



FINANCIAL MANAGEMENT REVIEW
Statements of Financial Position & Cash Flow
Second Quarter 2005-2006 (October, November and December 2005) and Year to Date

	10/1/05 to 12/31/05		Year to date Actual	Year to date Budget
	Actual	Budget		
INCOME				
Operating Income				
Dues Revenues *	\$ 2,809,405	\$ 2,410,758	\$ 5,268,374	\$ 4,798,844
Other Income (Includes: Grants, Rebates, Contributions, Sponsorships, Advertising, Interest, Events, AFT & NEA/FEA Assistance.)	318,178	\$ 240,231	\$ 545,870	\$ 441,532
	\$ 3,127,583	\$ 2,650,989	\$ 5,814,244	\$ 5,241,376
Non-Operating Income				
Interest on Promissory Note	\$ 277,943	\$ -	\$ 398,452	\$ -
Gain on Sale of building (2200 Biscayne Blvd).	\$ 383,262	-	3,293,898	-
Settlement - RSC	(742,903)	\$ -	\$ 5,000	\$ 710,000
Total Income	\$ 3,045,975	\$ 2,650,989	\$ 9,511,692	\$ 8,951,376
EXPENSES				
Salaries	\$ 590,821	\$ 585,696	\$ 1,253,234	\$ 1,255,818
Payroll Taxes	44,788	\$ 45,925	\$ 88,433	\$ 91,421
Employee Benefits	127,522	\$ 138,862	\$ 245,938	\$ 277,688
Employee Expenses	27,860	\$ 23,748	\$ 50,231	\$ 47,496
Wages, Taxes, Benefits & Expenses (Includes: Salaries, Payroll Taxes, Benefits, Mileage, Cellular Phones, Travel)	\$ 790,991	\$ 794,230	\$ 1,637,836	\$ 1,672,421
Administrative Expenses (Includes: Office Supplies, Printing, Postage, Telephone Equipment Leases, Insurance and Other Administrative Expenses)	\$ 121,600	\$ 118,148	\$ 208,233	\$ 239,942
Building Expenses (Includes: Rent, Utilities, Taxes & Misc. Building Related Expenses)	\$ 99,428	\$ 99,555	\$ 223,074	\$ 224,748
Professional Services (Includes: Consulting, Legal, Audit & Other Professional Services)	\$ 4,817	\$ 7,072	\$ 46,361	\$ 44,144
Member Benefits & Services				
Stewards Expenses	\$ 11,049	\$ 5,331	\$ 69,631	\$ 51,631
Executive Board Expenses	8,832	\$ 12,999	17,161	21,999
Legislative Action	70,728	\$ 47,250	101,253	94,500
Communication & Organizing, Events, Community Support/Outreach, Contract Enforcement/Member Advocacy, Strategic Services, Planning, Negotiations, Internal Training, Scholarships, Conferences, Meetings & Workshops.	123,781	340,781	255,134	742,564
	\$ 214,388	\$ 406,341	\$ 443,179	\$ 910,694
Loan Interest Includes Commercial Bank and AFT Loan (Mortgage)	31,876	\$ 8,400	\$ 83,278.00	\$ 96,800
Per Capita Current (Includes: AFT, FEA/NEA, National AFL-CIO, & So.FL AFL-CIO)**	\$ 1,090,756	\$ 1,153,935	\$ 2,102,005	\$ 2,190,848
Total Operating Expenses	\$ 2,363,166	\$ 2,687,680	\$ 4,743,966	\$ 5,379,394
Non Operating Payments				
Commercial Bank Loan	\$ 10,000	\$ 30,000	\$ 60,000	\$ 60,000
Capital Leases	58,598	66,000	116,562	132,000
Depreciation	115,938	-	115,938	-
Contingency - UTD Towers	-	12,498	-	24,996
Leasehold Improvements	15,810	-	11,954	58,000
Moving Expenses	-	-	1,001	-
	\$ 200,146	\$ 108,498	\$ 305,455	\$ 274,996
Total Expenses & Non Operating Payments	\$ 2,563,302	\$ 2,696,178	\$ 5,049,421	\$ 5,654,390
Total Cash Before AFT Loans & Per Capita Arrearage Obligations	\$ 482,673	\$ (45,189)	\$ 4,462,171	\$ 286,986

(For Reporting Purposes Only. This Financial Information Has Been Prepared Internally And Has Not Been Audited)

The following is a summary of key financial points, highlights and achievements noted in reviewing our financial statements for the 2nd Quarter of 2005-2006 (October, November & December 2005):

Membership

Actual: 17048 Members. 13,839 FTE Members

Our records indicate that as of December 2005, we have a total of 13,839 FTE (Full time equivalent), which includes full, 1/2 and 1/8 paid dues.

