



**FINANCIAL MANAGEMENT REVIEW**  
**For Second Quarter 2006-2007**  
**October, November & December 2006**

**STATEMENT OF FINANCIAL ACTIVITIES**

**INCOME**

**Operating Income**

Dues Revenues	\$ 3,046,576	\$ 2,583,225	\$ 6,337,575	\$ 5,166,450
Other Income				
(Includes: Grants, Rebates, AFT/NEA Assistance, Sponsorships, Advertising, Events)	\$ 270,437	\$ 114,370	\$ 587,333	\$ 337,319
<b>Total Income</b>	<b>\$ 3,317,013</b>	<b>\$ 2,697,595</b>	<b>\$ 6,924,908</b>	<b>\$ 5,503,769</b>

**EXPENSES**

**Wages, Taxes and Benefits**

Salaries	\$ 655,228	\$ 644,719	\$ 1,313,181	\$ 1,287,772
Payroll Taxes	44,950	\$ 50,703	\$ 91,017	\$ 101,406
Employee Benefits	\$ 133,015	\$ 143,707	\$ 265,727	\$ 287,414
	<b>\$ 833,193</b>	<b>\$ 839,128</b>	<b>\$ 1,669,925</b>	<b>\$ 1,676,592</b>

**Employee Expenses**

(Includes: Mileage, Cellular Phones, Staff Travel)	\$ 25,952	\$ 30,730	\$ 51,230	\$ 55,230
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**Administrative Expenses**

(Includes: Office Supplies, Printing, Postage, Telephone, Insurance, Equipment Leases, Office Lease and Expenses, Other Administrative Expenses)	\$ 217,416	\$ 208,853	\$ 400,562	\$ 396,858
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**Professional Services**

(Includes: Consulting, Legal, Audit & Other Professional Services)	\$ 1,425	\$ 8,269	\$ 11,667	\$ 18,620
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**Member Benefits & Services**

Stewards Expenses	\$ 11,764	\$ 14,000	\$ 53,065	\$ 74,790
Executive Board Expenses	11,449	\$ 13,182	22,581	26,373
Legislative Action	64,076	\$ 50,625	96,324	101,250
TSA Release - Organizing Project	91,290	\$ 91,290	182,574	182,574
Communication & Organizing, Events, Community Support/Outreach, Contract Enforcement/Member Advocacy, Strategic Serv., Planning, Negotiations, Internal Training, Scholarships, Elections, Conferences, Meetings & Workshops.	<b>\$ 347,564</b>	<b>\$ 169,454</b>	<b>\$ 537,730</b>	<b>\$ 372,724</b>
	<b>\$ 526,143</b>	<b>\$ 338,551</b>	<b>\$ 892,274</b>	<b>\$ 757,711</b>

**Loan Interest**

Commercial Bank	\$ 8,854	\$ 9,600	\$ 18,137	\$ 19,200
Edison Loan	\$ 4,252	\$ 4,252	\$ 8,400	\$ 8,400
	<b>\$ 13,106</b>	<b>\$ 13,852</b>	<b>\$ 26,537</b>	<b>\$ 27,600</b>

**Per Capita**

Current (Includes: AFT, FEA/NEA, National AFL-CIO, & So.FL AFL-CIO)	\$ 1,347,707	\$ 1,236,420	\$ 2,647,558	\$ 2,472,863
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**Total Operating Expenses**

	<b>\$ 2,964,942</b>	<b>\$ 2,675,803</b>	<b>\$ 5,699,753</b>	<b>\$ 5,405,473</b>
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**Non Operating Income & Accruals**

Interest Accrued on Promissory Note	\$ 266,636	\$ -	\$ 526,562	\$ -
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**Non Operating Payments & Accruals**

Contingency - UTD Towers	\$ -	\$ 12,000	\$ -	\$ 24,000
UTD Towers RFP Expenses	\$ 6,670	-	\$ 13,774	-
Depreciation	\$ 25,794	-	\$ 51,589	-
	<b>\$ 32,464</b>	<b>\$ 12,000</b>	<b>\$ 65,363</b>	<b>\$ 24,000</b>

**Total Non Operating Activities**

	<b>\$ 234,172</b>	<b>\$ (12,000)</b>	<b>\$ 461,199</b>	<b>\$ (24,000)</b>
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**Operating Income (Loss)**

