

SOUTHWEST SUBURBAN FEDERATION OF TEACHERS
LOCAL 943

CONSOLIDATED FINANCIAL REPORT

DECEMBER 31, 2009 AND 2008

SOUTHWEST SUBURBAN FEDERATION OF TEACHERS
LOCAL 943

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INDEPENDENT AUDITOR'S REPORT

Southwest Suburban Federation of Teachers
Local 943
Orland Park, Illinois

We have audited the accompanying consolidated statements of financial position of Southwest Suburban Federation of Teachers Local 943 as of December 31, 2009 and 2008, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Local's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Southwest Suburban Federation of Teachers Local 943 as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Bansley and Kiener, L.L.P.

Certified Public Accountants

June 11, 2010

SOUTHWEST SUBURBAN FEDERATION OF TEACHERS
LOCAL 943

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2009 AND 2008

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 278,949	\$ 269,909
Dues receivable	<u>169,255</u>	<u>127,266</u>
Total	<u>\$ 448,204</u>	<u>\$ 397,175</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 1,205	\$ 10,766
Due to affiliate	11,502	-
Deferred revenue	67	-
Total liabilities	<u>12,774</u>	<u>10,766</u>
NET ASSETS		
Unrestricted	403,596	356,662
Temporarily restricted	<u>31,834</u>	<u>29,747</u>
Total net assets	<u>435,430</u>	<u>386,409</u>
Total	<u>\$ 448,204</u>	<u>\$ 397,175</u>

The accompanying notes are an integral part of the consolidated financial statements.

SOUTHWEST SUBURBAN FEDERATION OF TEACHERS
LOCAL 943

CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue						
Dues and fees	\$ 1,386,588	\$ -	\$ 1,386,588	\$ 1,274,346	\$ -	\$ 1,274,346
AFT assistance	8,910	-	8,910	9,450	-	9,450
IFT assistance	72,917	-	72,917	47,462	-	47,462
Contributions	-	18,846	18,846	-	17,819	17,819
Interest Income	728	-	728	2,517	-	2,517
Miscellaneous	4,569	-	4,569	1,617	-	1,617
Net assets released from restrictions	16,759	(16,759)	-	13,014	(13,014)	-
	1,490,471	2,087	1,492,558	1,348,406	4,805	1,353,211
Expenses						
Affiliations' expense	1,228,390	-	1,228,390	1,141,158	-	1,141,158
Officers' salaries	49,380	-	49,380	47,173	-	47,173
Payroll taxes	4,698	-	4,698	5,718	-	5,718
Employee benefits	3,473	-	3,473	3,334	-	3,334
Professional fees	46,463	-	46,463	38,852	-	38,852
Council support	5,358	-	5,358	5,531	-	5,531
Conventions and meetings	19,087	-	19,087	22,641	-	22,641
Telephone	-	-	-	248	-	248
Rent	17,850	-	17,850	15,866	-	15,866
Office supplies and expense	37,724	-	37,724	31,489	-	31,489
Insurance	13,759	-	13,759	15,685	-	15,685
Political activities	16,759	-	16,759	13,014	-	13,014
Miscellaneous	596	-	596	450	-	450
Total expenses	1,443,537	-	1,443,537	1,341,159	-	1,341,159
Increase in net assets	46,934	2,087	49,021	7,247	4,805	12,052
Net assets, beginning of year	356,662	29,747	386,409	349,415	24,942	374,357
Net assets, end of year	\$ 403,596	\$ 31,834	\$ 435,430	\$ 356,662	\$ 29,747	\$ 386,409

The accompanying notes are an integral part of the consolidated financial statements.

SOUTHWEST SUBURBAN FEDERATION OF TEACHERS
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CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities		
Increase in net assets	\$ 49,021	\$ 12,052
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in dues receivable	(41,989)	26,516
Increase (decrease) in accounts payable	(9,561)	2,378
Increase in due to affiliate	11,502	-
Increase in deferred revenue	67	-
Total adjustments	<u>(39,981)</u>	<u>28,894</u>
Increase in cash and cash equivalents	9,040	40,946
Cash and cash equivalents		
Beginning of year	<u>269,909</u>	<u>228,963</u>
End of year	<u>\$ 278,949</u>	<u>\$ 269,909</u>

The accompanying notes are an integral part of the consolidated financial statements.

