AFM & SAG-AFTRA INTELLECTUAL PROPERTY RIGHTS DISTRIBUTION FUND

FINANCIAL STATEMENTS

MARCH 31, 2014 AND 2013

AFM & SAG-AFTRA INTELLECTUAL PROPERTY RIGHTS
DISTRIBUTION FUND

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MILLER KAPLAN ARASE LLP
CERTIFIED PUBLIC ACCOUNTANTS SINCE 1941

Los Angeles
4123 Lankershim Boulevard
North Hollywood, CA 91602
Tel: 818.769.2010

San Francisco
44 Montgomery Street
Suite 3701
San Francisco, CA 94104
Tel: 415.956.3600

Seattle
600 Stewart Street
Suite 618
Seattle, WA 98101
Tel: 206.596.3930

Portland
1200 NW Marshall Street
Suite 812
Portland, OR 97209
Tel: 971.255.0546

Las Vegas
330 East Warm Springs Road
Las Vegas, NV 89119
Tel: 702.315.4213

INDEPENDENT AUDITORS' REPORT

Board of Trustees
AFM & SAG-AFTRA Intellectual Property Rights
Distribution Fund
4705 Laurel Canyon Boulevard, Suite 400
Valley Village, California 91607

Members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of AFM & SAG-AFTRA Intellectual Property Rights Distribution Fund (the "Fund"), which comprise the statements of assets, liabilities and net assets - modified cash basis as of March 31, 2014 and 2013, and the related statements of revenue and expenses - modified cash basis and cash flows - modified cash basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Fund management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2-A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Fund management is also responsible for 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 audit 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 qualified audit opinion.

Board of Trustees
AFM & SAG-AFTRA Intellectual Property Rights
Distribution Fund

Basis for Qualified Opinion

As explained in Note 9 to the financial statements, the Fund is the sole owner of the Studio City Plaza Title Holding Company, LLC (the "Building Corporation"). The financial statements referred to above do not include the Building Corporation's operations and account balances. The modified cash basis of accounting requires all majority owned subsidiaries be accounted for as consolidated financial statements.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the statement of assets, liabilities and net assets of the Fund of March 31, 2014 and 2013, and its revenue and expenses and cash flows for the years then ended in accordance with the basis of accounting described in Note 2-A.

Basis of Accounting

We draw attention to Note 2-A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Miller Kaplan Arase LLP

MILLER KAPLAN ARASE LLP
North Hollywood, California
March 9, 2016

AFM & SAG-AFTRA INTELLECTUAL PROPERTY RIGHTS DISTRIBUTION FUND
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS
MODIFIED CASH BASIS

	March 31, 2014	March 31, 2013
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 72,321,436	$ 50,462,024
Accounts Receivable	14	5,888
Prepaid Insurance	73,308	6,091
Loan Receivable - Related Party - Current	158,473	-
Investments at Market Value	23,416,068	23,325,746
TOTAL CURRENT ASSETS	$ 95,969,299	$ 73,799,749
PROPERTY AND EQUIPMENT, NET	204,275	138,426
LOAN RECEIVABLE - RELATED PARTY - LONG-TERM	6,841,527	-
TOTAL ASSETS	$ 103,015,101	$ 73,938,175
LIABILITIES AND NET ASSETS		
LIABILITIES		
Distributions Payable	$ 17,624,115	$ 13,718,039
TOTAL CURRENT LIABILITIES	$ 17,624,115	$ 13,718,039
NET ASSETS (UNRESTRICTED)		
Reserve for Omissions	$ 169,797	$ 169,797
Unrestricted	85,221,189	60,050,339
TOTAL NET ASSETS (UNRESTRICTED)	$ 85,390,986	$ 60,220,136
TOTAL LIABILITIES AND NET ASSETS	$ 103,015,101	$ 73,938,175

Attached notes are an integral part of this statement.

