

SHORELINE COMMUNITY COLLEGE FEDERATION OF TEACHERS, LOCAL NO. 1950,
AMERICAN FEDERATION OF TEACHERS, AFL-CIO
TABLE OF CONTENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2022

	Page
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-9

To the Executive Board and Members
Shoreline Community College Federation of Teachers,
Local No. 1950, American Federation of Teachers, AFL-CIO
Shoreline, Washington

Opinion

We have audited the accompanying financial statements of Shoreline Community College Federation of Teachers, Local No. 1950, American Federation of Teachers, AFL-CIO (a nonprofit organization), which comprise the statement of financial position as of August 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shoreline Community College Federation of Teachers, Local No. 1950, American Federation of Teachers, AFL-CIO as of August 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Shoreline Community College Federation of Teachers, Local No. 1950, American Federation of Teachers, AFL-CIO and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Shoreline Community College Federation of Teachers, Local No. 1950, American Federation of Teachers, AFL-CIO's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

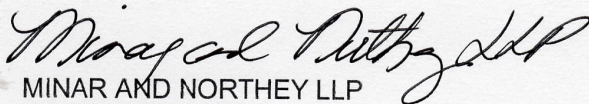
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Shoreline Community College Federation of Teachers, Local No. 1950, American Federation of Teachers, AFL-CIO's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Shoreline Community College Federation of Teachers, Local No. 1950, American Federation of Teachers, AFL-CIO's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



MINAR AND NORTHEY LLP
Seattle, Washington
January 16, 2023

See notes to financial statements.

SHORELINE COMMUNITY COLLEGE FEDERATION OF TEACHERS, LOCAL NO. 1950,
 AMERICAN FEDERATION OF TEACHERS, AFL-CIO
 STATEMENT OF FINANCIAL POSITION
 AUGUST 31, 2022

ASSETS

CURRENT ASSETS

Cash	\$ 336,283
Investment	2,965
Total current assets	<u>339,248</u>

PROPERTY AND EQUIPMENT

Equipment	8,450
Less accumulated depreciation	<u>(8,450)</u>
Property and equipment - net	<u>-</u>

TOTAL ASSETS

\$ 339,248

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 22,256
------------------	-----------

NET ASSETS - WITHOUT DONOR RESTRICTIONS

316,992

TOTAL LIABILITIES AND NET ASSETS

\$ 339,248

See notes to financial statements.

SHORELINE COMMUNITY COLLEGE FEDERATION OF TEACHERS, LOCAL NO. 1950,
 AMERICAN FEDERATION OF TEACHERS, AFL-CIO
 STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2022

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS			
	Program	Management and General	Total
COLLECTIONS			
Total collections from members		\$ 5,775	\$ 188,023
Portion to American Federation and Washington State Federation		200	(111,672)
NET COLLECTIONS	33,612		76,351
EXPENSES			
Office supplies and expense	1,044		1,044
Released to other labor affiliates	1,427		(71,282)
Release time and wage reimbursements	29,209		29,209
Total expenses	\$ 65,307	\$ 6,575	\$ 5,069
OTHER INCOME			
Interest and dividend income			130
AFT-WA grant for legal fees			1,396
Total other income			1,526
INCREASE IN NET ASSETS			6,595
NET ASSETS - AUGUST 31, 2021			310,397
NET ASSETS - AUGUST 31, 2022			\$ 316,992

See notes to financial statements.

SHORELINE COMMUNITY COLLEGE FEDERATION OF TEACHERS, LOCAL NO. 1950,
 AMERICAN FEDERATION OF TEACHERS, AFL-CIO
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2022

	Program	Management and General	\$ Total
Accounting	\$ -	\$ 5,775	\$ 5,775
Donations and gifts	-	200	200
Education	15	-	15
Legal	33,612	-	33,612
Office supplies and expense	1,044	-	1,044
Per capita paid to other labor affiliates	1,427	-	1,427
Release time and wage reimbursements	29,209	-	29,209
Total expenses	<u>\$ 65,307</u>	<u>\$ 5,975</u>	<u>\$ 71,282</u>

CASH - AUGUST 31, 2022

\$ 336,283

See notes to financial statements.

SHORELINE COMMUNITY COLLEGE FEDERATION OF TEACHERS, LOCAL NO. 1950,
 AMERICAN FEDERATION OF TEACHERS, AFL-CIO
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 6,595
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Reinvested dividend income	(15)
Changes in assets and liabilities:	
Prepaid expenses	8,799
Accounts payable	20,193
Net cash provided by operating activities	35,572
CASH - AUGUST 31, 2021	300,711
CASH - AUGUST 31, 2022	\$ 336,283

METHOD OF ACCOUNTING

The local's books of account are prepared using the accrual basis of accounting, except for the receipts of fees, dues, and assessments, which are recognized when received. This method, although it represents a departure from generally accepted accounting principles, has been consistently applied and its effect is considered immaterial.

