



May 17, 2016

Alen Bahret, President  
And Executive Board Members  
Lane Community College Employees Federation  
AFT Local 2417  
PO BOX 7275  
Springfield, Oregon 97477

Dear Mr. Baldwin and Board Members:

I have reviewed the accompanying statement of financial position arising from transactions of Lane Community College Employees Federation (LCCEF), AFT 2417, as of December 31, 2016 and 2015 and the related statement of changes in net assets for the fiscal year then ended. These financial statements are the responsibility of the officers and executive board of Local 2417.

My review consisted of inquiries of the organization's officers and analytical procedures applied to the financial data. Based on my review, I am not aware of any material modifications that should be made to the financial statements referred to above. This letter summarizes my findings and recommendations.

#### REVIEW OF INTERNAL CONTROLS

My review of the Local's financial documents revealed certain reportable conditions, which are significant deficiencies in the design or operation of the internal control process for financial matters. These deficiencies could adversely affect the organization's ability to record, process, summarize, and report financial data.

#### Cash Receipts

Several Dues Deduction checks were deposited 1 to 2 months after the check date. Since the delay was due to the Treasurer's authorized absence, I *recommend* LCCEF implement procedures to permit backup personnel (i.e., designated member of Audit Committee) to deposit checks in the Treasurer's absence. The backup personnel should log all checks deposited and make copies of the checks and deposit slips. A copy of the log and documentation should be provided to the Treasurer.

American Federation  
of Teachers, AFL-CIO

AFT Teachers  
AFT PSRP  
AFT Higher Education  
AFT Public Employees  
AFT Nurses and Health  
Professionals

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## Cash Flow

LCCEF had annual net revenue of \$1,217 and \$4,587 in 2016 and 2015, respectively. While the net revenue amount only represents activity for a one year period, LCCEF should monitor expenses to ensure net revenues do not become net deficits. It should be noted that LCCEF had bank account balances totaling \$119,448 and \$170,451 in 2016 and 2015. Annual deficits, should they occur, would erode those bank balances over time.


## IRS 990

AFT Financial Services prepared an extension request for the 2016 IRS 990 report. LCCEF's return would typically be due on May 15<sup>th</sup>; however, extensions can be filed to extend that date for a six month period. The IRS 990 return and required schedules will be prepared by AFT and submitted to you for review and mailing. I recommend that you send the return via certified mail with return receipt.

## CONCLUSION

Other than the matters mentioned above, I found the financial records and internal controls to be in good condition. In order to improve the record keeping and internal controls, please implement the recommendation included in this letter. These changes will help assure fiduciary accountability on behalf of your members.

I am not independent of Lane Community College Employees Federation, AFT Local 2417.



Martha Knight Winston, CPA as  
Associate Director  
AFT Financial Services

cc: Julie Hoffsten, Deputy Director, AFT Financial Services  
Gerrard Friesz, Regional Director, AFT Western Regional Office

Lane County Community College. AFT 2417  
Statement of Financial Position  
December 31, 2016 and 2015

ASSETS	2016 Total	2015 Total
<u>Current Assets</u>		
Cash and Cash Equivalent (Note 1)	119,574	182,356
Total Current Assets	119,574	182,356
<u>Other Current Assets</u>		
Accounts Receivable	11,638	12,430
Total Other Current Assets	11,638	12,430
 Total Assets	 131,212	 194,786
 LIABILITIES		
<u>Current Liabilities</u>		
Payable Liabilities (Note 2)	85	64,548
Total Current Liabilities	85	64,548
 Total Liabilities	 85	 64,548
 NET ASSETS		
Unrestricted: Unallocated	131,127	130,238
Unrestricted: Allocated	-	-
Total Net Assets	131,127	130,238
 Total Liabilities & Net Assets	 131,212	 194,786

Lane County Community College. AFT 2417  
Statement of Changes in Net Assets  
Year Ended December 31, 2016 and 2015

<u>Changes in Unrestricted Net Assets</u>	2016 Totals	2015 Totals
<u>Unrestricted Revenues and Support:</u>		
Membership Dues and Assessments	284,083	328,198
Other Income	7,640	-
Interest Income	141	111
 Total Unrestricted Revenues & Support	 291,864	 328,309
 <u>Expenses and Losses:</u>		
Payments to Affiliates (Note 3)	238,458	269,519
Rent Expense	530	742
Office Expenses- Other (Note 4)	1,673	2,262
Salaries	13,085	14,502
Payroll Taxes	1,116	1,868
Other Staff Costs	-	-
Meals and Refreshments	-	-
Travel	276	10,948
Meetings and Conferences	20,105	6,173
Organizing	4,165	-
Arbitration and Other Professional Fees	-	300
Legal	7,624	4,349
Accountant's Fees	1,778	2,375
Contributions/Donations	-	1,000
Interest		2
Insurance	304	400
Member Benefits	1,056	1,583
Membership Meetings and Events	427	-
Payroll Tax Penalties	-	7,649
Miscellaneous Expenses	50	50
 Total Expenses and Losses	 290,647	 323,722
 Net Increase (Decrease) from Operations	 1,217	 4,587
 Net Assets, Beginning, Previously Stated	 130,238	 123,772
Adjustment - FYxx Beginning Balance	(328)	1,879
Net Assets, End of Year	131,127	130,238

Notes to the financial statements are an integral part of this statement.

Lane County Community College. AFT 2417  
Notes to the Financial Statements  
Year Ended December 31, 2016 and 2015

	2016 Total	2015 Total
Note 1 - Cash and Cash Equivalent		
Checking Account	34,148	97,041
Savings Account	5	5
Money Market Account	41,405	41,301
Money Market -Key Bank	44,016	44,007
Cash Advance	-	2
Total Cash and Cash Equivalent	<u>119,574</u>	<u>182,356</u>

Note 2 - Accounts Payable & Accrued Expenses

Accounts Payable	-	-
Payroll Liabilities	85	111
Employee Deduction - OR-WH	-	-
Employee Deduction - FED-WH	-	-
Accrued Expenses	-	64,437
Total Payroll Liabilities	<u>85</u>	<u>64,548</u>

Note 3 - Payment to Affiliates

American Federation of Teachers	53,499	73,716
American Federation of Teachers - Fair Share	33,147	19,070
AFT Oregon	90,653	111,365
AFT Oregon - Fair Share	51,739	58,693
Oregon AFL-CIO	9,420	6,675
Lane County Labor Council	-	-
Total Payment to Affiliates	<u>238,458</u>	<u>269,519</u>

Note 4 - Office Expenses

Supplies/Equipment	100	942
Bank Fees	30	37
Printing and Copying	415	745
Postage, Mailing Service	780	457
Telephone/Fax	58	81
Technology (IT)	290	-
Total Office Expenses	<u>1,673</u>	<u>2,262</u>