

**PHILADELPHIA FEDERATION OF TEACHERS**  
**LOCAL 3 - AMERICAN FEDERATION OF TEACHERS**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED MAY 31, 2020 AND 2019**

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## INDEPENDENT AUDITORS' REPORT

To the Executive Board  
Philadelphia Federation of Teachers  
Local 3 - American Federation of Teachers

We have audited the accompanying financial statements of the Philadelphia Federation of Teachers Local 3 – American Federation of Teachers (a nonprofit organization), which comprise the statements of financial position as of May 31, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis for Qualified Opinion**

As disclosed in Note 2 to the financial statements, the accounts of the Philadelphia Federation of Teachers Committee to Support Public Education (CSPE) are not included in the accompanying financial statements. In our opinion, accounting principles generally accepted in the United States of America require that the CSPE be consolidated.

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**Qualified Opinion**

In our opinion, except for the effects on the unconsolidated amounts noted in Note 2, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Philadelphia Federation of Teachers Local 3 as of May 31, 2020 and 2019 and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Handwritten signature in cursive script, appearing to read "Jeffrey R. Kohn, CPA".

January 12, 2021

**PHILADELPHIA FEDERATION OF TEACHERS  
LOCAL 3 - AMERICAN FEDERATION OF TEACHERS  
STATEMENTS OF FINANCIAL POSITION  
MAY 31, 2020 AND 2019**

	2020			2019		
	GENERAL FUND	STRIKE FUND	TOTAL	GENERAL FUND	STRIKE FUND	TOTAL
<b>ASSETS</b>						
<b>Cash</b>	\$ 683,680	\$ -	\$ 683,680	\$ 809,653	\$ -	\$ 809,653
<b>Accounts Receivable</b>						
Members' Dues	467,835	-	467,835	453,682	-	453,682
Other Receivables	5,000	-	5,000	-	-	-
Due from General Fund	-	3,595,808	3,595,808	-	3,001,587	3,001,587
Due from Affiliate	32,411	-	32,411	6,863	-	6,863
Total Accounts Receivable	505,246	3,595,808	4,101,054	460,545	3,001,587	3,462,132
<b>Prepaid Expenses and Deposits</b>	32,469	-	32,469	90,320	-	90,320
<b>Property and Equipment</b>						
Furniture and Fixtures	61,740	-	61,740	61,740	-	61,740
Less: Accumulated Depreciation	(58,693)	-	(58,693)	(51,923)	-	(51,923)
Net Property and Equipment	3,047	-	3,047	9,817	-	9,817
<b>TOTAL ASSETS</b>	<u>\$ 1,224,442</u>	<u>\$ 3,595,808</u>	<u>\$ 4,820,250</u>	<u>\$ 1,370,335</u>	<u>\$ 3,001,587</u>	<u>\$ 4,371,922</u>
<b>LIABILITIES</b>						
Accrued Expenses	\$ 644,127	-	\$ 644,127	\$ 535,029	-	\$ 535,029
Payable to Philadelphia Federation of Teachers Pension Plan	313,202	-	313,202	294,969	-	294,969
Due to Strike Fund	3,595,808	-	3,595,808	3,001,587	-	3,001,587
Due to Affiliates	1,257,050	-	1,257,050	1,456,007	-	1,456,007
Total Liabilities	5,810,187	-	5,810,187	5,287,592	-	5,287,592
<b>NET ASSETS</b>						
Net Assets Without Donor Restrictions	(4,585,745)	3,595,808	(989,937)	(3,917,257)	3,001,587	(915,670)
<b>NET ASSETS</b>	<u>(4,585,745)</u>	<u>3,595,808</u>	<u>(989,937)</u>	<u>(3,917,257)</u>	<u>3,001,587</u>	<u>(915,670)</u>
<b>TOTAL LIABILITIES AND NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>\$ 1,224,442</u>	<u>\$ 3,595,808</u>	<u>\$ 4,820,250</u>	<u>\$ 1,370,335</u>	<u>\$ 3,001,587</u>	<u>\$ 4,371,922</u>

The accompanying notes are an integral part of these financial statements.

