

**GRADUATE TEACHING FELLOWS FEDERATION LOCAL 3544
AND AFFILIATE**

CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2023



GRADUATE TEACHING FELLOWS FEDERATION LOCAL 3544 AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Graduate Teaching Fellows Federation Local 3544 and Affiliate
Eugene, Oregon

We have reviewed the accompanying consolidated financial statements of Graduate Teaching Fellows Federation Local 3544 and affiliate (nonprofit organizations), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Graduate Teaching Fellows Federation Local 3544 and affiliate and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Jones & Roth, P.C.
Eugene, Oregon
June 11, 2024

CONSOLIDATED FINANCIAL STATEMENTS

GRADUATE TEACHING FELLOWS FEDERATION LOCAL 3544 AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2023

	Union	Health and Welfare Trust	Eliminations	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 329,144	\$ 564,928	\$ -	\$ 894,072
Accounts receivable	85,780	358,133	(55,165)	388,748
Prepaid expenses	11,479	-	(8,544)	2,935
	426,403	923,061	(63,709)	1,285,755
Property and equipment				
Furniture and equipment	14,457	-	-	14,457
Leasehold improvements	1,813	-	-	1,813
Accumulated depreciation	(16,270)	-	-	(16,270)
	-	-	-	-
Other assets				
Operating lease right-of-use assets, net	316,546	-	-	316,546
Security deposits	500	-	-	500
	317,046	-	-	317,046
Total assets	\$ 743,449	\$ 923,061	\$ (63,709)	\$ 1,602,801
Liabilities and Net Assets				
Current liabilities				
Accounts payable	\$ 23,788	\$ 47,481	\$ (55,165)	\$ 16,104
Deferred Revenue	-	8,544	(8,544)	-
Payroll related liabilities	1,545	-	-	1,545
Operating lease liability, current portion	17,249	-	-	17,249
Other liabilities	4,169	-	-	4,169
	46,751	56,025	(63,709)	39,067
Noncurrent liabilities				
Operating lease liability, net of current portion	299,297	-	-	299,297
	346,048	56,025	(63,709)	338,364
Net assets without donor restrictions	397,401	867,036	-	1,264,437
Total liabilities and net assets	\$ 743,449	\$ 923,061	\$ (63,709)	\$ 1,602,801

See independent accountant's review report and accompanying notes,
which are an integral part of these consolidated statements.

GRADUATE TEACHING FELLOWS FEDERATION LOCAL 3544 AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

	Union	Health and Welfare Trust	Eliminations	Total
Revenues, gains, and other support				
Per capita dues	\$ 530,610	\$ -	\$ -	\$ 530,610
Premium receipts	-	11,512,998	-	11,512,998
Administrative fees	105,797	-	(105,797)	-
Other income	5,664	29	-	5,693
Interest income	1,453	-	-	1,453
 Total revenues, gains, and other support	 643,524	 11,513,027	 (105,797)	 12,050,754
 Expenses				
Program services	664,107	11,475,915	(20,270)	12,119,752
General and administrative	14,480	107,491	(85,527)	36,444
 Total expenses	 678,587	 11,583,406	 (105,797)	 12,156,196
 Change in net assets without donor restrictions	 (35,063)	 (70,379)	 -	 (105,442)
 Net assets, without donor restrictions, beginning of year	 432,464	 937,415	 -	 1,369,879
 Net assets, without donor restrictions, end of year	 \$ 397,401	 \$ 867,036	 \$ -	 \$ 1,264,437

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GRADUATE TEACHING FELLOWS FEDERATION LOCAL 3544 AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2023

	Union	Health and Welfare Trust	Total
Cash flows from operating activities			
Change in net assets	\$ (35,063)	\$ (70,379)	\$ (105,442)
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation expense	669	-	669
Amortization of operating lease right-of-use assets	16,682	-	16,682
(Increase) decrease in:			
Accounts receivable	45,932	(49,532)	(3,600)
Prepaid expenses	(11,393)	-	(11,393)
Increase (decrease) in:			
Accounts payable	14,013	(117,058)	(103,045)
Deferred revenues	-	1,950	1,950
Payroll liabilities	(2,444)	-	(2,444)
Operating lease liabilities	(16,682)	-	(16,682)
	11,714	(235,019)	(223,305)
Net cash provided (used) by operating activities			
Cash flows from investing activities			
Maturity of certificate of deposit	108,575	-	108,575
Net increase (decrease) in cash and cash equivalents			
	120,289	(235,019)	(114,730)
Cash and cash equivalents, beginning of year	208,855	799,947	1,008,802
Cash and cash equivalents, end of year			
	\$ 329,144	\$ 564,928	\$ 894,072
Noncash financing and investing cash flow information			
Operating lease right-of-use assets obtained	\$ 333,228	\$ -	\$ 333,228
Operating lease liabilities exchanged for right-of-use assets	(333,228)	-	(333,228)
Cash paid for operating lease right-of-use assets	\$ -	\$ -	\$ -

See independent accountant's review report and accompanying notes,
which are an integral part of these consolidated statements.

