

**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS  
COUNTY DEPARTMENT, CHANCERY DIVISION**

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<p>PHILIP WEISS, BRIDGET CUEVAS, ROSEMARY SWEARINGEN, and KENNETH MERACLE,</p> <p style="text-align: center;">Plaintiffs</p> <p>v.</p> <p>CHICAGO TEACHERS UNION, LOCAL 1, IFT-AFT, AFL-CIO; STACY DAVIS GATES, President; and MARIA T. MORENO, Financial Secretary,</p> <p style="text-align: center;">Defendants.</p>	<p>No. 2024 CH 09334</p> <p>Judge David B. Atkins</p> <p>Calendar 16</p>
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**PLAINTIFFS' RESPONSE IN OPPOSITION TO DEFENDANTS' MOTION  
TO DISMISS**

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## INTRODUCTION

For decades, the Chicago Teachers Union (CTU) furnished annual financial audits to members, consistent with its legal obligations under CTU's Constitution. But with no change to its Constitution, CTU abruptly stopped this longstanding practice in September of 2020.

Plaintiffs are CTU members who were compelled to file this lawsuit to ensure they receive the financial transparency to which they are contractually entitled. In seeking to dismiss their lawsuit, CTU does not dispute that its Constitution represents a binding contract between the union and its membership. Nor does CTU dispute that Plaintiffs have legal standing to seek enforcement of the Constitution. Still, CTU seeks legal permission to deny fiscal transparency to its 25,000 members by moving to dismiss this case rather than provide the audits to its members. For the following reasons, Defendants' three arguments are meritless.

*First*, Defendants incorrectly argue that individual union officers cannot be sued for violating CTU's Constitution. While federal law prevents individual officers from being held personally liable for monetary damages in certain contexts, that limitation does not extend to claims seeking injunctive or declaratory relief, as Plaintiffs bring here.

*Second*, Defendants' contention that the Complaint must be dismissed because Plaintiffs have not pled monetary damages is baseless. Plaintiffs seek specific performance and declaratory relief—remedies that are not dependent on a showing of monetary harm.

*Third*, Defendants’ mootness argument fails because the so-called “audit reports” recently provided to members do not satisfy CTU’s obligation. CTU’s Constitution requires that an “audited report” be furnished to members; for decades this meant full, independent financial audits prepared by certified public accountants. Defendants have instead offered self-prepared, summary reports that lack the necessary detail and independence to qualify as legitimate, independent audit reports.

## **FACTS**

### **A. The Complaint’s Allegations**

Plaintiffs are longtime members of CTU who are employed as teachers and staff members throughout Chicago Public Schools, including a social worker and a diverse learning teacher. Compl. ¶¶ 2-5. Defendants are comprised of CTU itself, along with its President, Stacy Davis Gates, and its Financial Secretary, Maria T. Moreno (the “Officer Defendants”). Compl. ¶¶ 6-8.

CTU’s Constitution is a binding contract between CTU and its members. Compl. ¶¶ 12-14. The Constitution establishes the responsibilities of CTU officers, including a President who serves as the chief executive officer and a financial secretary charged with overseeing CTU’s finances, including financial reports and audits. Compl. Ex. A (Constitution & ByLaws) § 1. The Constitution requires that “[e]ach year, the Financial Secretary shall furnish an audited report of the Union

which shall be printed in the Union’s publication.” *Id.*<sup>1</sup> The last date that CTU furnished such an audit was September of 2020—a release that covered the 2018 fiscal year and the first half of 2019. Compl. ¶ 29. Defendants have therefore failed to meet their constitutional obligation to provide audited reports to members for every fiscal year since the second half of 2019

Before filing the Complaint, Plaintiffs requested that Defendants provide the missing audit reports to avoid litigation, but Defendants refused. Compl. ¶ 22. The Complaint seeks specific performance to compel production of all past-due audit reports and declaratory judgment to affirm CTU’s ongoing obligation to furnish annual audit reports. Compl. ¶ 1 & P. 7.

**B. Plaintiff Weiss’s Declaration in response to Defendants’ Motion to Dismiss**

In moving to dismiss, Defendants argue that (1) the individual CTU officers may not be sued for violating CTU’s constitution, (2) the Complaint should be dismissed because Plaintiffs have not specified monetary damages, and (3) the Complaint is moot. In support of their mootness argument, Defendants rely on the Declaration of Kurt Hilgendorf, “the Legislative Coordinator/Special Assistance [sic] to the President.” Hilgendorf. Decl. ¶ 1. Hilgendorf acknowledges that the audit reports for the years 2020, 2021, and 2022 were not available until December 2024—two months after this lawsuit was filed. Hilgendorf Decl. ¶¶ 3-4. He also concedes that the documents belatedly provided are not “full” audit reports; they are

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<sup>1</sup> The Board of Trustees is also required to ensure that “a reliable and adequate audit of the finances of the Union . . . may be inspected in the Union office by any member.” Compl. Ex. A (CTU Constitution) § 2.A.

self-prepared “summary” audit reports. *Id.* Mr. Hilgendorf further asserts that “CTU has always made its full annual audits available for personal inspection by any CTU member upon request” but distinguishes these from “the summary audited reports previously printed in the CTU’s publication.” *Id.*

Plaintiff Philip Weiss, in his Declaration supporting this Response, provides critical context that exposes Defendants’ attempt to manufacture mootness. For years prior to 2020, full audit reports were furnished to members through CTU’s now-defunct publication, the Chicago Union Teacher. Exhibit A, Weiss Decl. ¶ 4. The December 2020 edition of that publication includes a complete reproduction of a 19-page Independent Auditor’s Report prepared by Certified Public Accountants Bansley & Kiner LLP. Weiss Decl. ¶ 5 & Ex. 1.<sup>2</sup> Despite discontinuing the publication in 2023, CTU still furnishes updates to members via regular email bulletins.<sup>3</sup> Until recently, the membership portal also retained years’ worth of “full” audit reports. Weiss Decl. ¶ 4.

In May 2024, Mr. Weiss made multiple attempts to obtain the missing audits, only to be met with silence and obstruction. Weiss Decl. ¶¶ 7-8. Three separate emails to CTU’s Chief of Staff, Matthew Luskin, requesting access to the audits went unanswered—an experience consistent with that of other CTU members. Weiss Decl. ¶ 8 & Ex. 2. After Mr. Weiss and his co-plaintiffs retained *pro bono*

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<sup>2</sup> *Chicago Union Teacher*, Vol. 84 No. 3 (December 2020), <https://www.ctulocal1.org/chicago-union-teacher/84-3/> (accessed February 24, 2025).

<sup>3</sup> “Note on the Official Union Publication,” *Chicago Union Teacher*, <https://www.ctulocal1.org/union/chicago-union-teacher/> (accessed February 24, 2025).

counsel to secure the audits, Defendant Davis-Gates and Defendants’ counsel launched public attacks against Plaintiffs, falsely alleging that they were part of an “extreme right wing” effort to undermine the Union, and sabotaging Mr. Weiss’ campaign for a trustee position at a “meet the candidates” event. Weiss Decl. ¶¶ 11-12. At the time, Defendant Davis-Gates and counsel insisted that full audits had always been available for member review—statements now refuted by Mr. Hilgendorf’s admission that no such audits were accessible until December 2024. Weiss Decl. ¶ 13.

Facing litigation, Defendants subsequently attempted to moot the case in December of 2024 by belatedly uploading three documents titled “Audited Reports” to the member portal, covering the years 2020-2022. Weiss Decl. ¶ 14 & Ex. 3. These documents, however, were merely self-prepared three-page summaries, which stated that the “full audit” was only available for in-person inspection by appointment. Weiss Decl. ¶ 15. In a further attempt to obscure financial transparency, CTU deleted the previously available full audit reports from the portal—marking a blatant regression from its longstanding practice of making such reports accessible to members. Weiss Decl. ¶ 16.

### **LEGAL STANDARD**

When ruling on a Section 2-615 motion, the Court takes all well-pleaded facts and all reasonable inferences that may be drawn from those facts as true, and construes the facts alleged in the light most favorable to the plaintiff. *Doe-3 v. McLean County Unit Dist. No. 5 Bd. of Dirs.*, 2012 IL 112479, ¶ 16; *Winters v.*

*Wangler*, 386 Ill. App. 3d 788, 793 (2008). “[A] cause of action should not be dismissed pursuant to section 2-615 unless it is clearly apparent that no set of facts can be proved that would entitle the plaintiff to recovery.” *Marshall v. Burger King Corp*, 222 Ill. 2d 422, 429 (2006).

When ruling on § 2-619 motion, the Court construes the pleadings “in the light most favorable to the nonmoving party” and should only grant the motion “if the plaintiff can prove no set of facts that would support a cause of action.” *Sandholm v. Kuecker*, 2012 IL 111443, ¶ 55; *Snyder v. Heidelberger*, 2011 IL 11052, ¶ 8.

