



**FINANCIAL MANAGEMENT REVIEW**  
**Statements of Financial Position & Cash Flow**  
**Third Quarter 2005-2006 (January, February & March 2006) and Year to Date**

INCOME	From 01/01/06 to 03/03/06		Year to date	Year to date
Operating Income	Actual	Budget	Actual	Budget
Dues Revenues *	\$ 3,009,019	\$ 2,410,758	\$ 8,277,393	\$ 7,210,602
Other Income (Includes: Grants, Rebates, Contributions, Sponsorships, Advertising, Interest, Events, AFT & NEA/FEA Assistance.)	\$ 488,367	\$ 192,301	\$ 1,034,237	\$ 633,833
	\$ 3,497,386	\$ 2,603,059	\$ 9,311,630	7,844,435
<b>Non-Operating Income</b>				
Interest on Promissory Note	\$ 205,252	\$ -	\$ 603,705	\$ -
Gain on Sale of building (2200 Biscayne Blvd).	-	-	3,293,932	-
Settlement - RSC	\$ 17,870	\$ -	\$ 22,869	\$ 710,000
<b>Total Income</b>	<b>\$ 3,720,508</b>	<b>\$ 2,603,059</b>	<b>\$ 13,232,136</b>	<b>8,554,435</b>
<b>EXPENSES</b>				
<b>Wages, Taxes, Benefits &amp; Expenses</b> (Includes: Salaries, Payroll Taxes, Benefits, Mileage, Cellular Phones, Travel)	\$ 873,629	\$ 800,480	\$ 2,511,464	\$ 2,472,901
<b>Administrative Expenses</b> (Includes: Office Supplies, Printing, Postage, Telephone Equipment Leases, Insurance and Other Administrative Expenses)	\$ 143,554	\$ 115,895	\$ 351,787	\$ 355,837
<b>Building Expenses</b> (Includes: Rent, Utilities, Taxes & Misc. Building Related Expenses)	\$ 99,263	\$ 99,555	\$ 322,337	\$ 324,301
<b>Professional Services</b> (Includes: Consulting, Legal, Audit & Other Professional Services)	\$ 26,548	\$ 7,072	\$ 65,409	\$ 51,215
<b>Member Benefits &amp; Services</b>				
Stewards Expenses	\$ 3,715	\$ 5,331	\$ 73,346	\$ 56,962
Executive Board Expenses	11,438	12,999	28,600	34,998
Legislative Action	67,844	47,250	169,097	141,750
Communication & Organizing, Events, Community Support/Outreach, Contract Enforcement/Member Advocacy, Strategic Services, Planning, Negotiations, Internal Training, Scholarships, Conferences, Meetings & Workshops.	\$ 262,934	\$ 391,261	\$ 525,568	1,133,825
	\$ 345,931	\$ 456,841	\$ 796,611	\$ 1,367,535
<b>Loan Interest</b> Includes Commercial Bank, Edison Schools & AFT Loan (Mortgage)	\$ 13,036	\$ 8,400	\$ 96,314.00	\$ 105,200
<b>Per Capita</b> Current (Includes: AFT, FEA/NEA, National AFL-CIO, & So.FL AFL-CIO)**	\$ 1,405,292	\$ 1,153,935	\$ 3,507,298	\$ 3,344,583
<b>Total Operating Expenses</b>	<b>\$ 2,907,253</b>	<b>\$ 2,642,177</b>	<b>\$ 7,651,220</b>	<b>\$ 8,021,572</b>
<b>Non Operating Payments</b>				
Commercial Bank Loan	\$ 30,000	\$ 30,000	\$ 90,000	\$ 90,000
Capital Leases	202,615	66,000	202,650	198,000
Depreciation	59,961	-	175,899	-
Contingency - UTD Towers	5,347	12,498	5,347	37,494
Leasehold Improvements	1,437	-	13,391	58,000
Moving Expenses	-	-	1,000	-
	\$ 299,360	\$ 108,498	\$ 488,287	\$ 383,494
<b>Total Expenses &amp; Non Operating Payments</b>	<b>\$ 3,206,613</b>	<b>\$ 2,750,675</b>	<b>\$ 8,139,507</b>	<b>\$ 8,405,066</b>
<b>Total Cash Before AFT Loans &amp; Per Capita Arrearage Obligations</b>	<b>\$ 513,895</b>	<b>\$ (147,616)</b>	<b>\$ 5,092,629</b>	<b>\$ 149,369</b>

(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 Third Quarter 2005-2006 (January, February & March 2006):

**Membership**

Actual: 17,513 Members. 14,075 FTE Members

Our records indicate that as of March 31, 2006, we have a total of 14,075 FTE (Full time equivalent), which includes full, 1/2 and 1/8 paid dues.