PRESENTATION OF FINANCIAL STATEMENTS

The Local has implemented Accounting Standards Codification Update No. 2016-14, which required a change in the presentation of net assets in the Statement of Financial Position and disclosures of expenses by both their functional and natural classifications. Contributions are classified based on the existence of donor-imposed restrictions. Accordingly, net assets of the Local and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met, by actions of the Local. When a restriction expires, temporarily restricted net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. There were no net assets with donor restrictions during the fiscal year ended August 31, 2022.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the Local's various programs (representational, organizing and other union activities) and supporting services (general overhead) have been summarized on a functional basis in the statement of activities. Accordingly, costs have been allocated among the programs and supporting services benefited.

See notes to financial statements.

SHORELINE COMMUNITY COLLEGE FEDERATION OF TEACHERS, LOCAL NO. 1950,
AMERICAN FEDERATION OF TEACHERS, AFL-CIO
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2022

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Shoreline Community College Federation of Teachers, Local No. 1950, American Federation of Teachers, AFL-CIO (SCCFT) was created to bring associations of teachers into relations of mutual assistance and cooperation, obtain for them the rights to which they are entitled, raise the standards of the teaching profession by securing the conditions essential for the best professional service, promote such a democratization of the schools as will enable them better to equip their pupils to take their places in the industrial, social, and political life of the community and eliminate discrimination in education in all its forms and to promote diversity in education. The Local's office is located in Shoreline, Washington.

METHOD OF ACCOUNTING

The Local's books of account are prepared using the accrual basis of accounting, except for the receipts of fees, dues, and assessments, which are recognized when received. This method, although it represents a departure from generally accepted accounting principles, has been consistently applied and its effect is considered immaterial.

PRESENTATION OF FINANCIAL STATEMENTS

The Local has implemented Accounting Standards Codification Update No. 2016-14, which required a change in the presentation of net assets in the Statement of Financial Position and disclosures of expenses by both their functional and natural classifications. Contributions are classified based on the existence of donor-imposed restrictions. Accordingly, net assets of the Local and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met, by actions of the Local. When a restriction expires, temporarily restricted net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. There were no net assets with donor restrictions during the fiscal year ended August 31, 2022.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the Local's various programs (representational, organizing and other union activities) and supporting services (general overhead) have been summarized on a functional basis in the statement of activities. Accordingly, costs have been allocated among the programs and supporting services benefited.

The Local's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally for three years after they are filed. There are currently no tax examinations in progress.

SHORELINE COMMUNITY COLLEGE FEDERATION OF TEACHERS, LOCAL NO. 1950,
AMERICAN FEDERATION OF TEACHERS, AFL-CIO
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2022

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

LIQUIDITY

The Local is supported primarily by member dues collections without donor restrictions. As part of the Local's liquidity management plan, some cash is invested in a money market account and an investment account to maximize interest and dividend income.

ESTIMATES

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CONCENTRATIONS

All of the Local's membership is employed by Shoreline Community College.

CASH ACCOUNTS AND INVESTMENTS

The Local's cash and money market is held in a depository account with a bank. At August 31, 2022, total balances are \$86,283 in excess of federally insured limits.

The Local's investment is comprised of a mutual fund investment. The fair market value of the investment at August 31, 2022 is \$2,965 based upon quoted prices in an active market (Level 1 of the fair value hierarchy). The cost of the mutual fund investment approximates fair market value at August 21, 2022.

FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost and depreciation is computed by the straight-line method over the estimated useful lives of the assets.

Expenditures for repairs and maintenance that are immaterial and do not extend the lives of the assets or for minor equipment purchases are charged to operations.

INCOME TAXES

The Local is exempt from income taxes under Section 501(c)(5) of the Internal Revenue Code, except for that portion derived from unrelated business income or amounts expended for political activities.

The Local's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally for three years after they are filed. There are currently no tax examinations in progress.

SHORELINE COMMUNITY COLLEGE FEDERATION OF TEACHERS, LOCAL NO. 1950,
AMERICAN FEDERATION OF TEACHERS, AFL-CIO
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2022

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

SUBSEQUENT EVENTS

The Local has evaluated events through the date these financial statements were available to be issued on January 16, 2023.

NOTE 2 - AFFILIATIONS

Local Union No. 1950 is affiliated with the American Federation of Teachers and is governed by the constitution and laws of that organization. The Local collects per capita membership dues, for the American Federation, from its members.