

**THE FINANCIAL STATEMENT AND
SUPPLEMENTAL INFORMATION OF
WASHINGTON TEACHERS ASSOCIATION
FOR THE YEAR ENDED
AUGUST 31, 2010**

INDEPENDENT AUDITORS' REPORT

To the Executive Board
Washington Teachers Association

We have audited the accompanying statement of cash receipts and disbursements of **Washington Teachers Association** (a nonprofit organization) for the year ended August 31, 2010. This financial statement is the responsibility of the management of **Washington Teachers Association**. Our responsibility is to express an opinion on this financial statement 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 statement of 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 presentation of the statement of cash receipts and disbursements. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 3, this financial statement has been 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 **Washington Teachers Association** as of August 31, 2010, on the basis of accounting described in the Note 3.

Islip Company, LLP

Sacramento, California
November 9, 2010

**WASHINGTON TEACHERS ASSOCIATION
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED AUGUST 31, 2010**

Cash Receipts	
Dues income	\$ 79,169
Interest income	375
Other income	<u>1,705</u>
Total Cash Receipts	<u>81,249</u>
Cash Disbursements	
Activities and programs	11,727
Associate staff salaries	11,000
Employer payroll tax expense	1,073
General leadership	4,484
Leadership conferences and workshops	1,900
Officers telephone expense	2,190
Accounting and auditing	3,764
Office rent	10,200
Bank fees and service charges	12
Equipment rental	2,777
Insurance	764
Paper and supplies	2,229
Printing and duplicating	1,136
Postage	109
Taxes and licenses	10
Telephone expense	1,967
Computer and website design	125
CTA escrow	57
Scholarships	<u>2,050</u>
Total Cash Disbursements	<u>57,574</u>
Net Change in Cash	23,675
Cash, Beginning of Period	<u>82,564</u>
Cash, End of Period	<u><u>\$ 106,239</u></u>

See accompany notes.

WASHINGTON TEACHERS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

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 a not-for-profit organization that is exempt from income taxes 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.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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, 2010.

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

To the Executive Board
Washington 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
November 9, 2010

Washington Teachers Association AGENCY FEE CALCULATION

This calculation is based on chapter expenditures for the 2009-2010 fiscal year.

CHARGEABLE EXPENSES

Office Expenses	.....	\$	<u>19,319</u>
Staff Wages and Benefits	.....		<u>12,073</u>
Negotiations	.....		<u>5,576</u>
Grievance Processing	.....		<u>-</u>
Governance	.....		<u>2,190</u>
Conferences/Workshops Relating Primarily to			
Representational Obligations	.....		<u>6,384</u>
Communications	.....		<u>-</u>
Legal Expenses Relating to Representational			
Obligations	.....		<u>5,166</u>
Social Activities	.....		<u>-</u>
Other Expenses Relating to Representational			
Obligations (List Major Categories of Expenditures			
on Attached Form)	.....		<u>3,831</u>
Total Chargeable Expenses	.....		<u>54,539</u>

NON-CHARGEABLE EXPENSES

Political Activities and Contributions	.....		<u>-</u>
Legislative and Initiative Activities	.....		<u>-</u>
Membership Recruitment/Members-Only Programs	.....		<u>-</u>
Public Relations Designed to Enhance Teacher			
Image Generally	.....		<u>985</u>
Charitable Contributions/Scholarships	.....		<u>2,050</u>
Other Expenses Not Relating to Representational			
Obligations (List Major Categories of Expenditures			
on Attached Form)	.....		<u>-</u>
Total Non-chargeable Expenses	.....		<u>3,035</u>
Total Expenses	.....	\$	<u>57,574</u>

PERCENTAGE CHARGEABLE EXPENSES 94.73 %

PERCENTAGE NON-CHARGEABLE EXPENSES 5.27 %

OTHER EXPENSES RELATING TO REPRESENTATIONAL OBLIGATIONS

Describe each major expense category and amount below.

<u>DESCRIPTION</u>	<u>AMOUNT</u>
1. Accounting and auditing	3,764
2. Taxes and licenses	10
3. CTA escrow expense	57
4. _____	
5. _____	
6. _____	
7. _____	
8. _____	
9. _____	
Total	\$ 3,831

OTHER EXPENSES NOT RELATING TO REPRESENTATIONAL OBLIGATIONS

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