Pictured (top to bottom, l-r):

Shawn Petterson and vocalist Sammy Allen at the 2015 ASCAP Film & TV Music Awards.

Latin Heritage Award honorees La Original Banda el Limón at the 2015 ASCAP Latin Music Awards.

ASCAP Golden Note Award honoree Lauryn Hill at the 2015 R&B Awards.

Lady Antebellum at the 2015 ASCAP Country Music Awards.

Dave Grohl congratulates Gene Simmons and Paul Stanley on their ASCAP Founders Award at the 2015 ASCAP Pop Awards.

Cast members from Invisible Thread with Richard Rodgers New Horizons Award winners Matt Gould (at piano) & Griffin Matthews (far right) at the 2015 ASCAP Foundation Awards.

The American Contemporary Music Ensemble (ACME) at the 2015 ASCAP Concert Music Awards.

Annual Report design by Mike Vella
OUR MISSION

We are the world leader in performance royalties, advocacy and service for songwriters, composers and music publishers. Our mission is to ensure that our music creator members can thrive alongside the businesses who use our music, so that together, we can touch the lives of billions.
Music is an art. And music is a business.

The beauty of ASCAP, as conceived by our visionary founders over 100 years ago, is that it serves to foster both music and commerce so that each partner in this relationship can flourish. When we do, the world is a better place. Billions of people around the world benefit from this synergy each time they turn on the radio driving to work, fall in love on the dance floor, go shopping at the mall, watch their favorite show on television, or stream the latest release from a hot new artist on their smartphone. People’s lives are touched. Businesses prosper. Music creators get paid. It’s almost a perfect circle.

I am an optimist. After all, I am the guy that writes about rainbows for frogs and still gets teary when he hears “When You Wish Upon a Star.” But I know today’s music creators are facing serious challenges. Wonderful technology brought us streaming, but it has arrived so fast and forceful, our nation’s outdated music licensing laws have not been able to keep pace with how people experience music today.

World War II-era regulations are allowing some corporate internet giants, who control all the pipelines of music delivery, to prosper at the expense of music creators. Songwriters know there are no guarantees of success in our profession, but when they do succeed, and millions of people listen and love their work, they should be fairly compensated.

Many of you songwriters and composers will say you have no choice but to make music. It is your life. In making it your livelihood, however, you do have a choice. You chose ASCAP. As a professional, you chose ASCAP because you are serious about your career. As a member, you also care about your community. You care about the future of music.

We are the only US performing rights organization owned and operated by songwriters, composers and music publishers. That means ASCAP is
yours. It is mine. It is ours. We are more than 570,000 strong and our mission is to build a stronger future for music.

What does that mean? That means educating our emerging music creators, as we do with our ASCAP “I Create Music” EXPO. That means fostering opportunities so that our gifted young composers have a leg up in the industry, as we do with our film scoring workshops. That means supporting our members at every stage of their careers, through showcases, song camps and events honoring your success.

It also means being a leader in the fight to modernize our nation’s music licensing system, like so many of you have been this past year. I am deeply grateful for all the support ASCAP members have shown for this effort – sending letters to Congress in support of the Songwriter Equity Act, writing op-eds pushing for music licensing reform, spreading the word on social media and meeting with lawmakers. Our voices are truly making a difference and changing the narrative in Washington.

We just experienced an incredibly successful year. I am proud of the creative achievements of so many of our members. I am also proud of our new CEO Beth Matthews and her exceptional team, who are transforming ASCAP with a progressive vision and focus on innovation to shape a healthy future for ASCAP and our members. Together, the talented members of ASCAP, the dedicated Board of Directors and the hard-working staff make for a winning team. I truly believe that if we continue to join forces, united in our belief that we are better together, then we will move forward with our message clearer, our voices louder, our ASCAP stronger.
AM THRILLED TO REPORT THAT ASCAP achieved record-breaking public performance revenues of $1.014 billion for 2015. This is the second year in a row that we collected in excess of $1.0 billion, the highest amount of any performing rights organization for two years. We also achieved record high domestic licensing revenue of $716.8 million, an increase of $61.0 million, or 9.3%, over 2014.

Unlike our competitors, we are a membership organization that operates on a not-for-profit basis, which means all the money our members’ music has earned goes straight into their pockets after we deduct our operating expenses. With one of the lowest overhead operating rates in the world at 12.3%, ASCAP delivers the best value proposition in the performing rights licensing world.

I am proud to say that 2015 was a winning year. We distributed $867.4 million in royalties to our professional songwriter, composer and music publisher members. That includes record high domestic distributions of $573.5 million, up 6.2% from 2014.

Domestically, ASCAP grew revenue across nearly all platforms last year, led in part by significant agreements closed with several licensing partners. We closed 68 TV licenses, representing 245 programming services and related websites. We closed key outstanding deals with Pandora and Netflix. We drove record growth of $11.0 million in General Licensing, which covers bars, restaurants, music venues, and similar businesses. Foreign collections were

TOTAL 2015 REVENUE
$1.014 BILLION

$867.4 MILLION
Distributed to
ASCAP members in 2015
$298.0 million, down by 14.1% from 2014. While the popularity of our members’ music abroad continued to grow in 2015, the strength of the US dollar resulted in a decrease in revenues solely based on the exchange rate, which impacts all US businesses with foreign revenues once they are converted to US dollars.

Our growth is exciting because it means our members’ music is being used more than ever before, and that we are able to capture that value and deliver it back where it belongs — into the lives of its creators.

We also had an incredibly successful 2015 because ASCAP worked extremely hard, innovated, experimented with new ways of doing things and continued to transform into the most progressive performing rights organization in the world. The ASCAP Board continues to anticipate changes we see on the horizon. They, along with the executive leadership team I have assembled in the past year, bring to the table a wealth of experience from the music, digital and media sectors. Our ASCAP is uniquely skilled to maximize opportunities for our members in a rapidly changing landscape. And we have a clear strategic vision for our future.

I am confident that ASCAP will continue to be a leader, both in terms of delivering the highest returns to our members and the highest value to our licensees. We will continue to push for music licensing reform. And we will continue to be home to the world’s greatest music creators.♫

2015 DOMESTIC LICENSING REVENUE

$716.8 MILLION

Up $61.0 million
+9.3% from 2014

12.3% OPERATING EXPENSE RATIO

[AMONG LOWEST IN THE WORLD]

10 MILLION WORKS IN THE ASCAP REPERTORY

2015 DOMESTIC DISTRIBUTIONS

$573.5 MILLION

+6.2% FROM 2014

700k+ Businesses that boost their bottom line with the value of an ASCAP license
The 12 writers and 12 publishers on the ASCAP Board of Directors combine deep experience and strategic vision to lead our organization into the future. Here are some of their many achievements in 2015.