EXHIBIT "B"

AFM & SAG-AFTRA INTELLECTUAL PROPERTY RIGHTS DISTRIBUTION FUND
STATEMENTS OF REVENUE AND EXPENSES
MODIFIED CASH BASIS

	April 1, 2013 to March 31, 2014	April 1, 2012 to March 31, 2013
REVENUE		
Royalty Receipts	$ 41,699,519	$ 27,561,164
Dividends and Interest	155,697	179,771
Loss on Disposal of Property and Equipment	(292)	-
Unrealized Gain (Loss) on Investments	(42,856)	151,954
TOTAL REVENUE	$ 41,812,068	$ 27,892,889
EXPENSES		
Distributions to Performers (Net of Unclaimed Distributions Returned from Prior Years)	$ 13,010,637	$ 10,188,961
Omission Payments	3,027	1,167,358
General and Administrative Expenses - Schedule B-1	3,538,442	2,820,342
Professional Fees	89,112	94,163
TOTAL EXPENSES	$ 16,641,218	$ 14,270,824
CHANGE IN NET ASSETS	$ 25,170,850	$ 13,622,065
NET ASSETS (UNRESTRICTED)		
BEGINNING OF YEAR	60,220,136	46,598,071
END OF YEAR	$ 85,390,986	$ 60,220,136

Attached notes are an integral part of this statement.

SCHEDULE B-1

AFM & SAG-AFTRA INTELLECTUAL PROPERTY RIGHTS DISTRIBUTION FUND
SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES
MODIFIED CASH BASIS

	April 1, 2013 to March 31, 2014	April 1, 2012 to March 31, 2013
Administrative Wage and Benefit Reimbursements	$ 2,513,491	$ 2,001,694
Administrative Fees	144,000	89,746
Research	181,498	175,967
Insurance	14,385	8,385
Printing	75,472	64,546
Occupancy	231,105	172,375
Equipment Lease	26,802	16,397
Promotion	26,154	27,225
Maintenance and Repairs	13,757	16,377
Seminars, Travel and Parking	116,474	49,419
Postage and Delivery	5,085	9,845
Office and Computer Supplies and Expenses	77,301	63,332
Meals	21,583	11,116
Utilities	24,230	10,698
Depreciation and Amortization	32,137	21,849
Temporary Help	17,444	24,248
Bank and Investment Manager Fees	17,524	57,123
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	$ 3,538,442	$ 2,820,342

Attached notes are an integral part of this statement.

AFM & SAG-AFTRA INTELLECTUAL PROPERTY RIGHTS DISTRIBUTION FUND
STATEMENTS OF CASH FLOWS
MODIFIED CASH BASIS

	April 1, 2013 to March 31, 2014	April 1, 2012 to March 31, 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 25,170,850	$ 13,622,065
Adjustments to Reconcile Change in Net Assets		
to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	32,137	21,849
Loss on Disposal of Property and Equipment	292	-
Unrealized (Gain) Loss on Investments	42,856	(151,954)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	5,874	(4,723)
Due from Video Supplemental Fund, Net	-	19,998
Prepaid Insurance	(67,217)	(3,053)
Distributions Payable	3,906,076	2,931,345
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 29,090,868	$ 16,435,527
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	$ (20,457,213)	$ (39,229,603)
Proceeds from Sale of Investments	20,324,035	39,110,608
Purchase of Property and Equipment	(98,278)	(50,523)
NET CASH (USED) BY INVESTING ACTIVITIES	$ (231,456)	$ (169,518)
CASH FLOWS FROM FINANCING ACTIVITIES		
Funds Loaned to - Related Party	$ (7,000,000)	$ -
NET CASH (USED) BY FINANCING ACTIVITIES	$ (7,000,000)	$ -
NET INCREASE IN CASH AND CASH EQUIVALENTS	$ 21,859,412	$ 16,266,009
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	50,462,024	34,196,015
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 72,321,436	$ 50,462,024

Attached notes are an integral part of this statement.

NOTE 1 - DESCRIPTION OF THE FUND

The American Federation of Musicians of the United States and Canada ("AFM") and American Federation of Television and Radio Artists ("AFTRA") created the AFM & AFTRA Intellectual Property Rights Distribution Fund ("Fund") or ("AFM & AFTRA") on September 16, 1998 for the purpose of receiving and distributing record rental remuneration and statutory royalties payable to non-featured instrumentalists and vocalists. With the merger of the Screen Actors Guild and AFTRA ("SAG-AFTRA") in March 2012, the Fund was renamed the AFM & SAG-AFTRA Intellectual Property Rights Distribution Fund ("Fund") or ("AFM & SAG-AFTRA Fund").

