

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

Financial Statements

June 30, 2024 and 2023

Independent Auditors' Report

The Executive Committee
Westchester Putnam School Boards Association, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Westchester Putnam School Boards Association, Inc. ("Association"), which comprise the statements of financial position as of June 30, 2024 and 2023 and the related statements of activities and cash flows 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 financial position of the Association as of June 30, 2024 and 2023, and the respective changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued, including any currently known information that may raise substantial doubt shortly thereafter.

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 auditors' 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 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 the Association'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 the Association'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.

Report on Summarized Comparative Information

We have previously audited the Association's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 23, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

January 15, 2025

Westchester Putnam School Boards Association, Inc.

Statements of Financial Position

	June 30,	
	2024	2023
ASSETS		
Cash and cash equivalents	\$ 55,076	\$ 118,399
Investments	75,355	-
Accounts receivable	4,250	4,191
Prepaid expenses	2,681	2,216
Equipment, net	11,091	14,908
Total Assets	\$ 148,453	\$ 139,714
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 4,920	\$ 2,948
Accrued liabilities	2,200	1,754
Leases payable	10,204	12,735
Total Liabilities	17,324	17,437
Net Assets		
Without Donor Restrictions		
Designated by the Board	-	22,000
Undesignated	131,129	100,277
Total Net Assets	131,129	122,277
Total Liabilities and Net Assets	\$ 148,453	\$ 139,714

See notes to financial statements

Westchester Putnam School Boards Association, Inc.

Statements of Activities

	Year Ended June 30,	
	2024	2023
	Without Donor Restrictions	
REVENUES		
Dues	\$ 212,393	\$ 205,097
Fee events	31,535	19,565
Administration fee	15,000	15,000
Interest income	388	34
Project revenue	14,080	13,460
Miscellaneous	-	115
	<u>273,396</u>	<u>253,271</u>
EXPENSES		
Direct Program Expenses		
Membership and committee meetings	2,775	2,020
Fee events	14,808	7,290
Conferences and conventions	2,829	2,773
Publications	5,893	5,556
Resource information - Subscriptions	353	502
	<u>26,658</u>	<u>18,141</u>
Other Operating Expenses		
Executive director salary and fringe benefits	108,375	104,142
Clerical - salaries, services and fringe benefits	94,799	90,645
Payroll taxes	14,153	13,573
Rent	8,366	8,122
Insurance	2,380	2,348
Office	4,923	4,878
Equipment lease	457	1,465
Depreciation/amortization	3,817	2,773
Payroll service	616	532
	<u>237,886</u>	<u>228,478</u>
Total Other Operating Expenses	<u>237,886</u>	<u>228,478</u>
Total Expenses	<u>264,544</u>	<u>246,619</u>
Change in Net Assets	8,852	6,652
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Beginning of year	<u>122,277</u>	<u>115,625</u>
End of year	<u>\$ 131,129</u>	<u>\$ 122,277</u>

See notes to financial statements

Westchester Putnam School Boards Association, Inc.

Statements of Cash Flows

	Year Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 8,852	\$ 6,652
Adjustment to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	3,817	2,773
Changes in operating assets and liabilities		
Accounts receivable	(59)	544
Prepaid expenses	(465)	(25)
Accounts payable	1,972	(2,124)
Accrued liabilities	446	8
Leases payable	(2,531)	12,735
	12,032	20,563
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of equipment	-	(14,165)
Investment income	(355)	
Purchase of investments	(75,000)	-
	(75,355)	(14,165)
Net Cash from Investing Activities	(75,355)	(14,165)
Net Change in Cash and Cash Equivalents	(63,323)	6,398
CASH AND CASH EQUIVALENTS		
Beginning of year	118,399	112,001
End of year	\$ 55,076	\$ 118,399

See notes to financial statements

Westchester Putnam School Boards Association, Inc.

Statement of Functional Expenses
Year Ended June 30, 2024

	Program Services	Management and General	Total
	<u> </u>	<u> </u>	<u> </u>
Membership and committee meetings	\$ 1,273	\$ 1,502	\$ 2,775
Fee events	14,808	-	14,808
Conferences and conventions	-	2,829	2,829
Publications	5,893	-	5,893
Resource information - Subscriptions	-	353	353
Executive director salary and fringe benefits	97,537	10,838	108,375
Clerical - salaries, services and fringe benefits	83,921	10,878	94,799
Payroll taxes	12,737	1,416	14,153
Rent	7,529	837	8,366
Insurance	584	1,796	2,380
Office	1,619	3,304	4,923
Equipment lease	228	229	457
Depreciation	-	3,817	3,817
Payroll service	554	62	616
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u>\$ 226,683</u>	<u>\$ 37,861</u>	<u>\$ 264,544</u>

See notes to financial statements

Westchester Putnam School Boards Association, Inc.

Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services	Management and General	Total
Membership and committee meetings	\$ 1,213	\$ 807	\$ 2,020
Fee events	7,290	-	7,290
Conferences and conventions	-	2,773	2,773
Publications	5,556	-	5,556
Resource information - Subscriptions	-	502	502
Executive director salary and fringe benefits	93,728	10,414	104,142
Clerical - salaries, services and fringe benefits	80,213	10,432	90,645
Payroll taxes	12,215	1,358	13,573
Rent	7,310	812	8,122
Insurance	627	1,721	2,348
Office	1,503	1,695	3,198
Telephone	-	1,680	1,680
Equipment lease	1,447	18	1,465
Depreciation	-	2,773	2,773
Payroll service	479	53	532
	<u>479</u>	<u>53</u>	<u>532</u>
Total Expenses	<u>\$ 211,581</u>	<u>\$ 35,038</u>	<u>\$ 246,619</u>

See notes to financial statements

Westchester Putnam School Boards Association, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

1. Organization and Tax Status

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's revenue is derived principally from special events and membership dues.

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 Accounting 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. Accordingly, actual results could differ from those estimates.

Financial Statement Presentation

The financial statements have been prepared in conformity with U.S. GAAP, for nonprofit organizations, which requires the Association to report information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions.

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

Net Assets With Donor Restrictions - Net assets subject to donor imposed restrictions. Some 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Association has no net assets with donor restrictions as of June 30, 2024 and 2023.

Cash and Cash Equivalents

Cash and cash equivalents include all short-term highly liquid debt instruments with a maturity of three months or less at the time of purchase which are not intended for investment purposes, except for those money market funds which are included in investments.

Westchester Putnam School Boards Association, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

2. Summary of Significant Accounting Policies (*continued*)

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, 2024 and 2023, management has concluded that an allowance is not necessary.

Equipment

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.

Revenue Recognition - Membership Dues

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

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, 2017.

Functional Allocation of Expenses

The Association allocates its expenses on a functional basis among its program and support services. Expenses that can be specifically identified with a program or support service are allocated directly. Other expenses that are common to several functions are allocated based on estimates made by management. The more significant expense allocations include salaries and related personnel costs. Personnel costs have been allocated based on time and effort reporting.

Leases

As of July 1, 2022, the Association has an equipment lease. The Association determines if an arrangement is a lease at inception. Lease assets are included in operating lease Right of Use ("ROU") assets, and operating lease liabilities on the statement of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The leases do not provide an implicit borrowing rate, the Association uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset includes any lease payments made and excludes lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Association's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Westchester Putnam School Boards Association, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

The Association has lease agreements with lease and non-lease components, which are generally accounted for separately.

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 January 15, 2025.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without restrictions limiting their use, within one year of June 30, 2024 are as follows:

Cash and cash equivalents	\$	55,076
Investments		75,355
Accounts receivable		<u>4,250</u>
Financial assets available to meet general expenditures over the next twelve months	\$	<u>134,681</u>

4. Lease 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, 2024 and 2023 was \$8,366 and \$8,122, respectively.

5. Equipment, Net of Depreciation/Amortization

Equipment, net of depreciation/amortization consists of the following at June 30,

	<u>2024</u>	<u>2023</u>
Equipment	\$ 14,412	\$ 14,412
Furniture and fixtures	6,956	6,956
ROU asset	<u>14,165</u>	<u>14,165</u>
	35,533	35,533
Accumulated depreciation/amortization	<u>(24,442)</u>	<u>(20,625)</u>
Equipment, net	<u>\$ 11,091</u>	<u>\$ 14,908</u>

Westchester Putnam School Boards Association, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

6. Retirement Plan

The Association has a Simple IRA plan (the "Plan"), which provides for a 2% non-elective contribution to be made to the plan for all eligible employees. The Plan expense for the years ended June 30, 2024 and 2023 was \$3,860 and \$3,720.

7. Net Assets Without Donor Restrictions

The Board designated net assets are established for long-term investment purposes to provide for future operating or capital expenses of the Association. This amount is invested in cash savings accounts.

8. Custodial Credit Risk

The Association has investment balances in excess of amounts federally insured. The uninsured balances totaled \$75,355 at June 30, 2024 which is invested in a government money market fund.

9. Leases

The Association has a copier lease agreement. The lease has a remaining term of 3.67 years.

Information associated with the measurement of the Association's operating lease obligations as of June 30, 2024 is as follows:

Weighted-average remaining lease term in years for operating leases	3.67
Weighted-average discount rate for operating leases	4.03%

As of June 30, 2024, maturities for operating lease liabilities were as follows:

2025	\$ 2,988
2026	2,988
2027	2,988
2028	<u>1,992</u>
Total undiscounted cash flows	10,956
Less: present value discount	<u>(752)</u>
Total lease liabilities	<u>\$ 10,204</u>

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