## ARGUMENT

### **I. There is no reason to dismiss the Officer Defendants, who are charged with carrying out CTU’s obligations of transparency.**

Defendants argue that the Officer Defendants cannot be sued under CTU’s Constitution. This argument is misplaced. The cases Defendants rely on concern the Labor Management Relations Act (“LMRA”), which clarifies that a “*money judgment* against a labor organization *in a district court of the United States . . . shall not be enforceable against any individual member or his assets.*” 29 U.S.C. § 185(b) (emphasis added). That statute, and those cases, are plainly inapplicable here.<sup>4</sup>

In any event, courts have repeatedly held that union officers may be sued for failing to uphold their obligations. *See, e.g., Kouba v. Flynn*, 2017 U.S. Dist. LEXIS 70208, \*8 (N.D. Ill. May 3, 2017) (§ 501 of the LMRA “gives members the right to

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<sup>4</sup> *See Zander v. Carlson*, 2020 IL 125691 ¶¶ 1, 9 (holding that, under the LMRA, “individual union members, agents, and representatives are not subject to civil liability for action they undertake on behalf of that union.”); *Complete Auto Transit v. Reis*, 451 U.S. 401 (1981) (same).

sue on behalf of the union any officers who have violated their duties”); *Stanley v. Am. Fed’n of State & Mun. Emples. Local No. 553*, 884 A.2d 724, 732 (Md. App. 2005) (“It is well-established that a State court may entertain a suit by a union member against a union’s officers and representatives” for failure to pursue the member’s grievance case against his employer.); *Scheaffer v. Carpenters Local 377*, 88 Fed. Appx. 945, 947 (7th Cir. 2004) (affirming dismissal of a complaint brought under § 501 of the LMRA because that section “imposes liability *only on individual union officers*; since [the plaintiff] sued only the Union, a claim under § 501 cannot succeed”).

Plaintiffs seek only declaratory and injunctive relief—not monetary damages against the Officer Defendants—and Defendants have identified no authority barring such claims. Accordingly, the Court should deny the Officer Defendants’ motion for dismissal.

**II. Plaintiffs are not required to plead damages for breach of contract when seeking specific performance and declaratory judgment.**

Defendants incorrectly argue that Plaintiffs must plead monetary damages to proceed with a breach-of-contract claim. But the Complaint unambiguously seeks specific performance and declaratory judgment—remedies that do not require a showing of monetary damages.<sup>5</sup>

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<sup>5</sup> See Compl. ¶ 1 (“for their remedy [Plaintiffs] seek[] *specific performance* so that the union will produce an audited report”) (emphasis added); Compl. P. 7 (asking the Court to “[e]nter *declaratory judgment in* Plaintiffs’ favor” and to “[d]irect Defendants to *specifically perform* their contractual obligation to furnish audited financial records.”) (emphasis added). The Complaint further clarifies that



Specific performance is a remedy for breach of contract that is available when a party “lacks an adequate remedy at law”—i.e., “when money damages will not suffice to remedy the contractual breach, such as when the measure of damages is uncertain or difficult to ascertain.” *Blue Cross & Blue Shield Ass’n v. Am. Express Co.*, No. 99 C 6679, 2005 U.S. Dist. LEXIS 15158, at \*17 (N.D. Ill. July 25, 2005) (citing *George F. Mueller & Sons, Inc. v. Morales*, 25 Ill. App. 3d 466, 469 (1974)). Likewise, “[d]eclaratory judgment is a mode of relief which permits a court to consider a matter after the dispute has developed, but before steps are taken which give rise to claims for damages or other relief.” *Gagnon v. Schickel*, 2012 IL App (1st) 120645, ¶ 23 (cleaned up). Here, specific performance is the contractual remedy needed to ensure that past-due audit reports are produced, and declaratory judgment is necessary to ensure that Court orders future audit reports are produced. See *Babbitt Municipalities, Inc. v. Health Care Serv. Corp.*, 2016 IL App (1st) 152662, ¶ 41 (because “the parties here have an ongoing relationship . . . a declaratory judgment action might be appropriate to guide their future conduct”)<sup>6</sup>

Even if Plaintiffs’ claim for breach of contract requires that they plead damages—which it does not—that would not be a basis to dismiss the Complaint with prejudice. In that case, Plaintiffs should be granted leave to amend their complaint to include a claim for damages.

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“[m]onetary damages or other remedies at law are inadequate remedies.” Compl. ¶ 34.

<sup>6</sup> None of the cases cited by Defendants concerned actions for declaratory judgment or specific performance.

### **III. The case is not moot.**

#### **A. No genuine audit reports have been furnished to Plaintiffs.**

CTU's Constitution requires the Financial Secretary to "furnish an audited report of the Union which shall be printed in the Union's publication." Compl. Ex. A (CTU Constitution) Art. VI, § 1.D. While the Constitution does not define "audited report," legal and financial standards make its meaning clear: it refers to an independent financial evaluation, conducted by a qualified auditor, and providing a certified opinion on the union's financial condition. For example, the U.S. Code defines an audit report as one in which a public accounting firm "sets forth the opinion of that firm regarding a financial statement" or "asserts that no such opinion can be expressed." 15 U.S.C. § 7220(2). Similarly, Black's Law Dictionary defines it as "an independent auditor's written statement . . . expressing the auditor's opinion of the accuracy of the company's financial condition." AUDIT REPORT, Black's Law Dictionary (12th ed. 2024).<sup>7</sup> The Public Company Accounting Oversight Board's Accounting Standards 3101 and 3105 also set forth a detailed summary of the expected requirements of an Auditor's Report, which can differ depending on whether the auditor needs to "qualify" their opinion on the subject financial statements.<sup>8</sup>

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<sup>7</sup> See also *Janssen v. Reschke*, No. 17 C 8625, 2020 U.S. Dist. LEXIS 188834, at \*10 (N.D. Ill. Oct. 13, 2020) (defining "an independent audit of [a company's] financial statements completed by [an outside accounting firm]" as an "audit report").

<sup>8</sup> AS 3101: The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion, PCAOB, <https://pcaobus.org/oversight/standards/auditing-standards/details/AS3101> (last

The requirement that an “audit report” be both independent and substantive was clearly expressed in *ACLU v. City of Chicago*, in which the City was required to provide an audit of its compliance with a consent decree entered to protect Chicagoans’ First Amendment rights from abuses by the Chicago Police Department. *ACLU v. City of Chi.*, No. 75 C 3295, 2008 U.S. Dist. LEXIS 76316, at \*4-5 (N.D. Ill. Sep. 30, 2008). The court rejected the City’s attempt to rely on an audit report consisting of “but a single page, backed by four pages of the City management’s assertions related to the City’s compliance,” recognizing that such a report was “meaningless” because it “merely parrot[ted] the City’s ‘management assertions’” and “provide[d] no information concerning the methodology employed in the ‘audit’ (other than that the methods employed are in accordance with established accounting procedures).” *Id.* at \*10, 16-17. The Court concluded that “such a ‘review’ does not comply with either the letter or the spirit of the independent audit required by [law].” *Id.* Here, the three-page “audit reports” provided by CTU are even less reliable than the one rejected in *ACLU v. Chicago*, as they are self-generated summaries that lack any independent certification or methodology.

**B. CTU’s past practice of furnishing full independent audit reports to members resolves any ambiguity in the term “audited report.”**

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accessed 2/27/2025); AS 3105: Departures from Unqualified Opinions and Other Reporting Circumstances, PCAOB, <https://pcaobus.org/oversight/standards/auditing-standards/details/AS3105> (last accessed 2/27/2025).

CTU's recent conduct represents a stark departure from its own longstanding practice. The last genuine audit provided to Plaintiffs in 2020 was a 19-page, CPA-certified report covering 2018 and part of 2019. Weiss Decl. ¶ 5 & Ex. 1. That report, prepared by an independent firm, adhered to generally accepted accounting principles (GAAP) and included detailed financial statements, explanatory notes, and disclosures about CTU's assets and obligations. Weiss Decl. ¶ 6. In contrast, the 2020-2022 "audit reports" now offered by CTU contain no independent certification, no detailed financials, and no meaningful transparency. Weiss Decl. ¶¶ 14-15, 19-20.

To the extent that Defendants imply that their requirement to produce an "audited report" is ambiguous, that ambiguity would be resolved by CTU's prior longstanding practice of furnishing completed audits to its members under the Constitution, as "[t]he parties to an agreement are in the best position to know what they meant, and their action under the contract is often the strongest evidence of their intended meaning." *Chi. & N. W. R. Co. v. Peoria & P. U. R. Co.*, 46 Ill. App. 3d 95, 101 (1977) (citing The Restatement (Second) of Contracts § 228(4)); *see also Gomez v. Bovis Lend Lease, Inc.*, 2013 IL App (1st) 130568, ¶ 7 (considering the contractual parties' "previous dealings and course of performance" in evaluating ambiguity in a contract). As set forth in detail in the Weiss Declaration, it was CTU's longstanding practice to provide full, CPA-certified audit reports as a matter of course. CTU cannot unilaterally redefine its contractual obligations to its

members by providing less financial transparency by deciding it can now rely on self-generated summaries to moot Plaintiff's case.