The Fund has operated and been administered under the joint responsibility of four trustees, two appointed by the AFM and two appointed by SAG-AFTRA. In 2011 the Trustees amended the Trust to provide for six Trustees, three appointed by the AFM (one of whom must be a rank and file representative) and three appointed by SAG-AFTRA (one of whom must be a rank and file representative). All royalties received from the various organizations (see Note 3) are for the benefit of non-featured instrumentalists and vocalists, except as expressively provided for the distribution of Audiovisual royalties (see Note 3) and for the distribution of symphonic featured artist royalties. Expenses incurred in the administration of the Fund are allocated against the royalties received from the various organizations based on royalties received, from the date of receipt. Distribution expenses are allocated directly to the royalties distributed.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Fund's policy is to recognize revenue and the related assets when cash is received rather than when earned and recognize expenses when paid rather than when the obligations are incurred, except for the recognition of payables or receivables to related parties and distributions payable.

B. Use of Estimates

The preparation of financial statements in conformity with the basis of accounting described above 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

C. Cash and Cash Equivalents

The Fund considers all highly liquid short-term investments with maturities of three months or less to be cash equivalents.

D. Distributions Payable

Distribution payments that are not cashed by December 31 of the year in which they are issued are recorded as distributions payable. Distributions payable include the amount of distribution checks outstanding for no longer than two years as of the date of the financial statements, and amounts that were not distributable because of missing information relating to the whereabouts of intended recipients. The Fund may be contacted by performers who either did not cash or receive

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Distributions Payable (Continued)

their distribution checks. In such cases, the Fund will re-issue payment. Such payments are charged against this account. The Fund holds balances in this account pending receipt of claims until the end of the second fiscal year after the date on which such distributions were payable. Thereafter, any unclaimed distributions are netted against the current year's distributable amount.

The Fund continuously attempts to locate and notify performers whose distribution checks have not been cashed or performers to whom payments are due but not yet issued using various methods including, but not limited to, print advertising in music publications, web-based advertising and listing of unclaimed checks on the Fund's website. At March 31, 2014 and 2013, unclaimed distributions were $17,624,115 and $13,718,039, respectively.

E. Reserve for Omissions

The Fund seeks to identify all performers who are entitled to royalty distributions for their work. Occasionally, through inquiries from and information provided by performers as well as the Fund's ongoing research, instances are identified wherein performers who were entitled to distributions were omitted. Accordingly, the Fund established a reserve for omissions to pay distributions to such performers. Interest and dividends earned on royalty contributions is used to fund this reserve.

The reserve to provide for distributions to previously omitted performers was $169,797 for both years 2014 and 2013.

F. De Minimis Policy

The Fund has a de minimis policy relating to Japanese Record Rental Royalty payments, pursuant to which no distribution payments less than $10 are made. However, de minimis amounts of less than $10 are added to performers' accounts. When an account reaches the $10 threshold, a payment is made. Any payment may be comprised of royalties from several sources, including one or more de minimis amounts. The de minimis policy is waived whenever a non-featured performer has a payment due from any of the other revenue sources not having such a policy. In those instances, the de minimis amounts are added to a payment for that revenue source.

G. Property and Equipment

Property and equipment is stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the life of the lease. Expenditures for major renewals and betterments that extend the useful life are capitalized. Expenditures for repairs and maintenance are expensed. Approximately $42,000 of assets were not depreciated during the fiscal year end March 31, 2014 as they have not been placed in service.

H. Income Tax Status

No provision for federal or state income tax is made. The Fund has obtained tax-exempt status from the federal government and the state of California under Internal Revenue Code Section 501(c)(6) and Revenue and Taxation Code 23701a, respectively. The Fund administrator believes the Fund is currently designed and being operated in compliance with the requirements of the respective codes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Income Tax Status (Continued)

The Fund has adopted guidance on accounting for uncertainty in income taxes issued by the Financial Accounting Standards Board. Management believes that the Fund has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. As of March 31, 2014, information returns subsequent to 2010 were subject to examination by authorities.

