



**FINANCIAL MANAGEMENT REVIEW**  
**For First Quarter 2006-2007**  
**(July, August & September 2006)**

|   | <b>July, August &amp; September 2006</b> |                     |
|---|--|---------------------|
|   | <b>Actual</b>                            | <b>Budget</b>       |
| <b>INCOME</b>   |  |                     |
| <b>Operating Income</b>   |  |                     |
| Dues Revenues   | \$ 3,290,999                             | \$ 2,583,225        |
| Other Income  | \$ 316,897                               | \$ 222,949          |
| (Includes: Grants, Rebates, AFT/NEA Assistance, Sponsorships, Advertising, Events)  |  |                     |
| <b>Total Income</b>   | <b>\$ 3,607,896</b>                      | <b>\$ 2,806,174</b> |
| <b>EXPENSES</b>   |  |                     |
| <b>Wages, Taxes and Benefits</b>  |  |                     |
| Salaries  | \$ 657,953                               | \$ 643,053          |
| Payroll Taxes   | \$ 46,067                                | \$ 50,703           |
| Employee Benefits   | \$ 132,712                               | \$ 143,707          |
|   | <b>\$ 836,732</b>                        | <b>\$ 837,463</b>   |
| <b>Employee Expenses</b>  |  |                     |
| (Includes: Mileage, Cellular Phones, Staff Travel)  | \$ 25,278                                | \$ 24,500           |
| <b>Administrative Expenses</b>  |  |                     |
| (Includes: Office Supplies, Printing, Postage, Telephone, Insurance, Equipment Leases, Office Lease and Expenses, Other Administrative Expenses)  | \$ 183,146                               | \$ 188,005          |
| <b>Professional Services</b>  |  |                     |
| (Includes: Consulting, Legal, Audit & Other Professional Services)  | \$ 10,242                                | \$ 10,351           |
| <b>Member Benefits &amp; Services</b>   |  |                     |
| Stewards Expenses   | \$ 41,301                                | \$ 60,790           |
| Executive Board Expenses  | 11,132                                   | 13,191              |
| Legislative Action  | 32,248                                   | 50,625              |
| TSA Release - Organizing Project  | 91,284                                   | 91,284              |
| Communication & Organizing, Events, Community Support/Outreach, Contract Enforcement/Member Advocacy, Strategic Serv., Planning, Negotiations, Internal Training, Scholarships, Elections, Conferences, Meetings & Workshops. | \$ 190,166                               | \$ 203,270          |
|   | <b>\$ 366,131</b>                        | <b>\$ 419,160</b>   |
| <b>Loan Interest</b>  |  |                     |
| Commercial Bank   | \$ 9,283                                 | \$ 9,600            |
| Edison Loan   | \$ 4,148                                 | \$ 4,148            |
|   | <b>\$ 13,431</b>                         | <b>\$ 13,748</b>    |
| <b>Per Capita</b>   |  |                     |
| Current (Includes: AFT, FEA/NEA, National AFL-CIO, & So.FL AFL-CIO)   | \$ 1,299,851                             | \$ 1,236,443        |
| <b>Total Operating Expenses</b>   | <b>\$ 2,734,811</b>                      | <b>\$ 2,729,669</b> |
| <b>Non Operating Income &amp; Accruals</b>  |  |                     |
| Interest Accrued on Promissory Note   | \$ 259,926                               | \$ -                |
| <b>Non Operating Payments &amp; Accruals</b>  |  |                     |
| Contingency - UTD Towers  | \$ -                                     | \$ 12,000           |
| UTD Towers RFP Expenses   | \$ 7,104                                 | \$ -                |
| Depreciation  | \$ 25,795                                | \$ -                |
|   | <b>\$ 32,899</b>                         | <b>\$ 12,000</b>    |
| <b>Total Non Operating Activities</b>   | <b>\$ 227,027</b>                        | <b>\$ (12,000)</b>  |
| <b>Operating Income (Loss)</b>  | <b>\$ 1,100,112</b>                      | <b>\$ 64,505</b>    |
| <b>Cash Flow Activities</b>   |  |                     |
| Commercial Bank Loan  | \$ 30,000                                | \$ 30,000           |
| Capital Leases  | \$ 1,494                                 | \$ 1,500            |
| Leasehold Improvements  | \$ -                                     | \$ 3,000            |
|   | <b>\$ 31,494</b>                         | <b>\$ 34,500</b>    |
| <b>Total Cash Before AFT Loans &amp; Per Capita Arrearage Obligations</b>   | <b>\$ 1,068,618</b>                      | <b>\$ 30,005</b>    |

