

VALLEY STREAM TEACHERS ASSOCIATION
WELFARE FUND
FRANKLIN SQUARE, NEW YORK

FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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SKINNON AND FABER

Certified Public Accountants, P.C.

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Valley Stream Teachers Association Welfare Fund
Valley Stream, New York

We have audited the accompanying financial statements of the Valley Stream Teachers Association Welfare Fund (a nonprofit organization), which comprise the Statement of Benefit Obligations and Net Assets Available for Benefits as of June 30, 2018, and the related Statement of Changes in Benefit Obligations and Net Assets Available for Benefits for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our 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 auditor's 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.



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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 presents fairly, in all material respects, the financial status of the Valley Stream Teachers Association Welfare Fund as of June 30, 2018, and the changes in its financial status for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Skinnon and Faber, CPAs, P.C.

Islandia, New York
May 31, 2019

VALLEY STREAM TEACHERS ASSOCIATION WELFARE FUND
STATEMENT OF BENEFIT OBLIGATIONS AND
NET ASSETS AVAILABLE FOR BENEFITS
June 30, 2018

BENEFIT OBLIGATIONS

Dental Care Benefits	\$ 82,639
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Total Benefit Obligations	\$ 82,639
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NET ASSETS

Current Assets:	
Cash and Cash Equivalents	\$ 731,076
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Total Current Assets	\$ 731,076
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CURRENT LIABILITIES

Current Liabilities:	
Accounts Payable	\$ 13,513
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Total Current Liabilities	13,513
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Net Assets Available for Benefits	717,563
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Excess of Net Assets Available for Benefits Over Benefit Obligations	\$ 634,924
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**VALLEY STREAM TEACHERS ASSOCIATION WELFARE FUND
STATEMENTS OF CHANGES IN BENEFIT OBLIGATIONS
AND NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED JUNE 30, 2018**

NET INCREASE IN BENEFIT OBLIGATIONS	\$ <u> -</u>
NET CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	
ADDITIONS:	
District Contributions	1,159,707
Cobra Contributions	4,210
Interest	3,997
Total Additions	<u>1,167,914</u>
DEDUCTIONS:	
Benefits for Members:	
Dental Reimbursement	1,019,564
Vision Expense	2,345
Excess Medical Insurance Expense	12,822
Total Benefits for Members	<u>1,034,731</u>
Administrative Expenses:	
Professional Fees	124,332
Rent	18,200
Insurance	5,558
Miscellaneous Expense	3,726
Total Administrative Expenses	<u>151,816</u>
Total Deductions	<u>1,186,547</u>
Net Change In Net Assets Available for Benefits	<u>(18,633)</u>
Net Change in Net Assets Available for Benefits over Benefit Obligations	(18,633)
Excess of Net Assets Available for Benefits over Benefit Obligations:	
Beginning of Year	<u>653,557</u>
End of Year	<u><u>\$ 634,924</u></u>

See Notes to the Financial Statements

VALLEY STREAM TEACHERS ASSOCIATION WELFARE FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

I. DESCRIPTION OF WELFARE FUND

The Valley Stream Teachers Association Welfare Fund ('Welfare Fund') was established in 1976 as a result of negotiations between the Valley Stream Teachers' Association and the four Valley Stream Boards of Education for the purpose of providing dental insurance for the majority of the staff of the four districts. Over time, excess major medical insurance and vision care coverage were also offered.

The Welfare Fund consists of five trustees, elected to three year terms by the VSTA Executive Council, who oversee the operation of the Fund. The trustees meet several times throughout the year. They retain the services of a Director, who is responsible for the day-to-day operation of the Fund, along with all record keeping and financial transactions.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Financial Statement Presentation

The accompanying financial statements of the Welfare Fund have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash and Cash Equivalents

The Welfare Fund considers all highly liquid instruments with a maturity of three months or less at the date of purchase to be cash equivalents.

At June 30, 2018, cash and cash equivalents consisted of \$747,443 held in commercial banks.

The Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Benefit Obligations

The Welfare Fund's obligation for claims incurred but not reported by June 30, the last day of the Welfare Fund's fiscal year, are estimated from available information for active members and retirees, and reported in a separate section of the Statement of Benefit Obligations and Net Position available for benefits.

VALLEY STREAM TEACHERS ASSOCIATION WELFARE FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

III. CONCENTRATIONS OF RISK

The Welfare Fund maintains all cash and cash equivalents in three depositories. There is a risk of loss of these funds, to the extent not covered by FDIC insurance coverage.

Substantially all revenue is received from one source, the Valley Stream School District. The ability of the Welfare Fund to provide members with benefits would be virtually impossible should this source of revenue cease.

IV. INCOME TAXES

The Welfare Fund is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(9) and as such, has made no provision for income taxes in the accompanying financial statements. Although the Welfare Fund is subject to routine audits by taxing jurisdictions, there are currently no audits for any tax periods in progress. Income tax returns, once filed, are generally subject to examination for a three-year period. Tax years that are currently open for potential examination are for the years ended June 30, 2016, 2017 and 2018.

The accompanying financial statements have been prepared in accordance with Financial Accounting Standards Board ASC 740-10 (formerly known as FASB interpretation No. 48), which prescribes a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. Management has determined that there is no impact on the accompanying financial statements as a result of implementation of ASC 740-10.

V. SUBSEQUENT EVENTS

There were no events subsequent to June 30, 2018 and the date that these financial statements were available to be issued, May 31, 2019, that would have a material impact on these financial statements.