I. Investment Valuation and Income Recognition

Accounting standards establish a fair value hierarchy that prioritizes valuation inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. The levels are as follows:

Level 1 – Inputs are based on quoted prices in an active market.

Level 2 – Inputs are based on quoted prices for similar instruments and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data.

Level 3 – Inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

The following tables summarize the Fund's investments based on the inputs used to value them.

	March 31, 2014			
	Level 1	Level 2	Level 3	Total
Money Market	$ 72,266,083	$ -	$ -	$ 72,266,083
Certificates of Deposit	-	3,327,680	-	3,327,680
Corporate Bonds	-	6,725,347	-	6,725,347
Commercial Paper - Corporate	-	9,898,786	-	9,898,786
	$ 72,266,083	$ 19,951,813	$ -	$ 92,217,896

	March 31, 2013			
	Level 1	Level 2	Level 3	Total
Money Market	$ 54,241,589	$ -	$ -	$ 54,241,589
Certificates of Deposit	-	1,448,769	-	1,448,769
Corporate Bonds	-	5,895,852	-	5,895,852
Commercial Paper - Corporate	-	10,597,639	-	10,597,639
Floating Rate Notes	-	500,000	-	500,000
	$ 54,241,589	$ 18,442,260	$ -	$ 72,683,849

Level 1 investments include money market funds valued based on quoted market prices in an active market. Level 2 investments include certificates of deposit, corporate bonds, commercial paper and floating rate notes whose values are determined by reference to trades in similar securities, or valued by third party pricing vendors. The allocation of investments is in accordance with the Fund's investment policy.

NOTE 3 - SUMMARY OF ROYALTY SOURCES

The Fund collects royalties from various sources both foreign and domestic summarized as follows:

A. Domestic Royalties

1. Audio Home Recording Act ("AHRA")

   The AHRA imposes an obligation on importers and manufacturers of digital audio recording devices and media to submit a royalty payment set by statute to the Register of Copyrights.

   The AHRA provides that 66-⅓% of those royalties shall be allocated to a Sound Recordings Fund. The AHRA further provides that 2-⅝% of the Sound Recordings Fund shall be distributed to non-featured musicians who have performed on sound recordings distributed in the United States, and that 1-⅜% shall be similarly distributed to non-featured vocalists.

2. Digital Performance Rights ("DPRA")

   The DPRA of 1995 and DMCA of 1998 require the allocation of 5% of compulsory license fees to non-featured performers - 2-½% to non-featured musicians and 2-½% to non-featured vocalists. Compulsory license fees are collected in the first instance by SoundExchange. SoundExchange is an independent, nonprofit performance rights organization that is designated by the United States Copyright office to collect and distribute digital performance royalties for featured recording artists and sound recording copyright owners. SoundExchange collects both the featured artists and the non-featured artists' share of this money, and transfers the non-featured performers' share to the Fund for distribution.

3. Digital Downloads (Vocalists)

   In 2007, SAG-AFTRA concluded its negotiation with the Recording Industry for a successor Sound Recording Labor Agreement, commencing January 1, 2008. This agreement contains a new provision for Digital Exploitations of Covered Product ("Digital Downloads") to be collected by the SAG-AFTRA and Industry Sound Recording Distribution Fund ("SRDF"). The SRDF has appointed the AFM & SAG-AFTRA Fund as the Third Party Administrator to distribute royalties derived from the following products/sources:

   - Permanent Audio Downloads - A Covered (i.e. recorded under the AFTRA Sound Recording Labor Agreement) Sound Recording sold via a digital transmission in the United States only in a manner which provides a permanent copy.
   - Permanent Video Downloads - A Covered Music Video sold via a digital transmission in the United States only in a manner which provides a permanent copy.
   - Non-Permanent ("Tethered") Download - A Covered Sound Recording or a Music Video which is sold via digital transmission in the United States only on a temporary, conditional or "timed out" basis.
   - Video Streams - A Covered Music Video sold via a digital transmission in the United States only using streaming technology and leaving no residual copy on the receiving device.