## CONCLUSION

For the foregoing reasons, Defendants' motion to dismiss should be denied.

/s/ Dean McGee

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\*pro hac vice motion filed

**CERTIFICATE OF SERVICE**

I, James McQuaid, an attorney, certify that on February 27, 2025, I served the foregoing on counsel for all parties by filing it electronically via the Odyssey eFile IL service.

/s/ James McQuaid

# Exhibit

A

**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS  
COUNTY DEPARTMENT, CHANCERY DIVISION**

PHILIP WEISS, BRIDGET CUEVAS, ROSEMARY SWEARINGEN, and KENNETH MERACLE,  Plaintiffs  v.  CHICAGO TEACHERS UNION, LOCAL 1, IFT-AFT, AFL-CIO; STACY DAVIS GATES, President; and MARIA T. MORENO, Financial Secretary,  Defendants.	No. 2024 CH 09334  Judge David B. Atkins  Calendar 16
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**DECLARATION OF PHILIP WEISS IN SUPPORT OF PLAINTIFFS’  
OPPOSITION TO DEFENDANTS’ MOTION TO DISMISS**

COUNTY OF COOK     )  
                                          )     SS  
STATE OF ILLINOIS   )

I, Philip Weiss, an adult citizen of Illinois, Pursuant to Section 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109, do hereby certify that the statements below are true and correct.

**BACKGROUND**

1. I have been a dues-paying member of the Chicago Teachers Union since 1998, when I was first hired as a social worker with Chicago Public Schools.
  
2. As a Plaintiff in the above-captioned action, I reviewed Defendants’ memorandum of law in support of their Motion to Dismiss, including the Declaration of Kurt Hilgendorf.
  
3. In paragraph 3 of his declaration, Mr. Hilgendorf states that, to the best of his knowledge, “CTU has always made its full annual audits available for personal inspection,” distinguishing them from “the summary audited reports previously printed in CTU’s publication.”



4. Mr. Hilgendorf's understanding is incorrect. My recollection is that, from the beginning of my membership in CTU through at least December 2020, CTU furnished full audit reports to members through both its publication, *Chicago Union Teacher*, and its online membership portal. Copies of these historical audit reports remained available in the member portal until recently.

5. As an example, I have attached as **Exhibit 1** the December 2020 edition of *Chicago Union Teacher*, which contains what appears to be a full audit, including an opinion letter from an independent outside auditor. That edition remains publicly available on CTU's website: <https://www.ctulocal1.org/chicago-union-teacher/84-3/>.

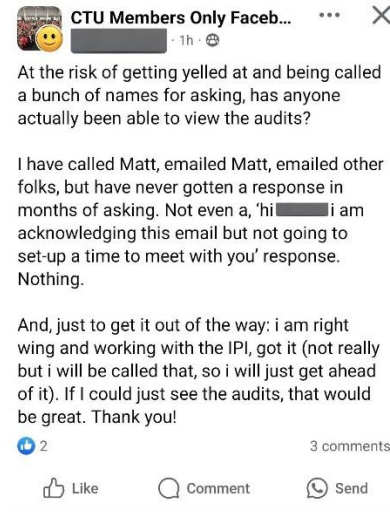
6. I consider that audit to be a "full" audit report because it was clearly prepared by an independent outside auditor and contained a formal opinion letter, financial statements, and explanatory notes consistent with professional auditing standards.

### **MY EFFORTS TO OBTAIN THE MISSING AUDIT REPORTS AND CTU LEADERSHIP'S RETALIATION AGAINST ME**

7. Concerned about the years-long failure to produce audits, I began actively seeking them around May of 2024. I was informed by CTU delegate Debbie Yaker-Montalbano that I should email CTU Chief of Staff Matthew Luskin to arrange to see the audits.

8. I emailed Mr. Luskin three times in May 2024 requesting access to the audits but received no response except for one out-of-office message on May 1 indicating that Mr. Luskin "expects to be back to work within a few days." My emails are compiled and attached hereto as **Exhibit 2**.

9. Other CTU members have had similar experiences. For example, in or around October 2024, a member unaffiliated with me posted the following message on CTU's Members Only Facebook page that they "have called Matt, emailed Matt, emailed other folks, but have never gotten a response in months of asking":



10. When my co-Plaintiffs and I retained *pro bono* counsel, we hoped that CTU leadership would voluntarily furnish the audits to members (or at least provide a clear explanation as to when they would be furnished), thereby obviating the need for litigation. Instead, CTU ignored our request and pursued a campaign of retaliation against us.

11. On the evening of October 8<sup>th</sup> 2024, the same day Defendants’ counsel was notified of our names as potential Plaintiffs, CTU held a virtual “Meet the Candidates” event for members running for trustee positions on the Pension Board. Defendant Davis-Gates was running that meeting.

12. As a candidate for the Pension Board, I attended the event. Before I was introduced, Defendant Gates stated that the “extreme right wing” was in the room and falsely associated my co-Plaintiffs and me with “Project 2025.” Defendants’ counsel then read our names aloud and claimed that CTU would not respond to our attorney’s letter, asserting that the audits had always been available upon request by emailing Mr. Luskin.

13. I also knew that Defendants’ counsel’s claim was false based on my own unanswered emails to Mr. Luskin. Paragraph 4 of Mr. Hilgendorf’s declaration now confirms that audits for fiscal years 2020–2023 were not even available until December 2024—long after we had made our requests.

### **DEFENDANTS’ ATTEMPT TO MOOT THIS LAWSUIT WITH POST-LITIGATION AUDIT SUMMARIES**

14. In December, 2024, after this lawsuit was filed, CTU uploaded three documents to the member portal labeled “Audited Reports” for the years 2020, 2021, and 2022. These documents are attached as **Exhibit 3**.

15. The documents are brief, three-page financial summaries that appear to be self-prepared. Unlike prior audits, they lack essential elements such as an opinion letter from an independent auditor certifying compliance with generally accepted accounting principles, and explanatory notes providing context to the financial statements.

16. Around the same time these summary documents were uploaded, all prior full audits previously available on the membership portal were apparently deleted. As a result, members now have even less access to financial information than before.

### **MY EFFORTS TO INSPECT THE “FULL” AUDITS**


17. Paragraph 6 of the Hilgendorf Declaration correctly notes that after CTU uploaded the summary documents in December 2024, I emailed CTU on January 8, 2025, to request access to the full audits.

18. To my knowledge, I never received a response to that email. However, after reviewing the Hilgendorf Declaration (which includes a response I am still unable to locate in my inbox) I followed up again and scheduled an appointment to view the full audits at CTU’s headquarters on February 25, 2025.

19. When I reviewed the documents at CTU headquarters, they did not resemble the audit reports previously furnished to members. While more detailed than the three-page summaries on the portal, these documents lacked an independent auditor’s opinion letter, and were labeled “Combined Financial Statements.” When I asked where the full audits were, the two persons present indicated the documents were the only “audits” available to members.

20. Based on my experience with past CTU audits, I would not consider these to be “full” audit reports consistent with what CTU had historically provided to members.

Under penalties as provided by law pursuant to Section 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109, the undersigned certifies that the statements set forth in this Declaration are true and correct, based on knowledge, information and belief.

  
\_\_\_\_\_  
Philip Weiss

Date: 2/27/25

# Exhibit

1

**PSRP Corner:** Mayor continues to act like she's above the law, forcing clerks, staff to work in unsafe buildings **PAGE 2**

**President's message:** Safety, equity, trust in short supply as mayor pushes dangerous reopening plan **PAGE 3**



**Good and bad of 2020 election:** Trump, DeVos lose, but billionaires' misinformation campaign kills the Fair Tax ballot measure **PAGE 12**

# CHICAGO UNION TEACHER

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CHICAGO UNION TEACHER / 1901 W. CARROLL AVENUE / CHICAGO, IL 60612

**Victory in North Lawndale:** Parents, community win school closing fight, demand investments mayor promised

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## WHAT DO WE WANT?

**SAFETY** 

**EQUITY** 

**TRUST** 



**CHICAGO  
TEACHERS  
UNION**

**PAGES 2-8**

# Waiting to exhale

**Mayor Lightfoot continues to act like she's above the law, forcing clerks, school staff to continue working in unsafe buildings**

BY CHRISTEL WILLIAMS-HAYES

The Saturday that Joe Biden won the presidential election, Black and Brown women and men across America felt like we could breathe again. We'd been holding our breath through four years of racist hatred from President Donald Trump, and we finally felt like we could exhale.

