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Coalition of Graduate Employees AFT Local 6069

Finance Summary

June 30, 2022

Review Engagement

- A review engagement was performed this year rather than an audit.
- The financials are reported on the modified cash basis and not the accrual basis. The primary reason is because the June dues withheld in June are not received and recorded as income until July when received. Per capita dues paid are recorded as expense in the month the dues are received.

Cash

- Cash decreased \$54K due to the excess of expense over income for the year.
- Cash and investments represent about 2 years of operating expenses.
- All CD's were cashed out in June 2022 and deposited to a money market account.
- Consider moving some cash to a different bank. Bank FDIC limits cover balances up to \$250K at any one bank so any excess is at risk of loss.

Revenues, Membership & Per Capita

- Membership decreased by an average of 37 members from the prior year.
- The average wage for members increased 6% from the prior year.
- The average member pays about \$489 in dues per year, up from \$485 in the prior year.
- There were fewer members in the higher dues income brackets.
- Total dues revenue decreased over \$10K from the prior year.
- A \$10K grant from AFT-OR was received to use toward the "Vax 2 School" vaccine clinics.

Expenses

- Per capita expense represents 63% of dues revenue.
- Operating expenses were about \$210K last year and \$174K the year before. Operating expenses do not include per capitas and depreciation.
- Operating expense increase of \$36K is related to:
 - Increase of about \$13K employee salaries due to the increase in contract salaries and allowances.
 - Contributions, social, and outreach increased about \$23K due to increases of \$14K in Hardship Fund awards to members, and \$9K spent of Vax 2 School vaccine clinics.
 - The copier was purchased for \$2,350 and expensed.

Other

- We recommend increasing the amount to capitalize fixed assets from \$1,000 to \$2,500. CGE doesn't have many fixed assets to capitalize and writing off an asset of \$1,000 over 5-7 years holds an administrative and reporting burden. The copier purchase of \$2,350 was expensed in full.
- Journal Entries:
 - Cancel stale and duplicate transactions,
 - Record copier purchase,
 - Record the amounts withheld from employee salaries for health insurance to reduce CGE's health insurance expense account. The amounts were in a liability account.
 - Please see attached journal entries report.
- We encourage the organization to continue to work on documenting financial procedures and internal systems for document retention and storage. This helps ensure a smooth transition when there is staff turnover.
- An employer retirement plan was adopted in January 2023 after this fiscal year-end and therefore it is not included in this report.