**PHILADELPHIA FEDERATION OF TEACHERS  
LOCAL 3 - AMERICAN FEDERATION OF TEACHERS  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED MAY 31, 2020 AND 2019**

	2020			2019		
	GENERAL FUND	STRIKE FUND	TOTAL	GENERAL FUND	STRIKE FUND	TOTAL
<b>REVENUES</b>						
Members' Dues	\$ 7,235,356	\$ 803,930	\$ 8,039,286	\$ 7,212,005	\$ 801,334	\$ 8,013,339
Staff Assistance	37,800	-	37,800	35,641	-	35,641
Interest Income	5,124	-	5,124	4,314	-	4,314
Defense Grants	1,338	-	1,338	1,103	-	1,103
Miscellaneous Income	1,522	-	1,522	266	-	266
Total Revenues	<u>7,281,140</u>	<u>803,930</u>	<u>8,085,070</u>	<u>7,253,330</u>	<u>801,334</u>	<u>8,054,663</u>
<b>EXPENSES</b>						
Program Expenses - Member Services and Benefits:						
Per Capita	3,673,646	-	3,673,646	3,496,540	-	3,496,540
Servicing	2,834,847	127,366	2,962,213	2,872,246	190,037	3,062,283
Support Services:						
General and Administrative	1,441,135	82,343	1,523,478	1,458,035	62,315	1,520,350
Total Expenses	<u>7,949,628</u>	<u>209,709</u>	<u>8,159,337</u>	<u>7,826,821</u>	<u>252,352</u>	<u>8,079,173</u>
<b>(DECREASE)/INCREASE IN TOTAL NET ASSETS</b>	<u>(668,488)</u>	<u>594,221</u>	<u>(74,267)</u>	<u>(573,491)</u>	<u>548,982</u>	<u>(24,509)</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR</b>	<u>(3,917,257)</u>	<u>3,001,587</u>	<u>(915,670)</u>	<u>(3,343,766)</u>	<u>2,452,605</u>	<u>(891,161)</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR</b>	<u>\$ (4,585,745)</u>	<u>\$ 3,595,808</u>	<u>\$ (989,937)</u>	<u>\$ (3,917,257)</u>	<u>\$ 3,001,587</u>	<u>\$ (915,670)</u>

The accompanying notes are an integral part of these financial statements.

**PHILADELPHIA FEDERATION OF TEACHERS  
LOCAL 3 - AMERICAN FEDERATION OF TEACHERS  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED MAY 31, 2020 AND 2019**

	2020	2019
<b>Cash Flow From Operating Activities</b>		
Change in Net Assets	\$ (74,267)	\$ (24,509)
Adjustment to Reconcile Change Net Assets Without Donor Restrictons to Net Cash Provided by Operating Activities:		
Depreciation	6,770	6,554
Effect of Changes in Operating Assets and Liabilities:		
Members' Dues	(14,153)	(28,571)
Other Receivables	(5,000)	-
Due from General Fund	(594,221)	(548,982)
Prepaid Expenses and Deposits	57,851	5,458
Payable to Philadelphia Federation of Teachers Pension Plan	18,234	294,969
Due to Strike Fund	594,221	548,982
Due to/from Affiliates	(224,506)	(205,717)
Accrued Expenses	109,098	169,639
Net Cash (Used in)/Provided by Operating Activities	(125,973)	217,823
<b>Cash Flow From Investing Activities</b>		
Capital Expenditures	-	(1,561)
Net Cash (Used in) Investing Activities	-	(1,561)
<b>Net (Decrease)/ Increase In Cash and Cash Equivalents</b>	(125,973)	216,262
<b>Cash and Cash Equivalents, Beginning of Year</b>	809,653	593,391
<b>Cash and Cash Equivalents, End of Year</b>	\$ 683,680	\$ 809,653

The accompanying notes are an integral part of these financial statements.

