

The Philadelphia POSTAL WORKER

Vol. 31 No. 1

A Member of the APWU Postal Press Association

First Quarter 2011

Tentative Contact Agreement Reached



*Gwen Ivey,
President*

As President of the Philadelphia PA Area Local, and proud member of the National Rank and File Committee, I am pleased to announce that we have reached a tentative agreement on a new Collective Bargaining Agreement.

Through the tireless efforts of our National APWU Negotiating Team, during this time of double digit unemployment, attacks on workers' rights, USPS revenue decline, mail volume loss and the unnecessary financial burdens placed on the Postal Service by Congress we were successful in maintaining job security, protecting retirement and health benefits and we achieved a modest wage increase and other assurances for our membership.

The term of the new contract is retroactive from November 21, 2010, and runs through May 20, 2015. At this point, the new contract is a "Tentative Agreement". A tentative agreement requires ratification by the membership. The Ratification Vote consists of a mailing to each dues paying member, which will include a ballot and a copy of the new contract terms.

It is estimated that the ballot will be mailed out to the membership on or about April 11, 2011, and must be returned on or about May 9, 2011, to be counted on May 10, 2011. The results of the voting should be announced either late evening May 10, 2011 or early May 11, 2011. Once the voting is completed, and if the contract is approved by the membership, the contract will become official and all the terms contained, will become effective.

Highlights

One of the most important aspects of the contract was our ability to maintain our No Layoff Protection. If we had been unsuccessful in contract negotiations and forced to proceed to Arbitration, rest assured that it would have been extremely difficult, if not impossible, to retain our No Layoff Protection.

While a majority of unions have been forced into concessions and givebacks, we were successful in obtaining modest wage increases and the continuation of our Cost of Living Adjustment (COLA) raise. Over the life of our contract our wages will increase by a minimum of 3.5% through negotiated wages and even more through COLA increases, adjusted by the Consumer Price Index (CPI.)

Over the course of the last several years our

members have been drastically impacted by excessing to far away locations, many in other states. The new contract protects our members and prevents management from being able to excess employees more than 40-50 miles away.

We were successful in returning jobs to all our crafts. In the Clerk Craft, we were able to create new Lead Clerk assignments which will greatly reduce, if not eliminate, 204B assignments. We were able to return to the craft various assignments previously worked by supervisors, such as Time and Attendance assignments, Call Center assignments and other administrative and technical duties.

In the Maintenance Craft, we were successful in returning most, if not all, of the currently contracted out custodial work in the stations and branches.

In the MVS Craft we were successful in returning hundreds of HCR routes to the driver side of the MVS craft and hundreds of MVS Mechanic work assignments for our Level 8 Technicians and Level 9 and 10 Lead Technicians back to the Vehicle Maintenance side of the MVS craft.

Furthermore, in the MVS craft, we were successful in negotiating the conversion of all our MVS craft PTF's and PTR's to full-time status. This is a major accomplishment and provides some much earned job security and work hours for our MVS members.

A major accomplishment is the elimination of all casual, non-career, employees. Casual employees will be eliminated within 90 days of the ratification of the contract. With the elimination of the casual employee category comes the creation of a new employee category, Postal Support Employee (PSE) which will include higher wages, regular wage increases, health benefit entitlement, union membership entitlement, leave earning capability, access to the grievance process, just cause rights, a defined clear path to career appointment through seniority and the flexibility and financial opportunity for the USPS to now compete with outsourced mailing houses, in an effort to return the work we previously performed, back to

(Continued on page 2)

The Philadelphia
POSTAL WORKER

Published bi-monthly except
July and August.

Official Publication of the

**AMERICAN POSTAL WORKERS
UNION
PHILADELPHIA, PENNSYLVANIA
AREA LOCAL, AFL-CIO**
864 MAIN STREET,
DARBY, PA 19023
(610) 522-4520
FAX (610) 522-4533

EDITORIAL STAFF

Drew Stevenson
Editor

Gwen Ivey **Rich Weiss**
Assistant Editors

GENERAL OFFICERS

Gwen Ivey *President*
Mark Reeves *Vice President*
Eugene Chieffo *Dir. of Industrial Rel.*
Stacey Franklin *Treasurer*
Regina Fuller *Rec. Secretary*
Charles Pinkney *Sergeant-at-Arms*
Linda Gargon *Trustee*
Nancy Rolling *Trustee*
Dwayne Wiggans *Trustee*

