

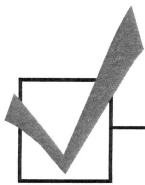
**SPRINGFIELD FEDERATION OF PARAPROFESSIONALS  
LOCAL 4098 AMERICAN FEDERATION  
OF TEACHERS, AFL-CIO  
FINANCIAL STATEMENTS**

**JUNE 30, 2018 AND 2017**

**SPRINGFIELD FEDERATION OF PARAPROFESSIONALS**  
**LOCAL 4098 AMERICAN FEDERATION OF TEACHERS, AFL-CIO**

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# Grzelak, Grzelak & Associates, P.C.

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## INDEPENDENT AUDITOR'S REPORT

To the Officers and Executive Board  
Springfield Federation of Paraprofessionals Local 4098  
American Federation of Teachers, AFL-CIO  
Springfield, Massachusetts

We have audited the accompanying statements of assets, liabilities, and net assets - modified cash basis of Springfield Federation of Paraprofessionals Local 4098 American Federation of Teachers, AFL-CIO, a nonprofit organization, as of June 30, 2018 and 2017, and the related statements of revenue, expenses, and changes in net assets - modified cash basis for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal 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 audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

As described in Note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

## Opinion

In our opinion, the financial statements referred to above, present fairly, in all material respects, the assets, liabilities, and net assets of Springfield Federation of Paraprofessionals Local 4098 American Federation of Teachers, AFL-CIO as of June 30, 2018 and 2017, and the revenues and expenses, for the years then ended, on the basis of accounting described in Note 1.

*Engelak, Engelak, & Associates, P.C.*

Chicopee, Massachusetts  
August 30, 2018



**SPRINGFIELD FEDERATION OF PARAPROFESSIONALS  
LOCAL 4098 AMERICAN FEDERATION OF TEACHERS, AFL-CIO  
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS  
MODIFIED CASH BASIS  
JUNE 30, 2018 AND 2017**

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash - Checking	\$ 113,983	\$ 105,984
Cash - Savings	28	28
Total Current Assets	114,011	106,012
PROPERTY AND EQUIPMENT		
Office Equipment	6,279	5,521
Accumulated Depreciation	(4,854)	(4,532)
Net Property and Equipment	1,425	989
Total Assets	\$ 115,436	\$ 107,001
<b>NET ASSETS</b>		
NET ASSETS	\$ 115,436	\$ 107,001

See independent auditor's report and notes to financial statements.

**SPRINGFIELD FEDERATION OF PARAPROFESSIONALS  
LOCAL 4098 AMERICAN FEDERATION OF TEACHERS, AFL-CIO  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2018 AND 2017**

	<b>2018</b>	<b>2017</b>
<b>REVENUES</b>		
Dues Income	\$ 330,707	\$ 313,318
Other Income	2,120	1,260
Total Revenues	<u>332,827</u>	<u>314,578</u>
<b>PROGRAM AND SUPPORTING SERVICES</b>		
Program Services		
Per Capita	250,662	249,532
Stipends for Union Activity	23,476	19,800
Arbitration Expense	4,745	10,402
Conventions & Conferences	4,346	4,153
Total Program Services	<u>283,229</u>	<u>283,887</u>
Supporting Services		
Payroll	23,096	23,096
Payroll Service Fee	1,853	1,760
Professional Fees	4,655	4,565
Telephone	2,011	2,127
Office Supplies	1,238	2,028
Payroll Taxes	2,096	2,081
Operating Expense	2,037	2,473
Miscellaneous	1,996	1,387
Donations	1,462	350
Workers' Compensation Insurance	207	202
Postage	190	92
Depreciation Expense	322	265
Total Supporting Services	<u>41,163</u>	<u>40,426</u>
Total Program and Supporting Services	<u>324,392</u>	<u>324,313</u>
<b>CHANGE IN NET ASSETS</b>	8,435	(9,735)
Net Assets - Beginning of the Year	<u>107,001</u>	<u>116,736</u>
Net Assets - End of the Year	<u><u>\$ 115,436</u></u>	<u><u>\$ 107,001</u></u>

See independent auditor's report and notes to financial statements.

**SPRINGFIELD FEDERATION OF PARAPROFESSIONALS  
LOCAL 4098 AMERICAN FEDERATION OF TEACHERS, AFL-CIO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Springfield Federation of Paraprofessionals Local 4098 American Federation of Teachers, AFL-CIO was established to maintain and improve the conditions of the membership with respect to salaries, pensions, conditions of employment in general, and the right of freedom of expression in and out of the classroom.

Advance the economic and professional interest of the member Paraprofessionals.

To provide the best education for the children they serve.

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting. Under that basis, all transactions, exclusive of debt, payroll withholding, and inter-fund transactions, are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The modified cash basis differs from generally accepted accounting principles primarily because the effects of outstanding employer contributions and obligations for unpaid expenses are not included in the financial statements.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$100. Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Depreciation expense amounts to \$322 and \$265 for June 30, 2018 and 2017, respectively.

Income Taxes

The organization is exempt from Federal and State taxes under Section 501(c)(5) of the Internal Revenue Code.

Revenues

Revenues consist of dues paid by members and agency fees paid by non-members.

Other Income

Other income consists of grants from the state or national affiliates.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reporting amounts and disclosures. Accordingly, actual results could differ from these estimates.

**SPRINGFIELD FEDERATION OF PARAPROFESSIONALS  
LOCAL 4098 AMERICAN FEDERATION OF TEACHERS, AFL-CIO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

There are no new accounting pronouncements that have any impact on the Organization's current financial statements. However, effective June 30, 2019 the Financial Accounting Standards Board has released a new pronouncement that will affect the presentation of all financial statements of nonprofit organizations. The specific changes will reduce the current Net Asset Classes from three to two, provide additional information concerning Liquidity & Resource Availability, and will mandate an expanded presentation of detailed Expense Reporting. Springfield Federation of Paraprofessionals Local 4098 American Federation of Teachers, AFL-CIO has not elected to early adopt the new required changes, but will instead study the impact on the Organization so as to be prepared for the required implementation date.

2. PER CAPITA

Article XIII of the Federation's Constitution requires that the Federation maintain affiliation with the American Federation of Teachers, the Pioneer Valley Labor Council, and the Massachusetts AFL-CIO.

3. CONCENTRATION OF CREDIT RISK

The organization maintains its cash balances at one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 for the years ended June 30, 2018 and 2017, respectively. At June 30, 2018 and 2017, the organization cash balances were fully insured.

4. NET ASSETS

All net assets are considered unrestricted.

5. UNCERTAIN TAX POSITIONS

The Organization has adopted FASB ASC 740-10-25, Accounting for Uncertainty in Income Taxes. The Organization will record a liability for uncertain tax positions when it is more likely than not that a tax position would not be sustained if examined by the taxing authority. The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

The Organization's evaluation on June 30, 2018 revealed no uncertain tax positions that would have a material impact on the financial statements. The 2015 through 2017 tax years remain subject to examination by the IRS. The Organization does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

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**6. SUBSEQUENT EVENTS**

The Organization has performed an evaluation of subsequent events through August 30, 2018, which is the date the Organization's financial statements were issued. No material subsequent events occurred since June 30, 2018 that required recognition or disclosure in these financial statements.