

**NORTH ST. PAUL-MAPLEWOOD-OAKDALE
EDUCATION ASSOCIATION
REVIEWED FINANCIAL STATEMENTS
August 31, 2020**

Mark D. Harrington, CPA
Wayne A. Langer, CPA
Nichole Fairbanks, CPA
Jesse Fraley, CPA
Anna Anderson, CPA



Gregory W. Heck, CPA, CVA
Greg L. Emmerich, CPA
Michael Belknap, CPA
Benjamin J. Roff, CPA, CVA

563 PHALEN BOULEVARD • ST. PAUL, MN 55130
phone 651.481.1128 • fax 651.481.0982

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
North St. Paul-Maplewood-Oakdale Education Association
North St. Paul, Minnesota

We have reviewed the accompanying financial statements of North St. Paul-Maplewood-Oakdale Education Association (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—cash basis as of August 31, 2020, and the related statements of revenues, expenses, and other changes in net assets—cash basis, and functional expenses – cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

January 16, 2021

NORTH ST. PAUL-MAPLEWOOD-OAKDALE EDUCATION ASSOCIATION
STATEMENT OF ASSETS, LIABILITIES & NET ASSETS - CASH BASIS
August 31, 2020

	<u>Amount</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 206,969
Certificates of deposit	261,882
Investments	<u>90,168</u>
 TOTAL ASSETS	 <u><u>\$ 559,019</u></u>
 LIABILITIES AND NET ASSETS	
NET ASSETS	
Without donor restrictions	<u>\$ 559,019</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 559,019</u></u>

NORTH ST. PAUL-MAPLEWOOD-OAKDALE EDUCATION ASSOCIATION
STATEMENT OF REVENUES, EXPENSES & OTHER CHANGES IN NET ASSETS - CASH BASIS
For the Year Ended August 31, 2020

	<u>Amount</u>
SUPPORT AND REVENUE	
Membership dues, net	\$ 162,578
Grant income	8,194
Investment income	11,432
Other income	3,577
TOTAL SUPPORT AND REVENUE	185,781
EXPENSES	
Program services	114,345
Management and general	27,986
TOTAL EXPENSES	142,331
CHANGE IN NET ASSETS	43,451
NET ASSETS, BEGINNING	515,568
NET ASSETS, ENDING	\$ 559,019

NORTH ST. PAUL-MAPLEWOOD-OAKDALE EDUCATION ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS

For the Year Ended August 31, 2020

	Program Services	Management and General	Total
Executive board	\$ 11,643	\$ 1,294	\$ 12,937
Officer stipends	38,512	2,027	40,539
Officer expenses	550	4,954	5,504
Half time release for president	34,000	-	34,000
Payroll taxes	4,503	237	4,740
Starz banquet	1,000	-	1,000
Affiliation dues	277	-	277
Membership chair	5,940	660	6,600
Assistant membership	3,294	-	3,294
Relicensure	-	265	265
Training	1,386	154	1,540
Member rights chair	4,889	543	5,432
Assistant member rights chair	3,832	-	3,832
Organizing committee	102	102	204
Negotiations expense	1,539	385	1,924
EM rep con	225	-	225
Conference and mileage	-	160	160
Summer seminar	-	70	70
Office rent	-	9,000	9,000
Insurance	-	618	618
Supplies and postage	-	1,125	1,125
Utilities	-	1,824	1,824
Webmaster	800	200	1,000
Professional fees	780	3,120	3,900
Contingency	1,072	1,072	2,144
Other expenses	-	176	176
TOTAL EXPENSES	\$ 114,345	\$ 27,986	\$ 142,331

NORTH ST. PAUL-MAPLEWOOD-OAKDALE EDUCATION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

North St. Paul-Maplewood-Oakdale Education Association (the Association) is a nonprofit professional organization and a union of professionals of the Independent School District 622 (ISD 622). The Association's primary purpose is to keep members informed of current educational issues, assist with educators' professional growth, and advocate for students, public education, professional salaries, and working conditions. Membership includes classroom teachers, art, music, and physical education specialists, school psychologists, school social workers, school nurses, speech and hearing specialists, content area facilitators, special educators, learning resource teachers and any other licensed educators eligible to be in the teachers' bargaining unit. The Association is affiliated on the state level with Education Minnesota, and nationally with the National Education Association (NEA) and the American Federation of Teachers (AFT).

Basis of Presentation:

The Association's accounts are maintained, and these statements are presented on the cash basis of accounting under which only support and revenues collected, costs and expenses paid, and financial instruments arising from cash transactions are recognized. This is a comprehensive basis of accounting other than generally accepted accounting principles. Accounts receivable, accrued expenses, accounts payable, deferred expenses and other assets and liabilities which may be material in amount are not reflected; and the financial statements are not intended to present the results of operations and financial position in conformity with generally accepted accounting principles.

Net Assets without Donor Restrictions – consist of assets, public support and program revenues, which are available and used for operations and programs. Contributions are considered available for unrestricted use unless specifically restricted by the donor, they may, however, be subject to board designation.

Net Assets with Donor Restrictions – include funds with donor-imposed restrictions, which permit the Organization to expend the assets as specified and are satisfied either by the passage of time or by actions of the Organization. Resources of this nature originate from gifts, contribution, and investment income earned on restricted funds. The Association has no net assets with donor restrictions.

Membership Dues:

The Association collects annual dues from its members. These amounts are allocated between local dues kept and recorded as membership dues of the Association and those sent to other state and national teacher unions. During the year ended August 31, 2020, the Association collected gross dues of \$715,429 and submitted \$552,851 to other state and national teacher unions.

NORTH ST. PAUL-MAPLEWOOD-OAKDALE EDUCATION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(continued)

Support and Revenue:

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Association reports gifts of goods and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Cash and Cash Equivalents:

For the purpose of the statements of cash flows, the Association considers all short-term debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Investments:

Investments and securities are comprised of publicly traded mutual funds and are reported at cost. Dividends in the amount of \$6,699 were reinvested and are included in cost. As of August 31, 2020, there were unrecorded unrealized gains on the investments in securities of approximately \$57,400.

Income Taxes:

The Association is exempt from income taxes under section 501(c)(5) of the Internal Revenue Code, and similar state statutes. No income tax expense has been recognized during the year ended August 31, 2020.

Federal and state tax authorities generally have the right to examine the current and three previous years of income tax returns. The Association is not currently under examination by any taxing jurisdiction.

NORTH ST. PAUL-MAPLEWOOD-OAKDALE EDUCATION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(continued)

Subsequent Events:

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through January 16, 2021, the date the financial statements were available to be issued.

NOTE 2. SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

The Association maintains its cash balances at local financial institutions. Accounts at these institutions are insured by the National Credit Union Administration (NCUA) and the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Association had no uninsured cash balances as of August 31, 2020.

NOTE 3. OPERATING LEASES

The Association leases office space in North St. Paul, Minnesota under a month-to-month agreement for \$750 per month plus utilities with an unrelated organization. A portion of this space is sublet to an unrelated organization for \$100 per month on a month-to-month basis.

NOTE 4. AVAILABILITY AND LIQUIDITY

The Association has financial assets of \$559,019 available for general expenditure within one year. The Association's goal is generally to maintain financial assets to meet 90 days of operating expenses.