But, by Monday, when our clerks, tech coordinators and other staff reported back to work in their unsafe buildings, that sense of relief vanished. They were once again, literally, afraid to breathe.

Biden's victory is, in large part, a repudiation of Trump's pathetic pandemic response. So you would hope the mayor and CPS would take note. But their horrifying indifference to the health and safety of our members persists.

Think about it. An independent arbitrator found that school buildings are unsafe and ordered that clerks and other staff should be allowed to work remotely at least four days a week. But the mayor decided she's above the law and refused to abide by that ruling.

## CPS claims can't be trusted

In early November, as COVID-19 infections and deaths were surging across the state, the mayor told all Chicagoans to stay home for 30 days, and Gov. J.B. Pritzker begged all Illinoisans to work remotely. But CPS and the mayor ignored the governor's pleas, still refusing to let clerks do their jobs from home.

To assuage parent and educator concerns about returning to in-person school in poorly ventilated buildings, CPS purchased 4,200 air purifiers to be used in classrooms whenever in-person instruction begins. Was this equipment immediately distributed to our clerks, some of whom have already been sickened by COVID in their buildings, to assuage their fears about working in unsafe schools? While we were receiving daily reports of new coronavirus infections among our clerks, other school staff and



CTU Recording Secretary Christel Williams-Hayes at a pre-dawn action to support clerks and tech coordinators (Photo: CTU)

An independent arbitrator found that school buildings are unsafe, but the mayor has refused to abide by that ruling.

their families, the equipment was sitting in a warehouse.

CPS claims it performed air quality inspections on all buildings and they all passed. But those inspections failed to test for the most important aspects of air quality during a pandemic — how much air is being recirculated out of the room and how rapidly, the only way to verify that ventilation systems are actually working to mitigate virus spread. That's why the Union has demanded — and the arbitrator has agreed — that our own inspectors review ventilation systems, as is our contractual right.

Yet CPS refuses to allow us access to inspect building ventilation systems for safety, or abide by a legally binding arbitrator's ruling or the Governor's

work-from-home requests, even as our clerks who are being exposed and sickened by COVID-19 fear for their lives.

It's as if the mayor simply does not care about our workers. It is hard to reach any other conclusion.

## We'll fight with everything we've got

Our Union will continue to use every legal tool we have to force CPS to follow the law and protect workers, students and families. We will continue to be guided by science, which dictates that when coronavirus is surging through our communities, we cannot put students, educators and staff in harm's way by sending them into unsafe buildings.

Chicago's Black and Brown communities are being slammed by double-digit COVID-19 infection rates. Our school clerks, mostly Black and Brown women, live and work in these same communities. They are committed to serving our students and their families. But they should not be forced to choose between a paycheck and their very lives just because the mayor shares the Trump/DeVos agenda to return workers and students to schools regardless of the health risks.

It's time for CPS and the mayor to follow the law. Let our school clerks and other staff breathe a little easier. [CTU](#)

*Christel Williams-Hayes is the CTU Recording Secretary.*



Norine Gutekanst works the phone (Photo: CTU)

# Bon voyage, Norine

**Her 70-hour weeks as CTU organizing coordinator may be behind her, but it's a good bet that you'll run into her at the next Union protest**

BY CTU COMMUNICATIONS

Norine Gutekanst comes from a family of educators and strong union people. Her godmother, aunt and sister are teachers and her father's family were strong union activists. So it's no wonder she became a fixture at Union meetings, public hearings, rallies, protests and, more recently, car caravans.

Union activism is in her blood and so is teaching.

After working a string of odd jobs, including one at CNW Railroad, Norine began her education career in 1987 at Inter-American Magnet School (IAMS), a wonderful dual language school that, notably, was founded by parents. She taught first through fourth grades at IAMS for 17 years until a destructive Local School Council (LSC) took over and installed a principal who didn't have the support of the school community.

"My wonderful colleagues from IAMS are still some of my closest and dearest friends," she said. "They, like so many CPS teachers, were truly dedicated to the students we served, who came mostly from Latinx families." After leaving IAMS, she taught third grade at Whittier Elementary in Pilsen, again serving mostly working-class Spanish-speaking students and families.

Norine recalls the early 1990s organizing campaigns against Mayor Richard Daley and his corporate backers, who were pushing to reconstitute, turn around and close schools serving mostly Black and Brown students on the south and west sides of the city.

"I began working with other CTU members to fight the school closings," she recalled. "We wanted to stop those destructive actions, which ripped apart entire school communities. But we also wanted to find a way to activate members for the broader fight to defend public education and defend our Union and our working conditions."

## Joining CTU staff

She joined with others in that movement — Karen Lewis, Jesse Sharkey, and Jackson Potter, to name a few — in order to revitalize militant struggle in the Union. In 2010, Norine joined them on CTU staff as coordinator of the Union's first ever organizing department, a role she held until her retirement this fall.

Her proudest moments working for CTU? The historic strikes in 2012, 2016 and 2019 top the list, of course. But so does the courageous ISAT boycott by members in 2015 and CTU's alliance with community groups in the Grassroots Education Movement (GEM). And don't forget the CTU merger with charter union ChiACTS and the historic charter strikes of the last two years, which helped stall charter expansion in the city. She also is incredibly proud of the increasing leadership of CTU rank and file members, assisted by CTU's leadership trainings and summer institutes.

"Norine has been instrumental in every single battle and every single victory CTU has won over the last decade," CTU President Jesse Sharkey said. "She has been a fierce, dedicated champion for our Union, our public schools and our students. To say CTU will miss her is an understatement of gigantic proportions."

"I feel completely privileged to have been part of CTU's organizing department for 10 years and to work with the most amazing people, both on staff and in the schools," Norine said. "I am so inspired by our brilliant members who love — and fight for — their students, colleagues and schools."

## Norine's next phase

How does she plan to occupy her days, now that the 70-hour weeks are behind her? Reading, travelling and spending time with her adorable grandson come to mind. But she also plans to stay involved in CTU and its fight for the schools our children deserve. So don't be surprised if you see her — in her signature yellow marshall's vest — at the next action. [CTU](#)

# CHICAGO UNION TEACHER

EDITED BY THE CHICAGO TEACHERS  
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# Safety, equity, trust

## Sisters and Brothers,

By any measure, the coronavirus was raging in November when Mayor Lightfoot and CPS announced that in-person instruction for our most vulnerable students would begin Jan. 11. Daily infection rates hovered around 2,300 at the time. That's nearly six times higher than the 400 cases CPS initially said would trigger remote learning.

At the time of the announcement, 150 schools had reported COVID-19 infections — in buildings staffed with skeleton crews. Clerks, principals, assistant principals and lunch staff at those schools had become infected. Multiple families contracted the virus and at least one teacher and a security guard — that we know of — died.

At the same time the mayor was telling Chicagoans to stay home and skip Thanksgiving gatherings, she was steamrolling ahead with plans to reopen schools for pre-k and cluster students, who are some of our most fragile children, just after the new year.

How did the mayor settle on the Jan. 11 date? No one in the scientific or medical community was predicting the pandemic would be under control by then. In fact, leading authorities were predicting just the opposite, a dangerous post-holiday surge.

Instead of relying on science, the mayor pulled an arbitrary date out of thin air to serve a political agenda, urging us all to cross our fingers and hope the virus mysteriously disappears. If that sounds familiar, it's because Mayor Lightfoot seems to be the last person listening to Donald Trump when it comes to the virus and reopening schools.

Our Union and our families know this is a recipe for disaster. That's why over 1,000 parents joined a Union town hall in December and why hundreds came out for our Safety, Equity and Trust car caravan in the Loop. We all want to be back in our classrooms, but not until it is safe to do so. Our families are on the same page.

While the mayor distorts the facts and low balls the COVID risk in schools, we have developed clear, effective demands anchored in the core principles of safety, equity and trust. Lightfoot claims we are the ones hurting students when, in fact, she fails to lead with the empathy, equity and integrity our school communities deserve.

Safety must be first and foremost in any reopening plan. We need clear public health criteria to trigger reopening, not a random date dictated by political considerations. We need real resources put behind

safety protocols like masks, screening, nurses and upgrades to make ventilation safe. COVID testing, contact tracing, and a plan for vaccinations must be priorities.

To ensure equity for our students, CPS must revamp remote learning, reduce screen time and provide prep time and PD for educators. All students must have the technology to learn virtually and our families must be given services and support. Our clerks, mostly Black and Brown women, must be allowed to work remotely as an independent arbitrator ordered.

For any reopening plan to succeed, educators and parents need to believe decisions are being made to serve the best interests of students. But trust is in short supply given the district's track record of lies, negligence, and corruption. That list includes the Aramark boondoggle, the sex abuse scandal CPS swept under the rug and the gutting of special ed services that led to a state takeover. And, let's not forget, a former CEO went to jail for taking kickbacks and another got pushed out amid an ethics scandal.

