

ALL FACULTY ASSOCIATION

Financial Statements

June 30, 2011

(With Independent Auditor's Report)

GIBSON & COMPANY, INC.

CERTIFIED PUBLIC ACCOUNTANT

4600 NORTHGATE BLVD., SUITE 115 • SACRAMENTO, CALIFORNIA 95834-1121
(916) 484-1252 FAX (916) 484-1123
WEBSITE WWW.GIBSONCOCPA.COM

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, 2011, 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, 2011, 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 22, 2011
Sacramento, California

ALL FACULTY ASSOCIATION

Statement of Financial Position

June 30, 2011

	<u>Assets</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Current Assets:			
Cash	\$ 228,527	23,193	251,720
Accounts receivable	-0-	536	536
Prepaid expenses	4,175	-0-	4,175
Deposits	<u>523</u>	<u>-0-</u>	<u>523</u>
Total Current Assets	233,225	23,729	256,954
Equipment (Note 2):			
Equipment	12,628	-0-	12,628
Accumulated depreciation	<u>(10,766)</u>	<u>-0-</u>	<u>(10,766)</u>
Net Equipment	<u>1,862</u>	<u>-0-</u>	<u>1,862</u>
Total Assets	\$ <u><u>235,087</u></u>	<u><u>23,729</u></u>	<u><u>258,816</u></u>

See the accompanying notes to financial statements

ALL FACULTY ASSOCIATION

Statement of Financial Position

June 30, 2011

Liabilities and Net Assets

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Current Liabilities:			
Accounts payable	\$ 7,436	-0-	7,436
Accounts payable - PAC	536	-0-	536
Accrued payroll and related liabilities	<u>736</u>	<u>-0-</u>	<u>736</u>
Total Current and Total Liabilities	8,708	-0-	8,708
Net Assets:			
Unrestricted:			
General Operating	224,517	-0-	224,517
Equipment	<u>1,862</u>	<u>-0-</u>	<u>1,862</u>
Total Unrestricted	226,379	-0-	226,379
Temporarily Restricted:			
Political action	<u>-0-</u>	<u>23,729</u>	<u>23,729</u>
Total Temporarily Restricted	<u>-0-</u>	<u>23,729</u>	<u>23,729</u>
Total Net Assets	<u>226,379</u>	<u>23,729</u>	<u>250,108</u>
 Total Liabilities and Net Assets	 <u>\$ 235,087</u>	 <u>23,729</u>	 <u>258,816</u>

ALL FACULTY ASSOCIATION

Statements of Activities and Changes in Net Assets

For the Year Ended June 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue:			
Dues and fees	\$ 234,221	8,663	242,884
Interest	1,216	37	1,253
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>250</u>	<u>(250)</u>	<u>-0-</u>
Total Revenue	235,687	8,450	244,137
Expenses:			
General Operations:			
Payroll and related expenses	83,625	-0-	83,625
General and administrative expenses	<u>163,646</u>	<u>-0-</u>	<u>163,646</u>
Total General Operating Expenses	247,271	-0-	247,271
Political action:			
General and administrative expenses	<u>250</u>	<u>-0-</u>	<u>250</u>
Total Political Action Expenses	<u>250</u>	<u>-0-</u>	<u>250</u>
Total Expenses	<u>247,521</u>	<u>-0-</u>	<u>247,521</u>
Change in Net Assets	(11,834)	8,450	(3,384)
Net Assets, Beginning of Year	<u>238,213</u>	<u>15,279</u>	<u>253,492</u>
Net Assets, End of Year	<u>\$ 226,379</u>	<u>23,729</u>	<u>250,108</u>

See the accompanying notes to financial statements

ALL FACULTY ASSOCIATION

Statements of Cash Flows

For the Year Ended June 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Unrestricted</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Change in net assets	\$ (11,834)	8,450	(3,384)
Adjustments to reconcile change in net assets to net cash provided by operations:			
Depreciation	960	-0-	960
(Increase) decrease in:			
Accounts receivable	-0-	265	265
Deposits	64	-0-	64
Prepaid expense	(695)	-0-	(695)
Increase (decrease) in:			
Accounts payable	(1,946)	-0-	(1,946)
Accrued payroll and related liabilities	(2,783)	-0-	(2,783)
	<u>(4,400)</u>	<u>265</u>	<u>(4,135)</u>
Total adjustments			
Net Cash Provided (Used) By Operating Activities	<u>(16,234)</u>	<u>8,715</u>	<u>(7,519)</u>
Cash Flows From Investing Activities:			
Purchases of property and equipment	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net Cash Used By Investment Activities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	<u>(16,234)</u>	<u>8,715</u>	<u>(7,519)</u>
Net Increase (Decrease) in Cash			
Cash at Beginning of Year	<u>244,761</u>	<u>14,478</u>	<u>259,239</u>
Cash at End of Year	<u>\$ 228,527</u>	<u>23,193</u>	<u>251,720</u>