**Paul Williams**  
ASCAP President and Chairman  
*Songwriter*  
Won an Ivor Novello Award, AIMP Award and World Soundtrack Award

**Doug Wood**  
ASCAP Board Writer Vice Chairman  
*Composer*  
Co-founded the Council of Music Creators, dedicated to informing and protecting the rights of songwriters and composers

**Irwin Z. Robinson**  
ASCAP Board Publisher Vice Chairman  
*Cromwell Music*  
Won ICMP Ralph Peer II Award for Outstanding Contributions to Global Music Publishing

**James M. Kendrick**  
ASCAP Board Treasurer, Schott Music  
*Composer*  
Led ASCAP Composer Career Workshops with Alex Shapiro in Nashville and San Francisco

**Martin Bandier**  
Sony/ATV Music Publishing  
*Composer*  
First publisher honored with the Recording Academy’s President’s Merit Award

**Richard Bellis**  
*Composer*  
Visited 7 countries on an ASCAP ambassadorial tour of Europe; co-hosted the ASCAP Film Scoring Workshop in LA for 18th year

**Marilyn Bergman**  
*Songwriter*  
Honored by the LA Jazz Society and LaGuardia High School of Art & Performing Arts

**Caroline Bienstock**  
*Carlin America*  
Elected as Executive Director of the NY Chapter of the AIMP

**Bruce Broughton**  
*Composer*  
Earned Emmy nomination for *Texas Rising*
**Desmond Child**
Composer
Co-wrote Zedd’s #1 Dance/Club hit “Beautiful Now”

**Alf Clausen**
Composer
Reached milestone 25th year as sole composer on *The Simpsons*

**Barry Coburn**
Ten Ten Music Group
Three songs from Ten Ten writers featured on Kelsea Ballerini’s Top 5 debut album

**Dan Foliart**
Composer
Served as Artist-in-Residence at Tulsa University; wrote theme song for the LA Arboretum

**Jody Gerson**
Universal Music Publishing Group
Named *Billboard* Executive of the Year

**Wayland Holyfield**
Songwriter
Recorded interviews for the NSAI about his songs “Could I Have This Dance” and “Rednecks, White Socks & Blue Ribbon Beer”

**Laurent Hubert**
BMG Rights Management
Joined the Board of the Buddy Holly Foundation after BMG acquired Holly’s publishing rights

**Dean Kay**
Lichelle Music
Curates the ASCAP Daily Brief newsletter, which grew to over 50,000 subscribers in 2015

**Leeds Levy**
Leeds Music
Convened a group of music execs, politicians and law enforcement, working together to support social justice programs

**Marcus Miller**
Composer
Nominated for a 2016 Grammy for Best Contemporary Instrumental Album

**Mary Megan Peer**
PeerMusic
Elevated to Deputy CEO of PeerMusic in 2015

**Matt Pincus**
SONGS Music Publishing
Started Know Your Rights program to help punk/hardcore bands secure their royalties

**Alex Shapiro**
Composer
Premiered her piece *Lights Out*, an opto-electroacoustic symphonic band work commissioned by a consortium of 20 schools

**Cameron Strang**
Warner/Chappell Music
Gave keynote interview at the Global Creators Summit during Canadian Music Week

**Jimmy Webb**
Songwriter
Named to *Rolling Stone’s* 100 Greatest Songwriters list
As sweeping technological and cultural forces continue to transform how music is experienced, ASCAP continues to work harder than anyone to protect the rights of our music creator members.

Through grassroots meetings with legislators and more than 50 ASCAP members, through numerous op-eds in influential publications and an opportunity to present our views at a Congressional hearing on music licensing, in 2015 we changed the narrative in Washington DC and elevated the important role that music creators play in the music licensing system.

In March, ASCAP CEO Beth Matthews and ASCAP Board member Matt Pincus (SONGS Music Publishing) testified before the US Senate Committee on the Judiciary Subcommittee on Antitrust, Competition Policy and Consumer Rights. Matthews spoke of the need to reform the ASCAP consent decree that governs how songwriters are paid, and emphasized three major changes that are needed to streamline the music licensing system to make it more reflective of how people listen to music today:
Replace the rate court with a faster, less expensive resolution process
Allow ASCAP to accept a limited grant of rights from its members
Permit ASCAP to license all of the rights in a music composition a business needs to operate in one transaction

The hearing came as the US Department of Justice continued to review the ASCAP consent decree and ASCAP continues to cooperate fully with the Department in that review.

In May, ASCAP presented a concert, “We Write the Songs,” at the Library of Congress, sponsored by The ASCAP Foundation, and featuring ASCAP members performing songs they had written. Performers included Donald Fagen, Ne-Yo, Alan Bergman, Rupert Holmes, Natalie Merchant and others. The next day many of the performers, along with ASCAP Board members and other members, walked the halls of Congress for “ASCAP Songwriter Advocacy Day,” to advocate for reforms to outdated federal music licensing laws and to urge support for the Songwriter Equity Act (SEA). ASCAP’s online campaign urged music creators to write their members of Congress to urge their support. As a result, over 16,000 messages have been sent to legislators to date.

Throughout 2015, ASCAP members continued to mobilize and share their message at advocacy meetings held with legislators in cities across the country, from Nashville to Los Angeles to Chicago. They also amplified ASCAP’s message with our #StandWithSongwriters social media campaign, which included a video featuring top writers such as ASCAP President Paul Williams, Savan Kotecha, Evan Taubenfeld, Crystal Nicole and Brett James.
We continue to develop new ways to maximize royalties for our members, offer frictionless licensing to our customers and manage music rights on a global scale.

In November, ASCAP became the first US public performance rights organization to go public with licensable share data. We added new information to our publicly available ACE database on ASCAP.com indicating what percentage share of public performance rights we represent for each of the more than 10 million musical compositions in the ASCAP repertory. This bold and innovative action shows the entire licensing community - from songwriters, composers and publishers to legislators and licensees - that we are leading the way in transparency. It supports the system by providing stakeholders with clear information on what rights we represent, while building confidence that our members clearly understand the rules under which they are compensated and trust that their music is being accurately monetized.
In 2015, we also rolled out new and improved services to keep up with consumer trends, and make life easier for our members and customers. In March, we unveiled our new Audio Feature Premiums: bonus payments for the most-performed songs across all audio-only media, including satellite and streaming services (for example Spotify, iTunes Radio, Pandora and Rhapsody). All ASCAP members are eligible, including newcomers climbing the charts for the first time and members with long track records of success. We’re ensuring that ASCAP members continue to receive payments that reflect consumer trends in music listening.

We also introduced the Classic Song Bonus to honor the value that timeless music brings to the ASCAP repertory. The bonus applies to songs that have a long history of success, and continue to be performed today.

