

**THE FINANCIAL STATEMENT AND
SUPPLEMENTAL INFORMATION OF
SIERRA COLLEGE FACULTY ASSOCIATION
FOR THE YEAR ENDED
AUGUST 31, 2011**

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** (a nonprofit organization) for the year ended August 31, 2011. 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 our 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 has been 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** for the year ended August 31, 2011, on the basis of accounting described in the Note 2.

Islip + Company, LLP

Sacramento, California
November 10, 2011

SIERRA COLLEGE FACULTY ASSOCIATION

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED AUGUST 31, 2011

Cash Receipts	
Membership dues	\$ 42,156
Interest income	455
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Total Cash Receipts	42,611
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Cash Disbursements	
Accounting and auditing	2,875
Conferences and meetings	12,725
Contributions	2,760
CTA Agency fee escrow	555
Governance	2,337
Insurance	50
Mileage and travel	2,743
Office expense	957
Stipends	8,727
Taxes and licenses	10
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Total Cash Disbursements	33,739
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Net Change in Cash	8,872
Cash, Beginning of Period	119,101
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Cash, End of Period	\$ 127,973
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See accompanying notes.

SIERRA COLLEGE FACULTY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2011

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, 2011.

SIERRA COLLEGE FACULTY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2011

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**

We have audited the statement of cash receipts and disbursements of **Sierra College Faculty Association** for the year ended August 31, 2011, and have issued our report thereon dated November 10 2011, which contained an unqualified opinion on that financial statement. Our audit was performed for the purpose of forming an opinion on the financial statement as a whole. The supplemental schedule of chargeable and non-chargeable disbursements is presented for the purpose of additional analysis and is not a required part of the financial statement. Such information is the responsibility of the Chapter's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

In our opinion, the Agency Fee Calculation referred to above presents fairly, in all material respects, the percentage of chargeable and non-chargeable expenses for the year ended August 31, 2011, in conformity with the guidelines of the California Teachers Association and the National Education Association.

This report is intended solely for the information and use of the officers and management of Sierra College Faculty Association and California Teachers Association, and should not be used for any other purpose.

Islip + Company, LLP

Sacramento, California
November 10, 2011

Sierra College Faculty Association AGENCY FEE CALCULATION

This calculation is based on chapter expenditures for the 2010-2011 fiscal year .

CHARGEABLE EXPENSES

Office Expenses	\$ 1,007
Staff Wages and Benefits	-
Negotiations	-
Grievance Processing	-
Governance	11,064
Conferences/Workshops Relating Primarily to Representational Obligations	15,468
Communications	-
Legal Expenses Relating to Representational Obligations	-
Social Activities	-
Other Expenses Relating to Representational Obligations (List Major Categories on Attached Form)	3,440
 Total Chargeable Expenses	 30,979

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	2,760
Other Expenses Not Relating to Representational Obligations (List Major Categories of Expenditures on Attached Form)	-
Total Non-chargeable Expenses	2,760
Total Expenses	\$ 33,739

PERCENTAGE CHARGEABLE EXPENSES **91.82 %**

PERCENTAGE NON-CHARGEABLE EXPENSES **8.18 %**

OTHER EXPENSES RELATING TO REPRESENTATIONAL OBLIGATIONS

Describe each major expense category and amount below.

<u>DESCRIPTION</u>	<u>AMOUNT</u>
1. Accounting and auditing	2,875
2. Taxes and licenses	10
3. CTA Agency fee escrow	555
4.	
5.	
6.	
7.	
8.	
9.	
Total	\$ <u>3,440</u>

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	\$ <u>NONE</u>