CRAFT OFFICERS

Olivia Manley-Hayes *Clerk Director*
Byron Murdaugh *Asst. Clerk Director*
Kenneth Lester *Maint. Director*
Robert Muhammad *Asst. Maint. Director*
Wilbert Weems *MVS Director*
Gregory Jackson *Asst. MVS Director*

CHIEF STEWARDS

Nick Casselli *Tour 1, GPO*
Jeff Renfroe *Tour 2, GPO*
Kim Dixon *Tour 3, GPO*
Dennis Sullivan *NE PHILA*
Miguel Afanador *NW PHILA*
Atiyah Ivey *West PHILA*
Dorcella Jones-Palmer *Cen. & S PHILA*

Legal Counsel:

Willig, Williams & Davidson
1845 Walnut St, 24th Floor
Philadelphia, PA 19103
(215) 656-3600

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

Tentative Agreement

(Continued from page 1)

our mail processing operations. The return of outsourced mailing house work will benefit all crafts represented by APWU.

There will also be the creation of new job assignments in the MVS and Clerk crafts. These job assignments will be identified as "Non-Traditional Full Time" (NTFT) and consists of work hour schedules ranging from 30 hours per week to 48 hours per week. These schedules can consist of many varying schedules such as 4-day 10-hour job, 4-day 12-hour job, 3-day 10-hour job, 3 day 12-hour job and many, many more varying schedules. The NTFT schedules will be negotiated at the Local Level with indirect input at the National Level.

With the creation of these new NTFT assignments, will also be the elimination of the Clerk Craft Part Time Regular category. All Career Clerk Craft employees will now be considered Full Time Employees and are allowed to bid on all vacant duty assignments.

It was further agreed that any current employee maintaining a 40 hour weekly work assignment cannot be involuntarily assigned to an assignment of less than 40 hours.

Yet to be determined, are the impacts, if any, these NTFT assignments will have on our retirement benefits. Discussions are currently underway with the Office of Personnel Management, which governs the CSRS and FERS retirement systems. Once a clear understanding and agreement is reached with OPM, this information will be communicated to the membership.

Also, if adopted, the contract establishes there will be no mandatory overtime for NTFT employees not identified on the OTDL.

Another major accomplishment is the changes in Article 32 language. These changes now make it possible and provide APWU represented crafts, the opportunity to compete with USPS efforts to sub-contract our duties and jobs. Article 32 now contains language that stipulates, if APWU can prove that our craft employees can perform the work being considered for sub-contracting at equal or lesser costs, said work must remain in the craft. The current Article 32 language only requires the USPS to notify the APWU

that sub-contracting is being considered and even if the APWU can prove that we can do the work cheaper in house, USPS is not required to maintain the work in craft. This language, when applied, may prove to be one of the most important negotiated items within this new contract.

For example, another element of the new contract, in relation to the new Article 32 language, is the negotiated opportunity for APWU to immediately submit new competitive proposals for approximately 8,000 of the current 16,000 MVS HCR routes nationwide. Based on new Article 32 language, APWU can now compete with the contractors. This opportunity is a major element of the contract.

Wages

November 17, 2012 - 1 % salary increase; March 2013 COLA entitlement; September 2013 COLA entitlement; 1.5% increase - November 16, 2013; September 2014 COLA entitlement; 1% increase - November 5, 2014; March 2015 COLA entitlement.

Job Review and Creation

At least 1,500 custodial positions returned immediately; Maintenance EAS positions performing craft duty returned to craft; A minimum of 740 MVS Vehicle Maintenance positions created; A minimum of 600 HCR routes returned to craft immediately; MVS contracted towing services under direct review and work returned; Many Contract Postal Units (CPUs) returned to the bargaining unit; Employees will enjoy unlimited bidding on jobs that do not require training; The expanded opportunity for E-Reassign and transfers with seniority; The opportunity for excessed employees to return to their original facility

Please understand that it took a great amount of time to negotiate these changes in the contract and it will take time to implement the more intricate details of this agreement, but this agreement does not become official until your vote is received and counted. Please understand that this contract is not perfect, but as your General President and member of the National Rank and File Committee, I ask that you vote "YES." □