Our award-winning proprietary Audio Performance Management (APM) system, which receives information about music played on the radio and via internet services, continues to deliver extraordinary results. The number of performances ASCAP processed for payment in 2015 increased by approximately 14 percent, to about 570 billion. Our ability to process big data, combined with our increased data transparency, have yielded new opportunities to expand our services around the world. In 2015, we brought on board a new executive team to develop an innovative suite of products to better serve ASCAP members, foreign affiliates, licensees and others. The first step in this direction was improving ASCAP.com in 2015 so that visitors - whether members or licensees - could find what they need easier and get quick answers and support in the most efficient way.
Nearly 40,000 songwriters, composers and music publishers joined ASCAP in 2015.

We invest in discovering, recruiting and nurturing the most talented music creators in the world, and giving them the resources and support they need to ensure the world can enjoy their music. The performing rights landscape is highly competitive. Top talent increases the quality of our repertory and increases the value of an ASCAP license to music users. That’s good news for all of our members, because it means higher licensing revenues and larger royalty distributions for everyone’s creative work.

Nearly 40,000 music creators joined ASCAP in 2015 including: recent chart-toppers Fetty Wap,
Kelsea Ballerini and OMI, as well as the music of the late Jeff Buckley. Many top songwriters and composers renewed their agreements with the organization, including Marc Anthony, Iggy Azalea, Blondie, James Fauntleroy, Ashley Gorley, Calvin Harris, Kevin Kadish, Savan Kotecha, Greg Kurstin, Led Zeppelin, Mozilla, Nate Ruess, Meghan Trainor, Usher, Van Halen and David Vanacore, as well as the estates of Hal David, George Gershwin and Jimi Hendrix.

ASCAP songwriters crafted the biggest songs of 2015, topping 18 separate Billboard year-end song charts with songs like The Weeknd’s “Earned It (Fifty Shades of Grey)” by Belly (SOCAN), Jason Quenneville (SOCAN) and The Weeknd (SOCAN), which was #1 on the R&B/Hip-Hop Airplay Songs and Adult R&B Songs charts; Wiz Khalifa & Charlie Puth’s “See You Again” by ASCAP writers Andrew Cedar and DJ Frank E, which was #1 on the Hot R&B/Hip-Hop Songs and Hot Rap Songs charts; and Walk the Moon’s “Shut Up and Dance” by ASCAP writers Ben Berger, Eli Maiman, Ryan McMahon, Nicholas Petricca, Kevin Ray and Sean Waugaman, which was #1 on the Adult Top 40 Songs chart.
OUR SUCCESS

ASCAP members earned many of the industry’s top honors and accolades in 2015.
A

SCAP MEMBERS WON BIG at almost every major industry award show in the past year. At the 58th Grammy Awards, honoring the top music of 2015, nearly 70 members took home awards in 42 categories. Kendrick Lamar won 5 awards (and swept four hip-hop categories). Taking home two awards each were The Weeknd (SOCAN), D’Angelo, Chris Stapleton, Maria Schneider and Skrillex and Diplo. Other notable ASCAP Grammy wins included Meghan Trainor for Best New Artist, Amy Wadge (PRS) for Song of the Year (“Thinking Out Loud”), Hillary Lindsey for Best Country Song (“Girl Crush”), Francesca Battistelli for Best Contemporary Christian Performance/Song (“Holy Spirit”) and Che “Rhymefest” Smith for Best Song Written for Visual Media (“Glory”). And the late ASCAP composer and Board member, Stephen Paulus, was honored with a Grammy for Best Classical Composition.

Composer Julia Wolfe won the Pulitzer Prize in Music for Anthracite Fields and the 2015 Herb Alpert Award. Maestro Ennio Morricone (SIAE) won a Golden Globe and an Oscar for Best Original Score to 2015’s The Hateful Eight. ASCAP members won big at the Daytime Emmys, taking home 80% of the wins: Jack Allocco and David Kurtz won their 10th career Emmys for The Bold and the Beautiful (co-composed with John Nordstrom). Anthony Ferrari and Casey Kasprzyk won for Outstanding Original Song – Drama for “Hands of Time” from The Bold and the Beautiful; Joey Mazzarino and Bill Sherman won for Outstanding Original Song for “Power of Yet” from Sesame Street. And Matthew Gerrard and Elizabeth Ashley Saunig won for Outstanding Original Song – Main Title & Promo for “Dora and Friends: Into the City.” At the 2015 Primetime Emmys, Greg Phillinganes won for Outstanding Music Direction for Stevie Wonder: Songs in the Key of Life – An All Star Grammy Salute and Jim Roach won Outstanding Music & Lyrics for “Girl, You Don’t Need Makeup” from Inside Amy Schumer.

ASCAP members won top 2015 World Soundtrack Awards, including ASCAP President Paul Williams, who won for Best Original Song Written for a Film alongside ASCAP composer Gustavo Santaolalla for “The Apology Song,” written for The Book of Life. Honors went to Patrick Doyle (PRS) - Lifetime Achievement Award), Michael Giacchino -Best Composer of the Year, Peer Kleinschmidt (GEMA) - SABAM Award for Best Young Composer and John Paesano - Public Choice Award for The Maze Runner.

At the 2015 Tonys, Lisa Kron (left) and Jeanine Tesori with their 2015 Tony Awards for Fun Home. 6. Meghan Trainor with her Grammy for Best New Artist (Photo by Jason Laveris/FilmMagic) 7. Kendrick Lamar accepts the Grammy for Best Rap Album for To Pimp a Butterfly (Photo by Jeff Kravitz/FilmMagic) 8. Composer Julia Wolfe, who won the 2015 Pulitzer Prize in Music for Anthracite Fields (Photo by Peter Serling) 9. Ennio Morricone accepts his Oscar for Best Original Score to The Hateful Eight while presenter and ASCAP member Quincy Jones looks on (Photo by Kevin Winter/Getty Images) 10. The 2015 World Soundtrack Awards winners in one shot (l-r): John Paesano, Antonio Sánchez, Patrick Doyle, Peer Kleinschmidt and Paul Williams (Photo by Jeroen Willems)

