

**Westchester Putnam School Boards
Association, Inc.**

Financial Statements

June 30, 2017 and 2016



Independent Auditors' Report

**The Executive Committee
Westchester Putnam School Boards Association, Inc.**

We have audited the accompanying financial statements of the Westchester Putnam School Boards Association, Inc. ("Association"), which comprise the statements of financial position as of June 30, 2017 and 2016 and the related statements of activities, and cash flows 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

PKF O'Connor Davies, LLP
Harrison, New York
March 28, 2018

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Westchester Putnam School Boards Association, Inc.

Statements of Financial Position

	June 30,	
	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	\$108,131	\$ 106,974
Accounts receivable	7,568	3,110
Equipment, net	<u>5,956</u>	<u>7,258</u>
Total Assets	<u>\$121,655</u>	<u>\$ 117,342</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accrued liabilities	<u>\$ 3,853</u>	<u>\$ 3,825</u>
Net Assets		
Unrestricted -Board designated	22,000	22,000
Unrestricted	<u>95,802</u>	<u>91,517</u>
Total Net Assets	<u>117,802</u>	<u>113,517</u>
Total Liabilities and Net Assets	<u>\$121,655</u>	<u>\$ 117,342</u>

See notes to financial statements

Westchester Putnam School Boards Association, Inc.

Statements of Activities

	Year Ended June 30,	
	2017	2016
REVENUES		
Dues	\$186,712	\$186,317
Fee events	23,643	25,131
Administration fee	14,959	11,409
Interest income	137	140
Project revenue	7,690	7,949
Total Revenues	233,141	230,946
EXPENSES		
Direct Program Expenses		
Membership and committee meetings	7,089	5,835
Fee events	20,294	18,865
Conferences and conventions	2,033	2,135
Publications	1,746	1,881
Resource information - Subscriptions	618	404
Total Direct Program Expenses	31,780	29,120
Other Operating Expenses		
Executive director salary and fringe benefits	102,463	99,531
Clerical - salaries, services and fringe benefits	61,507	67,302
Payroll taxes	12,702	13,860
Rent	6,741	6,481
Insurance	2,268	2,605
Office	636	491
Postage	47	184
Telephone	600	708
Equipment lease	3,349	3,349
Consulting fees	3,715	2,470
Depreciation	1,563	1,759
Payroll service	1,485	1,492
Total Other Operating Expenses	197,076	200,232
Total Expenses	228,856	229,352
Change in Net Assets	4,285	1,594
NET ASSETS		
Beginning of year	113,517	111,923
End of year	\$117,802	\$113,517

See notes to financial statements

Westchester Putnam School Boards Association, Inc.

Statements of Cash Flows

	Year Ended June 30,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 4,285	\$ 1,594
Adjustment to reconcile change in net assets to net cash from operating activities		
Depreciation	1,563	1,759
Changes in operating assets and liabilities		
Accounts receivable	(4,458)	6,721
Prepaid expenses	-	500
Accrued liabilities	28	(655)
Net Cash from Operating Activities	1,418	9,919
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of equipment	(1,120)	(3,516)
Disposal of equipment	859	-
Net Cash from Investing Activities	(261)	(3,516)
Net Change in Cash and Equivalents	1,157	6,403
CASH AND EQUIVALENTS		
Beginning of year	106,974	100,571
End of year	\$108,131	\$106,974

See notes to financial statements

Westchester Putnam School Boards Association, Inc.

Notes to Financial Statements
June 30, 2017

1. Organization and Taxation

The Westchester Putnam School Boards Association, Inc. ("Association") was incorporated on October 23, 2012 as a Type B corporation for the purpose of the betterment of education in Westchester and Putnam Counties, by encouraging cooperation and communication between member boards, providing training to member boards and school districts, providing a voice for member boards on legislation and other matters affecting member boards and districts.

The Association is a not-for-profit organization exempt from Federal taxes under Section 501(c)(3) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as unrestricted, temporarily restricted and permanently restricted. None of the net assets of the Association have been restricted by donor stipulation.

Cash and Equivalents

For purposes of the statements of cash flows, the Association considers all unrestricted highly liquid investments with a remaining maturity of three months or less, at the date of purchase, to be cash equivalents.

Allowance for Uncollectible Receivables

An allowance for uncollectible receivables is estimated based on a combination of write-off history, aging analysis and any specific known troubled accounts. At June 30, 2017 and 2016, management has concluded that an allowance is not required.

Furniture and Equipment

Furniture and Equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets of 5-7 years.

Membership Dues

Dues are recognized as revenue in the period in which they are earned.

Westchester Putnam School Boards Association, Inc.

Notes to Financial Statements (Continued)
June 30, 2017

2. Summary of Significant Accounting Policies (Continued)

Accounting for Uncertainty in Income Taxes

The Association recognizes the effects of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Association had no uncertain tax positions that would require financial statement recognition or disclosure. The Association is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to June 30, 2014.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is March 28, 2018.

3. Commitments

The Association conducts its operations from leased facilities. The office lease, which is for one year, is classified as an operating lease. Rent expense for the years ended June 30, 2017 and 2016 was \$6,741 and \$6,481, respectively.

The Association has an operating lease agreement expiring on September 30, 2017 for office equipment.

The minimum annual lease payments due as of June 30, 2017 are payable as follows:

2018	<u>\$ 837</u>
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Lease expense for the years ended June 30, 2017 and 2016 was \$3,349 for each year.

4. Furniture and Equipment, net

Furniture and equipment, net consists of the following at June 30,

	<u>2017</u>	<u>2016</u>
Equipment	\$ 9,260	\$ 10,119
Furniture and Fixtures	6,956	5,836
	<u>16,216</u>	<u>15,955</u>
Less accumulated depreciation	<u>(10,260)</u>	<u>(8,697)</u>
	<u>\$ 5,956</u>	<u>\$ 7,258</u>

Westchester Putnam School Boards Association, Inc.

Notes to Financial Statements (Concluded)
June 30, 2017

5. Retirement Plan

The Association has a Simple IRA plan, which provides for a 2% Non-elective contribution to be made to the plan for all eligible employees. Plan expense for the years ended June 30, 2017 and 2016 was \$2,529 and \$3,177.

6. Unrestricted Board Designated Net Assets

Unrestricted board designated net assets are designated for long-term investment purposes to provide for future operating or capital expenses of the Association. This amount is invested in cash savings accounts and has been included in unrestricted net assets as it is a Board imposed designation not a donor designated restriction.