Financial Report

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, 2010, 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 respects, the financial position of the AMERICAN POSTAL WORKERS UNION AFL-CIO, PHILADELPHIA, PA AREA LOCAL as of June 30, 2010, 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

January 31, 2011

AMERICAN POSTAL WORKERS UNION AFL-CIO

PHILADELPHIA, PA AREA LOCAL

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2010

ASSETS

CURRENT ASSETS

Cash - Notes 3, 6, 9	\$ 125,088
Certificates of Deposit - Notes 7, 9	249,646
Dues Receivable - Note 6	66,259
Deposits Paid	56,083
Others Receivable	398
Prepaid Expenses - Note 4	<u>25,237</u>

TOTAL CURRENT ASSETS \$ 522,711

EQUIP. AND REAL ESTATE - Notes 2, 5

Furniture and Fixtures	47,550
Office Equipment	183,629
Building and Improvements	1,800,441
Land	<u>138,443</u>
	2,170,063

Less: Accumulated Depreciation 324,014

NET EQUIPMENT
AND REAL ESTATE 1,846,049

TOTAL ASSETS \$2,368,760

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	\$ 64,809
Deposits Received	3,487
Withholdings	<u>3,799</u>

TOTAL CURRENT LIABILITIES \$ 72,095

NET ASSETS

Unrestricted:	
Operating	<u>2,296,665</u>

**TOTAL LIABILITIES AND
NET ASSETS \$2,368,760**

AMERICAN POSTAL WORKERS UNION AFL-CIO

PHILADELPHIA, PA AREA LOCAL

STATEMENT OF ACTIVITIES

JULY 1, 2009 TO JUNE 30, 2010

REVENUE

Dues	\$ 613,322
Interest	10,527
Hall Rental (net of expenses of \$6,583)	9,607
Miscellaneous	<u>583</u>

TOTAL REVENUE \$ 634,039

(Continued on page 4)

Financial Report

(Continued from
page 3)

EXPENSES - SEE SCHEDULE I	
Salaries	412,115
Officers' Expenses	95,641
Per Capita and Dues to Affiliates	16,592
Election, Education, and Convention Expenses	28,732
Payroll Taxes	36,153
Newspaper Publication	5,243
General and Administrative	<u>302,575</u>

TOTAL EXPENSES 897,051

CHANGE IN NET ASSETS BEFORE DEPRECIATION (263,012)

DEPRECIATION EXPENSE 58,193

CHANGE IN NET ASSETS \$(321,205)

SCHEDULE I

AMERICAN POSTAL WORKERS UNION AFL-CIO

PHILADELPHIA, PA AREA LOCAL

SCHEDULE OF EXPENSES

JULY 1, 2009 TO JUNE 30, 2010

SALARIES	
Full Time Officers	\$259,161
Craft Officers, Negotiators, Elected Officers and Others	83,153
Office Staff	<u>69,801</u>

TOTAL SALARIES \$412,115

OFFICERS' EXPENSES	
Officers' Benefits	\$ 59,809
Pension Plan	19,437
Steward Refund - Part Time Officers	<u>16,395</u>

TOTAL OFFICERS' EXPENSES \$ 95,641

PER CAPITA AND DUES TO AFFILIATES	
Pennsylvania AFL-CIO	\$ 1,782
Pennsylvania Postal Workers Union AFL-CIO	3,000
Philadelphia Council AFL-CIO	6,000
APWU National	1,123
Retirees	3,083
CBTU	154
CLUW	<u>1,450</u>

TOTAL PER CAPITA AND DUES TO AFFILIATES \$ 16,592

ELECTION, EDUCATION, CONVENTION AND TRAVEL EXPENSES

Education	\$ 4,316
Conventions and Travel	<u>24,416</u>

TOTAL ELECTION, EDUCATION, CONVENTION, AND TRAVEL EXPENSES \$ 28,732

PAYROLL TAXES \$ 36,153

NEWSPAPER PUBLICATION \$ 5,243

GENERAL AND ADMINISTRATIVE

Awards and Bonds	\$ 400
Building - Cleaning, Repairs and Maintenance	26,919
Contributions	
- Charities	487
- Labor Organizations	400
Flowers and Miscellaneous	4,699
Food, Beverage and Meetings	16,150
Insurance	39,559
Interest Expense	360
Legal, Arbitration and Audit	32,714
Office Staff Benefits	
- Hospitalization	8,291
- Pension Plan	3,088
Office Supplies and Expenses	54,869
Organization Expenses	
- Labor Day and Rally's	5,224
- Aprons, Caps, T-Shirts, Etc.	607
- Others	673
Organizing Incentives	1,450
Professional Fees	
- Actuary Services and Other	7,575
- Deaf Interpretive Services	1,520
Postage	21,938
Steward Refunds	16,525
Taxes	16,437
Telephone	14,433
Utilities	<u>28,257</u>