PICTURED:
1. Amy Wadge accepts her Grammy for Song of the Year for “Thinking Out Loud,” co-written with Ed Sheeran (Photo by Kevin Winter/Wireimage)
2. Skrillex, Diplo and Justin Bieber, who shared the Grammy for Best Dance Recording for “Where Are Ü Now” (Photo by Kevin Mazur/Wireimage)
3. Two-time Grammy winner The Weeknd performs at the awards ceremony (Photo by Jeff Kravitz/FilmMagic) 4. Chris Stapleton holds his CMA Awards for New Artist and Male Vocalist, as well as Album of the Year. He later would win Grammys for Best Country Album and Best Country Solo Performance 5. Lisa Kron (left) and Jeanine Tesori with their 2015 Tony Awards for Fun Home 6. Meghan Trainor with her Grammy for Best New Artist (Photo by Jason Laveris/FilmMagic) 7. Kendrick Lamar accepts the Grammy for Best Rap Album for To Pimp a Butterfly (Photo by Jeff Kravitz/FilmMagic) 8. Composer Julia Wolfe, who won the 2015 Pulitzer Prize in Music for Anthracite Fields (Photo by Peter Serling) 9. Ennio Morricone accepts his Oscar for Best Original Score to The Hateful Eight while presenter and ASCAP member Quincy Jones looks on (Photo by Kevin Winter/Getty Images) 10. The 2015 World Soundtrack Awards winners in one shot (l-r): John Paesano, Antonio Sánchez, Patrick Doyle, Peer Kleinschmidt and Paul Williams (Photo by Jeroen Willems)
SONGWRITER OF THE YEAR HONORS went to Max Martin, Ashley Gorley, Sam Hunt (Country Songwriter-Artist of the Year), Jay Z and Timbaland, David Garcia, Ben Glover and Matthew West (Christian Songwriter-Artist of the Year), Claudia Brant and Romeo Santos; ASCAP Founders Awards were presented to Gene Simmons and Paul Stanley and Elliot Goldenthal; The Doobie Brothers, Trisha Yearwood and Dave Bisbal received ASCAP Voice of Music Awards; Lauryn Hill and Mario Domm each received the ASCAP Golden Note Award; St. Vincent received the ASCAP Vanguard Award; Deborah Lurie received the Shirley Walker Award; La Original Banda El Limón received the ASCAP Latin Heritage Award; Composers’ Choice Awards went to Jóhann Jóhannsson, Sean Callery and Austin Wintory; and ASCAP Concert Music honors were presented to Julia Wolfe and the American Contemporary Music Ensemble (ACME). Sony/ATV won Pop, Latin and R&S Publisher of the Year, Prescription Songs won Pop Independent Publisher of the Year, Warner/Chappell won Country and Latin Music Publisher of the Year, Mayimba Music won Latin Independent Publisher of the Year and Capitol CMG Publishing won Christian Publisher of the Year.
1. 2015 ASCAP R&S Songwriter of the Year Jay Z
2. 2015 ASCAP Latin Songwriter of the Year Romeo Santos
3. (l-r) ASCAP’s Nicole George-Middleton with ASCAP R&S Songwriter of the Year Timbaland at the 2015 ASCAP R&S Awards
4. ASCAP Christian Music Songwriter of the Year David Garcia, ASCAP President Paul Williams and ASCAP Christian Music Songwriter of the Year Ben Glover at the 2015 ASCAP Christian Music Awards
5. ASCAP Country Songwriter-Artist of the Year Sam Hunt at the 2015 ASCAP Country Music Awards
6. ASCAP’s Michael Martin, Justin Timberlake, Williams, former President Jimmy Carter and ASCAP Voice of Music Award honoree Trisha Yearwood at the 2015 ASCAP Country Music Awards
7. ASCAP CEO Beth Matthews, ASCAP Pop Songwriter of the Year Max Martin and ASCAP EVP of Membership John Titta at the 2015 ASCAP Pop Awards
8. Ashley Gorley accepts the ASCAP Country Songwriter of the Year Award at the 2015 ASCAP Country Music Awards
9. ASCAP Jazz Wall of Fame inductee Henry Threadgill with ASCAP Board member Marcus Miller
10. ASCAP Latin Songwriter of the Year Claudia Brant at the 2015 ASCAP Latin Music Awards
11. (l-r) Paramount President of Motion Picture Music Randy Spendlove, ASCAP Shirley Walker Award honoree Deborah Lurie, film director Joe Nussbaum and ASCAP’s Jeff Jernigan at the 2015 ASCAP Film & TV Music Awards
2015 was a record-breaking year for ASCAP licensing due to our continued commitment to innovation, strong partnership development, and mutually beneficial licensing negotiations. In a groundbreaking effort, ASCAP partnered with one of our key restaurant licensees, Logan’s Roadhouse, to provide music licenses for all Logan’s restaurants around the country and create a nationwide tour featuring some of ASCAP’s up-and-coming country singer-songwriters. This partnership not only provides ASCAP licensing revenue for royalty payments, but also gives our developing members an opportunity to gain invaluable live performance experience, and to hone their craft on the road. In celebration of the new partnership, Logan’s Roadhouse received the Partners in Music Award at the 2015 ASCAP Country Awards.
We introduced new tech innovations to make the licensing process simple and seamless. As the first PRO in the US to introduce e-commerce licensing on its website, allowing licensees to obtain a music license with the click of a button, in 2015 we expanded our online licensing to include dance schools, yoga studios, websites and mobile apps. We also introduced a new live chat option on ASCAP.com, which lets prospective licensees contact our customer service team with their questions and licensing concerns in real-time. This effort has led to an overall increase in customer satisfaction and licensing efficiency.

Finally, ASCAP was proud to cap off 2015 by closing a landmark licensing deal with one of our largest digital customers, Pandora. After years of negotiations, ASCAP’s finalized deal with Pandora furthers our goal of delivering improved performance royalties for our members, while giving Pandora greater rate certainty and flexibility with their music offerings. ASCAP anticipates another strong negotiating year in 2016, as we kick off major radio negotiations. In anticipation of these negotiations, ASCAP has proactively created materials that demonstrate member success stories and our on-going market dominance on the Billboard charts.

NEW PARTNERSHIPS

(above, l-r) Logan’s Roadhouse CEO Sam Borgese, ASCAP songwriter Jerrod Niemann and ASCAP President Paul Williams at the event announcing a new alliance to help promote emerging songwriter-artists. Performers at the event included (top right) Chris Cavanaugh and Sarahbeth Taite.
ASCAP is committed to strengthening our members’ professional development and we put our heart and soul into producing and presenting events and programs throughout the year. Outreach to members includes educational workshops throughout the year, around the country and across the genre spectrum. Anyone can apply for these highly successful and renowned workshops, including the ASCAP Foundation Harold Adamson Songwriters Workshop, the ASCAP Foundation/Dreamworks Musical Theatre Workshop with acclaimed composer Stephen Schwartz, multiple TV and film scoring workshops in LA and New York, country, pop and Christian songwriting workshops in Nashville, and many more.

ASCAP also presents showcases at major festivals and conferences throughout the year. ASCAP educates, protects, fosters and supports our members at every stage of their careers.
country, such as the Sundance Film Festival, SXSW, CMJ and others, geared toward promoting and highlighting the importance of songwriters and composers to the greater music industry.

In April 2015, ASCAP celebrated its 10th annual “I Create Music” EXPO, the only conference dedicated to songwriting and composing. Once again, the EXPO provided a valuable experience that educated and motivated music creators from around the world. In its first decade, tens of thousands of EXPO participants have benefited from its unique experience, including 2,600 attendees and 193 panelists in 2015. ASCAP’s advocacy effort was a major theme last year, which inspired attendees to send more than 1,077 letters to members of Congress.