To rebuild trust with workers and parents, CPS must bargain in good faith with our Union and give parents, students and community members a seat at the table. We must have independent verification that safety protocols are being met through a CTU-CPS Joint Committee. And safety panels should be empowered to act in each school if violations occur.

While CPS contends it is safe to reopen, no study has examined reopening schools in a city like Chicago, where students frequently live in multigenerational families who rely on public transportation, confront high levels of poverty and with individuals who are essential workers already at higher risk for COVID-19.

The district was unable to enforce even the most basic safety protocols while school buildings were mostly empty this fall. We don't trust CPS to do it when they are full of teachers and students and the virus is surging. Reopening our buildings must be done in collaboration with the people who know our schools best.

You are the ones who understand what your schools need to be safe. You are the ones parents trust — not the mayor or her CPS mouth pieces.

You are the ones being asked to risk your lives and the lives of your family. And you are the ones who, by standing together, in solidarity, will force the mayor to back down and do what is right for Chicago students and educators.

In solidarity,

Jesse Sharkey



## the president's message

Lightfoot seems to be the last person listening to Donald Trump when it comes to the virus and reopening schools.

The CUT interviewed members about remote learning. They shared how it's working in their schools — and what needs to change to improve virtual teaching and learning conditions.

# Members speak out



**LINDA PERALES**  
Bilingual SPED cluster teacher  
Corkery Elementary

Special ed teacher Linda Perales and her colleagues at Corkery Elementary are making remote learning work, but it's not without challenges. They are following an hour on and hour off schedule, which makes it easier. "But that's a lot to ask of our families — to be on call for seven hours a day with their student," she said. "Many of them are working and just can't do it. So, we definitely need a more humane schedule."

Perales also doesn't mince words when it comes to CPS-dictated technology. "Google classroom is the worst," she said. "It's not user friendly and teachers cannot mute the classroom. That is especially problematic for Perales' students, all of whom have disabilities. They get easily distracted if other students are talking or if there's any background noise."

## What we need to make remote learning work for students and educators: less screen time, more flexible schedules

"We've found a way in our little bubble to make it work. But that's because everyone — teachers and parents — are working together," she said. "But what we really need to address the problem is for our parents to get paid to stay home and help their children."



**EMILY HECHT**  
Spanish/Science teacher  
Jackie Vaughn Occupational High School

Emily Hecht says her colleagues are making remote learning work, but they need a more flexible schedule.

CPS apparently believes that a schedule suitable for a classroom doesn't require significant modification to make it suitable for students learning from home.

The school asked CPS to approve block scheduling, which would allow teachers to delve into more detail during longer periods. The district denied the request.

She thinks it's unfair that educators can't use their contractually-guaranteed supply reimbursement funds to pay for the technology they need to teach remotely, like a new laptop or monitor. And, she said, the lunch time schedule is ridiculous.

"If you have several children in different classes or in different schools, all with different lunch times, you feel like you're in the kitchen all day," she said. "They need to consider the needs of teachers who are parents, too."



**WILLIE COUSINS**  
Pre-k instructional aid  
Bond Elementary

Remote learning is working at Bond Elementary, PSRP Willie Cousins said, because parents and the school community are all working together. "Our parents have been great," he said. "They understand we're all in this together. It's a tough situation and every-

one is doing the best they can."

Still, he said the excessive screen time being forced on four year olds in his pre-k classroom is developmentally inappropriate and cruel. They have trouble focusing and staying on task — and he worries it will squash their love for learning. Ideally, he would like to see CPS reduce the amount of screen time to 30 minutes, an hour tops.

He also worries about teachers and staff like himself, who have their own children at home while they are working. "CPS has done nothing to address the difficulties facing working parents," he said. "I'm very concerned about the mental health, as well as the physical health, of our staff and students."



**MICHELLE GUNDERSON**  
Kindergarten teacher  
Nettelhorst Elementary

## Don't send us back

**Vaughn High School parents, teachers say remote learning can work for students with disabilities — and keep students safe**

BY CTU COMMUNICATIONS

Catherine Henchek's son has epilepsy, and a fever lowers his seizure threshold. So Catherine was shocked when she heard that the mayor wants special ed students like her son and pre-K children to be the first ones to return to in-person school.

"Obviously, CPS is not saying it's safe to go back to school," she told the unelected CPS Board members at their October meeting. "If it were safe, we'd be sending general ed students back, too."

Henchek and other Vaughn parents, as well as the school's teachers, want the district to stick with remote learning until COVID-19 is under control. But the mayor and CPS are pushing for in-person school in January for our most vulnerable students.

"CPS wants to send special education students back because they are engaging less with remote learning than other students," Hechek said. "I get that, but shouldn't the solution be to find ways to get them to engage better and help those parents that need it, not send them all back in during a worsening pandemic?"

### Student engagement up

The Union is asking the same question. At Vaughn, student engagement is up from

where it was last year and attendance is at pre-pandemic levels. So, why risk coronavirus exposure for the school's 234 students, many of whom are medically fragile?

In March, Vaughn experienced CPS' first known case of coronavirus. That case prompted the district to shut the school down two weeks before Gov. J.B. Pritzker closed the rest of the state's schools. The first months of remote learning in the spring were rough, but the training and hard work of teachers and parents has dramatically improved the program this year.

Vaughn specializes in teaching life skills to help young adults with cognitive, developmental and multiple disabilities become independent. The school's culinary arts program operates a cafe staffed by students. Along with core subjects, the high school teaches students how to take public transportation, buy and pay for things and make change.

Families of incoming freshmen and upperclassmen have been praising the curriculum this year, says Vaughn Local School Council president Cindy Ok. Students are taking online cooking classes, making and selling crafts online, and participating in programs with community partners such as Wright Community College and Access Living.

Emily Hecht, CTU delegate at Vaughn, agrees that training has been key to improve-

ments in remote learning.

### Teachers working overtime

"Our teachers have been working overtime creating everything new, and our parents and students have become self learners," she said. "Our parents are real superheroes."

Routines are critical to students with disabilities. So this year's remote learning routine, while not perfect, is helping students stay on track, Hecht said. Forcing students back to in-person school would disrupt the effective routines that parents and teachers have worked so hard to establish.

Henchek agrees. She told the CPS board that teachers and staff have made considerable progress in improving online learning from where it was in the spring and summer.

"Students are having lessons taught in real time by their subject teachers. They have developed a routine. They are engaged. They are learning," she said. "No, it's not the same as in-person learning before the pandemic. But the in-person learning that we would go back to won't be the same either."

While Hecht thinks students are more engaged in remote learning this year, she wants CPS to accept educators' recommendations for improvement. The day is too long for students, and teachers need a lot more planning time.





**LORI TORRES**  
World language teacher  
Monroe Elementary

Like many teachers, Michelle Gunderson was overwhelmed when she started back to school this fall. “As a first grade teacher, I felt the amount of screen time children were required to attend was inappropriate and that I was given no support or materials to make it work,” she said. “Twelve weeks later, I feel that we have all had to make do with so little.”

“The success of the online teaching and learning I have experienced during the first quarter had nothing to do with the latest app that came down the line, or the newest gadget that I bought,” she said. “It happened when I remembered who I was as a teacher and why I became a teacher 34 years ago.”

Maria Montessori’s maxim “follow the child” has guided Gunderson’s work remotely, just as it does in a physical classroom. “We play games together, use our math materials to learn, read books that we love, and take care of our relationships,” she said. “We stay away from rote worksheet-based learning and canned programmed curricula. But in the end, what makes it work is administrators and the district staying out of our way and letting us just teach.”

“The fact that CPS seems to think that transferring an in-person schedule to online learning is crazy,” Monroe Elementary teacher Lori Torres said. “I am challenged to focus on my students and support my own children’s learning when they struggle and need support.”

One solution, she said, would be to create consistent schedules for grade bands. For example, eight to noon for younger grades, 10 to noon for middle schoolers, and so on. Families also need a universal lunch break and teachers need a day to plan, grade, give feedback, and have office hours.

Older siblings may be the caregivers to their siblings during the day. A revised schedule would help them support their younger siblings and let parents focus on one age group at a time, she said. It also could relieve broadband bottlenecks that make connecting remotely a challenge in some households and communities.

She also sees the need for more counselors and social workers to help students struggling with isolation. “I’m not sure teachers are able to catch the signs as well as we would in person,” she said. “But parents are seeing it and they need some assurance that the school can help.” [CTU](#)



Jacqueline Vaughn Occupational High School

Still, she says, the school community is doing a great job, making the best of a difficult situation.

