

**STATEMENT OF CASH RECEIPTS  
AND DISBURSEMENTS**

**WASHINGTON TEACHERS ASSOCIATION**

**FOR THE YEAR ENDED  
AUGUST 31, 2009**

***INDEPENDENT AUDITORS' REPORT***

To the Executive Board  
**Washington Teachers Association**

We have audited the accompanying statement of cash receipts and disbursements of the **Washington Teachers Association** for the year ended August 31, 2009. These financial statements are the responsibility of the management of the **Washington Teachers Association**. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted the audit 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 statement of cash receipts and disbursements is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the cash receipts and disbursements. 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 audit provides a reasonable basis for our opinion.

As described in Note 3, these financial statements were prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the statement of cash receipts and disbursements referred to above present fairly, in all material respects, the cash receipts and disbursements of the **Washington Teachers Association** as of August 31, 2009, in conformity with accounting principles generally accepted in the United States of America, on the basis of accounting described in the Note 3.

*Islip + Company, LLP*

Sacramento, California  
February 4, 2010

**WASHINGTON TEACHERS ASSOCIATION**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**YEAR ENDED AUGUST 31, 2009**

|                                      |                         |
|--------------------------------------|-------------------------|
| Cash Receipts                        |                         |
| Dues income                          | \$ 77,820               |
| Interest income                      | 498                     |
| Other income                         | <u>520</u>              |
| Total Cash Receipts                  | <u>78,838</u>           |
|                                      |                         |
| Cash Disbursements                   |                         |
| Activities and programs              | 4,408                   |
| Associate staff salaries             | 11,000                  |
| Employer payroll tax expense         | 802                     |
| General leadership                   | 1,777                   |
| Leadership conferences and workshops | 1,886                   |
| Officers telephone expense           | 2,290                   |
| Accounting and auditing              | 1,468                   |
| Office rent                          | 11,050                  |
| Equipment rental                     | 1,979                   |
| Insurance                            | 500                     |
| Paper and supplies                   | 979                     |
| Printing and duplicating             | 482                     |
| Postage                              | 71                      |
| Taxes and licenses                   | 10                      |
| Telephone expense                    | 2,050                   |
| Computer and website design          | 121                     |
| CTA escrow                           | 304                     |
| Single member expenses               | <u>161</u>              |
| Total Cash Disbursements             | <u>41,338</u>           |
|                                      |                         |
| Net Change in Cash                   | 37,500                  |
|                                      |                         |
| Cash, Beginning of Period            | <u>45,064</u>           |
|                                      |                         |
| Cash, End of Period                  | <u><u>\$ 82,564</u></u> |

*The accompany notes are an integral part of these financial statements*

# WASHINGTON TEACHERS ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2009

### NOTE 1 - ORGANIZATION

The **Washington Teachers Association** is a not-for-profit organization affiliated with the California Teachers Association (CTA) and the National Education Association (NEA). All dues are received from members through the CTA. The purpose of the Association is to promote and improve the welfare and working conditions of members.

### NOTE 2 - TAX STATUS

The Association is exempt from income tax under the Internal Revenue Code Section 501.

### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTANT POLICIES

**Method of Accounting** - The financial statements have been prepared using the cash basis of accounting. Revenue is recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Net assets are classified as unrestricted, temporarily restricted or permanently restricted. Net assets are generally reported as unrestricted unless assets are received from donors with explicit stipulations that limit the use of the asset. The Association does not have any temporarily or permanently restricted net assets.

### NOTE 4 - FUNDING

The Association receives the majority of its revenue from member dues, which are unrestricted. In addition, CTA reimburses the Association for a portion of certain expenses, such as contract campaign expenses. Reimbursement generally occurs during the fiscal year after the expense is incurred.

### NOTE 5 - CONCENTRATION OF CREDIT RISK

The Association maintains cash accounts with one banking institution. The federal government, NCUA, guarantees cash up to \$250,000 for each institution. The Association did not have cash deposits in excess of the maximum guaranteed at August 31, 2009.

***INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTAL INFORMATION***

To the Executive Board  
**Washing Teachers Association**

Our audit was conducted for the purpose of forming an opinion on the basic financial statement taken as a whole. The supplemental schedule of Chargeable and Non-chargeable disbursements is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This additional information is the responsibility of the Chapter's management. Such information has been subject to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

*Islip + Company, LLP*

Sacramento, California  
February 4, 2010

**Washington Teachers Association AGENCY FEE CALCULATION**

This calculation is based on chapter expenditures for the 2008-2009 fiscal year.

**CHARGEABLE EXPENSES**

|  |           |
|--|-----------|
| Office Expenses .....                              | \$ 19,014 |
| Staff Wages and Benefits .....                     | 11,803    |
| Negotiations .....                                 | 4,050     |
| Grievance Processing .....                         | -         |
| Governance .....                                   | 4,067     |
| Conferences/Workshops Relating Primarily to        |           |
| Representational Obligations .....                 | 1,886     |
| Communications .....                               | -         |
| Legal Expenses Relating to Representational        |           |
| Obligations .....                                  | -         |
| Social Activities .....                            | -         |
| Other Expenses Relating to Representational        |           |
| Obligations (List Major Categories of Expenditures |           |
| on Attached Form) .....                            | -         |
| Total Chargeable Expenses .....                    | 40,820    |

**NON-CHARGEABLE EXPENSES**

|  |                  |
|--|------------------|
| Political Activities and Contributions .....       | -                |
| Legislative and Initiative Activities .....        | -                |
| Membership Recruitment/Members-Only Programs ..... | 160              |
| Public Relations Designed to Enhance Teacher       |                  |
| Image Generally .....                              | 358              |
| Charitable Contributions/Scholarships .....        | -                |
| Other Expenses Not Relating to Representational    |                  |
| Obligations (List Major Categories of Expenditures |                  |
| on Attached Form) .....                            | -                |
| Total Non-chargeable Expenses .....                | 518              |
| <b>Total Expenses .....</b>                        | <b>\$ 41,338</b> |

**PERCENTAGE CHARGEABLE EXPENSES** ..... 98.75 %

**PERCENTAGE NON-CHARGEABLE EXPENSES** ..... 1.25 %

OTHER EXPENSES RELATING TO REPRESENTATIONAL OBLIGATIONS

Describe each major expense category and amount below.

| <u>DESCRIPTION</u> | <u>AMOUNT</u>         |
|--------------------|-----------------------|
| 1. _____           |                       |
| 2. _____           |                       |
| 3. _____           |                       |
| 4. _____           |                       |
| 5. _____           |                       |
| 6. _____           |                       |
| 7. _____           |                       |
| 8. _____           |                       |
| 9. _____           |                       |
| <b>Total</b>       | <b>\$ <u>NONE</u></b> |

OTHER EXPENSES NOT RELATING TO REPRESENTATIONAL OBLIGATIONS

| <u>DESCRIPTION</u> | <u>AMOUNT</u>         |
|--------------------|-----------------------|
| 1. _____           |                       |
| 2. _____           |                       |
| 3. _____           |                       |
| 4. _____           |                       |
| 5. _____           |                       |
| 6. _____           |                       |
| 7. _____           |                       |
| 8. _____           |                       |
| 9. _____           |                       |
| <b>Total</b>       | <b>\$ <u>NONE</u></b> |