

ALL FACULTY ASSOCIATION

Financial Statements

June 30, 2007

(With Independent Auditor's Report)

INDEPENDENT AUDITOR'S REPORT

Executive Council
ALL FACULTY ASSOCIATION

We have audited the accompanying statement of financial position of All Faculty Association (a nonprofit corporation) as of June 30, 2007, and the related statements of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U. S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of All Faculty Association as of June 30, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with U. S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information included in the accompanying Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

GIBSON & COMPANY, INC.
CERTIFIED PUBLIC ACCOUNTANT
Gibson & Company, Inc.
Certified Public Accountant

December 6, 2007
Sacramento, California

ALL FACULTY ASSOCIATION

Statement of Financial Position

June 30, 2007

Assets

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Current Assets:			
Cash	\$ 138,062	6,255	144,317
Prepaid expenses	2,306	-0-	2,306
Deposits	<u>368</u>	<u>-0-</u>	<u>368</u>
Total Current Assets	140,736	6,255	146,991
Equipment (Note 2):			
Equipment	9,858	-0-	9,858
Accumulated depreciation	<u>(7,046)</u>	<u>-0-</u>	<u>(7,046)</u>
Net Equipment	<u>2,812</u>	<u>-0-</u>	<u>2,812</u>
Total Assets	<u>\$ 143,548</u>	<u>6,255</u>	<u>149,803</u>

See the accompanying notes to financial statements

ALL FACULTY ASSOCIATION

Statement of Financial Position

June 30, 2007

Liabilities and Net Assets

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Current Liabilities:			
Accounts payable	\$ 5,915	-0-	5,915
Accrued payroll and related liabilities	1,318	-0-	1,318
Total Current and Total Liabilities	<u>7,233</u>	<u>-0-</u>	<u>7,233</u>
Net Assets:			
Unrestricted:			
General Operating	133,503	-0-	133,503
Equipment	<u>2,812</u>	<u>-0-</u>	<u>2,812</u>
Total Unrestricted	136,315	-0-	136,315
Temporarily Restricted:			
Political action	<u>-0-</u>	<u>6,255</u>	<u>6,255</u>
Total Temporarily Restricted	<u>-0-</u>	<u>6,255</u>	<u>6,255</u>
Total Net Assets	<u>136,315</u>	<u>6,255</u>	<u>142,570</u>
Total Liabilities and Net Assets	<u>\$ 143,548</u>	<u>6,255</u>	<u>149,803</u>

ALL FACULTY ASSOCIATION

Statements of Activities and Changes in Net Assets

For the Year Ended June 30, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue:			
Dues and fees	\$ 227,501	7,031	234,532
Interest	3,952	30	3,982
Net assets released from restrictions:			
Satisfaction of program restrictions	3,533	(3,533)	-0-
Total Revenue	<u>234,986</u>	<u>3,528</u>	<u>238,514</u>
Expenses:			
General Operations:			
Payroll and related expenses	60,451	-0-	60,451
General and administrative expenses	<u>151,575</u>	<u>-0-</u>	<u>151,575</u>
Total General Operating Expenses	212,026	-0-	212,026
Political action:			
General and administrative expenses	<u>3,533</u>	<u>-0-</u>	<u>3,533</u>
Total Political Action Expenses	<u>3,533</u>	<u>-0-</u>	<u>3,533</u>
Total Expenses	<u>215,559</u>	<u>-0-</u>	<u>215,559</u>
Change in Net Assets	19,427	3,528	22,955
Net Assets, Beginning of Year	<u>116,888</u>	<u>2,727</u>	<u>119,615</u>
Net Assets, End of Year	<u>\$ 136,315</u>	<u>6,255</u>	<u>142,570</u>

See the accompanying notes to financial statements

ALL FACULTY ASSOCIATION

Statements of Cash Flows

For the Year Ended June 30, 2007

	<u>Unrestricted</u>	<u>Temporarily Unrestricted</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Change in net assets	\$ 19,427	3,528	22,955
Adjustments to reconcile change in net assets to net cash provided by operations:			
Depreciation	1,139	-0-	1,139
(Increase) decrease in:			
Accounts receivable	-0-	127	127
Deposits	41	-0-	41
Prepaid expense	(2,061)	-0-	(2,061)
Increase (decrease) in:			
Accounts payable	1,898	-0-	1,898
Accrued payroll and related liabilities	(2,194)	-0-	(2,194)
Interfund Payable	(127)	-0-	(127)
	<u>(1,304)</u>	<u>127</u>	<u>(1,177)</u>
Total adjustments			
Net Cash Provided (Used) By Operating Activities	<u>18,123</u>	<u>3,655</u>	<u>21,778</u>
Cash Flows From Investing Activities:			
Purchases of property and equipment	<u>(2,261)</u>	<u>-0-</u>	<u>(2,261)</u>
Net Cash Used By Investment Activities	<u>(2,261)</u>	<u>-0-</u>	<u>(2,261)</u>
Net Increase (Decrease) in Cash	15,862	3,655	19,517
Cash at Beginning of Year	<u>122,200</u>	<u>2,600</u>	<u>124,800</u>
Cash at End of Year	<u>\$ 138,062</u>	<u>6,255</u>	<u>144,317</u>

See the accompanying notes to financial statements

ALL FACULTY ASSOCIATION

Notes to Financial Statements

June 30, 2007

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. Nature and Purpose of the Association

All Faculty Association's purpose is to represent members in the following matters: salary, benefits, working conditions, assistance in filing and pursuing employee grievances, legal representation on both an individual and class basis, and technical assistance in matters of job classification. Dues and fee revenue is derived solely from representing full-time and part-time faculty members at Santa Rosa Junior College. This bargaining agreement expires June 30, 2007.

b. Description of Net Assets

The books of account and financial statements of the Association reflect the accrual method of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses 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 follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. Unrestricted Net Assets-Equipment represents the carrying value of property and equipment.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Association and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. Generally, the donors of these assets permit the Association to use all or part of the income earned on any related investments for general or specific purposes.