TOTAL GENERAL AND ADMINISTRATIVE \$302,575

AMERICAN POSTAL WORKERS UNION AFL-CIO

PHILADELPHIA, PA AREA LOCAL

STATEMENT OF NET ASSETS

JULY 1, 2009 TO JUNE 30, 2010

NET ASSETS - JULY 1, 2009 \$2,617,870

CHANGE IN NET ASSETS (321,205)

(Continued on page 5)

Financial Report

(Continued from
page 4)

NET ASSETS - JUNE 30, 2010 \$2,296,665

**AMERICAN POSTAL WORKERS UNION
AFL-CIO**

PHILADELPHIA, PA AREA LOCAL

STATEMENT OF CASH FLOWS

JULY 1, 2009 TO JUNE 30, 2010

**CASH FLOWS FROM OPERATING
ACTIVITIES**

Cash Received from Members	\$ 625,219
Cash Paid to Suppliers and Employees	(930,114)
Interest Received	10,527
Interest Paid	(360)
Deposits Paid	(27,375)
Deposits Received	3,487
Other Income Received	<u>13,396</u>

NET CASH PROVIDED BY/(USED IN)
OPERATING ACTIVITIES \$(305,220)

**CASH FLOWS FROM INVESTING
ACTIVITIES**

Redemption - Certificates of Deposit	199,321
Purchase - Office Equipment	<u>(615)</u>

NET CASH PROVIDED BY/(USED IN)
INVESTING ACTIVITIES 198,706

NET INCREASE/(DECREASE)
IN CASH (106,514)

CASH - JULY 1, 2009 231,602

CASH - JUNE 30, 2010 \$ 125,088

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

Change in Net Assets \$ (321,205)
Adjustments for Non-Cash Items:
Add: Depreciation 58,193 \$ (263,012)

Changes in Assets and Liabilities:

(Increase)/Decrease -	
Dues Receivable	11,897
Others Receivable	3,206
Prepaid Expenses	2,983
Deposits Paid	(27,375)
Increase/(Decrease) -	
Accounts Payable	
and Accrued Expenses	(34,424)
Deposits Received	3,487
Withholdings and Payroll Taxes	<u>(1,982)</u>

NET CASH PROVIDED BY/(USED IN)
OPERATING ACTIVITIES \$(305,220)

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

**AMERICAN POSTAL WORKERS UNION
AFL-CIO**

PHILADELPHIA, PA AREA LOCAL

**NOTES TO THE FINANCIAL STATE-
MENTS**

JUNE 30, 2010

**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 AC-
COUNTING 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.

(Continued on page 6)

Financial Report

(Continued from
page 5)

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 2, 2010.

Financial Statement Presentation

The APWU has adopted the provisions of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958 "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 permanently restricted.

Cash and Cash 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 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 \$22,525 for the year ended June 30, 2010.

Recently Adopted Accounting Standards

In June 2009, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 168, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles - a replacement of FASB Statement No 162. SFAS No. 168 estab-

lishes the FASB Accounting Standards Codification ("ASC") as the source of authoritative U.S. generally accepted accounting principles ("GAAP") recognized by the FASB to be applied by nongovernmental entities. SFAS No. 168 is codified as ASC Topic 105. All guidance contained in the ASC carries an equal level of authority. On the effective date of SFAS No. 168, the ASC superseded all then-existing non-SEC accounting and reporting standards. All other non-grandfathered, non-SEC accounting literature not included in the ASC became non-authoritative. SFAS No. 168 was effective for financial statements issued for interim and annual periods ending after September 15, 2009. Subsequent to the effective date of SFAS No. 168, the FASB no longer issues new standards in the form of Statements, FASB Staff Positions, or Emerging Issues Task Force Abstracts. Instead, the FASB issues Accounting Standards Updates ("ASU"). The FASB does not consider Accounting Standards Updates as authoritative in their own right. Accounting Standards Updates serve only to update the ASC, provide background information about guidance, and provide the bases for conclusions on the change in the ASC. The APWU adopted FASB ASC 105 as of June 30, 2010. The adoption of FASB ASC 105 did not have any impact on our financial statements, however, it changes our footnote referencing relating to the sources for existing GAAP and recently issued modifications of GAAP.