In 2015, ASCAP’s commitment to fostering the music stars of tomorrow continued to bear fruit at ASCAP Song Camps. The Bridge Song Camp in Los Angeles brought together songwriters from Secret Road Music with top Latin writers; the ASCAP-sponsored Downtown Benelux and Cloud 9 Writing Camp in Amsterdam, brought together 65 songwriters, DJs, artists and producers for three days in a state-of-the-art studio complex to create new EDM works. And the ASCAP Song Camp in France, held in late September, 2015 at the Château Marouatte brought together 18 of today’s hottest writers, producers and writer-artists from both sides of the Atlantic. The 2015 camp featured a special ceremony in which Lady Priscilla Renea was “knighted” by Miles Copeland for co-writing with Sir Chris DeStefano and Sir Brett James the Miranda Lambert and Carrie Underwood #1 single, “Something Bad,” which was created at the at the 2012 retreat. 🎶
Communicating clearly and effectively to all stakeholders in the music ecosystem, from music creators to ASCAP licensees to legislators and music fans, is central to our success.

From ASCAP.com to our daily and bi-weekly email newsletters, ASCAP Daily Brief and Inside Music, respectively, we ensure that our songwriter, composer and music publisher members receive the most important news, announcements and useful information they need to make their lives as professional music creators easier. We also communicate with members, the media and the general public across a variety of social media channels, where our engagement with our followers continues to increase.

In 2015, we changed the way we communicate with our licensees by sharing with them helpful information about the strength of our repertory and how it connects to their own success. This led to improved relationships and fostered a new sense of partnership that benefits both ASCAP and our most important customers.

Social Media Strength

ASCAP’s engagement with followers across key social media platforms continues to grow. Here is where we stand today.

- **YouTube**: 8 MILLION+ VIEWS
- **Twitter**: 98,000+ FOLLOWERS*
- **Facebook**: 101,000+ LIKES*
- **Instagram**: 18,000+ FOLLOWERS

Part of our new email marketing campaign to licensees
ASCAP’S FINANCIAL RESULTS were discussed at the general membership meeting in Los Angeles. In addition, our independent public accountants, Ernst & Young LLP, presented our audited financial statements for the years ended December 31, 2015 and 2014 at the April Finance Committee meeting. Pages 26 through 31 include selected portions of the audited financial statements.

ASCAP achieved a new record high in total revenue reporting $1.014 billion, despite a significant negative impact on foreign revenues from weaker currencies compared to the US dollar. Domestic revenue of $716.8 million contributed an increase of $61.0 million or +9.3% with growth contributions from all licensing lines of business. Audio/Visual fees were up $29.1 million or +9.1% primarily due to higher licensing revenue from both basic and premium categories. New Media revenues increased significantly at +36.3% or $15.0 million through both new and existing licensees. General Licensing revenue was higher $11.0 million or +9.1% mainly due to targeted new business and higher account compliance. Terrestrial & Satellite Radio licensees also increased $6.3 million or +3.7%. Foreign revenues of $298.0 million were down $48.8 million or -14.1% with the unfavorable impact from foreign currency driving $51.8 million of this negative variance.

ASCAP’s total distributions were $867.4 million in 2015 compared to $883.5 million in 2014, a decrease of $16.1 million or -1.8% with this unfavorable variance being principally driven by foreign currency weakness against the US dollar. Distributions to members and foreign societies for domestic performances were $573.5 million, an increase of $33.7 million or +6.2%. Distributions for foreign performances were $293.9 million down $49.9 million or -14.5%. The Total Distributions chart highlights the trend of distributions over the past three years.

Operating expenses were $124.4 million, down $3.1 million or -2.4% from 2014. Continued investments in technology and membership support to strengthen our operations and enhance our services to members and licensees, were more than offset by reduced litigation and strategic consulting costs undertaken in the previous year. This has resulted in an operating ratio of 12.3% versus 12.7% in 2014. The Annual Receipts and Operating Expense Ratio charts provide a three-year trend of related information.
Report of Independent Auditors

The Board of Directors
American Society of Composers, Authors and Publishers

We have audited the accompanying consolidated statements of receipts, expenses, and changes in net assets of the American Society of Composers, Authors and Publishers, and Subsidiaries (the Society) for the years ended December 31, 2015 and 2014, and the related notes (the financial statement).

Management’s Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in conformity with the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting described in Note 2 is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free of material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of 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 statement, 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 statement 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 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 financial statement referred to above presents fairly, in all material respects, the consolidated cash receipts, expenses and changes in net assets of the American Society of Composers, Authors, and Publishers and subsidiaries for the years ended December 31, 2015 and 2014, in conformity with the modified cash basis of accounting described in Note 2.

Modified Cash Basis of Accounting

As described in Note 2 to the financial statement, the consolidated statement of cash receipts, expenses and changes in net assets was prepared on the modified cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Report on Financial Statements as of December 31, 2015

We have audited, in accordance with auditing standards generally accepted in the United States, the financial statements of the American Society Composers, Authors, and Publishers and subsidiaries as of and for the year ended December 31, 2015, and our report thereon, dated April 11, 2016, expressed an unmodified opinion on those financial statements.

April 11, 2016

Ernst & Young LLP
## American Society of Composers, Authors and Publishers, and Subsidiaries

