

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

JUNE 30, 2023 AND 2022

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

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
BASIC FINANCIAL STATEMENTS	
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS	3
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS	4
NOTES TO FINANCIAL STATEMENTS	5 - 7



Grzelak, Grzelak & Associates, P.C.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

850 High St., Suite 3B
Holyoke, MA 01040
Office: (413) 437-8438
Fax: (413) 437-8441
www.GGAcpas.com

INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 2023 and 2022, 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.

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, 2023 and 2022, and the revenues and expenses, for the years then ended, on the basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Springfield Federation of Paraprofessionals Local 4098 American Federation of Teachers, AFL-CIO and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 1 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Springfield Federation of Paraprofessionals Local 4098 American Federation of Teachers, AFL-CIO's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Springfield Federation of Paraprofessionals Local 4098 American Federation of Teachers, AFL-CIO's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Springfield Federation of Paraprofessionals Local 4098 American Federation of Teachers, AFL-CIO's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Engelak, Engelak, & Associates, P.C.

Holyoke, Massachusetts
August 28, 2023

**SPRINGFIELD FEDERATION OF PARAPROFESSIONALS
 LOCAL 4098 AMERICAN FEDERATION OF TEACHERS, AFL-CIO
 STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS
 MODIFIED CASH BASIS
 JUNE 30, 2023 AND 2022**

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash - Checking	\$ 171,980	\$ 165,930
Cash - Savings	1,000	28
Total Current Assets	172,980	165,958
PROPERTY AND EQUIPMENT		
Office Equipment	6,706	6,281
Accumulated Depreciation	(6,316)	(6,142)
Net Property and Equipment	390	139
Total Assets	\$ 173,370	\$ 166,097
NET ASSETS		
NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ 173,370	\$ 166,097

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, 2023 AND 2022**

	2023	2022
REVENUES		
Dues Income	\$ 332,094	\$ 323,289
Other Income	1,000	-
Total Revenues	333,094	323,289
 PROGRAM AND SUPPORTING SERVICES		
Program Services		
Per Capita	253,906	238,576
Stipends for Union Activity	23,500	15,751
Conventions & Conferences	1,437	518
Total Program Services	278,843	254,845
Supporting Services		
Payroll	25,682	23,096
Payroll Service Fee	1,660	1,436
Professional Fees	6,250	5,725
Telephone	2,827	2,849
Office Supplies	1,395	147
Payroll Taxes	2,480	2,022
Operating Expense	3,040	8,298
Miscellaneous	1,948	756
Donations	676	1,022
Meals & Entertainment	508	711
Workers' Compensation Insurance	204	200
Postage	134	76
Depreciation Expense	174	195
Total Supporting Services	46,978	46,533
Total Program and Supporting Services	325,821	301,378
 CHANGE IN NET ASSETS	7,273	21,911
Net Assets - Beginning of the Year	166,097	144,186
Net Assets - End of the Year	\$ 173,370	\$ 166,097

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, 2023 AND 2022**

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.

Cash, Cash Equivalents, and Restricted Cash

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors, to be cash and cash equivalents. Cash and highly liquid financial instruments that are restricted are excluded from this definition.

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 \$174 and \$195 for June 30, 2023 and 2022, respectively.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for the resource was restricted has been fulfilled, or both.

**SPRINGFIELD FEDERATION OF PARAPROFESSIONALS
LOCAL 4098 AMERICAN FEDERATION OF TEACHERS, AFL-CIO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Functional Allocation of Expenses

The costs of program and supporting services activities have been presented by the natural classification detail of expenses by function on the statements of revenues, expenses, and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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.

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise of the following:

Cash and Cash Equivalents	\$ <u>172,980</u>
---------------------------	-------------------

3. PER CAPITA

Article XIII of the Federation's Constitution requires that the Federation maintain affiliation with the American Federation of Teachers, the Western Mass Area Labor Federation, and the Massachusetts AFL-CIO.

4. 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, 2023 and 2022, respectively. At June 30, 2023 and 2022, the organization cash balances were fully insured.

**SPRINGFIELD FEDERATION OF PARAPROFESSIONALS
LOCAL 4098 AMERICAN FEDERATION OF TEACHERS, AFL-CIO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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, 2023 revealed no uncertain tax positions that would have a material impact on the financial statements. The 2020 through 2022 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.

6. NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions at the year end June 30, 2023 are related to dues paid by members of the Springfield Federation of Paraprofessionals. Net assets without donor restrictions was \$173,370 for 2023 and \$166,097 for 2022.

7. RELATED PARTY

The local pays Per Capita to the National Organization. The amount paid to the National Organization was \$253,906 and \$238,576 for the years ended June 30, 2023 and 2022, respectively.

8. RECLASSIFICATIONS

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

9. SUBSEQUENT EVENTS

The Organization has performed an evaluation of subsequent events through August 28, 2023, which is the date the Organization's financial statements were issued. No material subsequent events occurred since June 30, 2023 that required recognition or disclosure in these financial statements.