“Everyone is doing an amazing job,” she said. “We just need to hang in there

and keep communicating with each other.” And we need to continue to push CPS to make the modifications to remote learning that students and educators need.” [CTU](#)

# California dreaming

**If only CPS officials would follow the example of their counterparts in Los Angeles, we might have a Hollywood ending, too**

BY **JACKSON POTTER**

**U**nlike CPS’ refusal to bargain with the CTU over remote learning or return to in-person school, our Union sisters and brothers in Los Angeles have been properly engaged by their school management. Maybe it’s because Los Angeles has an elected school board. Or, maybe, officials there realize you cannot run a school system without the workers.

Either way, I’m dreaming of California as our Union fights to ensure safety and equity for our members and students during the COVID crisis.

A product of actual negotiation, Los Angeles’ remote learning plan makes a lot more sense than the plan imposed on CPS educators. United Teachers Los Angeles (UTLA) also reached an agreement on a package of safety protocols to pave the way for some in-person teaching.

## Reasonable day

For example, their virtual day goes from a more reasonable 9 a.m. to 2:15 p.m. It also gives educators and schools the autonomy to determine what ratio of online and offline time is developmentally appropriate.

UTLA members also get a one-time pandemic supply fund provision. The fund has minimal restrictions, while CPS restrictions are insane. The amount also is double what CTU members normally receive per our contract to prepare for remote learning. Lastly, the UTLA and the district regularly tweak the agreement to respond to new developments and concerns.

CPS insisted all through the fall that it would not bargain with CTU over a return to in-person school. Meanwhile, UTLA reached an agreement in October that covers adult education, in-person assessments and in-person tutoring. All are programs the union agrees require some in-person work. The agreement covers critical areas CPS refused to even address.

For example, participation by educators is voluntary. The agreement mandates six feet social distancing and daily sanitation of work spaces. CPS forced clerks, tech coordinators and other staff back to unsafe buildings in August. It wants to force pre-k and special ed teachers back to those same buildings beginning in early January — a date CPS has had to push back once already from November as the virus surges. CPS continues to refuse to bargain safety protocols.

## Testing and tracing

All participating UTLA members and students must be tested and cleared

before coming to school. Walk-up, on-site, COVID testing is also provided, with UTLA nurses participating on a voluntary basis. UTLA also has worked out a system for contact tracing of students and staff. CPS’ reopening “plan” does not require testing and potential contact tracing will be woefully insufficient.

The UTLA agreement sets the conditions and metrics for an eventual physical return to school without setting an actual date to reopen. That’s similar to what New York City enacted. As we approach the second quarter of school, CTU members still have no idea what metrics will be used to reopen buildings here.

The Los Angeles agreement requires PPE, including face masks, shields (upon request), hand sanitizer and hand washing, and one-use supplies such as pencils. CPS claims it will provide proper safety equipment but has refused to sign a written agreement to that effect.

## Get it in writing

The need to have safety protocols in writing — and not just in a press release — became even more apparent to me when I helped administer the PSAT at my school in September, an act of solidarity with colleagues who CPS required to work on-site. I also wanted to assess the conditions inside our schools.

Needless to say, there were problems. The test required the classroom door to be closed. No windows were open. This small detail is just one of hundreds of decision points that would need to be adjusted for school practices to reflect the best advice of public health experts.

Other questions arose. Do you let a student eat or drink in their classroom? Do you actually measure the six feet distance between desks rather than wing it? Do you sanitize your hands after handing out supplies to students? How and when do the students sanitize their hands?

The questions are numerous and the countless issues teachers and students have to navigate require a negotiated agreement with our Union. Anything less would make a return to in-person school unworkable, even if transmission rates decrease to acceptable levels.

Maybe, if we had an elected school board or, at a minimum, a willing partner on the other side of the table, we could have a Hollywood ending to our current fight with CPS. But with the mayor calling the shots, I’m not holding my breath. [CTU](#)

*Jackson Potter is a social studies teacher at Back of the Yards College Prep High School.*

CHICAGO TEACHERS UNION  
COMBINED FINANCIAL REPORT  
JUNE 30, 2019 AND 2018

CHICAGO TEACHERS UNION

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INDEPENDENT AUDITOR'S REPORT

Chicago Teachers Union  
 Chicago, Illinois

**Report on the Financial Statements**

We have audited the accompanying combined financial statements of Chicago Teachers Union, which comprise the combined statements of financial position as of June 30, 2019 and 2018, and the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

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

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

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

**Opinion**

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Chicago Teachers Union as of June 30, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

MEMBERS: AMERICAN INSTITUTE OF CPAs • ILLINOIS CPA SOCIETY  
 AN INDEPENDENT MEMBER OF THE BDO ALLIANCE USA



**Other Matter**

As described in Note 1 to the financial statements, Chicago Teachers Union adopted the provisions of Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* during the year ended June 30, 2019. Our opinion is not modified in respect to this matter.

**Consolidated Financial Statements of Chicago Teachers Union**

We have also audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated financial statements of Chicago Teachers Union, which comprise the consolidated statement of financial position as of June 30, 2019 and 2018 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended (none of which are presented herein), and we expressed an unmodified opinion on those financial statements. Such consolidated financial statements are the general purpose financial statements of Chicago Teachers Union, and the combined financial statements of Chicago Teachers Union presented herein are not a valid substitute for those consolidated financial statements.

*Bansley and Kiener, L.L.P.*  
 Certified Public Accountants

September 9, 2020

CHICAGO TEACHERS UNION

COMBINED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,346,427	\$ 3,318,179
Certificates of deposit	125,594	125,594
Receivables		
Due from Foundations	3,284,169	2,656,274
Due from affiliates	927,970	884,703
Other receivables	977,910	907,433
Prepaid expenses and other current assets	142,554	157,239
Total current assets	<u>10,804,624</u>	<u>8,049,422</u>
ACCRUED RENTAL REVENUE	81,975	101,639
DEFERRED LEASING COSTS, net	66,582	96,174
PROPERTY AND EQUIPMENT, net	4,322,318	5,409,900
Total	<u>\$ 15,275,499</u>	<u>\$ 13,657,135</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Current maturities of capital lease obligations	\$ 101,109	\$ 90,344
Accounts payable	4,658,475	2,042,298
Accrued expenses	3,484,167	5,467,356
Total current liabilities	<u>8,243,751</u>	<u>7,599,998</u>
LONG-TERM LIABILITIES		
Capital lease obligations, less current maturities	138,263	233,297
Note payable - Foundation	4,708,369	5,021,213
Deferred rent	1,352,668	1,756,831
Total	<u>6,199,300</u>	<u>7,011,341</u>
NET ASSETS (DEFICIENCY)		
Net assets without donor restrictions	360,166	(1,195,435)
Net assets with donor restrictions	472,282	241,231
Total net assets (deficiency)	<u>832,448</u>	<u>(954,204)</u>
Total	<u>\$ 15,275,499</u>	<u>\$ 13,657,135</u>

The accompanying notes are an integral part of the combined financial statements.

**CHICAGO TEACHERS UNION**  
**COMBINED STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2019 AND 2018**

	2019			2018		
	Net assets without donor restrictions	Net assets with donor restrictions	Total	Net assets without donor restrictions	Net assets with donor restrictions	Total
Net assets without donor restrictions						
Support and revenue						
Dues and fees	\$25,322,335	\$ -	\$25,322,335	\$24,574,480	\$ -	\$24,574,480
IFT organizational and other assistance	2,686,003	492,725	3,178,728	2,613,574	460,251	3,073,825
AFT reimbursement and special assistance	519,881	-	519,881	267,896	-	267,896
Contributions	-	630,465	630,465	-	337,747	337,747
Rent	379,050	-	379,050	378,249	-	378,249
Interest	1,001	-	1,001	2,320	-	2,320
Other	19,022	(396)	18,626	16,243	(19,812)	(3,569)
	<u>28,927,292</u>	<u>1,122,794</u>	<u>30,050,086</u>	<u>27,852,762</u>	<u>778,186</u>	<u>28,630,948</u>
Net assets released from restrictions	891,743	(891,743)	-	1,132,671	(1,132,671)	-
Total support and revenue	29,819,035	231,051	30,050,086	28,985,433	(354,485)	28,630,948
Expenses						
Collective bargaining and member services	5,839,691	-	5,839,691	6,773,593	-	6,773,593
Unallocated payments to affiliates	13,557,550	-	13,557,550	13,384,652	-	13,384,652
Member development	2,084,432	-	2,084,432	2,872,250	-	2,872,250
Management and general activities	5,890,018	-	5,890,018	7,140,947	-	7,140,947
Political action committee	889,743	-	889,743	1,132,671	-	1,132,671
RAPP	2,000	-	2,000	-	-	-
Total expenses	<u>28,263,434</u>	<u>-</u>	<u>28,263,434</u>	<u>31,304,113</u>	<u>-</u>	<u>31,304,113</u>
Increase (decrease) in net assets	1,555,601	231,051	1,786,652	(2,318,680)	(354,485)	(2,673,165)
Net assets (deficiency) beginning of year	(1,195,435)	241,231	(954,204)	1,115,178	595,716	1,710,894
Net assets transferred in merger	-	-	-	8,067	-	8,067
Net assets (deficiency) end of year	<u>\$ 360,166</u>	<u>\$ 472,282</u>	<u>\$ 832,448</u>	<u>\$ (1,195,435)</u>	<u>\$ 241,231</u>	<u>\$ (954,204)</u>

The accompanying notes are an integral part of the combined financial statements.