NOTE 3 - SUMMARY OF ROYALTY SOURCES (Continued)

B. Foreign Royalties

1. Private Copy/Record Rental Remuneration

   The Fund collects Private Copy royalties (similar to AHRA Royalties in the US) and/or Record Rental royalties with numerous collectives in foreign territories via bi-lateral (reciprocal) agreements negotiated in conjunction with the Association of Artists and Record Companies (AARC) and the applicable foreign collectives. (There are some exceptions where the Fund has an agreement solely with a foreign collective that does not involve AARC).

2. Digital Performance Royalties

   The Fund collects Digital Performance Royalties (similar to DPRM and DMCA Royalties in the US) and/or certain other broadcast royalties with numerous collectives in foreign territories via bi-lateral (reciprocal) agreements negotiated in conjunction with the Sound Exchange and the applicable foreign collective. (There are some exceptions where the Fund has an agreement solely with a foreign collective that does not involve Sound Exchange).

3. Audiovisual Royalties

   In February 2010, the Fund entered into an agreement with AIE (the Spanish collective for featured and non-featured musicians and vocalists) for the distribution of audiovisual rights for motion pictures and television programs scored in whole or in part in the U.S. that are broadcast on Spanish television. This agreement also includes featured artists and non-featured artist royalties for the underscore (music originally recorded for the motion picture or television film) as well as for sound recordings licensed for use in motion pictures or television films.

NOTE 4 - CONCENTRATION OF CREDIT RISK

During the fiscal year ended March 31, 2014, the Fund maintained bank accounts with cash balances in excess of the federally insured limits of $250,000 per bank. Various cash accounts have minimum balance requirements. The amount in excess of the limits was subject to risk if the financial institution did not perform. The Fund has not incurred any losses on the uninsured balances.

NOTE 5 - RELATED PARTY TRANSACTIONS (NOTE 9)

The Fund shared equipment and administrative staff with Film Musicians Secondary Markets Fund (FMSMF) and Live Television Video Supplemental Markets Fund (VSF), related parties through March 31, 2014. FMSMF performs periodic time studies to determine the allocation percentage of common expenses between these related parties. FMSMF pays the expenses and each entity reimburses it for their share of these costs based upon the allocation percentages approved by management.

The Fund's administrator was also the administrator of the FMSMF until April 2014. FMSMF routinely paid expenses on behalf of the Fund, for which it was reimbursed. Expenses paid on behalf of the Fund totaled $797,848 and $812,556 for the years ended March 31, 2014 and 2013, respectively.

NOTE 5 - RELATED PARTY TRANSACTIONS (NOTE 9) (Continued)

The Fund's administrator was also the administrator of the VSF until April 2014. Expenses paid on behalf of the VSF totaled $104,265 and $82,613 for the years ended March 31, 2014 and 2013, respectively.

In June 2013, the Fund entered into service agreements with AFM & SAG-AFTRA whereby they will provide the Fund membership data and other support services that will help facilitate distributions to performers. The Fund will pay 3% of each distribution, split evenly between AFM & SAG-AFTRA. During the year ended March 31, 2014, the Fund paid $193,814 to both AFM & SAG-AFTRA.

NOTE 6 - INVESTMENTS

The Fund classifies as short-term, investments with maturities of greater than 3 months, but less than 12 months. These investments are classified as held-to-maturity securities as the Fund has the ability and intent to hold the securities until maturity. Dividend and interest income is recorded when received.

The Fund's investments consisted of the following:

	March 31, 2014	
	Market Value	Cost
Money Market	$ 72,266,083	$ 72,266,083
Certificates of Deposit	3,327,680	3,325,071
Corporate Bonds	6,725,347	6,610,089
Commercial Paper	9,898,786	9,898,786
TOTALS	$ 92,217,896	$ 92,100,029

	March 31, 2013	
	Market Value	Cost
Money Market	$ 54,241,589	$ 54,241,589
Certificates of Deposit	1,448,769	1,450,000
Corporate Bonds	5,895,852	5,733,898
Commercial Paper	10,597,639	10,597,639
Floating Rate Notes	500,000	500,000
TOTALS	$ 72,683,849	$ 72,523,126

