

MONTGOMERY COUNTY COMMUNITY COLLEGE FACULTY
LOCAL 4272 - AMERICAN FEDERATION OF TEACHERS
FINANCIAL STATEMENTS - MODIFIED CASH BASIS
YEAR ENDED MAY 31, 2008

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INDEPENDENT AUDITORS' REPORT

To the Executive Board
Montgomery County Community College Faculty
Local 4272 - American Federation of Teachers

We have audited the accompanying statement of assets, liabilities and net assets - modified cash basis of the Montgomery County Community College Faculty, Local 4272 - American Federation of Teachers as of May 31, 2008, and the related statement of revenues, expenses and changes in net assets - modified cash basis for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements 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 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.

As described in Note 2, these financial statements are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Montgomery County Community College Faculty, Local 4272 - American Federation of Teachers as of May 31, 2008, and the changes in its net assets for the year then ended on the basis of accounting described in Note 2.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of expenses - modified cash basis on page 6 is presented for the 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.



Philadelphia, Pennsylvania
July 23, 2008

**MONTGOMERY COUNTY COMMUNITY COLLEGE FACULTY
 LOCAL 4272 - AMERICAN FEDERATION OF TEACHERS
 STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
 MAY 31, 2008**

ASSETS

Current Assets

Cash and Cash Equivalents	\$	206,299
Investments		54,429
		260,728
Total Current Assets		260,728

Fixed Assets

Furniture and Equipment		1,020
Less: Accumulated Depreciation		(1,020)
		-
Net Fixed Assets		-

TOTAL ASSETS	\$	260,728
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LIABILITIES AND NET ASSETS

Liabilities	\$	-
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Unrestricted Net Assets		260,728
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TOTAL LIABILITIES AND NET ASSETS	\$	260,728
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The accompanying notes are an integral part of these financial statements.

**MONTGOMERY COUNTY COMMUNITY COLLEGE FACULTY
LOCAL 4272 - AMERICAN FEDERATION OF TEACHERS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS
FOR THE YEAR ENDED MAY 31, 2008**

Unrestricted Revenues	
Member Dues	\$ 127,873
Interest and Dividend Income	11,067
Unrealized Loss on Investments	<u>(1,584)</u>
Total Unrestricted Revenues	<u>137,356</u>
Expenses	
Program Services:	
Per Capitas	80,688
Member Insurances	1,966
Scholarships	<u>1,000</u>
Total Program Services	83,654
Support Services:	
Management and General	<u>55,289</u>
Total Expenses	<u>138,943</u>
Decrease in Unrestricted Net Assets	(1,587)
Unrestricted Net Assets - Beginning of Year	<u>262,315</u>
Unrestricted Net Assets - End of Year	<u><u>\$ 260,728</u></u>

The accompanying notes are an integral part of these financial statements.

**MONTGOMERY COUNTY COMMUNITY COLLEGE FACULTY
LOCAL 4272 - AMERICAN FEDERATION OF TEACHERS
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2008**

NOTE 1 - ORGANIZATION'S ACTIVITY

The Montgomery County Community College Faculty, Local 4272 - American Federation of Teachers (the Federation) is a non-profit labor organization serving employees of the Montgomery County Community College in collective bargaining with the President and Board of Trustees of Montgomery County Community College. The Federation was organized to represent the interest of all of the members of the bargaining unit without discrimination and to improve the conditions of employment and to enhance the well-being of the Montgomery County Community College faculty.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. That basis differs from generally accepted accounting principles primarily because the Federation recognizes expenses when paid, rather than when incurred and revenues when received rather than when earned.

Cash and Cash Equivalents

Cash and cash equivalents consists primarily of checking accounts, money market accounts and certificates of deposit. The federation considers all investments with an original maturity of three months or less when purchased to be cash equivalents.

Fixed Assets

Furniture and Equipment are stated at cost. Depreciation is provided by the use of the straight-line method over the estimated useful lives of the assets.

Income Taxes

No provision has been made for income taxes due to the Federation's tax exempt status under the Internal Revenue Code Section 501(c)(5).

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

MONTGOMERY COUNTY COMMUNITY COLLEGE FACULTY
 LOCAL 4272 - AMERICAN FEDERATION OF TEACHERS
 NOTES TO FINANCIAL STATEMENTS
 MAY 31, 2008

NOTE 3 - NET ASSETS

Net assets at May 31, 2008 consist of unrestricted amounts. Unrestricted balances are available for the current operations of the Federation.

NOTE 4 - RELATED PARTY TRANSACTIONS

The Federation has significant transactions with affiliates. The Federation is a member of the following organizations and is required to pay per capita dues. In addition, the Federation pays accident and liability insurance to the American Federation of Teachers. The transactions with these affiliates are summarized as follows:

Per Capita Expense:	
American Federation of Teachers	\$ 46,148
AFT - Pennsylvania	32,871
Pennsylvania AFL-CIO	<u>1,669</u>
Total	<u>\$ 80,688</u>

NOTE 5 - INVESTMENTS

Investments in equity securities with readily determinable fair values are measured at fair value in the statement of assets, liabilities and net assets. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is reported as increases or decreases in unrestricted net assets in the reporting period recognized, unless the income or loss is restricted by donor or law. The Federation's investments as of May 31, 2008 are recorded at fair market value and consist of the following:

Equity Mutual Fund	<u>\$ 54,429</u>
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SUPPLEMENTARY INFORMATION

**MONTGOMERY COUNTY COMMUNITY COLLEGE FACULTY
LOCAL 4272 - AMERICAN FEDERATION OF TEACHERS
SCHEDULE OF EXPENSES - MODIFIED CASH BASIS
FOR THE YEAR ENDED MAY 31, 2008**

MANAGEMENT AND GENERAL

Conferences and Conventions	\$ 6,548
Gifts and Contributions	77
Liability Insurance	675
Meeting Expense	14,950
Office Expense	1,670
Professional Fees	9,442
Public Relations	394
Salaries	<u>21,533</u>
 Total Management and General	 <u><u>\$ 55,289</u></u>

PROGRAM SERVICES

AFT Dues	\$ 46,148
AFT-Pennsylvania Dues	32,871
Pennsylvania AFL-CIO Dues	1,669
Member Insurances	1,966
Scholarships	<u>1,000</u>
 Total Program Services	 <u><u>\$ 83,654</u></u>