**CHICAGO TEACHERS UNION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2019**

Program Services	Supporting Services						Totals
	Unallocated Payments to Affiliates	Member Development	Management and General Activities	Political Action Committee	RAPP		
Affiliations	\$ -	\$13,557,550	\$ -	\$ -	\$ -	\$ -	\$13,557,550
Salaries	2,539,437	-	1,003,496	2,125,755	-	-	5,668,688
Employee benefits	665,917	-	289,232	621,936	-	-	1,577,085
Payroll taxes	210,913	-	77,547	162,801	-	-	451,261
Travel and staff expense	260,609	-	55,563	44,070	-	-	360,242
Collective bargaining	160,600	-	63,980	-	-	-	224,580
Meetings	291,641	-	85,655	28,984	-	-	406,280
Defense	733,805	-	-	-	-	-	733,805
Professional fees	-	-	-	1,049,047	-	-	1,049,047
Publications	130,340	-	5,600	14,097	-	-	150,037
Death benefits	-	-	13,000	-	-	-	13,000
Political Action Committee	-	-	-	-	889,743	-	889,743
All other	12,468	-	166,961	611,248	-	2,000	792,677
Conventions and conferences	-	-	-	136,025	-	-	136,025
Executive board	-	-	-	30,979	-	-	30,979
Election expenses	-	-	-	280,609	-	-	280,609
Rent and utilities	303,361	-	117,639	243,766	-	-	664,766
Telephone	22,937	-	8,895	18,431	-	-	50,263
Office supplies and expense	150,164	-	58,231	120,664	-	-	329,059
Insurance	44,027	-	17,073	35,377	-	-	96,477
Depreciation and amortization	313,472	-	121,560	251,892	-	-	686,924
Interest expense	-	-	-	114,337	-	-	114,337
	<u>\$ 5,839,691</u>	<u>\$13,557,550</u>	<u>\$ 2,084,432</u>	<u>\$ 5,890,018</u>	<u>\$ 889,743</u>	<u>\$ 2,000</u>	<u>\$28,263,434</u>
	21%	48%	7%	21%	3%	0%	100%

The accompanying notes are an integral part of the combined financial statements.

**CHICAGO TEACHERS UNION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2018**

Program Services	Supporting Services					Totals
	Unallocated Payments to Affiliates	Member Development	Management and General Activities	Political Action Committee		
Affiliations	\$ -	\$13,384,652	\$ -	\$ -	\$ -	\$13,384,652
Salaries	2,491,175	-	1,197,105	2,713,887	-	6,402,167
Employee benefits	629,884	-	283,204	818,850	-	1,731,938
Payroll taxes	163,994	-	70,754	275,469	-	510,217
Travel and staff expense	254,297	-	64,444	62,905	-	381,646
Collective bargaining	65,749	-	288,626	-	-	354,375
Meetings	224,527	-	60,802	-	-	285,329
Defense	892,053	-	-	-	-	892,053
Professional fees	-	-	-	704,081	-	704,081
Publications	232,771	-	-	32,147	-	264,918
Death benefits	-	-	15,500	-	-	15,500
Political Action Committee	-	-	-	-	1,132,671	1,132,671
All other	43,870	-	81,506	242,421	-	367,797
Conventions and conferences	-	-	-	71,375	-	71,375
Executive board	-	-	-	50,176	-	50,176
Election expenses	-	-	-	340	-	340
Rent and utilities	1,272,330	-	580,745	1,391,592	-	3,244,667
Telephone	18,651	-	8,513	20,400	-	47,564
Office supplies and expense	156,452	-	71,411	171,116	-	398,979
Insurance	35,812	-	16,346	39,170	-	91,328
Depreciation and amortization	292,028	-	133,294	319,402	-	744,724
Interest expense	-	-	-	227,616	-	227,616
	<u>\$ 6,773,593</u>	<u>\$13,384,652</u>	<u>\$ 2,872,250</u>	<u>\$ 7,140,947</u>	<u>\$ 1,132,671</u>	<u>\$31,304,113</u>
	22%	43%	9%	23%	4%	100%

The accompanying notes are an integral part of the combined financial statements.

**CHICAGO TEACHERS UNION**  
**COMBINED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 1,786,652	\$(2,673,165)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	686,924	744,724
Deferred rent	(404,163)	30,687
Amortization of deferred leasing costs	29,592	29,592
Interest accrued on note payable	100,561	208,248
Changes in assets and liabilities:		
(Increase) decrease in:		
Due from Foundations	(627,895)	(1,060,540)
Due from affiliates	(43,267)	(302,572)
Other receivables	(70,477)	(302,884)
Prepaid expenses and other current assets	14,685	42,863
Accrued rental revenue	19,664	(101,639)
Increase (decrease) in:		
Accounts payable	2,616,177	(583,960)
Accrued expenses	(1,983,189)	803,382
Total adjustments	338,612	(492,099)
Net cash provided by (used in) operating activities	2,125,264	(3,165,264)
Cash flows from investing activities:		
Purchase of property and equipment	(12,747)	(391,616)
Purchase of certificates of deposit	-	(325)
Proceeds from maturities of certificates of deposit	-	109,527
Net cash used in investing activities	(12,747)	(282,414)
Cash flows from financing activities:		
Reduction of capital lease obligations	(84,269)	(102,261)
Net cash used in financing activities	(84,269)	(102,261)
Assets transferred in merger	-	8,067
Net increase (decrease) in cash and cash equivalents	2,028,248	(3,541,872)
Cash and cash equivalents		
Beginning of year	3,318,179	6,860,051
End of year	\$ 5,346,427	\$ 3,318,179
Supplemental disclosures of cash flow information		
Cash payment for:		
Interest	\$ 13,677	\$ 19,281
Non-cash investing and financing activities:		
Reduction in note payable and leasehold improvements due to revised estimate of construction costs	\$ 413,406	\$ -

The accompanying notes are an integral part of the combined financial statements.

(Continued on next page)

CHICAGO TEACHERS UNION  
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1 – Nature of Activities and Significant Accounting Policies

*Nature of Activities*

The Chicago Teachers Union (“Union”) is an organization whose objective is to improve the status of teachers, educational workers and other workers in the City of Chicago.

The Chicago Teachers Union Political Action Committee (PAC) was organized on January 4, 1975. The PAC is comprised of the officers and a trustee of the Union. Contributions to the PAC are voluntary from Union members.

The Chicagoans United for Economic Security Political Action Committee (CUES) was organized on February 5, 2014 and terminated effective January 29, 2019. CUES is also comprised of the officers and a trustee of the Union.

Chicago Teachers Union Local 1 PAC (CTU Local 1 PAC) was organized on February 14, 2018. CTU Local 1 PAC is also comprised of the officers and a trustee of the Union.

*Principles of Combination*

The combined financial statements include the accounts of the Union, the PAC, CUES and CTU Local 1 PAC after elimination of all significant interfund balances and transactions.

The Union is affiliated with the Chicago Teachers Union Foundation, Inc. (Foundation) which is not combined herein. During 2017, the Union relocated its offices from the Merchandise Mart to the building owned by the Foundation (See Note 4). Management evaluated its present relationship with the Foundation and determined both control and an economic interest exist. Consequently, the Union prepared separate general purpose financial statements as of and for the years ended June 30, 2019 and 2018 consolidating the activities of the Foundation.

The Union has a controlling financial interest in the Children and Teachers Foundation of Chicago Teachers Union (Children and Teachers Foundation). The Union has elected not to combine this entity in the combined financial statements; however, it is included in the general purpose financial statements of the Union.

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

*Cash and Cash Equivalents*

For purposes of the statement of cash flows, the Union considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all money market funds to be cash equivalents.

CHICAGO TEACHERS UNION  
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

*Property and Depreciation*

Depreciation of property and equipment is computed principally on the straight-line method over the following estimated useful lives:

	Years
Office equipment	5-7
Leasehold improvements	5-15

Maintenance and repairs of property and equipment are charged to operations and major improvements are capitalized. When assets (including equipment under capital lease) are sold, retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the change in net assets.