**PHILADELPHIA FEDERATION OF TEACHERS  
LOCAL 3 - AMERICAN FEDERATION OF TEACHERS  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2020**

Note 1 - **ORGANIZATION'S ACTIVITY**

The Philadelphia Federation of Teachers, Local 3 - American Federation of Teachers (PFT or the Organization) is a non-profit labor organization serving employees of the School District of Philadelphia as a local of the American Federation of Teachers - AFL-CIO. The PFT was organized to advance the economic security, working conditions, professional interests of educational employees, to develop in the schools and community a devotion to democracy and to education as the foundation of democracy, to act as a representative of the educational employees in matters affecting schools, and to promote full and equal educational opportunities for all.

Note 2 - **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

In accordance with the constitution of the PFT, ten percent (10%) of all dues income is allocated to the Federation's Strike Fund. The accompanying financial statements present the activities of the Strike Fund separately, in accordance with certain principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Fund balances on the Statements of Financial Position are classified as net assets without donor restrictions, due to the absence of any outside restrictions.

**PFT – CSPE**

The Philadelphia Federation of Teachers Committee to Support Public Education (CSPE) is a voluntary, non-profit political action committee sponsored by the PFT whose mission is to support the well-being, interests and future of the labor movement and of the PFT through the elective process. The CSPE is administered by a committee consisting of members of the executive board of the PFT. In these circumstances, accounting principles generally accepted in the United States require consolidation of the financial statements of the CSPE with the PFT. The accompanying statements do not include the accounts of the CSPE. Total assets reflected in the separate financial statements of the CSPE as of May 31, 2020 and 2019 were \$698,748 and \$544,652, respectively; total revenues for the years ended May 31, 2020 and 2019 were \$286,906 and \$260,147, respectively, while total expenses were \$130,558 and \$383,908, respectively.

**Cash**

Cash consists of monies in a checking account. At May 31, 2020 and 2019, PFT has cash balances in a financial institution that exceeded federal depository limits. Management believes that it is not exposed to any significant risk on its cash accounts.



**PHILADELPHIA FEDERATION OF TEACHERS  
LOCAL 3 - AMERICAN FEDERATION OF TEACHERS  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2020**

Note 2 - **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

Property and equipment are stated at cost. Depreciation is provided for in amounts sufficient to relate the costs of depreciable assets to operations over their estimated service lives ranging from 5 to 10 years by use of the straight-line method. Upon sale or retirement, the costs and related accumulated depreciation is eliminated from the respective accounts. The resulting gain or loss is included in the determination of income. Maintenance and repairs are expensed as incurred except for the capitalization of major renewals and betterments that extend the life of the asset. Depreciation expense for the years ended May 31, 2020 and 2019 was \$6,770 and \$6,533, respectively. The Federation does not believe there has been any impairment of its property and equipment as of May 31, 2020.

**Members' Dues Receivable**

Members' dues receivable are stated at the amount management expects to collect from outstanding balances. Management has not recorded an allowance for doubtful accounts as the member base is relatively stable and management is not aware of any member disputes or financial difficulties.

**Income Taxes**

No provision has been made for income taxes due to PFT's tax exempt status under Section 501(c)(5) of the Internal Revenue Code. The IRS Form 990 informational tax returns of the Organization for 2019, 2018 and 2017 are subject to examination by the IRS and state taxing authorities, generally for three years after they are filed.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

**Subsequent Events**

Management has evaluated subsequent events through January 12, 2021, the date the financial statements were available to be issued.

The Collective Bargaining Agreement between the School District of Philadelphia and the Philadelphia Federation of Teachers which expired on August 31, 2020 has been extended until August 31, 2021. All the terms of conditions of the collective bargaining agreement will continue in full force and effect except for the following:

- Effective August 16, 2020, employees shall receive a 2% salary increase.
- Effective the pay period beginning January 4, 2021, employees not at the maximum of the salary scale applicable to their pay step shall receive an increment consistent with the salary schedule in effect.

