

**THE FINANCIAL STATEMENT AND
SUPPLEMENTAL INFORMATION OF
SIERRA COLLEGE FACULTY ASSOCIATION
FOR THE YEAR ENDED
AUGUST 31, 2010**

INDEPENDENT AUDITORS' REPORT

To the Executive Board
Sierra College Faculty Association

We have audited the accompanying statement of cash receipts and disbursements of **Sierra College Faculty Association** for the year ended August 31, 2010. This financial statement is the responsibility of the management of **Sierra College Faculty Association**. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted the audit 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 statement of cash receipts and disbursements is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of cash receipts and disbursements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of cash receipts and disbursements. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, this financial statement was prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the statement of cash receipts and disbursements referred to above present fairly, in all material respects, the cash receipts and disbursements of **Sierra College Faculty Association** as of August 31, 2010, on the basis of accounting described in the Note 2.

Islip + Company, LLP

Sacramento, California
December 3, 2010

SIERRA COLLEGE FACULTY ASSOCIATION

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED AUGUST 31, 2010

Cash Receipts	
Membership dues	\$ 46,662
Interest income	997
Total Cash Receipts	<u>47,659</u>
Cash Disbursements	
Conferences and meetings	15,435
Governance	4,960
Accounting and auditing	2,797
Office expense	1,643
Taxes and licenses	10
Insurance	50
Events expense	909
Mileage and travel	4,100
Stipends	6,960
CTA Agency fee escrow	436
Total Cash Disbursements	<u>37,300</u>
Net Change in Cash	10,359
Cash, Beginning of Period	<u>108,742</u>
Cash, End of Period	<u>\$ 119,101</u>

See accompanying notes

SIERRA COLLEGE FACULTY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

NOTE 1 - ORGANIZATION AND TAX STATUS

Sierra College Faculty Association is a not-for-profit organization affiliated with the California Teachers Association (CTA) and the National Education Association (NEA). All dues are received from members through The General School Fund. The purpose of the Association is to promote and improve the working conditions of member teachers in the Sierra College faculty.

Sierra College Faculty Association is exempt from income taxes under Internal Revenue Code Section 501(c)(5) and corresponding California statute. The Association is subject to income taxes on any unrelated business income.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTANT POLICIES

Method of Accounting - The financial statements have been prepared using the cash receipts and disbursements basis of accounting. Revenue is recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Net assets are classified as unrestricted, temporarily restricted or permanently restricted. Net assets are generally reported as unrestricted unless assets are received from donors with explicit stipulations that limit the use of the asset. The Association does not have any temporarily or permanently restricted net assets.

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 these estimates.

NOTE 3 - FUNDING

The Association receives the majority of its revenue from member dues, which are unrestricted. In addition, CTA reimburses the Association for a portion of certain expenses, such as contract campaign expenses. Reimbursement generally occurs during the fiscal year after the expense is incurred.

NOTE 4 - CONCENTRATION OF CREDIT RISK

The Organization maintains cash depository accounts with one financial institution. There was no cash that exceeded the maximum guarantee by the Federal Deposit Insurance Corporation (FDIC) of \$250,000 at August 31, 2010.

SIERRA COLLEGE FACULTY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

NOTE 5 - AGENCY FEES

The Association maintains an escrow account with CTA for the purpose of funding agency fee refunds to non-members. The amount of the deposit is determined based upon the number of non-members in the school district. Claims for agency fee refunds made by non-members are processed by CTA and paid out of the Association's CTA escrow account.

***INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION***

To the Executive Board
Sierra College Faculty Association

Our audit was conducted for the purpose of forming an opinion on the basic financial statement taken as a whole. The supplemental schedule of Chargeable and Non-chargeable expenses is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This additional information is the responsibility of the Chapter's management. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Islip + Company, LLP

Sacramento, California
December 3, 2010

Sierra College Faculty Association AGENCY FEE CALCULATION

This calculation is based on chapter expenditures for the 2009-2010 fiscal year .

CHARGEABLE EXPENSES

Office Expenses	\$ 1,693
Staff Wages and Benefits	-
Negotiations	-
Grievance Processing	-
Governance	11,920
Conferences/Workshops Relating Primarily to	
Representational Obligations	19,535
Communications	-
Legal Expenses Relating to Representational	
Obligations	-
Social Activities	909
Other Expenses Relating to Representational	
Obligations (List Major Categories on Attached Form)	3,243
Total Chargeable Expenses	<u>37,300</u>

NON-CHARGEABLE EXPENSES

Political Activities and Contributions	-
Legislative and Initiative Activities	-
Membership Recruitment/Members-Only Programs	-
Public Relations Designed to Enhance Teacher	
Image Generally	-
Charitable Contributions/Scholarships	-
Other Expenses Not Relating to Representational	
Obligations (List Major Categories of Expenditures	
on Attached Form)	-
Total Non-chargeable Expenses	-
Total Expenses	<u>\$ 37,300</u>

PERCENTAGE CHARGEABLE EXPENSES 100.00 %

PERCENTAGE NON-CHARGEABLE EXPENSES 0.00 %

OTHER EXPENSES RELATING TO REPRESENTATIONAL OBLIGATIONS

Describe each major expense category and amount below.

<u>DESCRIPTION</u>	<u>AMOUNT</u>
1. Accounting and auditing	2,797
2. Taxes and licenses	10
3. CTA Agency fee escrow	436
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
Total	\$ 3,243

OTHER EXPENSES NOT RELATING TO REPRESENTATIONAL OBLIGATIONS

Describe each major expense category and amount below.

<u>DESCRIPTION</u>	<u>AMOUNT</u>
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
Total	\$ NONE