	<b>\$ 586,243</b>	<b>\$ 9,792</b>	<b>\$ 1,686,354</b>	<b>\$ 74,296</b>
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**Cash Flow Activities**

Commercial Bank Loan	\$ 421,346	\$ 30,000	\$ 451,346	\$ 60,000
Capital Leases	\$ 1,509	1,500	3,007	3,000
Leasehold Improvements	\$ -	\$ 3,000	-	\$ 6,000
	<b>\$ 422,855</b>	<b>\$ 34,500</b>	<b>\$ 454,353</b>	<b>\$ 69,000</b>

**Total Cash Before AFT Loans &**

<b>Per Capita Arrearage Obligations</b>	<b>\$ 163,388</b>	<b>\$ (24,708)</b>	<b>\$ 1,232,001</b>	<b>\$ 5,296</b>
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(For Reporting Purposes Only)

The following is a summary of key financial points, highlights and achievements noted in reviewing our financial statements for the Second Quarter 2006-2007 (October, November & December 2006)

**Membership**

Actual: 17,733 Members. 14,470 FTE Members

Our records indicate that as of December 31, 2006, we have a total of 14,470 FTE (Full time equivalent), which includes full, 1/2 and 1/8 paid dues.

**Income: Dues Revenue**

Actual: \$3,046,576 Budget: \$2,583,225

During this quarter, we had dues revenue in the amount of \$3,046,576. We had a favorable variance due to the increase in membership from the budgeted FTE. Another factor is the pass through per capita increase by AFT, which started on September 1, 2006. We have deferred \$940,358 of income dues for the 2<sup>nd</sup> quarter to cover the summer months in which we will have zero income.

**Other Income:**

Actual: \$270,437 Budget: \$114,370

We have grouped the following items: AFT local assistance, FEA grant for the second quarter 06-07, contributions and sponsorships for RTOY, Steward Conference, Picnic, Back to School. Also included are advertising, interest earned on the sweep account and accrued interest on UTD Towers receivable.

**Wages, Taxes, Benefits & Expenses:**

Actual: \$833,193 Budget: \$839,128

Salaries were slightly under budget due to a month end accrual. This will correct itself next month.

**Employee Expenses:**

Actual: \$25,952 Budget: \$30,730

Actual expenses have a favorable variance with budget. This account includes mileage, cellular phones and travel.

**Administrative Expenses:**

Actual: \$217,416 Budget: \$208,853

We are over budget due to an insurance expense in the amount of \$22,000 that was not budgeted. We continue to control expenses at all levels. The processes and procedures of the Organization are consistently followed.

**Professional Services:**

Actual: \$1,425      Budget: \$8,269

Actual expenses are under budget including consulting, legal and other professional expenses.

**Member Benefits & Services:**

Actual: \$526,143      Budget: \$338,551

Some of the programs and events are seasonal and for budget purposes, we spread the expenses evenly throughout the year as you see in the year to date figures. The 2<sup>nd</sup> Quarter 2006-2007 we show a negative variance due to expenditures for the Education Summit, the Picnic, a Peter Hart and Associates' survey, arbitration fees, and officer's election packet mailings. The bulk of these expenditures are budgeted in later months.

**Loan Interest:**

Actual: \$13,106      Budget: \$13,852

We made the last interest payment to Commercial Bank for our loan on December, 2006. The balance of the loan in the amount of \$401,346 was paid on December 21, 2006 on the recommendation of the auditors. We also accrued monthly interest on the Edison Schools loan.

**Per Capita & Affiliated Expenses:**

Actual: \$1,347,707      Budget: \$1,236,420

- Actual: \$600,392 AFT
- Actual: \$711,799 FEA / NEA
- Actual: \$24,716 AFL-CIO
- Actual: \$10,800 South FL AFL-CIO

Variance with budget is due to the difference between FTE budget and FTE actual. Another factor is the pass through per capita increase by AFT, which started on September 1, 2006.

We participate in the FEA Service Unit Funding Program and receive quarterly grants. Grants are received at the beginning of each quarter. In December, the Second Quarter Grant was received in the amount of \$174,538.

**Non-Operating Income:**

Actual: \$266,636

Included in this account is interest on the Promissory Note with Grouper LLC. This item was not included in the budget. According to the Promissory Note, prepayment of the Note is acceptable any time after December 15, 2005.