**PHILADELPHIA FEDERATION OF TEACHERS  
LOCAL 3 - AMERICAN FEDERATION OF TEACHERS  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2020**

**Note 3 - MEMBERS' DUES**

Members pay dues equal to one percent of their earnings and they are recorded on a biweekly basis based on each member's biweekly earnings. Ninety percent of dues are allocated to the General Fund and ten percent are allocated to the Strike Fund. On June 19, 2017, the Philadelphia Federation of Teachers and the Philadelphia School District came to agreement on a new collective bargaining agreement, which had previously expired, after extension on August 31, 2012. The new collective bargaining agreement expires on August 31, 2020 and provided for salary increases as follows:

Employees at the top step received the following lump sum payments and salary increases:

1. A 3% lump sum payment upon the ratification of the new collective bargaining agreement.
2. A 4% lump sum payment at September 1, 2017 and September 1, 2018.
3. A 2% lump sum payment at September 1, 2019 and a 2% salary increase.

Employees not at the top step received the following lump sum payments and salary increases:

1. Eligible employees (hired prior to September 1, 2016) shall move up one step and be paid a lump sum payment.
2. All employees on step, not at maximum, shall move up one step effective September 1, 2017.
3. All employees not at maximum shall move one step effective September 1, 2018.
4. All employees not at maximum shall move one step effective September 1, 2019.
5. All employees not at maximum shall receive a 2% salary increase on September 1, 2019.
6. Eligible employees hired before September 1, 2014 and not at maximum shall move up an additional step.
7. Eligible employees hired before September 1, 2015 and not at maximum shall move up one step Effective July 1, 2020.
8. Eligible employees shall receive credit for approved advanced degrees including senior career teacher effective September 1, 2017.

**Note 4 - PENSION AND RETIREMENT PLANS**

PFT contributes to a multi-employer defined contribution pension plan covering substantially all of its clerical employees. The plan is funded by payments to the United Steel Workers International Union – Local 286 Pension Fund. For the years ended May 31, 2020 and 2019, pension expense for this plan was \$7,801 and \$7,651, respectively and is included within employee benefits and payroll taxes expense in the Supplemental Schedule of Functional Expenses.

PFT contributes to a defined contribution plan covering all professionals and staff members. Contributions are based on 7.5% of compensation paid to plan participants. For the years ended May 31, 2020 and 2019, pension expense for this plan was \$23,974 and \$19,076, respectively and is included within employee benefits and payroll taxes expense line item in the Supplemental Schedule of Functional Expenses.

**PHILADELPHIA FEDERATION OF TEACHERS  
LOCAL 3 - AMERICAN FEDERATION OF TEACHERS  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2020**

Note 4 - **PENSION AND RETIREMENT PLANS (CONTINUED)**

On January 1, 2018, the PFT established a multiemployer defined benefit plan (the Plan) covering all clerical members of the PFT, AFT-PA and other affiliated entities. The legal name of the pension plan is Philadelphia Federation of Teachers Pension Plan, EIN 82-4483589 and the Plan number is 001. The measurement date of the Plan was December 31, 2019. The collective bargaining agreement of PFT requires minimum contributions in the future to the Plan. The projected amount of future contributions cannot be determined at this time. The Plan had an unfunded actuarial accrued liability of \$1,450,116 at December 31, 2019. There were Plan assets of \$734,096 and \$362,528 at December 31, 2020 and 2019, respectively. The PFT was listed in the Plan's Form 5500 as providing more than 5% of the total contribution to the Plan.

The total contributions the employers made to Plan for the year ended May 31, 2020 were \$371,568. The PFT is required to make contributions to the Plan based upon accepted actuarial methods and assumptions in accordance with the Plan document. For the years ended May 31, 2020 and 2019, the employer contribution expense to the plan was \$94,392 and \$372,892. The amount due to the Philadelphia Federation of Teachers Pension Plan for the years ended May 31, 2020 and 2019 were \$313,202 and \$294,969, respectively.

