

The Philadelphia POSTAL WORKER

Vol. 29 No. 4

A Member of the APWU Postal Press Association

December 2009

President's Report



*Gwen Ivey,
President*

When will they stop? Management is continually plotting new ways to interfere with mail processing and disrupt our service to the public. Why? The end result is a concerted effort on their part to cut

our jobs, close stations and branch offices, consolidate mail processing plants and outsource our work.

The postal service is taking advantage of the poor state of our nation's economy to justify their war on its employees. They are attacking our jobs, our benefits, our service and dedication to our customers; in essence they are attacking our families and our way of life.

I recently attended the APWU All-Craft Conference. We came together at this conference from all over the United States, from each and every craft; all of our stories were the same regardless of where we were from: tour compression, job abolishment, excessing, station and branch closure, improper use of stand-by time and the list goes on.

I want everyone in the Philadelphia PA Area Local to know we are not alone, the USPS attacks are everywhere and we must stand

united in our fight against our enemies. At the conference, National Assistant Clerk Craft Director Mike Morris spoke at length about the station and branch closings. He also acknowledged the Locals on their successful fights to keep many of these offices from closing in their areas. Philadelphia was one of the Locals acknowledged at the conference; we were originally targeted for 15 station/branches to be considered for closure and we were successful in preventing 12 of them from being closed. Although that list is now down to three we are fighting hard to keep those stations open also.

We have written letters to all our elected officials - State and National Senators and Congressmen, City Council members, and most importantly we reached out to the community we serve and asked for support. We actively

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Financial Report



*Stacey
Franklin,
Treasurer*

The union's Certified Public Accountants have submitted the results of our 2008-2009 fiscal year audit. The union's financial position remains strong, however, membership has declined due to attrition

and management's freeze on hiring. We have initiated several cost-cutting measures, and will continue to cut costs to remain financially solvent.

INDEPENDENT AUDITORS' REPORT

To the Officers and Executive Board of the American Postal Workers Union AFL-CIO Philadelphia, PA Area Local
Darby, Pennsylvania

We have audited the accompanying statement of financial position of the **AMERICAN POSTAL WORKERS UNION AFL-CIO, PHILADELPHIA, PA AREA LOCAL** (a non-profit organization) as of June 30, 2009, and the related statements of activities, net assets, and cash flows, and schedules of expenses for the fiscal year then ended. These financial statements are the responsibility of the Union's management. Our responsibility is to express

an opinion on these financial statements based on our audit.

We conducted our 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material

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The opinions and views expressed in this paper are those of the writer and do not necessarily represent the opinions of the Editor or the Executive Board of this Local.

Send all communication to the Editor at the above address or via e-mail to dstevenson@phillyapwu.com.

Articles must be submitted by the second Thursday of the month. They must be typed. Letters must be signed. Name withheld upon request.

Visit our web site at
www.phillyapwu.org

President's Report

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support our customers by attending community meetings and participating in neighborhood rallies. We were also successful in getting Councilman Greenlee to submit a resolution to Philadelphia City Council to keep all of our city stations and branches open; I am happy to report that resolution passed unanimously. I spoke at City Hall with some of the activists groups about what is going on with the post office, and how it will affect the communities. I encouraged them to continue with the fight, because we are still fighting and will never stop.

There were over 3,000 stations/branches targeted across the United States for closure. The decisions to close these facilities are coming from the people that are out of touch with the public needs; they are made by the ones who sit on their backsides at headquarters. I have spoken to some supervisors who will tell me "off the record" they are short of workers, but won't tell the managers from headquarters what they really need to get the job done right. Where is the backbone of these people? Some supervisors or managers have informed headquarters about the needs on the work floor and what is really needed, but their pleas were disregarded. We are in a fight for the survival of the postal service. We, the workers, must pull together to fight and stop them from this mission they are on to destroy the postal service from within.

Local News

The Local is no longer under Article 12 excessing. Back in June, 2009, we were notified that 185 employees were identified as excess to the needs of the Philadelphia Installation. We were able to get that number down to about 85 and unfortunately they were excessed. On July 17, 2009, we were notified that we were back under Article 12 with 57 employee identified to be excessed, but because of the number of employees locally who took the retirement incentive of \$15,000.00 I am happy to report that we are no longer under Article 12. Thank goodness, we don't need to lose any more workers; we don't have enough as it is.