Income: Dues Revenue

Actual: \$ 2,809,405 Budget: \$ 2,410,758

During this quarter, we had net income dues in the amount of \$2,809,405. Compared with budget \$2,410,758, we had a favorable difference due to the increase in membership during this period. We have deferred \$ 559,000 of income dues to cover the summer months in which we will have zero income.

Other Income:

Actual: \$ 318,178 Budget: \$ 240,231

We have grouped the following items: Grants and Rebates from NEA/FEA; Contributions and Sponsorships for Summer Heat Program and Hispanic Heritage event. Included in this account is the dividend received from PESCO, for results of year ending September 2005 in the amount of \$58,263. Accrual for interest in the amount of \$160,000 to UTD Towers on their loan with us was calculated and included in this account. Also interest earned on the sweep account and CD with Commercial Bank is also added.

Non-Operating Income:

Actual: \$-81,608

Included in this account is interest on Promissory Note with Grouper LLC. As indicated by the auditors, the calculated depreciation on the 2200 Biscayne Blvd. property was recorded in this account. Settlement money received in September from RSC, in the amount of \$742,803 was included in Other Revenues in the financial statements of year 2004-2005 by the independent auditors, since the commitment and legal paperwork was finalized before year end 2004-2005. Therefore, we are reversing the entry this year. As a result, we have a negative actual of \$-81,608.

Wages, Taxes, Benefits & Expenses:

Actual: \$790,691 Budget: \$794,230

Expenses are under budget for the quarter

Administrative Expenses:

Actual: \$121,600 Budget: \$118,148

We continue to have a very good control on expenses at all levels and we are following all the processes and procedures that are in place, therefore we had a slight variance between actual and budget.

Building Expenses:

Actual: \$99,428 Budget: \$99,555

Some expenses were accrued until we receive the billing from the landlord. Expenses were as expected during this quarter.

Professional Services:

Actual: \$4,617 Budget: \$7,072

Expenses are under budget.

Member Benefits & Services:

Actual: \$214,388 Budget: \$406,341

Some of the programs and events are seasonal and for budget purposes, we spread the expense evenly throughout the year; therefore, in the second quarter we show a large positive variance. As programs and events develop, we will be applying these budget figures to cover the expenses. We also paid Steward Incentives to members that presented their request during this quarter.

Loan Interest:

Actual: \$31,676 Budget: \$8,400

In October 2005, we made an adjustment for the final interest expense of the AFT mortgage loan. Mortgage loan is paid off. In addition we continue paying interest to Commercial Bank for our loan. The balance of the loan is \$501,346.

Per Capita & Affiliated Expenses:

Actual: \$1,090,756 Budget: \$1,153,935

- Actual: \$537,370 AFT
- Actual: \$519,051 FEA / NEA
- Actual: \$23,535 AFL-CIO
- Actual: \$10,800 South FL AFL-CIO

Non Operating Payments:

Actual: \$200,146 Budget \$108,498

We continue to pay the loan to Commercial Bank and also payments for capital leases on the furniture and the van.

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 quarterly basis.

Total Cash before AFT Loans & Per Capita Obligations:

Actual: \$492,673 Budget \$-45,189

We finished with a favorable variance between actual and budget. With the favorable difference, we will be able to cover expenses for seasonal programs. For budget purposes, those expenses were annualized.

Escrow: Release of RSC Lien

Actual balance: \$504,104

Advances: Receivable from UTD Towers

Actual balance: \$3,295,689 (Including Accrued Interest)

Deferred Member Dues:

Actual balance: \$1,405,365

Affiliate Loans Payable:

Past due per capita dues payable are:

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

Loan for Operations payable to AFT: \$2,332,529

Notes Payable:

Commercial Bank Loan: \$ 501,346

Edison Schools Loan \$ 100,000 plus accrued interest \$57,844

Long Term Leases Payable:

Siemens Finance (Furniture) \$671,551

GMC Van \$13,128

Cash Flow:

As of December 31, 2005, our bank balance was \$3,448,746, including Certificate of Deposit in Commercial Bank for \$150,000, and our general payable liability was \$756,500.

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.
