

**NORTH ST. PAUL-MAPLEWOOD-OAKDALE EDUCATION ASSOCIATION**

**FINANCIAL STATEMENTS**

**For the Year Ended August 31, 2019**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

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, 2019 and the related statement of revenues, expenses and other changes in net assets-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 taken 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 the 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 the 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 American Institute of Certified Public Accountants. 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.

### **Supplementary Information**

The Supplementary information is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The information was subject to our review procedures and provides a detail of the expense categories as presented in the statement of revenues, expenses and other changes in net assets-cash basis.

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**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 conformity with the cash basis of accounting.

**Basis of Accounting**

We draw attention to Note A 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.

December 4, 2019

*Ramsay & Associates, Ltd.*  
Ramsay & Associates, Ltd.  
Mahtomedi, Minnesota

NORTH ST. PAUL-MAPLEWOOD-OAKDALE EDUCATION ASSOCIATION  
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - CASH BASIS  
As of August 31, 2019

ASSETS

Cash in Bank - Checking	\$ 58,458
Cash in Bank - Money Market	115,403
Certificates of Deposit	258,238
Investments - Securities	<u>83,469</u>
 TOTAL ASSETS	 \$ <u><u>515,568</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

None

NET ASSETS	\$ <u>515,568</u>
 TOTAL LIABILITIES AND NET ASSETS	 \$ <u><u>515,568</u></u>

See accompanying notes and independent accountants' review report.

NORTH ST. PAUL-MAPLEWOOD-OAKDALE EDUCATION ASSOCIATION  
STATEMENT OF REVENUES, EXPENSES AND  
OTHER CHANGES IN NET ASSETS - CASH BASIS  
For the Year Ended August 31, 2019

REVENUES	
Dues Collected	\$ 125,055
Interest and Dividends Received	6,844
Other Revenue	<u>5,290</u>
TOTAL REVENUES	137,189
EXPENSES	
Governance	96,548
Community and Affiliations	2,722
Membership	11,248
Member Rights	18,109
Conventions & Conferences	5,749
Office Operations	<u>28,781</u>
TOTAL EXPENSES	<u>163,157</u>
EXCESS REVENUES OVER EXPENSES	(25,968)
NET ASSETS, BEGINNING OF YEAR	<u>541,536</u>
NET ASSETS, END OF YEAR	<u><u>\$ 515,568</u></u>

See accompanying notes and independent accountant's review report.

NORTH ST. PAUL-MAPLEWOOD-OAKDALE EDUCATION ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

North St. Paul-Maplewood-Oakdale Education Association (the Organization) is a labor organization that represents the teachers in Independent School District 622 (the District), serving North St. Paul, Maplewood and Oakdale, Minnesota. The Organization receives National, State and Local union dues from the teachers of the District. Local dues collected are retained for use by the Organization to support members' interests in the area. National and State dues collected are passed through to Education Minnesota, the statewide education labor association. There are approximately 750 teachers represented by the Organization.

Cash Basis of Accounting

The Organization'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.

Revenue Recognition

Dues revenue is reported net of the National and State dues collected and then paid to Education Minnesota. For 2018-2019 the amount collected and forwarded to Education Minnesota was \$555,657.

Investments – Securities

Investments in securities are comprised of publicly traded mutual funds and are reported at cost. Dividends in the amount of \$3,729 were reinvested and are included in cost. As of August 31, 2019, there were unrecorded unrealized gains on the investments in securities in the amount of approximately \$72,383.

NORTH ST. PAUL-MAPLEWOOD-OAKDALE EDUCATION ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
August 31, 2018

Tax Status

The Organization is a Minnesota non-profit corporation and qualifies under Section 501(c)(5) of the Internal Revenue Code as exempt from federal income tax. Entities classified as 501(c)(5) organizations are not qualified to receive donations deductible by the donor as charitable.

Although exempt from federal income tax, the Organization is required to file an annual form 990 information return with the Internal Revenue Service (IRS). The Organization's Form 990 returns have never been audited by the IRS, although returns are subject to audit to the extent of the applicable federal law, generally three years from the date filed.

NOTE B – CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash balances at several financial institutions. Interest bearing accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, the Organization's cash balances on deposit at these financial institutions are in excess of the federally insured limits. At August 31, 2019, the Organization's uninsured deposits totaled \$8,238. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on its cash and cash equivalents.

The Organization's members are required to have their annual dues withheld from their pay by the local school district in equal installments. The school district in turn forwards these amounts to the Organization.

NOTE C – LEASE

The Organization leases office space in North St. Paul, Minnesota under a month to month agreement for \$750 per month plus utilities with an unrelated organization. It has been communicated that enough notice of any changes will be made. Currently, no contingency plan is in place in the event of such a change. A portion of this space is sublet to an unrelated organization for \$100 per month, also on a month to month basis. Office rent expense for the year ended August 31, 2019 amounted to \$10,589. Rent income for the year ended August 31, 2019 amounted to \$1,450.

NOTE D – SUBSEQUENT EVENTS

Date of Management Evaluation: Management has evaluated subsequent events through December 4, 2019, the financial statement issuance date.



**SUPPLEMENTARY INFORMATION**

NORTH ST. PAUL-MAPLEWOOD-OAKDALE EDUCATION ASSOCIATION  
 SUPPLEMENTARY INFORMATION  
 DETAIL OF EXPENSES  
 For the Year Ended August 31, 2019

**GOVERNANCE**

Executive Board	9,716
General Membership	1,910
Officer Stipends	39,380
Officer Expenses	6,060
Half Time Release for Pres	34,000
Payroll Taxes	5,482
TOTAL GOVERNANCE	96,548

**COMMUNITY AND AFFILIATIONS**

Starz Banquet	1,100
Affiliation Dues	1,622
TOTAL COMMUNITY AND AFFILIATIONS	2,722

**MEMBERSHIP**

Membership Chair	5,575
Asst Membership	3,725
Relicensure	339
Training	1,609
TOTAL MEMBERSHIP	11,248

**MEMBER RIGHTS**

Member Rights Chair	8,500
Assistant Members Rights	7,700
Organizing Committee	33
Arbitration	600
Negotiations Expense	1,036
Negotiations Consultant	240
TOTAL MEMBER RIGHTS	18,109

**CONVENTIONS & CONFERENCES**

EM Rep Conv	300
NEA RA	4,668
Conference and Mileage	26
Summer Seminar	755
TOTAL CONVENTIONS & CONFERENCES	5,749

**OFFICE OPERATIONS**

NSPMOEA Office Rent	9,000
Office Phone	848
Insurance	614
Office Supplies/Postage	882
Office Electricity	410
Office Heat/Gas	332
Webmaster	1,000
Accounting	3,550
Payroll Processing	571
Contingency	6,672
Other Expenses	4,902
TOTAL OFFICE OPERATIONS	28,781
GRAND TOTAL	163,157

See independent accountant's review report.