Please do not let supervisors work you as if you are two or three people. You are only one person and can only

do the work of one person. Remember, safety first, always! Our strength and our survival is dependent upon the cooperation of all our union members, and if you know of any non-union employees please talk to them and let them know, now is not the time to ride the backs of dues paying members and they should join the union to be a part of this fight to save our good jobs. Sitting on the sideline is not an option, you cannot sit back, cannot keep your eyes and ears closed to what is going on around you.

Other News

FERS employees now have the reward of being credited for their sick leave upon retirement. You will not get a payout for it, however, service time will be added which will increase your retirement annuity. The new law provides that FERS employee will get 50% of their unused sick leave credited to service time until 12/31/13, and then beginning 01/01/14, FERS employees will then receive credit for 100% of their unused sick leave.

The National Reassessment Program (NRP) continues, and we are still under phase two. The union attended a meeting Nov. 5, 2009, at the district office with management and their NRP representatives from USPS Headquarters. They will start the job search phase around December of 2009, to determine what category the limited duty & rehab employees will fit into. The NRP representatives estimate this phase will take about 2 months. If you fall under this category, you will be called for an interview with the NRP team to review your restrictions. It is very important that when you receive notification in reference to the scheduled interview, that you let the union know, so that we may assist you during this process.

Please, make sure your medical documentation and restrictions are updated. Your medical evidence should not only include what you can not do, but it should also include *what you can do*. The reassessment team will determine if a full or partial day modified duty assignment can be offered to you within your restrictions in our district. If no job offer is found in our area

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Financial Report

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respects, the financial position of the **AMERICAN POSTAL WORKERS UNION AFL-CIO, PHILADELPHIA, PA AREA LOCAL** as of June 30, 2009, and the changes in its net assets and its cash flows for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

LEIBOWITZ & GOLD, PC
Certified Public Accountants
Huntingdon Valley, Pennsylvania

November 20, 2009

AMERICAN POSTAL WORKERS
UNION AFL-CIO
PHILADELPHIA, PA AREA LOCAL

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009

ASSETS

CURRENT ASSETS

Cash-Notes 3, 8, 11	\$ 231,602
Certificates of	
Deposit-Notes 9, 11	448,967
Dues Receivable-Note 8	78,156
Deposits Paid	28,708
Others Receivable	3,604
Prepaid Expenses-Note 4	<u>28,220</u>

TOTAL CURRENT ASSETS \$ 819,257

EQUIPMENT AND REAL ESTATE-Notes 2, 5

Furniture and Fixtures	47,550
Office Equipment	183,015
Building and Improvements	1,800,441
Land	<u>138,442</u>
	2,169,448

Less: Accumulated
Depreciation 265,821

NET EQUIPMENT AND
REAL ESTATE 1,903,627

TOTAL ASSETS \$2,722,884

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	\$ 99,233
Withholdings	<u>5,781</u>

TOTAL CURRENT LIABILITIES \$ 105,014

NET ASSETS

Unrestricted:
Operating 2,617,870

TOTAL LIABILITIES AND
NET ASSETS \$2,722,884

AMERICAN POSTAL WORKERS
UNION AFL-CIO
PHILADELPHIA, PA AREA LOCAL

STATEMENT OF ACTIVITIES
JULY 1, 2008 TO JUNE 30, 2009

REVENUE

Dues	\$ 721,982
Interest	17,629
Hall Rental	
(net of expenses of \$3,193)	7,985
Reimbursed Wages	11,559
Miscellaneous	822
Organizing Incentives	<u>772</u>

TOTAL REVENUE \$ 760,749

EXPENSES - SEE SCHEDULE I

Salaries	461,324
Officers' Expenses	106,535
Per Capita and Dues to Affiliates	11,514
Election, Education, and Convention Expenses	75,741
Payroll Taxes	40,583
Newspaper Publication	12,119
General and Administrative	<u>296,475</u>

TOTAL EXPENSES 1,004,291

CHANGE IN NET ASSETS
BEFORE DEPRECIATION (243,542)

DEPRECIATION EXPENSE 52,262

CHANGE IN NET ASSETS \$ (295,804)

SCHEDULE I

AMERICAN POSTAL WORKERS
UNION AFL-CIO
PHILADELPHIA, PA AREA LOCAL

SCHEDULE OF EXPENSES
JULY 1, 2008 TO JUNE 30, 2009

SALARIES

Full Time Officers	\$ 254,261
Craft Officers, Negotiators, Elected Officers and Others	120,686

