



**FINANCIAL MANAGEMENT REVIEW**  
**For Third Quarter 2006-2007**  
**January, February & March 2007 and Year to Date**

**STATEMENT OF FINANCIAL ACTIVITIES**

	3rd Quarter 06-07 Jan, Feb & Mar 2007		Year to Date as of 03/31/07	
	Actual	Budget	Actual	Budget
<b>INCOME</b>				
<b>Operating Income</b>				
Dues Revenues	\$ 3,015,509	\$ 2,583,225	\$ 9,353,084	\$ 7,749,675
Other Income (Includes: Grants, Rebates, AFT/NEA Assistance, Sponsorships, Advertising, Events)	\$ 287,179	\$ 433,533	\$ 874,513	\$ 770,852
	<b>\$ 3,302,688</b>	<b>\$ 3,016,758</b>	<b>\$ 10,227,597</b>	<b>\$ 8,520,527</b>
<b>EXPENSES</b>				
<b>Wages, Taxes and Benefits</b>				
Salaries	\$ 625,336	\$ 652,170	\$ 1,938,518	\$ 1,939,940
Payroll Taxes	59,919	\$ 52,183	\$ 150,936	\$ 153,588
Employee Benefits	\$ 147,628	\$ 144,595	\$ 413,355	\$ 432,015
	<b>\$ 832,883</b>	<b>\$ 848,947</b>	<b>\$ 2,502,809</b>	<b>\$ 2,525,543</b>
<b>Employee Expenses</b> (Includes: Mileage, Cellular Phones, Staff Travel)	\$ 29,382	\$ 31,043	\$ 80,612	\$ 86,273
<b>Administrative Expenses</b> (Includes: Office Supplies, Printing, Postage, Telephone, Insurance, Equipment Leases, Office Lease and Expenses, Other Administrative Expenses)	\$ 185,313	\$ 214,940	\$ 585,875	\$ 611,792
<b>Professional Services</b> (Includes: Consulting, Legal, Audit & Other Professional Services)	\$ -	\$ 7,200	\$ 11,667	\$ 25,820
<b>Member Benefits &amp; Services</b>				
Stewards Expenses	\$ 19,304	\$ 9,081	\$ 72,369	\$ 83,871
Executive Board Expenses	16,171	\$ 13,191	38,752	39,564
Legislative Action	63,457	\$ 50,625	159,781	151,875
TSA Release - Organizing Project	91,290	\$ 91,290	273,864	273,864
Communication & Organizing, Events, Community Support/Outreach, Contract Enforcement/Member Advocacy, Strategic Serv., Planning, Negotiations, Internal Training, Scholarships, Elections, Conferences, Meetings & Workshops.	\$ 388,132	\$ 323,786	\$ 925,862	\$ 696,510
	<b>\$ 578,354</b>	<b>\$ 487,973</b>	<b>\$ 1,470,628</b>	<b>\$ 1,245,684</b>
<b>Loan Interest</b>				
Commercial Bank	\$ -	\$ 9,600	\$ 18,137	\$ 28,800
Edison Loan	\$ 4,359	\$ 4,359	\$ 12,759	\$ 12,759
	<b>\$ 4,359</b>	<b>\$ 13,959</b>	<b>\$ 30,896</b>	<b>\$ 41,559</b>
<b>Per Capita</b> Current (Includes: AFT, FEA/NEA, National AFL-CIO, & So. FL AFL-CIO)	\$ 1,331,704	\$ 1,236,420	\$ 3,979,262	\$ 3,709,283
<b>Total Operating Expenses</b>	<b>\$ 2,961,995</b>	<b>\$ 2,840,482</b>	<b>\$ 8,661,749</b>	<b>\$ 8,245,954</b>
<b>Non Operating Income &amp; Accruals</b> Interest Accrued on Promissory Note	\$ 267,499	\$ -	\$ 794,061	\$ -
<b>Non Operating Payments &amp; Accruals</b>				
Contingency - UTD Towers	\$ -	\$ 12,000	\$ -	\$ 36,000
UTD Towers RFP Expenses	\$ 2,929	-	\$ 18,639	\$ -
Depreciation	\$ 25,794	\$ -	\$ 77,384	\$ -
	<b>\$ 28,723</b>	<b>\$ 12,000</b>	<b>\$ 96,023</b>	<b>\$ 36,000</b>
<b>Total Non Operating Activities</b>	<b>\$ 238,776</b>	<b>\$ (12,000)</b>	<b>\$ 698,038</b>	<b>\$ (36,000)</b>
<b>Operating Income (Loss)</b>	<b>\$ 579,469</b>	<b>\$ 164,276</b>	<b>\$ 2,263,886</b>	<b>\$ 238,573</b>
<b>Cash Flow Activities</b>				
Commercial Bank Loan	\$ -	\$ 30,000	\$ 451,346	\$ 90,000
Capital Leases	\$ 505	1,500	4,522	4,500
Leasehold Improvements	\$ -	\$ 3,000	\$ -	\$ 9,000
	<b>\$ 505</b>	<b>\$ 34,500</b>	<b>\$ 455,868</b>	<b>\$ 103,500</b>
<b>Total Cash Before AFT Loans &amp; Per Capita Arrearage Obligations</b>	<b>\$ 578,964</b>	<b>\$ 129,776</b>	<b>\$ 1,808,018</b>	<b>\$ 135,073</b>

(For Reporting Purposes Only)

The following is a summary of key financial points, highlights and achievements noted in reviewing our financial statements for 3<sup>rd</sup> Quarter 2006-2007, ending in March 31, 2007.