Note 5 - **RELATED PARTY TRANSACTIONS**

**1816 Chestnut Street Corporation**

PFT leases office space for operations from the 1816 Chestnut Street Corporation on a month-to-month basis. Rent expense for the years ended May 31, 2020 and 2019 was \$222,038, respectively. There was no payable due to 1816 for the years ended May 31, 2020 and 2019.

**AFT Pennsylvania**

PFT is a member of the AFT Pennsylvania (AFT-PA) and is required to pay Per Capita dues. Per Capita dues to the PAFT for the years ended May 31, 2020 and 2019, net of rebates, were \$914,542 and \$836,589, respectively. There were no amounts due to the AFT-PA, net of interoffice expense reimbursements at May 31, 2020 or May 31, 2019.

**Philadelphia Federation of Teachers, Health and Welfare Fund**

PFT and the Health and Welfare Fund reimbursed each other for various interoffice expenses, including a portion of the controller's salary and fringe benefits during 2020 and 2019. The total reimbursed salary and fringe benefits for the years ended May 31, 2020 and 2019 was \$81,917 and \$81,340, respectively. There was \$18,555 due from the Health and welfare fund at May 31, 2020. There was no due to or due from the Health and Welfare Fund for the years ended May 31, 2019.

**Philadelphia Federation of Teachers, Legal Services Fund**

PFT and the Legal Services Fund reimburse each other for various interoffice expenses. The total reimbursed interoffice expenses for the years ended May 31, 2020 and 2019 was \$128,785 and \$127,895 respectively. There was \$3,303 due from the Legal Services Fund at May 31, 2020. There were no amounts due to or due from the Legal Services Fund at May 31, 2019.

**PHILADELPHIA FEDERATION OF TEACHERS  
LOCAL 3 - AMERICAN FEDERATION OF TEACHERS  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2020**

Note 5 - **RELATED PARTY TRANSACTIONS (CONTINUED)**

**American Federation of Teachers (AFT)**

PFT is a member of the American Federation of Teachers (AFT) and is required to pay Per Capita dues. Per Capita dues to the AFT for the years ended May 31, 2020 and 2019 were \$2,488,507 and \$2,488,507, respectively. The PFT was indebted to The American Federation of Teachers (AFT) in the amount of \$2,062,792 for unpaid member dues. This amount includes \$1,692,519 that was due at May 31, 2015 and an additional \$370,273 for the June and July 2015 unpaid member dues. Effective August 2015 an agreement was reached between the PFT and AFT where the PFT is required to pay \$17,190 per month over the next ten-year period to satisfy the amount owed to the AFT. At May 31, 2020 and 2019, \$1,391,899 and \$1,445,857 was due to the AFT, respectively.

**Philadelphia Federation of Teachers Committee to Support Public Education**

The PFT acts as a collection agent for the PFT Committee to Support Public Education (CSPE) for voluntary contributions deducted from paychecks of members of the Philadelphia School District. The contributions are remitted by the School District to the PFT, who in turn remits these funds to the CSPE.

PFT purchases tickets to sporting events and other items for CSPE to use for fundraising. The CSPE reimburses the PFT for a portion of the cost of these items. For the years ended May 31, 2020 and 2019, there was a payable to CSPE in the amounts of \$17,472 and \$10,150, respectively.

Note 6 - **MANAGEMENT'S PLANS**

As shown in the accompanying financial statements, PFT incurred an overall decrease in total net assets for the year ended May 31, 2020 of \$74,268. PFT has an overall deficit balance in net assets at May 31, 2020 and 2019 of \$989,938 and \$915,670. The deficit balance in net assets at May 31, 2017 initially created an uncertainty about PFT's ability to continue as an operating entity. PFT management has evaluated this condition and accordingly implemented a plan to address the financial condition and outlook of the PFT, management's plan includes the reduction of certain expenses and related changes in policies and procedures. Additionally, there was a new collective bargaining agreement ratified on June 19, 2017. The terms of the agreement provided for an increase in dues per member paid to the PFT by the Philadelphia School District, an increase of members, a one-time payments for the prior year step in pay increases due to members and bonus payments to members. Management notes that a partial reason for the decrease in net assets was due to the one-time charge for the initial funding of the new multiple employer pension plan. Management believes that based upon the increase revenues and due the pension expense for the years going forward will be much less, there will be a continued improvement to PFT's current financial condition and outlook going forward. Additionally, PFT continues to meet all of its obligations as they become due. The financial statements do not include any adjustments that might be necessary if PFT is unable to continue its operations.