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Office Staff	<u>86,377</u>
TOTAL SALARIES	<u>\$461,324</u>
OFFICERS' EXPENSES	
Officers' Benefits	\$ 75,854
Pension Plan	19,069
Steward Refund - Part	
Time Officers	<u>11,612</u>
TOTAL OFFICERS' EXPENSES	<u>\$106,535</u>

PER CAPITA AND DUES TO AFFILIATES

Pennsylvania AFL-CIO	\$ 1,782
Pennsylvania Postal	
Workers Union AFL-CIO	1,500
Philadelphia Council AFL-CIO	6,000
APWU National	1,322
CBTU	150
CLUW	<u>760</u>

TOTAL PER CAPITA AND DUES TO AFFILIATES	<u>\$ 11,514</u>
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ELECTION, EDUCATION, CONVENTION AND TRAVEL EXPENSES

Education	\$ 5,088
Conventions and Travel	<u>70,653</u>

TOTAL ELECTION, EDUCATION AND CONVENTION EXPENSES	<u>\$ 75,741</u>
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PAYROLL TAXES	<u>\$ 40,583</u>
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NEWSPAPER PUBLICATION	<u>\$ 12,119</u>
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GENERAL AND ADMINISTRATIVE

Awards and Bonds	\$ 900
Building - Cleaning,	
Repairs and Maintenance	19,427
Contributions	
- Charities	1,115
- Labor Organizations	2,243
Christmas Party	6,044
Flowers and Miscellaneous	5,780
Food, Beverage and Meetings	15,620
Insurance	29,865
Interest Expense	1,173
Legal, Arbitration and Audit	41,363
Office Staff Benefits	
- Hospitalization	8,752
- Pension Plan	3,635
Office Supplies and Expenses	54,600
Organization Expenses	
" Labor Day and Rally's	5,323
- Aprons, Caps, T-Shirts, Etc.	457
Organizing Incentives	3,622
Picnic	10,154
Professional Fees	
- Actuary Services and Other	4,085

- Deaf Interpretive Services	2,286
Postage	9,540
Steward Refunds	15,789
Taxes	16,352
Telephone	12,509
Utilities	<u>25,841</u>

TOTAL GENERAL AND ADMINISTRATIVE	<u>\$296,475</u>
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AMERICAN POSTAL WORKERS UNION AFL-CIO PHILADELPHIA, PA AREA LOCAL

STATEMENT OF NET ASSETS JULY 1, 2008 TO JUNE 30, 2009

NET ASSETS - JULY 1, 2008	\$2,913,674
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CHANGE IN NET ASSETS	<u>(295,804)</u>
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NET ASSETS - JUNE 30, 2009	<u>\$2,617,870</u>
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AMERICAN POSTAL WORKERS UNION AFL-CIO PHILADELPHIA, PA AREA LOCAL

STATEMENT OF CASH FLOWS JULY 1, 2008 TO JUNE 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Members	\$ 699,292
Cash Paid to Suppliers and Employees	(1,031,781)
Interest Received	17,629
Interest Paid	(1,173)
Deposits Paid	(18,777)
Other Income Received	<u>28,460</u>

NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	\$ (306,350)
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CASH FLOWS FROM INVESTING ACTIVITIES

Purchase - Certificates of Deposit	(448,967)
Purchase - Furniture and Fixtures	(7,956)
Purchase - Improvements	<u>(51,988)</u>

NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	<u>(508,911)</u>
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NET INCREASE/(DECREASE) IN CASH	(815,261)
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CASH - JULY 1, 2008 1,046,863

CASH - JUNE 30, 2009 \$ 231,602

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY/ (USED IN) OPERATING ACTIVITIES

Change in Net Assets \$ (295,804)
Adjustments for Non-Cash Items:
Add: Depreciation 52,262 \$ (243,542)

Changes in Assets and Liabilities:
(Increase)/Decrease -
Dues Receivable (22,690)
Others Receivable 7,322
Prepaid Expenses (3,516)
Deposits Paid (18,777)
Increase/(Decrease) -
Accounts Payable and
Accrued Expenses (24,332)
Withholdings and
Payroll Taxes (815)

NET CASH PROVIDED BY/ (USED IN)
OPERATING ACTIVITIES \$ (306,350)

AMERICAN POSTAL WORKERS
UNION AFL-CIO
PHILADELPHIA, PA AREA LOCAL

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1.