At June 30, 2007, the Association had only unrestricted and temporarily restricted net assets.

ALL FACULTY ASSOCIATION

Notes to Financial Statements

June 30, 2007

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

c. Income

Dues and fees are collected from members and fee payors by payroll deduction. Dues, fees, interest income, and other income are recognized when earned.

d. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

e. Equipment

Purchased equipment having an extended useful life are capitalized as equipment at cost. Maintenance and repair costs are charged to expenses as incurred. Replacements and Capital improvements over \$300 are charged to the equipment account. All donated assets are recorded at fair market value at the time of receipt. Depreciation for equipment is recorded using the straight-line method over a period of five to seven years.

f. Incorporation/Income Taxes

The Corporation is organized pursuant to the General Non-Profit Law of the State of California and is exempt from Federal and State income taxes under I.R.C. Section 501(c)(5) and California Revenue and Taxation Code Section 23701A.

g. Statement of Cash Flows

For purposes of the statement of cash flows, the Association considers all short term investments with an original maturity of three months or less to be cash equivalents.

h. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ALL FACULTY ASSOCIATION

Notes to Financial Statements

June 30, 2007

(2) PROPERTY AND EQUIPMENT:

At June 30, 2007, property and equipment is comprised of the following:

	<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
<u>Property and Equipment</u>				
Office furniture and equipment	\$ 1,467	-0-	-0-	1,467
Computer equipment	<u>6,130</u>	<u>2,261</u>	<u>-0-</u>	<u>8,391</u>
Total Property and Equipment	7,597	<u>2,261</u>	<u>-0-</u>	9,858
<u>Accumulated Depreciation</u>				
Office furniture and equipment	746	203	-0-	949
Computer equipment	<u>5,161</u>	<u>936</u>	<u>-0-</u>	<u>6,097</u>
Total Accumulated Depreciation	<u>5,907</u>	<u>1,139</u>	<u>-0-</u>	<u>7,046</u>
Net Book Value	<u>\$ 1,690</u>			<u>2,812</u>

Depreciation expense for the year ended June 30, 2007 was \$1,139.

(3) FUNCTIONAL ALLOCATION OF EXPENSES:

Program services	\$ 172,190
Supporting services	<u>39,836</u>
Total expenses	<u>\$ 212,026</u>

Certain costs have been allocated among the programs and supporting services benefited.

ALL FACULTY ASSOCIATION

Notes to Financial Statements

June 30, 2007

(4) CONCENTRATION OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS:

The Association maintains cash balances at two financial institutions located in California. Accounts at the financial institutions are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration up to \$100,000. At June 30, 2007, the Association's uninsured cash balances total \$39,145.

(5) OPERATING LEASE COMMITMENTS:

All Faculty Association is committed to one lease for office equipment expiring on May 31, 2012.

Minimum future rental payments are as follows:

For the Year Ending	
June 30, 2008	\$ 3,615
June 30, 2009	3,615
June 30, 2010	3,615
June 30, 2011	3,615
June 30, 2012	3,314
Total	<u>\$ 17,774</u>

ALL FACULTY ASSOCIATION

Schedules of Expenses

For the Year Ended June 30, 2007

	<u>General Operations</u>	<u>Political Action</u>	<u>Total</u>
Payroll and Related Expenses:			
Salaries	\$ 53,909	-0-	53,909
Payroll taxes	4,843	-0-	4,843
Worker's compensation insurance	1,699	-0-	1,699
Total payroll and related expenses	<u>\$ 60,451</u>	<u>-0-</u>	<u>60,451</u>
General and Administrative Expenses:			
Computer supplies	\$ 738	-0-	738
Conferences and travel	7,187	-0-	7,187
Depreciation	1,139	-0-	1,139
Donations	150	-0-	150
Equipment rental and maintenance	3,156	-0-	3,156
Events	4,119	-0-	4,119
Liability insurance	1,378	-0-	1,378
Accounting fees	4,734	-0-	4,734
Legal fees	2,023	-0-	2,023
Office supplies	1,159	-0-	1,159
Postage	2,148	9	2,157
Professional dues	2,400	-0-	2,400
Publications/production	4,250	-0-	4,250
Reassigned time	81,744	-0-	81,744
Stipends	30,035	-0-	30,035
Rent	4,872	-0-	4,872
State taxes	10	-0-	10
Property taxes	179	-0-	179
Telephone	154	-0-	154
Contributions	-0-	3,500	3,500
Bank charges	-0-	24	24
Total General and Administrative Expenses	<u>\$ 151,575</u>	<u>3,533</u>	<u>155,108</u>