**PHILADELPHIA FEDERATION OF TEACHERS  
LOCAL 3 - AMERICAN FEDERATION OF TEACHERS  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2020**

Note 7 - **FUNCTIONAL EXPENSES**

In accordance with ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, the PFT has elected to report its natural expenses on its statement of activities and its functional expenses in the table below. The allocation of expenses is based upon the estimate of time and effort. Accordingly, the PFT functional expenses, for the years ended May 31, 2020 and 2019 are as follows:

	Program Services Expenses		Operating Expenses	
	2020	2019	2020	2019
<b>PER CAPITA</b>				
AFT Pennsylvania	\$ 1,506,787	1,416,027	-	-
Less: Rebates	(592,245)	(579,438)	-	-
	\$ 914,542	836,589	-	-
American Federation of Teachers	2,571,808	2,488,507	-	-
Other	187,295	171,444	-	-
<b>Total Per Capita</b>	<u>3,673,646</u>	<u>3,496,540</u>	-	-
Payroll	1,637,476	1,690,809	-	-
Employee Benefits and Payroll Taxes	914,192	1,100,104	-	-
Arbitration Expenses	10,114	4,940	-	-
Auto Expenses	8,504	3,018	-	-
Conferences, Conventions, Meetings, and Committees	25,320	91,942	-	-
Executive Board Expense	12,960	15,840	-	-
Legal Expense	124,742	77,744	-	-
Membership Meetings	200	5,280	-	-
School Representative Meetings	6,040		-	-
Elections	160,231		-	-
Staff Expenses:				
Mileage	-	933	-	-
Staff Reimbursements	62,434	71,266	-	-
Transcripts	-	408	-	-
Payroll			393,648	401,418
Employee Benefits and Payroll Taxes			410,723	490,562
Contributions			11,900	16,500
Data Processing			29,947	33,926
Depreciation			6,770	6,553
Insurance			39,491	40,134
Maintenance and Repair			5,466	3,558
Miscellaneous:				
Office Supplies and Expenses			94,417	64,093
Postage			40,856	3,211
Printing			88,083	52,186
Professional Fees			52,014	28,762
Public Relations			43,299	52,587
Rentals:				
Office			222,038	222,038
Equipment			48,435	63,493
Subscriptions and Publications			85	367
Telephone			29,695	29,679
Testimonials			6,610	11,283
<b>Total Expenses</b>	<u>6,635,859</u>	<u>6,558,824</u>	<u>1,523,478</u>	<u>1,520,350</u>

**PHILADELPHIA FEDERATION OF TEACHERS  
LOCAL 3 - AMERICAN FEDERATION OF TEACHERS  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2020**

**Note 8 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The PFT regularly monitors liquidity required to meet its operating needs and other contractual commitments. The PFT's sources of liquidity at its disposal are cash and total accounts receivable.

For the purposes of analyzing resources available to meet general expenditures over a 12-month period, the AFT-PA considers all expenditures related to its ongoing activities of its programs as well as the conduct of services undertaken to support those activities to be general expenditures.

The following reflects the Fund's financial assets at May 31, 2020:

Cash	\$ 683,680
Total Accounts Receivable	505,246
Total Financial Assets	<u>\$ 1,188,926</u>

Financial assets available to meet cash needs for general expenditures within one year are \$1,188,926. Refer to the statement of activities, which identifies the sources of the PFT's cash and decrease in net assets without donor restrictions for the year ended May 31, 2020.

**Note 9 - CONTINGENCIES**

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which could have a financial impact the Organization. Such potential impact is unknown at this time.