ORGANIZATION AND NATURE OF ACTIVITIES

The American Postal Workers Union AFL-CIO, Philadelphia, PA Local (APWU) was organized on July 1, 1971, when five unions located in Philadelphia joined together as one. The purpose for which the APWU was formed was to carry on in one united union the work of the five predecessor unions. The object of the APWU is to unite the postal employees in one brotherhood for their social and economic advancement and to aid in the perfection of the Postal Service. The APWU provides advice, representation, information, and guidance concerning benefits, grievances, labor-management issues, educational seminars and other services. The APWU is affiliated with the National APWU, and is a member of the Pennsylvania Postal Workers Union, the Philadelphia Council AFL-CIO, and the Pennsylvania AFL-CIO.

NOTE 2.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The financial statements of the union have been prepared utilizing the accrual basis of accounting.

Use of 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.

Compensated Absences

The APWU has not accrued compensated absences because the amount cannot be reasonably estimated.

Revenue Recognition

Dues revenue reflects dues that were prepaid or in arrears at the bi-weekly pay period which ends the closest to June 30 of each year. For this year, pay period 14 was used, which corresponds to July 4, 2009.

Financial Statement Presentation

The APWU has adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations," which established a set of standards for general purpose external financial statements, and which requires a statement of financial position, a statement of activities, and a statement of cash flows. It also requires that net assets be reported according to three classes: unrestricted, temporarily restricted, and permanent-ly restricted.

Cash and Equivalents

Cash represents sources over which the Executive Board has discretionary control and is used to carry out the daily operations of the APWU in accordance with its bylaws.

Cash Equivalents - For purposes of the statement of cash flows, the APWU considers all highly liquid investments available for current use with an initial maturity of three months or

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less to be cash equivalents.

Income Taxes

The APWU is a "not-for-profit" organization that is exempt from federal income taxes under Section §501(c)(5) of the Internal Revenue Code.

Pension Plan

The APWU has a defined contribution pension plan covering its qualified eligible employees, which include the full time officers and administrative staff. The Organization's policy is to fund annual pension costs, which are equal to 7½% of eligible annual compensation. Employer contributions totaled \$22,704 for the year ended June 30, 2009.

Recently Adopted Accounting Standards

In September 2006, the Financial Accounting Standards Board (FASB) issued SFAS No. 157, *Fair Value Measurements*. SFAS No. 157 defines fair value, establishes a framework for measuring fair value, and expands disclosure of fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit fair value measurements, and accordingly, does not require any new fair value measurements. In February 2008, the FASB issued FSP FAS 157-1, *Application of FASB Statement No. 157 to FASB Statement No. 13 and Other Accounting Pronouncements that Address Fair Value Measurements for Purposes of Lease Classification or Measurement under Statement 13*. FSP FAS 157-1 amends SFAS No. 157 to exclude certain leasing transactions accounted for under previously existing accounting guidance. In February 2008, the FASB issued FSP FAS 157-2, *Effective Date for FASB Statement No. 157*, which delayed the effective date of SFAS No. 157 for nonfinancial assets and nonfinancial liabilities until January 1, 2009, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). APWU has adopted SFAS No. 157 on July 1, 2008 for assets and liabilities not subject to the delay. The adoption of SFAS No. 157 as of July 1, 2008 did not have a material impact on the financial statements. (Also see Note 11.)

Property and Equipment

The APWU follows the practice of capitalizing expenditures for property and equipment which exceed \$500. Lesser amounts are expensed. Property and equipment are stated at original cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 39 years. (See Note 5) Planned major mainte-

nance activities will be accounted for as Improvements with an estimated life of 39 years.

New Accounting Standards

APWU has adopted the provisions of SFAS No. 165, *Subsequent Events*, which requires the APWU to evaluate events and transactions for potential recognition or disclosure up to and including the date on which the financial statements were issued. The impact of the adoption of SFAS No. 165 was not material.

NOTE 3.

CASH

Cash on Hand	\$ 110
Checking Accounts	1,769
Savings/Money Market Accounts	229,723
	<u>\$ 231,602</u>

NOTE 4.

PREPAID EXPENSES

Insurance	\$ 22,329
Memberships	2,250
Office Machine Maintenance	
Contracts	923
Real Estate Taxes	<u>2,718</u>
	<u>\$ 28,220</u>

NOTE 5.

FIXED ASSETS

The estimated lives used in determining depreciation and the accumulated depreciation for each class are as follows:

<u>Property Class</u>	<u>Estimated Life</u>	<u>Accumulated Depreciation</u>
Furniture and Fixtures	5-10 years	\$ 21,978
Office Equipment	5-10 years	164,497
Bldg. & Improvements	39 years	<u>79,346</u>
		<u>\$ 265,821</u>

Depreciation expense at June 30, 2009, is \$52,262.