In January 2010, the FASB issued ASU No. 2010-06, Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements ("ASU 2010-06"), which amends the disclosure guidance with respect to fair value measurements. Specifically, the new guidance requires disclosure of amounts transferred in and out of Levels 1 and 2 fair value measurements, a reconciliation presented on a gross basis rather than a net basis of activity in Level 3 fair value measurements, greater disaggregation of the assets and liabilities for which fair value measurements are presented and more robust disclosure of the valuation techniques and inputs used to measure Level 2 and 3 fair value measurements. ASU 2010-06 is effective for interim and annual reporting periods beginning after December 15, 2009, with the exception of the new guidance around the Level 3 activity reconciliations, which is effective for fiscal years beginning after December 15, 2010. The adoption of ASU 2010-06 did not have any material impact on the financial statements.

In February 2010, the FASB issued ASU No.

(Continued on page 7)

Financial Report

(Continued from page 6)

2010-09, Subsequent Events (Topic 855): Amendments to Certain Recognition and Disclosure Requirements ("ASU 2010-09"), which amends ASC Topic 855 to clarify which entities are required to evaluate subsequent events through the date the financial statements are issued and the scope of the disclosure requirements related to subsequent events. The adoption of ASU 2010-09 did not have any material impact on the financial statements.

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

NOTE 3. CASH

Cash on Hand	\$ 110
Checking Accounts	83,163
Savings/Money Market Accounts	<u>41,815</u>
	<u>\$ 125,088</u>

NOTE 4. PREPAID EXPENSES

Insurance	\$ 20,937
Memberships	1,500
Real Estate Taxes	<u>2,800</u>
	<u>\$ 25,237</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>Est. Life</u>	<u>Accumulated Depreciation</u>
Furniture and Fixtures	5-10 years	\$ 26,721
Office Equip.	5-10 years	171,782
Building and Improvements	39 years	<u>125,511</u>
		<u>\$ 324,014</u>

Depreciation expense at June 30, 2010, is \$58,193.

NOTE 6. 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, 2010 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, 2010 have been received by the Local subsequent to the financial statement date, but prior to the issuance of this report.

Revenue and Geographical Area

Revenue consists primarily of dues from the members of the APWU, who are primarily United States Postal Workers in the jurisdiction of the Philadelphia, PA Area Local. Decreases in either Union membership or U.S. Postal employment in this area may negatively impact the Union's dues revenue.

NOTE 7. CERTIFICATES OF DEPOSIT

<u>Description</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Market Value</u>
Police FCU	Jan 20, 2011	1.59%	\$ 104,828
Police FCU	April 1, 2011	1.40%	104,930
Eagle One FCU	June 28, 2011	1.50%	<u>39,888</u>
			<u>\$ 249,646</u>

NOTE 8. SUBSEQUENT EVENTS

In conformity with FASB ASC 855-10, Subsequent Events, the APWU has evaluated events and transactions for potential recognition or disclosure through January 31, 2011, the date the financial statements were issued. No material subsequent events and transactions were noted or included.

(Continued on page 8)

The Philadelphia
Postal Worker
864 Main Street
Darby, PA 19023

Non-Profit Org.
U.S. Postage
PAID
Permit No. 2268
Philadelphia, PA

Address Service Requested

Visit our web site at
www.phillyapwu.org

Financial Report

(Continued from page 7)

NOTE 9. FAIR VALUE

On July 1, 2008, APWU adopted FASB ASC 820-10 for financial assets and financial liabilities, which consisted of cash and cash equivalents, and Certificates of Deposit as of June 30, 2010. FASB ASC 820-10 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. FASB ASC 820-10 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 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, 2010, consistent with the fair value hierarchy provisions of FASB ASC 820-10:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$125,088	\$ -	\$ -	\$125,088
Certificates of Deposit	<u>249,646</u>	<u>-</u>	<u>-</u>	<u>249,646</u>
Total assets measured at fair value at June 30, 2010	<u>\$374,734</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$374,734</u>