GRADUATE TEACHING FELLOWS FEDERATION LOCAL 3544 AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2023

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries and wages	\$ 156,898	\$ 8,258	\$ 165,156
Payroll taxes and benefits	59,641	3,139	62,780
Affiliation fees	252,111	-	252,111
Rent	26,434	1,391	27,825
Insurance	333	18	351
Utilities	9,332	491	9,823
Postage and shipping	653	33	686
Office supplies and expense	33,145	1,744	34,889
Conventions and conferences	4,921	-	4,921
Executive meetings and council meetings	27,732	-	27,732
Organizing, collective bargaining	3,756	-	3,756
Miscellaneous	100,430	-	100,430
Professional fees	-	21,337	21,337
Depreciation	636	33	669
Insurance premiums	11,443,730	-	11,443,730
Total functional expenses	<u>\$ 12,119,752</u>	<u>\$ 36,444</u>	<u>\$ 12,156,196</u>

See independent accountant's review report and accompanying notes,
which are an integral part of these consolidated statements.

GRADUATE TEACHING FELLOWS FEDERATION LOCAL 3544 AND AFFILIATE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Organization

The Graduate Teaching Fellows Federation Local 3544 (the Federation) is a nonprofit corporation and is the exclusive bargaining agent for graduate teaching fellows at the University of Oregon. The Federation negotiates and administers the bargaining units' employment contracts, works with the employer to settle grievances and disputes, represents employees in the bargaining unit, and maintains the associational existence of the local union. The dues collected from these professionals support the union.

Graduate Teaching Fellows Federation Health and Welfare Trust (the Trust) administers the Federation's health and welfare plan and purchases medical, dental, and vision insurance coverage under terms of the collective bargaining agreement between the Federation and the University of Oregon and assists beneficiaries in understanding and using the plan. The Trust contracts with independent insurance carriers to provide the medical, dental, and vision coverage.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Graduate Teaching Fellows Federation Local 3544 and the Graduate Teaching Fellows Federation Health and Welfare Trust (together known as the Organization). The Trust is consolidated because the Federation has both an economic interest in the Trust and control of the Trust through a majority voting interest in its governing board. All material inter-organization transactions have been eliminated. All members of the Federation are also members of the Trust. The Federation and the Trust share common facilities and personnel. The Trust pays a fee to the Federation for administering the Trust.

Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, the consolidated financial statements reflect all significant receivables, payables, and other liabilities. U.S. GAAP requires the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. There were no net assets with donor restrictions at June 30, 2023.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income Tax Status

The Federation is an unincorporated association exempt from state and federal income taxes to the extent of non-political deductions under Section 501(c)(5) of the Internal Revenue Code (IRC). The Trust is incorporated under the laws of the state of Oregon and is exempt from federal income taxes under IRC Section 501(c)(9). Therefore, no provision for income taxes has been made in the consolidated financial statements.

GRADUATE TEACHING FELLOWS FEDERATION LOCAL 3544 AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Recent Accounting Standards Adopted

During the year ended June 30, 2023, the Organization implemented the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 842, *Leases*, using the modified retrospective approach, with July 1, 2022 as the date of initial application. The most significant change in the new leasing guidance is the requirement for lessees to recognize right-of-use (ROU) assets and lease liabilities for operating leases on the statement of financial position. The Organization elected to utilize all of the practical expedients available under the transition guidance within the new standard. Adoption of the new standard had a material impact on the Organization's statement of financial position, but did not have a material impact on the statement of activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. Adoption of the standard as of July 1, 2022 resulted in an increase in operating lease ROU assets of \$333,228, and an increase in operating lease liabilities of \$333,228 at the date of adoption. There was no impact to net assets.

Cash and Cash Equivalents

Cash and cash equivalents represent deposits in checking, savings, and money market accounts. The Organization considers all investment securities with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable for the Organization is comprised primarily of amounts receivable from the University of Oregon for dues withheld from Federation member wages and the University's portion of member insurance premiums. Credit risk associated with receivables is periodically reviewed by management. Management considered accounts receivable fully collectible at June 30, 2023; therefore, no allowance has been recorded. Accounts receivable balances at the beginning and end of the fiscal year are as follows:

Accounts receivable, beginning of year	\$	358,169
Accounts receivable, end of year	\$	388,748

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 are capitalized. Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, which range from five to seven years.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Operating leases, wherein the Organization is the lessee, are included in right-of-use (ROU) assets and lease liabilities in the statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less).

GRADUATE TEACHING FELLOWS FEDERATION LOCAL 3544 AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Leases, continued

The Organization's accounting policy is to not separate non-lease components and lease components when determining ROU assets and lease liabilities for all asset classes. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments for all asset classes.

Revenue Recognition

The Federation recognizes dues revenue from its members when earned, generally on a monthly basis as services are provided to members which is considered satisfaction of the performance obligation. The Trust recognizes insurance premium receipts revenue on a monthly basis as members are provided access to insurance, which is considered satisfaction of the performance obligation under the terms of the written contract with the University of Oregon and the implied contract with the members. There are no elements of variable consideration in the contracts. Revenue is considered without restrictions and is recorded as such in the consolidated statement of activities.