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NOTE 6.

OBLIGATIONS UNDER OPERATING LEASES

The APWU has lease obligations for the use of a copier, for another business machine and for an address printer. Final payments are due in June 2010 for the business machine lease.

The future minimum rental payments under these operating leases were as follows:

June 30, 2010	<u>\$ 7,781</u>
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NOTE 7.

LAWSUITS

There are no contingent liabilities that the APWU is aware of arising from known lawsuits involving the APWU at June 30, 2009.

NOTE 8.

CONCENTRATION OF CREDIT RISK

Cash

The APWU maintains cash accounts at several area financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution, and from time to time may exceed the insured amount. There were no cash balances at June 30, 2009 which exceeded FDIC limits.

Dues Receivable

Generally, member's dues are withheld from their pay by the United States Postal Service and remitted to the National APWU, which then remits them to the Local APWU.

Dues receivable represents the dues that have been withheld from members but not yet remitted to the Local. All of the dues which were outstanding at June 30, 2009 have been received by the Local subsequent to the financial statement date, but prior to the issuance of this report.

NOTE 9.

CERTIFICATES OF DEPOSIT

<u>Description</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Market Value</u>
TD Bank	Sept 30, 2009	3.44%	\$ 102,606

Police FCU	Jan 20, 2010	3.35%	102,172
Police FCU	April 1, 2010	2.96%	102,270
Eagle One FCU	June 28, 2010	3.20%	38,936
Trumark	June 30, 2010	2.03%	<u>102,983</u>

\$ 448,967

NOTE 10.

SUBSEQUENT EVENTS

In conformity with SFAS No. 165, *Subsequent Events*, (May 2009, effective for interim or annual financial periods ending after June 15, 2009), the APWU has evaluated events and transactions for potential recognition or disclosure through November 20, 2009, the date the financial statements were issued. No material subsequent events and transactions were noted or included.

NOTE 11.

FAIR VALUE

As discussed in Note 2, on July 1, 2008, APWU adopted SFAS No. 157 for financial assets and financial liabilities, which consisted of cash and cash equivalents, and Certificates of Deposit as of June 30, 2009. APWU will not apply the provisions of SFAS No. 157 until July 1, 2009 for the following major categories of non-financial assets and nonfinancial liabilities: Equipment and Real Estate. SFAS No. 157 defines fair value as the price that would be received from selling an asset or paid to transfer a liability (an exit price) in an orderly transaction in the principal or most advantageous market for the asset or liability between market participants at the measurement date. SFAS No. 157 also establishes a three-tiered fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of inputs within the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other

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The Philadelphia
Postal Worker
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from the
Officers and Stewards
of the
Philadelphia PA Area Local!**

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than quoted prices that are observable for the asset or liability, either directly or indirectly, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

· Level 3 inputs are prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. This includes inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk), which are developed based on the best information available in the circumstances.

The following table presents financial assets that are measured at fair value on a recurring basis as of June 30, 2009, consistent with the fair value hierarchy provisions of SFAS No. 157:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$231,602	\$ -	\$ -	\$231,602
Certificates of Deposit	<u>448,967</u>	<u>-</u>	<u>-</u>	<u>448,967</u>
Total assets measured at fair value at June 30, 2009	<u>\$680,569</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$680,569</u>

The accompanying notes and auditor's report are in integral part of these financial statements. □

President's Report

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they will search in surrounding areas. If no job offer is found for you based on your restrictions the post office will inform you they have no work for you. The next action they take will probably be to send you home.

Window clerks, I can not tell you how important it is for you to input every transaction into the POS system. Do not take short cuts. The short cuts could help to eliminate your job. You must do your part to help save your job.

Additionally, it is important to take notice if there are private cleaning contractors performing maintenance services in your station instead of APWU maintenance members. If your station has private contractors, please notify the union hall immediately.

Recently, we held an MVS meeting, and I would like to thank all the members that attended. There were several issues that were discussed and I assure you they are being addressed. Remember, it is important to complete and turn in your log sheets daily. If there is no expeditor available to scan your vehicle, please write the information on the log sheet. These actions can help save and create jobs.

I do believe positive change will come, management has to change their way of thinking. Revenue has to increase and there are ways to do that. They have to listen to the public and to the workers.

Congratulations to all who took the \$15,000 retirement incentive. I wish you the very best and enjoy. □