NOTE 7 - PROPERTY AND EQUIPMENT, NET

At March 31, 2014 and 2013, property and equipment consisted of the following:

NOTE 7 - PROPERTY AND EQUIPMENT, NET (Continued)

	2014	2013
Computer Equipment	$ 131,774	$ 74,947
Furniture and Fixtures	35,376	33,846
Leasehold Improvements	58,416	36,501
Website	21,450	19,800
Office Equipment	29,053	13,159
	$ 276,069	$ 178,253
Less: Accumulated Depreciation and Amortization	71,794	39,827
TOTALS	$ 204,275	$ 138,426

NOTE 8 - COMMITMENTS

Office Space

On May 1, 2011, the Fund entered into a 5 year operating lease commencing for office space in Studio City, California. In August 2011, the Fund entered into a 5 year operating lease for additional office space. Included in the leases are letters of credit for approximately $22,000. In July 2013, the Fund entered into a 34 month operating lease for additional space.

The combined monthly rent expense for the leases totals $37,334 plus common area maintenance. This expense is partially offset by sublease income for two suites in a separate location; these two leases end in April 2016.

Future minimum lease payments and sublease income for the remainder of the leases are as follows:

Year Ending	Lease Expense	Sublease Income
2015	$ 394,344	$ 65,028
2016	462,916	45,394
2017	364,923	3,844
2018	365,797	-
2019	376,790	-
Thereafter	63,104	-
	$ 2,027,874	$ 114,266

NOTE 9 - LOAN RECEIVABLE – RELATED PARTY (Note 12)

On September 12, 2013, the Fund established a building corporation, Studio City Plaza Title Holding Company LLC (SCPTHC) to hold property purchased by the Fund. The Fund loaned $7 million to SCPTHC on October 15, 2013 due to be repaid in monthly payments over 30 years at an interest rate of 4.25%. No payments had been received from SCPTHC through March 31, 2014. Minimum future loan re-payments are as follows:

NOTE 9 - LOAN RECEIVABLE – RELATED PARTY (Continued)

Year Ending	Total
2015	$ 158,473
2016	124,879
2017	130,290
2018	135,937
2019	141,828
Thereafter	6,308,593
	$ 7,000,000

NOTE 10 - MULTIEMPLOYER PENSION PLAN

The Fund contributes to the American Federation of Musicians and Employers' Pension Fund under the terms of a participation agreement that covers its employees. The risks of participating in a multiemployer plan is different from a single-employer plan in the following respects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Fund chooses to stop participating in its multiemployer plan, the Fund may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Fund's participation in this plan for the years ended March 31, 2014 and 2013 is outlined in the table below. The "EIN/Plan Number" column provides the employer identification number ("EIN") and the three-digit plan number.

The most recent Pension Protection Act Zone status available in 2014 and 2013 is for the plan's year ends at March 31, 2015 and 2014, respectively. The zone status is based on information that the Fund received from the plan and is certified by the plan's actuary.

Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status" column indicates plans for which a funding improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

The last column lists the expiration date of the participation agreement to which the plan is subject.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status 2015	Pension Protection Act Zone Status 2014	FIP/RP Status	Contributions by the Fund 2014	Contributions by the Fund 2013	Surcharge Imposed	Expiration Date of Participation Agreement
American Federation of Musicians and Employers' Pension Fund	51-6120204/ 001	Red	Red	Yes	$ 148,298	$ 121,301	Yes	N/A

NOTE 11 - 401(k) PLAN

The Fund contributes to a 401(k) Plan. The employer contribution is 3% of all employees' eligible gross pay, regardless of the employees' election amount, participation or lack thereof. Total Safe Harbor contributions for the years ended March 31, 2014 and 2013 were $53,216 and $42,861, respectively.

NOTE 12 - SUBSEQUENT EVENTS

On June 1, 2014, the Fund entered into a lease agreement with the SCPTHC for office space, expiring on May 31, 2019. Base rent is $27,990 per month.

Management has evaluated subsequent events through March 9, 2016, the date on which the financial statements were available to be issued. Other than discussed above, there were no other material subsequent events that required recognition or additional disclosures in these financial statements.