

**ALL FACULTY ASSOCIATION**

**Financial Statements**

**June 30, 2020**

# **GIBSON & COMPANY, INC.**

## **CERTIFIED PUBLIC ACCOUNTANT**

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To the Executive Council of  
All Faculty Association

We have reviewed the accompanying financial statements of All Faculty Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, cash flows and the statement of functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

## Accountant's Conclusion

Based on our review we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

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

Sacramento, California  
February 3, 2021

ALL FACULTY ASSOCIATION

Statement of Financial Position

June 30, 2020

Assets

Current Assets:

Cash	\$	397,177
Prepaid expenses		4,158
Deposits		<u>500</u>
Total Current Assets		401,835

Equipment:

Equipment		21,245
Accumulated depreciation		<u>(19,979)</u>
Net Equipment		<u>1,266</u>

Total Assets \$ 403,101

See the accompanying notes and independent accountant's review report

ALL FACULTY ASSOCIATION

Statement of Financial Position

June 30, 2020

Liabilities and Net Assets

Current Liabilities:

Accounts payable	\$ <u>26,445</u>
Total Current and Total Liabilities	26,445

Net Assets:

Without donor restrictions:	
General Operating	375,390
Equipment	<u>1,266</u>
Total Net Assets	<u>376,656</u>

Total Liabilities and Net Assets	\$ <u><u>403,101</u></u>
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ALL FACULTY ASSOCIATION

Statement of Activities and Changes in Net Assets

For the Year Ended June 30, 2020

Revenue:

Dues	\$ 304,205
Interest and miscellaneous	<u>1,476</u>
Total Revenue	305,681

Expenses:

Program Services:

Member representation	<u>228,546</u>
Total Program Services	228,546

Supporting Services:

General and administrative expenses	<u>39,548</u>
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Total Expenses	<u>268,094</u>
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Change in Net Assets	37,587
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Net Assets, Beginning of Year	<u>339,069</u>
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Net Assets, End of Year	<u><u>\$ 376,656</u></u>
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See the accompanying notes and independent accountant's review report

ALL FACULTY ASSOCIATION

Statement of Cash Flows

For the Year Ended June 30, 2020

	<u>Total</u>
Cash Flows From Operating Activities:	
Change in net assets	\$ 37,587
Adjustments to reconcile change in net assets to net cash provided by operations:	
Depreciation	1,323
(Increase) decrease in:	
Prepaid expenses	(103)
Increase (decrease) in:	
Accounts payable	15,950
Accrued payroll and related liabilities	<u>(1,424)</u>
Total adjustments	<u>15,746</u>
Net Cash Provided (Used) By Operating Activities	<u>53,333</u>
Cash Flows From Investing Activities:	
Purchase of Equipment	<u>(51)</u>
Net Cash Used By Investing Activities	(51)
Cash Flows From Financing Activities:	
Net Cash Used By Financing Activities	<u>-0-</u>
Net Increase (Decrease) in Cash	53,282
Cash at Beginning of Year	<u>343,895</u>
Cash at End of Year	\$ <u><u>397,177</u></u>

See the accompanying notes and independent accountant's review report

ALL FACULTY ASSOCIATION

Statement of Functional Expenses

For the Year Ended June 30, 2020

	Program Services Member Representation	Supporting Services Administration	Total
Without Donor Restrictions			
Salaries	\$ 10,478	31,432	41,910
Payroll Taxes	840	2,520	3,360
Worker's Compensation Insurance	129	385	514
Conferences & Travel	4,272	-0-	4,272
Depreciation	1,191	132	1,323
Equipment Rental & Maintenance	250	28	278
Recognitions & Awards	347	39	386
Events	346	-0-	346
Liability Insurance	1,049	117	1,166
Insurance Officers & Directors	-0-	3,538	3,538
Accounting Fees	5,194	577	5,771
Legal Fees	19,328	-0-	19,328
Office Supplies	175	19	194
Professional Dues	10,495	-0-	10,495
Reassigned Time	87,411	-0-	87,411
Rent	5,382	598	5,980
State Taxes	-0-	30	30
Telephone	32	3	35
AFDAF	23,411	-0-	23,411
Subscriptions	855	95	950
Contributions	500	-0-	500
Postage & Delivery	56	6	62
FACCC Contract Membership	56,043	-0-	56,043
Computer Supplies	262	29	291
Other Professional Fees	500	-0-	500
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Total Expenses	\$ 228,546	39,548	268,094

See the accompanying notes and independent accountant's review report



# ALL FACULTY ASSOCIATION

## Notes to Financial Statements

June 30, 2020

### (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 revenue is derived solely from representing full-time and part-time faculty members at Santa Rosa Junior College. This bargaining agreement expires June 30, 2022.

#### 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:

Net assets without donor restrictions – Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net assets with donor restrictions – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Organization reports donations and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. There are no donor restricted assets.

# ALL FACULTY ASSOCIATION

## Notes to Financial Statements

June 30, 2020

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

#### c. Income

Dues are collected from members by payroll deduction. Dues, 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 net assets with donor restrictions. When a temporary restriction expires, donor restricted net assets are reclassified to net assets without donor restrictions 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.

#### 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, 2020

(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, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the COVID-19 control responses, and such differences may be material.

i. Date of Management's Review

Management has evaluated subsequent events through February 3, 2021 the date on which the financial statements were available to be issued.

(2) PROPERTY AND EQUIPMENT:

At June 30, 2020, property and equipment is comprised of the following:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>Property and Equipment</u>				
Office furniture and equipment	\$ 5,740	-0-	-0-	5,740
Computer equipment	<u>15,454</u>	<u>51</u>	<u>-0-</u>	<u>15,505</u>
Total Property and Equipment	21,194	<u><u>51</u></u>	<u><u>-0-</u></u>	21,245
<u>Accumulated Depreciation</u>				
Office furniture and equipment	5,208	436	-0-	5,644
Computer equipment	<u>13,448</u>	<u>887</u>	<u>-0-</u>	<u>14,335</u>
Total Accumulated Depreciation	<u>18,656</u>	<u><u>1,323</u></u>	<u><u>-0-</u></u>	<u>19,979</u>
Net Book Value	\$ <u><u>2,538</u></u>			<u><u>1,266</u></u>

Depreciation expense for the year ended June 30, 2020 was \$1,323.

ALL FACULTY ASSOCIATION

Notes to Financial Statements

June 30, 2020

(3) LIQUIDITY MANAGEMENT:

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash	\$	<u>397,177</u>
	\$	<u>397,177</u>

The organization has a goal to maintain cash on hand to meet 90 days of ordinary business expenses (exclusive of depreciation).

(4) COVID RESPONSE:

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy.

The Association during the year ended June 30, 2020 did not have an adverse effect on its operations and financial results due to the COVID-19 pandemic.

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Association's operations and financial results will depend on future developments, including the duration and spread of the outbreak which is highly uncertain.