See the accompanying notes to financial statements

ALL FACULTY ASSOCIATION

Notes to Financial Statements

June 30, 2011

(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, 2014.

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, 2011, the Association had only unrestricted and temporarily restricted net assets.

ALL FACULTY ASSOCIATION

Notes to Financial Statements

June 30, 2011

(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 the provisions of I.R.C. Section 501(c)(5) and California Revenue and Taxation Code Section 23701A, therefore no provision has been made for current or deferred income taxes. Income from certain activities not directly related to the Organization's tax exempt purpose is subject to taxation as unrelated business income. The Corporation uses the same accounting methods for tax and financial reporting. The Corporation's returns for years ended June 30, 2010, 2009 and 2008, are subject to examination by federal and state taxing authorities, generally for three years after they are filed.

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.

ALL FACULTY ASSOCIATION

Notes to Financial Statements

June 30, 2011

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

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.

i. Date of Management's Review

Management has evaluated subsequent events through December 22, 2011, the date on which the financial statements were available to be issued.

(2) PROPERTY AND EQUIPMENT:

At June 30, 2011, property and equipment is comprised of the following:

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>Property and Equipment</u>				
Office furniture and equipment	\$ 2,690	-0-	-0-	2,690
Computer equipment	<u>9,938</u>	<u>-0-</u>	<u>-0-</u>	<u>9,938</u>
Total Property and Equipment	12,628	<u>-0-</u>	<u>-0-</u>	12,628
<u>Accumulated Depreciation</u>				
Office furniture and equipment	1,808	198	-0-	2,006
Computer equipment	<u>7,998</u>	<u>762</u>	<u>-0-</u>	<u>8,760</u>
Total Accumulated Depreciation	<u>9,806</u>	<u>960</u>	<u>-0-</u>	<u>10,766</u>
Net Book Value	<u>\$ 2,822</u>			<u>1,862</u>

Depreciation expense for the year ended June 30, 2011 was \$960.

ALL FACULTY ASSOCIATION

Notes to Financial Statements

June 30, 2011

(3) FUNCTIONAL ALLOCATION OF EXPENSES:

Program services	\$ 192,995
Supporting services	<u>54,276</u>
Total expenses	\$ <u>247,271</u>

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

(4) 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	
<u>June 30, 2012</u>	\$ <u>3,314</u>
Total	\$ <u>3,314</u>

ALL FACULTY ASSOCIATION

Schedules of Expenses

For the Year Ended June 30, 2011

	<u>General Operations</u>	<u>Political Action</u>	<u>Total</u>
Payroll and Related Expenses:			
Salaries	\$ 76,122	-0-	76,122
Payroll taxes	6,788	-0-	6,788
Worker's compensation insurance	715	-0-	715
Total payroll and related expenses	<u>\$ 83,625</u>	<u>-0-</u>	<u>83,625</u>
General and Administrative Expenses:			
Computer supplies	\$ 652	-0-	652
Conferences and travel	6,288	-0-	6,288
Depreciation	960	-0-	960
Donations	750	-0-	750
Equipment rental and maintenance	5,595	-0-	5,595
Property taxes	179	-0-	179
Events	4,364	-0-	4,364
Liability insurance	3,561	-0-	3,561
Accounting fees	7,036	-0-	7,036
Legal fees	6,865	-0-	6,865
Office supplies	1,058	-0-	1,058
Professional dues	2,580	-0-	2,580
Publications/production	117	-0-	117
Reassigned time	99,789	-0-	99,789
Stipends	4,278	-0-	4,278
Rent	4,872	-0-	4,872
State taxes	49	-0-	49
Telephone	59	-0-	59
AFDAF	14,445	-0-	14,445
Subscriptions	149	-0-	149
Contributions	<u>-0-</u>	<u>250</u>	<u>250</u>
Total General and Administrative Expenses	<u>\$ 163,646</u>	<u>250</u>	<u>163,896</u>