Expense Allocation

Expenses are categorized as either program services or general and administrative. Program services include direct and indirect costs related to providing services and performing activities to support the purpose for which the Organization exists. General and administrative expenses include costs related to supporting activities. Expenses are allocated directly or indirectly, according to estimated time incurred by the Organization's employees related to these areas.

3. Per Capita Dues

Per capita dues are set forth in the Federation's bylaws as determined by a vote of the membership. Currently, per capita are 2.10 percent for monthly income below \$1,110, 2.2 percent for monthly income between \$1,111 and \$1,944 and 2.3 percent for monthly income \$1,945 or higher of each Teaching Fellow's gross wages per month.

4. Leases

The Federation has an operating lease for its office space. The lease, including lease extension options that management is reasonably certain to exercise, expires December 31, 2037. Only lease options that the Federation believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities.

The lease agreement includes variable payments based on actual future costs to be incurred and others include payments adjusted periodically for inflation. As these future payments are not determinable at the lease commencement, they are not included in the measurement of the lease asset and liabilities. The Federation's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

GRADUATE TEACHING FELLOWS FEDERATION LOCAL 3544 AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. Leases, continued

Additional information about the Federation's leases for the year ended June 30, 2023 is as follows:

Components of lease cost:	
Operating lease cost	\$ 27,590
Variable lease cost	<u>234</u>
Total lease cost	<u>\$ 27,824</u>
Cash flow information:	
Cash paid for amounts included in measurement of lease liabilities:	
Operating cash flows from operating leases	<u>\$ (27,590)</u>
Right-of-use lease assets obtained in exchange for lease liabilities:	
Operating leases	<u>\$ 333,228</u>
Summary of lease-related assets and liabilities:	
Operating lease right-of-use assets	\$ 333,228
Accumulated amortization	<u>(16,682)</u>
Operating lease right-of-use assets, net	<u>\$ 316,546</u>
Current operating lease liabilities	\$ 17,249
Noncurrent operating lease liabilities	<u>299,297</u>
Total operating lease liabilities	<u>\$ 316,546</u>
Weighted-average remaining lease term:	
Operating leases	14.5 years
Weighted-average discount rate:	
Operating leases	3.35%

Future minimum lease payments under the non-cancelable lease agreement are as follows:

<u>Year Ended June 30,</u>	
2024	\$ 27,590
2025	27,590
2026	27,590
2027	27,590
2028	27,590
Thereafter	<u>262,109</u>
Total lease payments	400,059
Less: interest	<u>(83,513)</u>
Present value of lease liabilities	<u>\$ 316,546</u>

GRADUATE TEACHING FELLOWS FEDERATION LOCAL 3544 AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. Labor Force

The Federation is a proponent of organized labor, and accordingly, hires members of the Graduate Teaching Fellow Federation Staff Union (Union) to work in its organization. The collective bargaining agreement between the Federation and the Union was in effect through June 15, 2023. Subsequent to year end, a new collective bargaining agreement was signed for the period January 26, 2024 through June 15, 2026.

6. Employee Benefits

The Federation sponsors an unfunded, untrusted employee medical reimbursement program. Any part of the benefit not used to reimburse employee medical expenses reverts to the employee upon leaving the employ of the Federation.

As of June 30, 2023, accrued expenses included separation allowances payable in lieu of unused vacation and holiday wages to Federation employees in the amount of \$4,169.

7. Concentrations of Deposit and Credit Risk

Financial instruments that potentially subject the Organization to concentrations of deposit and credit risk, consist primarily of cash and cash equivalents and accounts receivable. The Organization places its cash primarily with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA). Amounts in excess of FDIC/NCUA coverage limits are not insured. Throughout the year cash and cash equivalent balances may periodically exceed FDIC/NCUA coverage based on the balance held by the financial institution. At June 30, 2023, the Federation had uninsured cash balances of \$6,090. At June 30, 2023, the Trust had an uninsured cash balance of \$316,509.

As of June 30, 2023, 99.48 percent of accounts receivable for the Organization was due from the University of Oregon.

8. Retirement Plan

The Federation provides a voluntary staff retirement plan (the Plan) that is available to all Federation staff members employed at a minimum of .5 FTE. The Plan is a tax sheltered 403(b) plan. The Federation will match participant contributions dollar for dollar up to a maximum of 7 percent of participant wages. Total matching contributions made during the year ended June 30, 2023, were \$11,631.

9. Liquidity and Availability of Resources

The Organization has a policy to manage its liquidity and reserves in order to meet its needs to fund operating expenditures. At June 30, 2023, the Organization's financial assets available for general expenditures within one year are comprised of the following:

Cash and cash equivalents	\$ 894,072
Receivables	<u>388,748</u>
Financial assets available for general expenditure	<u>\$ 1,282,820</u>

GRADUATE TEACHING FELLOWS FEDERATION LOCAL 3544 AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. Subsequent Events

Management evaluates events and transactions that occur after the consolidated statement of financial position date as potential subsequent events. Management has performed this evaluation through the date of the independent accountant's review report.