**Consolidated Statements of Receipts, Expenses, and Changes in Net Assets**  
**(Modified Cash Basis)**

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31, 2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Domestic receipts:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>License fees:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audio / Visual</td>
<td>$348,072</td>
<td>$318,940</td>
</tr>
<tr>
<td>Terrestrial and satellite radio</td>
<td>173,626</td>
<td>167,357</td>
</tr>
<tr>
<td>General and background</td>
<td>130,791</td>
<td>119,836</td>
</tr>
<tr>
<td>New media</td>
<td>56,108</td>
<td>41,150</td>
</tr>
<tr>
<td>Symphonic and concert</td>
<td>6,421</td>
<td>6,294</td>
</tr>
<tr>
<td>Membership application fees</td>
<td>1,621</td>
<td>1,590</td>
</tr>
<tr>
<td>Interest and other income</td>
<td>152</td>
<td>650</td>
</tr>
<tr>
<td>Total domestic receipts</td>
<td><strong>$716,791</strong></td>
<td><strong>655,817</strong></td>
</tr>
<tr>
<td>Royalties from foreign societies</td>
<td><strong>$298,058</strong></td>
<td><strong>346,779</strong></td>
</tr>
<tr>
<td><strong>Total receipts</strong></td>
<td><strong>$1,014,849</strong></td>
<td><strong>1,002,596</strong></td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licensing services</td>
<td>20,669</td>
<td>19,873</td>
</tr>
<tr>
<td>Operations</td>
<td>37,537</td>
<td>36,638</td>
</tr>
<tr>
<td>Membership services</td>
<td>13,198</td>
<td>14,256</td>
</tr>
<tr>
<td>General, Administrative &amp; Other</td>
<td>41,193</td>
<td>40,108</td>
</tr>
<tr>
<td>Legal</td>
<td>11,794</td>
<td>16,609</td>
</tr>
<tr>
<td>Total expenses</td>
<td><strong>$124,391</strong></td>
<td><strong>127,485</strong></td>
</tr>
<tr>
<td><strong>Excess of receipts over expenses</strong></td>
<td><strong>$890,458</strong></td>
<td><strong>875,111</strong></td>
</tr>
<tr>
<td><strong>Distributions to members:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic distributions</td>
<td>503,610</td>
<td>478,248</td>
</tr>
<tr>
<td>Foreign distributions</td>
<td>293,902</td>
<td>343,757</td>
</tr>
<tr>
<td>Foreign societies</td>
<td>69,853</td>
<td>61,538</td>
</tr>
<tr>
<td>Total distributions to members</td>
<td><strong>$867,365</strong></td>
<td><strong>883,543</strong></td>
</tr>
<tr>
<td><strong>Increase/(Decrease) in net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net assets, beginning of year</strong></td>
<td>209,648</td>
<td>218,080</td>
</tr>
<tr>
<td><strong>Net assets, end of year</strong></td>
<td><strong>$232,741</strong></td>
<td><strong>$209,648</strong></td>
</tr>
</tbody>
</table>

*See accompanying notes.*
Notes to Consolidated Statements of Receipts, Expenses and Changes in Net Assets (Modified Cash Basis)

December 31, 2015

1. Organization and Nature of Business

The American Society of Composers, Authors and Publishers, and its Subsidiaries (the Society or ASCAP) is an unincorporated membership society of composers, songwriters, lyricists, and music publishers. As a performing rights society, ASCAP represents its members by licensing copyrighted music and collecting and distributing royalties for the non-dramatic performances of their copyrighted works. These royalties are paid to members based on surveys of performances of the works in ASCAP's repertory that they wrote or published. Founded in New York in 1914, ASCAP is the oldest performing rights licensing society in the United States.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Consolidated Statements of Receipts, Expenses, and Changes in Net Assets contain the financial information of the American Society of Composers, Authors, and Publishers, and its 100% owned subsidiaries, ASCAP Joint Venture LLC, and ASCAP Enterprises LLC. All significant intercompany transactions have been eliminated in consolidation.

Reclassifications

Certain reclassifications have been made to the prior year financial statement to conform to the December 31, 2015 presentation.

Basis of Accounting

The Society maintains its consolidated financial statements on a modified cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles, and is detailed as follows:

Revenue Recognition

Revenue, consisting of license fees, membership application fees, and interest income, is recorded at the time that cash is received. Revenues due to ASCAP, but not received, such as amounts due from licensees and foreign societies, are not accrued. Additionally, ASCAP's policy of recognizing revenue for long standing licensees is to recognize a full year of contractual license payments. If cash is received in excess of a full year of contractual license payments, it is recorded as unearned revenue and will be recognized as revenue in the applicable future period.

Expenses

Operating costs are expensed when cash is paid with the exception of certain costs that may be accrued so that the consolidated statements of receipts, expenses, and changes in net assets reflect a full year of operating costs. There were no material accruals in 2015 and 2014.

The Society does not account for contingencies in accordance with Accounting Standards Codification (ASC) 450, Contingencies. Under this guidance, a loss contingency is required to be recognized based on the probability of future events outcome. The Society does not recognize a loss contingency assessed as probable as may be required by the contingency accounting guidance.

Income Taxes

The Society does not account for income taxes in accordance with the Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Under this guidance, the liability method is used to account for income taxes. The Society recognizes income tax expense or benefit as payments are made or received from the appropriate taxing authorities.

Income taxes paid and expensed amounted to approximately $24 thousand and $14 thousand for the years ended December 31, 2015 and 2014, respectively. The income tax expense is reflected in the General, Administrative & Other line item in the accompanying Consolidated Statements of Receipts, Expenses, and Changes in Net Assets.

Defined Benefit Pension Plans

The Society does not account for its defined benefit pension plans in accordance with FASB ASC 715, Compensation – Retirement Benefits. Under this guidance, accrual accounting is applied to defined benefit pension plans sponsored by an employer and, to the extent that an employer has an underfunded or overfunded pension obligation, a liability or an asset would be recognized. In addition, an employer is required to recognize changes in the funded status in the year in which the change occurs through net assets. The Society recognizes pension expense as the plan is funded, and does not recognize pension assets or liabilities as may be required by the retirement benefits accounting guidance. The Society does not recognize the changes in the funded status during the year through net assets as may be required by the retirement benefits accounting guidance. Changes in the funded status are disclosed in Note 4.

Fair Value Measurements

The Society determines fair value of its financial assets and liabilities in accordance with ASC 820, Fair Value Measurements and Disclosures, which defines fair value as 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. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Society considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

ASC 820 establishes a three level fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based
upon the lowest level of input that is significant to the fair value measurement in its entirety. The three levels of inputs that may be used to measure fair value are as follows:

**Level 1:** Quoted prices in active markets for identical assets or liabilities;

**Level 2:** Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets), or other inputs that are observable (model-derived valuations in which significant inputs are observable) or can be derived principally from, or corroborated by, observable market data; and

**Level 3:** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

### Fixed Assets

Fixed assets, including leasehold improvements, are capitalized at cost. Depreciation of fixed assets is calculated using the straight-line method based on estimated useful lives as follows:

- **Automobiles:** 3 years
- **Building and building improvements:** 40 years
- **Equipment:** 3–5 years
- **Furniture and fixtures:** 10 years
- **Software development (hardware):** 3–5 years
- **Software development (software):** 10–15 years

Leasehold improvements are amortized on a straight-line basis over the shorter of the useful life of the assets or the terms of the related leases in accordance with ASC 840-10, Leases. Building improvements are amortized on a straight-line basis over the remainder of 40 years since the purchase of the building in 1992. Repair and maintenance costs are expensed as paid.

Costs incurred for the development of software for internal use have been capitalized in accordance with ASC 350-40, Internal-Use Software.

### Use of Estimates

The preparation of these consolidated financial statements requires the use of certain estimates and assumptions by management in determining the Society’s disclosure of benefit plan obligations and contingencies at the date of the consolidated financial statements. Actual results could differ from those estimates.

### 3. Fixed Assets

Capital expenditures for fixed assets amounted to approximately $5.2 million and $2.8 million for the years ended December 31, 2015 and 2014, respectively.

Depreciation and amortization expense relating to fixed assets was approximately $9.0 million and $8.9 million for the years ended December 31, 2015 and 2014, respectively. Included in the depreciation and amortization expense in 2015 and 2014 for the capitalized software was approximately $5.4 million and $5.4 million, respectively.

