated its significant tax positions against the criteria established by these accounting standards and believes there are no such tax positions requiring accounting recognition.

The Federation's Form 990, Return of Organization Exempt from Income tax, for the years ending August 31, 2018, 2019 and 2020, are subject to examination by the IRS, generally for three years after they were filed.

**BERKLEE CHAPTER, LOCAL 4412 AFT,
AFT MASSACHUSETTS, AFL-CIO
NOTES TO STATEMENT OF EXPENSES AND ALLOCATION BETWEEN
CHARGEABLE EXPENSES AND NON-CHARGEABLE EXPENSES (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2020**

Note 2 - Definitions

- (a) **Chargeable Expenses** – Chargeable expenses are those incurred by the Chapter that reflect the share of the costs of operations of the Federation which are considered necessarily and reasonably incurred for the purpose of performing duties as a representative of the employees in dealing with the employer on labor management issues, including the costs of: negotiating and administering the collective bargaining contract; settling grievances and disputes by mutual agreement, or in arbitration, court or otherwise.

The following are examples of expenditures classified as chargeable: preparation for and negotiations of collective bargaining agreements; contract administration including investigation and processing grievances; meetings, conferences, administrative, arbitral and court proceedings and pertinent investigation and research in connection with work-related subjects and issues; handling work-related problems of employees; communications with community organizations, civic groups, government agencies and the media regarding the Federation's position on work-related matters; lobbying and legislative activities with respect to matters concerning employees' work-related issues; maintaining membership and recruitment of members; employee group programs; and providing legal, economic and technical expertise on behalf of employees in all work-related matters.

- (b) **Non-chargeable Expenses** – Non-chargeable expenses are those of an ideological or political nature and those that are not germane to work-related interests of employees, such as lobbying and legislative activities.

The term "political" is defined as support for or against candidates for political office of any level of government and any office in the union structure. The term "ideological" is defined as support for or against certain positions that the union may take which are not work-related.

The following expenses are classified as non-chargeable: gifts and donations, scholarships, lobbying, electoral or political activities outside the limited context of contract ratification or implementation; and public relations efforts designed to enhance the reputation of the teaching profession.

Note 3 - Significant Factors and Assumptions Used in the Allocation of Expenses Between Chargeable and Non-chargeable

- (a) **Arbitration** - Expenses of grievances and contract administration are 100% chargeable.
- (b) **Conferences, Conventions and Meetings** that support the governance of the Federation and are necessary to maintain the Federation's associational existence are considered to be 100% chargeable.

Continued -

**BERKLEE CHAPTER, LOCAL 4412 AFT,
AFT MASSACHUSETTS, AFL-CIO
NOTES TO STATEMENT OF EXPENSES AND ALLOCATION BETWEEN
CHARGEABLE EXPENSES AND NON-CHARGEABLE EXPENSES (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2020**

**Note 3 - Significant Factors and Assumptions Used in the Allocation of Expenses
Between Chargeable and Non-chargeable (Continued)**

- (c) **Councilor and Division Representative Honorariums** are considered to be 100% chargeable as they are based upon attendance at the Federation's Executive Committee meetings.
- (d) **Depreciation** on equipment used in the Federation's operations is considered to be 100% chargeable.
- (e) **Gifts and Donations** are considered to be 100% non-chargeable.
- (f) **Insurance – Teachers Liability** This is professional liability insurance provided for dues payers. It is 100% chargeable.
- (g) **Insurance – Worker's Compensation** Worker's compensation insurance paid by the Federation on salaries paid to the officers and office and clerical personnel of the Federation have been allocated to non-chargeable expenses based on the officer's and office and clerical personnel's time spent on non-chargeable activities.
- (h) **Office** supplies and related expenses have been considered to be 100% chargeable.
- (i) **Payroll Taxes** Payroll taxes paid by the Federation on salaries paid to the officers and office and clerical personnel of the Federation have been allocated to non-chargeable expenses based on the officer's and office and clerical personnel's time spent on non-chargeable activities.
- (j) **Per Capita – AFT Massachusetts** Based on AFT Massachusetts' own published report of non-chargeable which is 18.26%.
- (k) **Per Capita – American Federation of Teachers** Based on A.F.T.'s own published report of non-chargeable which is 30.08%.
- (l) **Per Capita – Massachusetts AFL-CIO** Based on Massachusetts AFL CIO's own published report of non-chargeable which is 61.62%.
- (m) **Professional Fees** 100% chargeable as it is required to maintain the Federation's existence.

Continued -

**BERKLEE CHAPTER, LOCAL 4412 AFT,
AFT MASSACHUSETTS, AFL-CIO
NOTES TO STATEMENT OF EXPENSES AND ALLOCATION BETWEEN
CHARGEABLE EXPENSES AND NON-CHARGEABLE EXPENSES (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2020**

**Note 3 - Significant Factors and Assumptions Used in the Allocation of Expenses
Between Chargeable and Non-chargeable (Continued)**

- (n) **Salaries – Officers and Salaries - Other** Salaries paid to officers have been allocated to non-chargeable expenses based on each officer's time spent on nonchargeable activities. The salaries of office and clerical personnel are allocated between chargeable and non-chargeable by the same percentage as their supervisors.

Note 4 - Evaluation of Subsequent Events

The Federation has evaluated subsequent events through November 23, 2020, the date which the financial statements were available to be issued. As a result of the outbreak of the novel coronavirus disease (COVID-19) in March 2020, Federation members are working remotely to teach students, and, as of the date of the Independent Auditor's Report, the Federation has experienced a financial impact as a result of COVID-19. Due to furloughs and decreased student enrollment at Berklee College of Music, revenue from member dues is approximately ten percent (10%) lower than the same period in the previous year. A reduction in affiliate fees with state and national organizations has resulted in reduced expenses, roughly proportionate to the revenue reduction. The Federation has further reduced expenses for FY 2021 by implementing a stipend freeze for officers and representatives and reducing allocations for office supplies, faculty outreach and activism, working meals, parking, conference activity, and donations and gifts.

See Independent Auditor's Report.