

CALIFORNIA TEACHERS ASSOCIATION REPORT OF THE TREASURER For January 2011

The financial reports for the period ended January 31, 2011 are attached. The reports are unaudited but represent all transactions processed through January 31. Comments regarding the specific reports follow.

Active Membership and FDE

CTA's current FDE is approximately 271,000 as of January 31, 2011. (Note: The increase/decrease in members in any month may not correlate (one-to-one) with the FDE increase/decrease due to the impact of full-time and various part-time categories in calculating FDE.)

Statement of Financial Position

Our financial position is good. CTA's current ratio at January 31 is 3.41:1. That means that for every \$1 owed, \$3.41 is available to pay the bills. The current ratio at December 31 was 3.14:1.

One measurement of an organization's ability to pay its debts is the current ratio (current assets divided by current liabilities). Current assets represent assets available to pay the current (or short-term) liabilities of an

organization. A general guideline for an organization to strive for is a 2:1 current ratio.

Summary of Income/Expenses

CTA is operating within adopted budgeted guidelines for the five months ended January 31, 2011.

Informational Financial Topic – IRS Public Inspection Guidelines

The IRS public inspection guidelines require tax exempt organizations to make available upon request their Form 990 Return of Organization Exempt from Income Tax. The guidelines specify tax returns for the last three years and the approved exempt application be made available. The IRS allows the organization to charge a reasonable fee for duplication and actual postage costs.

In compliance with the guidelines, CTA provides copies of its Form 990 to the Governmental Relations and Regional Offices in addition to Burlingame headquarters. CTA, as allowed by the IRS guidelines, keeps a log of requests made for Form 990.