**Membership**

Actual: 18,046 Members. 14,630 FTE Members

Our records indicate that as of March 31, 2007, we have a total of 14,630 FTE (Full time equivalent), which includes full, 1/2 and 1/8 paid dues. UTD's budget is based on an FTE of 13,500.

**Income: Dues Revenue**

Actual: \$3,015,509 Budget: \$2,583,225

During the 3<sup>rd</sup> Quarter 2006-2007, we had dues revenue in the amount of \$3,015,509. 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 \$603,050 of income dues for the 3<sup>rd</sup> Quarter 2006-2007, ending in March 31, 2007 to cover the summer months in which we will have zero income.

**Other Income:**

Actual: \$287,179 Budget: \$433,533

We have grouped the following items: AFT local assistance, contributions to the Black History Celebration, sponsors for the Picnic, Education Summit and TOY. Also included are interest earned on the sweep account and accrued interest on UTD Towers receivable. The variance is due to receiving this quarter's FEA/NEA Grants & Rebates at the end of last quarter.

**Wages, Taxes & Benefits:**

Actual: \$832,883 Budget: \$848,947

Salaries are under budget for the 3<sup>rd</sup> Quarter 2006-2007. The budget for those items is calculated in equal monthly amounts. This will correct itself.

**Employee Expenses:**

Actual: \$29,382 Budget: \$31,043

Actual expenses are as budgeted and include mileage, cellular phones and travel. YTD we are under budget in this category.

**Administrative Expenses:**

Actual: \$185,313    Budget: \$214,940

We have a favorable variance with the budget due to the continued control in expenses at all levels. The processes and procedures of the Organization are consistently followed. YTD we are under budget in this category.

**Professional Services:**

Actual: \$0                      Budget: \$7,200

Includes: consulting and other professional expenses. No expenses incurred during the 3<sup>rd</sup> Quarter 2006-2007

**Member Benefits & Services:**

Actual: \$578,354    Budget: \$487,973

Some of the programs and events are seasonal and for budget purposes, we spread the expenses evenly throughout the year; therefore, in the 3<sup>rd</sup> Quarter 2006-2007, we show that actual is higher than budget. As programs and events develop, we will be applying these budget figures to cover the expenses.

**Loan Interest:**

Actual: \$4,359              Budget: \$4,359

This amount is for accrued monthly interest on the Edison Schools loan.

In the month of April, 2007, AFT paid on our behalf the loan in its entirety, \$100,000 and interest in the amount of \$33,500. Edison charged us interest only through May 1, 2004. The total interest accrued as of April 2007 is \$77,290. Our Operational Loan to AFT will be increased by the amount of \$133,500.

**Per Capita & Affiliated Expenses:**

Actual: \$1,331,704    Budget: \$1,236,420

- Actual: \$598,226 AFT
- Actual: \$709,234 FEA / NEA
- Actual: \$24,244 AFL-CIO and 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.

**Non-Operating Income:**

Actual: \$267,499

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.

**Non Operating Payments & Accruals:**

Actual: \$28,723      Budget \$12,000

Depreciation of Fixed Assets has been calculated for the 3<sup>rd</sup> Quarter 2006-2007 and added to this account. Depreciation expenses were not budgeted but are running at about \$8,600 per month. In the past, the auditors calculated the depreciation expense at the end of the year. We are now scheduling this expense on a monthly basis.

**Cash Flow Activities:**

Actual: \$505      Budget: \$34,500

Lease payment on the van. In the budget, we included payments to Commercial Bank in the amount of \$30,000 per quarter. The loan was paid off on December 2006.

**Total Cash before AFT Loans & Per Capita Obligations:**

Actual: \$578,964      Budget \$129,776

Our income exceeded our budgeted expenses and we finished with a favorable variance due to the increase in membership and very good control on expenses. With the favorable difference, we will be able to cover expenses for seasonal programs.

**FINANCIAL POSITION:**

**Advances: Receivable from UTD Towers**

Actual balance: \$3,319,621 (Including Accrued Interest)

**Deferred Member Dues:**

Actual balance: \$1,543,408

**Affiliate Loans Payable:**

Past due per capita dues payable are:

- AFT: \$3,341,000
- FEA: \$1,491,000

Loan for Operations payable to AFT:

- AFT: \$2,335,133

**Notes Payable:**

Edison Schools Loan \$100,000 plus accrued interest \$77,290

This amount is for accrued monthly interest on the Edison Schools loan.

In the month of April, 2007, AFT paid on our behalf the loan in its entirety, \$100,000 principal and interest in the amount of \$33,500. Edison charged us interest only through May 1, 2004. The total interest accrued as of April 2007 is \$77,290. Our Operational Loan to AFT will be increased by the amount of \$133,500.

**Long Term Leases Payable:**

GMC Van \$5,637

**Cash Flow:**

As of March 31, 2007, our bank balance was \$4,795,084, including a Certificate of Deposit in Commercial Bank for \$150,000. Our general payable liability was \$800,173.

Our actual results for the first 9 months of the fiscal year as well as our projections for the remainder of the year, show a positive operating income for the year ending 6/30/07.

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