**Income: Dues Revenue**

Actual: \$ 3,009,019 Budget: \$ 2,410,758

During the third quarter, we had net income dues in the amount of \$3,009,019. Compared with Budget \$2,410,758, we had a favorable difference due to the increase in membership. We have deferred \$ 479,633 of income dues for the 3<sup>rd</sup> quarter to cover the summer months in which we will have zero income.

**Other Income:**

Actual: \$ 488,367 Budget: \$ 192,301

We have grouped the following items: AFT local assistance, FEA grant for the third quarter 05-06, Contributions and Sponsorships for Black History Month and Education Summit, advertising, interest earned on the sweep account, in addition to the accrued interest from UTD Towers receivable.

**Non-Operating Income:**

Actual: \$ 223,122

Included in this account is interest on the Promissory Note with Grouper LLC., and we also received interest from the RSC escrow account.

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

Actual: \$873,629 Budget: \$ 800,480

Actual expenses are higher than budget because the accrual is calculated by day and the budget is annualized and some of the TSA expenses were not budgeted.

**Administrative Expenses:**

Actual: \$ 143,554 Budget: \$ 115,895

We paid off the lease on the furniture; therefore, taxes and interest were also paid during this quarter. Taxes and interest on the lease were budgeted on a monthly basis.

**Building Expenses:**

Actual: \$ 99,263 Budget: \$ 99,555

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

**Professional Services:**

Actual: \$26,548      Budget: \$7,072

Expense for the audit was booked during this quarter along with legal expenses.

**Member Benefits & Services:**

Actual: \$345,931      Budget: \$ 456,841

Some of the programs and events are seasonal and for budget purposes, we spread the expenses evenly throughout the year; therefore, in the third quarter 2005-2006, we show a positive variance. As programs and events develop, we will be applying these budget figures to cover the expenses.

**Loan Interest:**

Actual: \$ 13,036      Budget: \$ 8,400

We continue paying interest to Commercial Bank for our loan. The balance of the loan as of March 31, 2006 is \$ 471,346. We also accrued quarterly interest on the Edison Schools loan.

**Per Capita & Affiliated Expenses:**

Actual: \$1,405,292      Budget: \$ 1,153,935

- Actual: \$540,825 AFT
- Actual: \$830,446 FEA / NEA
- Actual: \$23,221 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 March, the Third Quarter Grant was received in the amount of \$160,245.

**Non Operating Payments:**

Actual: \$ 299,360      Budget \$ 108,498

When UTD sold the 2200 Biscayne building, we had to change from occupying 7 floors to using 3 floors. Every attempt was made to retain the most valuable furniture. The remainder of the furniture was sold at a loss. This transaction was recorded in February 2006 and is included in the 3<sup>rd</sup> quarter.

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

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

Actual: \$513,895    Budget \$ -147,616

Our income exceeded our budgeted expenses and we finished with a favorable variance. With the favorable difference, we will be able to cover expenses for seasonal programs.

**Advances: Receivable from UTD Towers**

Actual balance: \$3,378,770 (Including Accrued Interest)

**Deferred Member Dues:**

Actual balance: \$1,884,998

**Affiliate Loans Payable:**

Past due per capita dues payable are:

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

Loan for Operations payable to AFT: \$2,321,729

**Notes Payable:**

Commercial Bank Loan: \$ 471,346

Edison Schools Loan \$ 100,000 plus accrued interest \$61,790

**Long Term Leases Payable:**

GMC Van \$11,622

**Cash Flow:**

As of March 31, 2006, our bank balance was \$4,458,584, including Certificate of Deposit in Commercial Bank for \$150,000. Our general payable liability was \$975,000.

According to the projection of our incoming expenses and cash flow for the year ending June 30, 2006, we show a positive cash flow through the end of our fiscal year.

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