(For Reporting Purposes Only)

The following is a summary of key financial points, highlights and achievements noted in reviewing our financial statements for First Quarter 2006-2007 (July, August & September 2006)

**Membership**

Actual: 17,678 Members. 14,453 FTE Members

Our records indicate that as of September 30, 2006, we have a total of 14,453 FTE (Full time equivalent), which includes full, 1/2 and 1/8 paid dues.

**Income: Dues Revenue**

Actual: \$3,290,999 Budget: \$2,583,225

During this quarter, we had net income dues in the amount of \$3,290,999. Compared with Budget \$2,583,225, we had a favorable difference due to the increase in membership. Another factor is the pass thru per capita increase by AFT, which started on September 1, 2006. We have deferred \$ 334,180 of income dues for the 1<sup>st</sup> quarter to cover the summer months in which we will have zero income.

**Other Income:**

Actual: \$316,897 Budget: \$222,949

We have grouped the following items: AFT local assistance, FEA grant for the first 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: \$836,732 Budget: \$837,463

Actual expenses are as planned.

**Employee Expenses:**

Actual: \$25,278 Budget: \$24,500

Actual expenses as planned and includes mileage, cellular phones and travel.

**Administrative Expenses:**

Actual: \$183,146 Budget: \$188,005

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

**Professional Services:**

Actual: \$10,242      Budget: \$10,351

Actual expenses as planned and includes consulting, legal and other professional expenses.

**Member Benefits & Services:**

Actual: \$366,131      Budget: \$419,160

Some of the programs and events are seasonal and for budget purposes, we spread the expenses evenly throughout the year; therefore, in the first quarter 2006-2007, we show a positive variance. As programs and events develop, we will be applying these budget figures to cover the expenses.

**Loan Interest:**

Actual: \$13,431      Budget: \$13,748

We continue paying interest to Commercial Bank for our loan. The balance of the loan as of September 30, 2006 is \$421,346. We also accrued monthly interest on the Edison Schools loan.

**Per Capita & Affiliated Expenses:**

Actual: \$1,299,851      Budget: \$1,236,443

- Actual: \$567,467 AFT
- Actual: \$697,607 FEA / NEA
- Actual: \$23,977 AFL-CIO
- Actual: \$10,800 South FL AFL-CIO

We participate in the FEA Service Unit Funding Program and receive quarterly grants. Grants are received at the beginning of each quarter. In September, the First Quarter Grant was received in the amount of \$180,150.

**Non-Operating Income:**

Actual: \$259,926

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.

**Non Operating Payments & Accruals:**

Actual: \$32,899      Budget \$12,000

Depreciation of Fixed Assets has been calculated for the quarter and added to this account. Depreciation expense was not budgeted. In the past, the auditors calculated the depreciation expense at the end of the year. Now we are scheduling this expense on a monthly basis.

**Cash Flow Activities:**

Actual: \$31,494      Budget \$34,500

We continue to pay the loan to Commercial Bank and lease payment on the van.

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

Actual: \$1,068,618      Budget \$30,005

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

**FINANCIAL POSITION:**

**Advances: Receivable from UTD Towers**

Actual balance: \$3,261,954 (Including Accrued Interest)

**Deferred Member Dues:**

Actual balance: \$334,180

**Affiliate Loans Payable:**

Past due per capita dues payable are:

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

Loan for Operations payable to AFT: \$2,323,709

**Notes Payable:**

Commercial Bank Loan: \$421,346

Edison Schools Loan \$100,000 plus accrued interest \$68,679

**Long Term Leases Payable:**

GMC Van \$8,666

**Cash Flow:**

As of September 30, 2006, our bank balance was \$2,918,471, including Certificate of Deposit in Commercial Bank for \$150,000. Our general payable liability was \$850,000.

According to the projection of our incoming expenses and cash flow for the year ending June 30, 2007, we show a positive cash flow through the end of our fiscal year.

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