SOUTHWEST SUBURBAN FEDERATION OF TEACHERS
LOCAL 943

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Nature of Organization and Summary of Significant Accounting Policies

Nature of Activities

The Local is a labor organization which coordinates labor matters and administers to labor problems of teachers and other educational workers throughout the southwest suburban area of Cook County. Among other objectives, the Local seeks to secure economic advantages and better working conditions for its membership through organization, collective bargaining, educational workshops, and political awareness.

The Committee on Political Education is comprised of certain officers of the Local. Contributions to the Committee are used to support candidates in state and local governmental elections.

Principles of Consolidation

The consolidated financial statements include the accounts of the Local and the Committee after elimination of all significant interfund balances and transactions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Local considers all cash accounts, and certificates of deposits with original maturities of three month or less, to be cash and cash equivalents.

Receivables

Dues receivable is stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with members having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

Office Furniture and Equipment

Depreciation of office furniture and equipment is computed on the straight-line method over the estimated useful lives of five to ten years. All office furniture and equipment is fully depreciated.

Maintenance and repairs of equipment is charged to operations and major improvements are capitalized. When assets are sold, retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in income.

Evaluation of Subsequent Events

Management has evaluated subsequent events through June 11, 2010, the date the financial statements were available to be issued.

SOUTHWEST SUBURBAN FEDERATION OF TEACHERS
LOCAL 943

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Note 2 – Affiliations

American Federation of Teachers

The Local is affiliated with the American Federation of Teachers (AFT), whose members consist of public and private school teachers, paraprofessionals and school related personnel. Effective September 1, 2008, through August 31, 2009, the dues paid on behalf of the AFT to its Illinois affiliate, the Illinois Federation of Teachers, for each full-time member was a per capita tax of \$15.35 per month. Effective September 1, 2009, the per capita tax was increased to \$16.00 per month. Dues paid on behalf of the AFT for the years ended December 31, 2009 and 2008 were \$463,438 and \$428,046, respectively.

Illinois Federation of Teachers

The Local is a member of the Illinois Federation of Teachers (IFT). Effective September 1, 2008 through August 31, 2009, the Local was required to pay annual per capita dues of \$283.30 for each full-time member payable in ten monthly installments. Effective September 1, 2009, the Local was paying annual per capita dues of \$293.30 for each full-time member. Dues paid on behalf of the IFT for the years ended December 31, 2009 and 2008, were \$728,639 and \$674,396, respectively.

Assistance

The Local receives assistance from the AFT and IFT in the form of organization, staff, and professional development rebates. Due to the affiliates for the years ended December 31, 2009 and 2008, were \$11,502 and \$0, respectively.

Lease

The Local leases its office space on a month-to-month basis from the IFT. Rent paid for the years ended December 31, 2009 and 2008, were \$17,850 and \$15,866, respectively.

Note 3 – Concentration of Credit Risk for Cash Held at Banks

The Local maintains its cash balances at several banks. Accounts at each institution may from time to time exceed amounts insured by the Federal Deposit Insurance Corporation.

Note 4 – Temporarily Restricted Net Assets

Temporarily restricted net assets consist of political committee contributions which have been received to support candidates in state and local governmental elections. Net assets are released from donor restrictions when the Committee incurs expenses satisfying the restricted purposes.

Note 5 – Federal Income Tax

The Local is exempt from federal income taxes under Section 501(c)(5) of the Internal Revenue Code.

SOUTHWEST SUBURBAN FEDERATION OF TEACHERS
LOCAL 943

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Note 6 – Functional Expenses

The Local expensed \$1,443,537 and \$1,341,159 for the years ended December 31, 2009 and 2008, respectively. The Local has estimated that on a functional classification basis these expenses would be allocated as follows:

	2009	2008
Member services	11%	10%
Per capita taxes	85%	85%
General and administrative expenses	4%	5%
Total	100%	100%

Note 7 – Major Employers

During the fiscal year ended December 31, 2009, approximately thirty-three percent of the Local's dues and fees were derived from employees of two councils. For the fiscal year ended December 31, 2008, approximately forty-four percent of the Local's dues and fees were derived from employees of three councils.