### 4. Benefit Plans

The Society has a defined benefit pension plan (the Pension Plan) and a defined contribution savings plan (the Savings Plan). These plans cover all employees who meet the eligibility requirements as defined by each plan.

Under the Society’s Pension Plan, benefits are based on years of service and an employee’s highest three consecutive year compensation average from the last ten years of employment. The Society’s policy is to fund amounts as necessary on an actuarial basis to provide assets sufficient to meet the benefits to be paid to plan members in accordance with the requirements specified by the Employee Retirement Income Security Act of 1974 (ERISA). The Society’s expense for contributions to the Pension Plan was approximately $6.0 million and $7.0 million during 2015 and 2014, respectively, and is reflected in the General, Administrative & Other line item in the accompanying Consolidated Statements of Receipts, Expenses, and Changes in Net Assets. The Society paid benefits of approximately $7.8 million and $3.0 million during 2015 and 2014, respectively to participants in the Pension Plan.

In September 2005, the Board of Directors passed a resolution electing to freeze all future participation in the Pension Plan to new participants as of January 1, 2006. All eligible employees hired prior to January 1, 2006, are grandfathered in the Pension Plan and will continue to accrue benefits.

The following table sets forth the Pension Plan’s funded status:

<table>
<thead>
<tr>
<th>December 31,</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>(In Thousands)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vested benefit obligation</td>
<td>$70,467</td>
<td>$78,303</td>
</tr>
<tr>
<td>Nonvested benefit obligation</td>
<td>286</td>
<td>384</td>
</tr>
<tr>
<td><strong>Accumulated benefit obligation</strong></td>
<td><strong>$70,753</strong></td>
<td><strong>$78,687</strong></td>
</tr>
<tr>
<td>Actuarial present value of projected benefit obligation</td>
<td>$80,543</td>
<td>$91,748</td>
</tr>
<tr>
<td>Plan assets at fair value</td>
<td>48,283</td>
<td>49,474</td>
</tr>
<tr>
<td><strong>Unfunded status of the plan</strong></td>
<td><strong>$(32,260)</strong></td>
<td><strong>$(42,274)</strong></td>
</tr>
</tbody>
</table>

The weighted-average discount rate in determining the actuarial present value of the projected benefit obligation was 4.00% in 2015 and 2014, respectively. The rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation was 3.50% in 2015 and 2014, respectively. The expected long-term rate of return on Plan assets was 7.25% and 7.50% in 2015 and 2014, respectively. The weighted-average expected long-term rate of return on Plan assets is based upon historical financial market relationships that have existed over time with the presumption that this trend will generally remain constant in the future.

The Society’s pension plan assets, by asset category, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity securities</td>
<td>58%</td>
<td>59%</td>
</tr>
<tr>
<td>Debt securities</td>
<td>42%</td>
<td>41%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
The target investment allocations for the plan assets are 60% equity securities and 40% debt securities. Asset allocations are rebalanced on a regular basis throughout the year to bring assets to within a range of target levels. Target allocations take into account analyses performed by the Society’s pension consultant to optimize long-term risk/return relationships. All assets are liquid and may be readily adjusted to provide liquidity for current benefit payment requirements.

The following table provides the fair value hierarchy (as described in Note 2 – Fair Value Measurements section) of the funded Pension Plan’s financial assets as of December 31, 2015 and 2014:

<table>
<thead>
<tr>
<th>December 31, 2015</th>
<th>Investment Type</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>$28,062</td>
<td>$ –</td>
<td>$ –</td>
<td>$28,062</td>
<td></td>
</tr>
<tr>
<td>Corp/Gov securities</td>
<td>7,957</td>
<td>4,654</td>
<td>–</td>
<td>12,611</td>
<td></td>
</tr>
<tr>
<td>Mutual funds</td>
<td>6,166</td>
<td>–</td>
<td>–</td>
<td>6,166</td>
<td></td>
</tr>
<tr>
<td>Money market funds</td>
<td>–</td>
<td>1,420</td>
<td>–</td>
<td>1,420</td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>24</td>
<td>–</td>
<td>–</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$42,209</strong></td>
<td><strong>$6,074</strong></td>
<td><strong>–</strong></td>
<td><strong>$48,283</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>December 31, 2014</th>
<th>Investment Type</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>$29,424</td>
<td>$ –</td>
<td>$ –</td>
<td>$29,424</td>
<td></td>
</tr>
<tr>
<td>Corp/Gov securities</td>
<td>7,986</td>
<td>4,196</td>
<td>–</td>
<td>12,182</td>
<td></td>
</tr>
<tr>
<td>Mutual funds</td>
<td>5,978</td>
<td>–</td>
<td>–</td>
<td>5,978</td>
<td></td>
</tr>
<tr>
<td>Money market funds</td>
<td>–</td>
<td>1,859</td>
<td>–</td>
<td>1,859</td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>31</td>
<td>–</td>
<td>–</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$43,419</strong></td>
<td><strong>$6,055</strong></td>
<td><strong>–</strong></td>
<td><strong>$49,474</strong></td>
<td></td>
</tr>
</tbody>
</table>

Mutual fund shares are valued daily, with the net asset value per fund share published at the close of each business day, and consisted of registered mutual fund investments whose diversified holdings primarily include common stock securities issued by U.S. and non-U.S. corporations, corporate bonds, and mortgage backed securities. Money market funds are valued at quoted market values on the last business day of the year. Equities are valued daily at quoted marked values. Corporate and Government Securities are valued as a percentage of the underlying par value at the close of each business day.

ASCAP also has a nonqualified retirement equalization benefit plan (the Equalization Plan) that provides certain employees with defined pension benefits in excess of limits imposed by federal tax law and a non-qualified supplemental executive retirement plan (the SERP) which is offered to certain members of management to provide additional benefits at retirement.

The following table sets forth the Equalization Plan and SERP’s funded status:

<table>
<thead>
<tr>
<th>December 31, 2015</th>
<th>December 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,625</td>
<td>$3,800</td>
</tr>
<tr>
<td>81</td>
<td>47</td>
</tr>
<tr>
<td>$3,706</td>
<td>$3,847</td>
</tr>
</tbody>
</table>

The Society expects to contribute approximately $6.0 million to the Pension Plan, Equalization Plan and SERP in 2016.

Estimated future pension benefit payments for the Pension Plan, Equalization Plan, and SERP, which reflect expected future service, are as follows (in thousands):

<table>
<thead>
<tr>
<th>Year ending December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
</tr>
<tr>
<td>2017</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>2019</td>
</tr>
<tr>
<td>2020</td>
</tr>
<tr>
<td>2021-2025</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>$4,016</td>
</tr>
<tr>
<td>6,570</td>
</tr>
<tr>
<td>4,466</td>
</tr>
<tr>
<td>6,253</td>
</tr>
<tr>
<td>7,567</td>
</tr>
<tr>
<td>31,290</td>
</tr>
<tr>
<td><strong>$60,162</strong></td>
</tr>
</tbody>
</table>

Under the Society’s Savings Plan, effective November 1, 2005, new employees are automatically enrolled in the Savings Plan after 60 days of service at a contribution rate of 3% of their salary, pretax, unless they opt out. All employees may then elect to contribute from 1% through 25% of their salary, pretax, as limited by the Internal Revenue Service. The Society’s matching contribution, which is discretionary, was equal to 100% of the first 2% and 25% of each additional percent up to 6% contributed by the employee during the current year, resulting in a maximum contribution by the Society of 3% of the employee’s allowable salary. Employees’ contributions are immediately vested, and the Society’s matching contributions are vested after the first year of service. During 2015, the maximum annual employee contribution of pretax dollars was limited by Internal Revenue Service regulations to $18,000, and ASCAP’s matching contribution was limited to $7,950 per employee. The amounts contributed by ASCAP to the Savings Plan for 2015 and 2014, were approximately $1.5 million and $1.2 million, respectively.

ASCAP also has a nonqualified deferred compensation plan, whereby eligible employees may elect to defer a portion of their compensation each year. Compensation expense, equal to amounts deferred by employees, is recorded currently.

5. Distributions to Members

Receipts of the Society, less expenses of operations and amounts payable to foreign societies, are distributed to members in accordance with the Society’s survey and distribution system, originally mandat-
ed by the 1960 amendments to the ASCAP Consent Decree and now embodied in the Society’s rules and regulations.

The Society includes taxes withheld by affiliated foreign societies as receipts. These taxes withheld are reflected in Royalties from foreign societies in the accompanying Consolidated Statements of Receipts, Expenses, and Changes in Net Assets.

The Society also includes foreign taxes withheld in the summary of distributions reported to members at year-end, thereby enabling members to report them appropriately on their tax returns. These taxes are reflected in foreign distributions in the accompanying Consolidated Statements of Receipts, Expenses, and Changes in Net Assets.

At December 31, 2015 and 2014, approximately $6.8 million and $6.0 million, respectively, represented the foreign taxes withheld on receipts that will be reported in the year when the related distributions are paid.

6. Commitments and Contingencies

Litigation

From time to time, the Society is involved in court proceedings with its licensees to determine license fees to be paid to the Society for the performance of musical works in the ASCAP repertory. In 2015, following the decision by a panel of the U.S. Court of Appeals for the Second Circuit affirming the trial court’s decision in such a proceeding setting license terms for the Pandora online music service for the period 2011-2015, ASCAP and Pandora reached agreement on license terms for period 2016-2018. As a result, there are currently no court proceedings to determine ASCAP license fees pending before the courts.

In 2013, the Society began discussions with the staff of the Antitrust Division of the U.S. Department of Justice (DOJ) concerning potential modifications of the ASCAP consent decree. The decree largely governs ASCAP’s licensing activities, and provides for the procedure by which license fees are determined by the New York federal court if ASCAP and music users are unable to reach agreement on the fees to be paid for the right to perform music in the ASCAP repertory. The process by which the consent decree may be modified is still ongoing. As part of this process, ASCAP has received from the DOJ, and responded to, requests for information both as to proposed modifications of the consent decree and compliance with certain provisions of the current decree. Over the past 16 months, there have been two rounds of public comments on various issues raised by the consent decree modification process. The Society does not expect a material effect on ASCAP’s business in 2016.

The Society is routinely involved in other litigation, often as a stakeholder participating in disputes between its members and others pertaining to royalties and copyright ownership issues. These litigation issues have no material effect on the Society’s assets and liabilities, its receipts, and expenses, or total royalty distribution to its members.

Lease Commitments

Equipment rental and office lease expense, including escalations and utilities, aggregated approximately $5.5 million and $5.6 million for the years ended December 31, 2015 and 2014, respectively, and is recognized as an expense when paid in the accompanying Consolidated Statements of Receipts, Expenses, and Changes in Net Assets based on the amount of cash paid.

The minimum rental commitments under existing non-cancellable office and equipment leases at December 31, 2015, are as follows (in thousands):

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>4,744</td>
</tr>
<tr>
<td>2017</td>
<td>4,552</td>
</tr>
<tr>
<td>2018</td>
<td>4,565</td>
</tr>
<tr>
<td>2019</td>
<td>607</td>
</tr>
<tr>
<td>2020</td>
<td>594</td>
</tr>
<tr>
<td>Thereafter</td>
<td>508</td>
</tr>
<tr>
<td><strong>Total minimum lease payments</strong></td>
<td><strong>15,570</strong></td>
</tr>
</tbody>
</table>

Member Guarantees

The Society has provided guarantees of payment to financial institutions for personal loans provided to certain of its members. Royalty earnings attributable to each of these members are being distributed directly to the financial institutions as part of the loan repayment terms. To the extent that the cash flows of the future royalty earnings are not sufficient to the financial institutions, payment of each respective member loan may be accelerated by the financial institutions and payment would be guaranteed by the Society. The Society would collect any amounts paid as a result of the guarantee through future royalty earnings of the respective member. As of December 31, 2015, the Society authorized up to $40.0 million in guarantees to be made, of which approximately $24.3 million is outstanding. The fair value of the guarantees is not considered to be material.

7. Related-Party Transactions

The ASCAP Foundation (the Foundation), a not-for-profit organization, was incorporated in 1975 to promote and support charitable/educational programs in the field of music. Contributions, bequests, and grants from members of ASCAP, other foundations, and the general public provide support to the Foundation. The Foundation is a related-party to ASCAP.

The Foundation is located in the offices of ASCAP and receives the use of ASCAP’s office space at no charge. In addition, ASCAP personnel assisted in the administration of the Foundation’s activities as needed. The value of these services and support provided to the Foundation was approximately $93 thousand and $157 thousand in 2015 and 2014, respectively.

The Foundation has approximately $43 thousand due to ASCAP for payroll related and other expense reimbursement as of December 31, 2015.

The Foundation receives royalty contributions through ASCAP from ASCAP members who have allocated a portion of their ASCAP royalties to the Foundation. This is done completely and solely at the request of the ASCAP member or as a bequest by the ASCAP member or their heirs to the Foundation. The Foundation recognized income based on cash received from ASCAP related to such royalty contributions of $277 thousand and $290 thousand in 2015 and 2014, respectively. In addition, the Foundation received contribution income from ASCAP for program support in amounts of $280 thousand and $290 thousand in 2015 and 2014, respectively.

8. Subsequent Events

Subsequent events were evaluated through April 11, 2016, the date these consolidated financial statements were available to be issued.