*Restricted and Unrestricted Revenue and Support*

Net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Union and changes therein are classified as follows:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Union. The Union’s Executive Board may designate assets without restrictions for specific operational purposes from time to time.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

*Deferred Leasing Costs and Tenant Improvements*

Leasing commissions, other leasing costs, and tenant improvements directly attributable to the tenant sublease are capitalized as deferred leasing costs or leasehold improvements and are amortized or depreciated over the term of the sublease agreement.

*Rental Revenue*

The Union records rental revenue on a straight-line basis for “free rent” and for minimum rental revenue increases scheduled over the lease term as required by accounting principles generally accepted in the United States of America. The difference between rental revenue earned on a straight-line basis and the cash rent due under provisions of the lease agreement is recorded as accrued rent revenue on the accompanying statement of financial position.

*Death Benefits*

The Union provides a discretionary death benefit for beneficiaries of individuals who are Union members at the time of death. The benefit is a one-time payment ranging from \$300 to \$1,000 based on the individual’s length of membership. The Union’s policy is to expense these benefits as they are incurred. Death benefit expense for the years ended June 30, 2019 and 2018 was \$13,000 and \$15,500, respectively.

CHICAGO TEACHERS UNION  
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

*Income Tax Status*

The Union is exempt from federal income taxes under Section 501(c)(5) of the Internal Revenue Code. The PAC, CUES and CTU Local 1 PAC, as political organizations under Section 527 of the Internal Revenue Code, are exempt from income taxes with the exception of their net investment income. No provision for income taxes was required for 2019 or 2018. The Union’s and political organizations’ tax filings for the prior three years are subject to review by the Internal Revenue Service, generally for three years after the returns have been filed.

*Functional Expenses*

Expenses are categorized based upon their functional classifications on the statements of activities. The statements of functional expenses present the natural classification of expenses by function. Certain expenses are allocated among program and supporting services benefited. Expenses attributable to both program services and supporting services are allocated on a reasonable basis that is consistently applied. Certain expenditures are allocated based upon direct expenditures incurred, while others are allocated based upon estimated time and effort.

*Reclassifications*

Certain reclassifications have been made in the prior year financial statements to conform to the current year presentation. The reclassifications had no impact on previously reported net assets.

*Evaluation of Subsequent Events*

Management has evaluated subsequent events through September 9, 2020, the date the financial statements were available to be issued.

*New Accounting Pronouncement*

On August 18, 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). The Union has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. The new standards changed the following aspects of the Union’s financial statements:

- The temporarily restricted and permanently restricted net assets classes have been combined into a single net asset class renamed net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The addition of a statement of functional expenses for each year presented.
- The financial statements include a new disclosure about liquidity and availability of resources (Note 11).

CHICAGO TEACHERS UNION  
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

*New Accounting Pronouncement (Continued)*

The changes have the following effect on net assets at June 30, 2018.

Net Asset Class	As Originally Presented	After Adoption of ASU 2016-14
Unrestricted net assets (deficiency)	\$(1,195,435)	\$ -
Temporarily restricted net assets	239,231	-
Permanently restricted net assets	2,000	-
Net assets (deficiency) without donor restrictions	-	(1,195,435)
Net assets with donor restrictions	-	241,231
Total net assets (deficiency)	<u>\$ (954,204)</u>	<u>\$ (954,204)</u>

Note 2 – Property and Equipment

Property and equipment at June 30, 2019 and 2018 consist of the following:

	2019	2018
Office equipment	\$2,052,858	\$2,040,111
Office equipment held under capital lease	551,116	551,116
Leasehold improvements	<u>3,805,586</u>	<u>4,218,991</u>
	6,409,560	6,810,218
Less accumulated depreciation and amortization	<u>2,087,242</u>	<u>1,400,318</u>
	<u>\$4,322,318</u>	<u>\$5,409,900</u>

Note 3 – Cash and Certificates of Deposit Concentration

The Union maintains cash balances and certificates of deposit at several banks. Accounts at these institutions may from time to time exceed amounts insured by the Federal Deposit Insurance Corporation.

Note 4 – Due from Foundations

The Union is affiliated with the Children and Teachers Foundation. Beginning in 2019, major transactions with the Children and Teachers Foundation include payment by the Union of salary, taxes and benefits on behalf of the Children and Teachers Foundation. These expenses amounted to \$168,239 for the year ended June 30, 2019. The Union also advanced \$50,000 to the Children and Teachers Foundation to fund the Children and Teachers Foundation’s operations during 2019. The total amount due from the Children and Teachers Foundation at June 30, 2019 is \$218,239.

CHICAGO TEACHERS UNION  
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 4 – Due from Foundations (Continued)

A summary of the Children and Teachers Foundation's statement of financial position as of June 30, 2019 and 2018 is as follows:

	2019	2018
<u>Assets</u>		
Cash and cash equivalents	\$ 73,127	\$17,149
Other	-	100
Total	<u>\$ 73,127</u>	<u>\$17,249</u>
<u>Liabilities and Net Assets</u>		
Accounts payable and accrued expenses	\$ 48,396	\$ 8,510
Due to CTU	218,239	-
Other	<u>152,825</u>	-
	419,460	8,510
Net assets (deficiency)	<u>(346,333)</u>	<u>8,739</u>
Total	<u>\$ 73,127</u>	<u>\$17,249</u>

The Union is also affiliated with the Chicago Teachers Union Foundation, Inc. (Foundation). Major transactions with the Foundation include payment by the Union of salary, taxes and benefits on behalf of the Foundation. Also, during the year ended June 30, 2019, rent to be paid by the Union to the Foundation was offset against the receivable. The amount due from the Foundation at June 30, 2019 and 2018 is \$3,065,930 and \$2,656,374, respectively.

The Union also leases its office space from the Foundation (See Note 5).

A summary of the Foundation's statement of financial position as of June 30, 2019 and 2018 is as follows:

	2019	2018
<u>Assets</u>		
Cash and investments	\$10,911,250	\$13,507,868
Property and equipment - net	32,960,967	32,570,446
Note receivable - CTU	4,708,369	5,021,213
Other assets	<u>1,694,667</u>	<u>1,290,935</u>
Total	<u>\$50,275,253</u>	<u>\$52,390,462</u>
<u>Liabilities and Net Assets</u>		
Accounts payable and accrued expenses	\$ 813,558	\$ 1,025,870
Deferred grant and rental income	700	50,000
Due to CTU	<u>3,065,930</u>	<u>2,656,374</u>
	3,880,188	3,732,244
Net assets	<u>46,395,065</u>	<u>48,658,218</u>
Total	<u>\$50,275,253</u>	<u>\$52,390,462</u>

CHICAGO TEACHERS UNION  
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 5 – Leases

*Operating Lease with the Merchandise Mart*

The Union has a lease agreement for office space which expires on October 31, 2021. The agreement provides that the lessee pay its proportionate share of the operating costs plus a base rental amount. As an inducement, the lessor agreed to provide the Union allowances to be used for leasehold improvements and monthly rental payments as detailed in the lease agreement. In conformity with accounting requirements, the Union is recognizing the deferred rent credit over the lease term.

During 2015, Union management decided to relocate its offices to the building owned by the Foundation. Negotiations for a buyout of this lease with the lessor and efforts to sublease this former office space were not finalized until July 2019.

During the buyout negotiations, the lessor was cooperative in attracting new tenants to mitigate any potential losses. However, the Union incurred losses on the lease for its former office space after its relocation. The amount of loss is the amount by which costs to be incurred exceed the amounts reasonably expected to be received from any subleases. These amounts are adjusted annually for amounts paid while the property is vacant. The Union recorded an expense and a liability related to the projected shortfall between the rent obligation under the lease and the rental income to be received over the term of the sublease (as discussed below). During 2017, the Union recorded a loss of \$3,042,000. During 2018, the Union recorded an additional loss totaling \$705,000 based upon the revised projected shortfall at June 30, 2018. During 2019, the Union agreed to pay the lessor a termination fee of \$678,000 and agreed to a reduced rent schedule based upon a reduction in the rentable space from 41,598 square feet to 24,022 square feet.

The revised minimum future rental payments under the non-cancelable operating lease which has a remaining term in excess of one year as of June 30, 2019, for each of the next three years are as follows:

Year Ending June 30,	Amount
2020	\$ 872,166
2021	901,950
2022	<u>303,114</u>
Total minimum future rental payments	<u>\$2,077,230</u>

Consequently, the Union recorded a \$1,900,000 reduction in the accrued loss in 2019 as a result of the favorable outcome from the buyout negotiations. The amount of loss included in accrued expenses at June 30, 2019 and 2018 was \$1,847,000 and \$3,747,000, respectively.

Rent expense under this operating lease was \$1,612,801 in 2019 and \$1,297,975 in 2018.

On July 18, 2017, a portion of the leased space in the Merchandise Mart was subleased. Amounts expected to be received from this sublease reduce the accrued loss on the operating lease as described above. The sublease provides for noncancelable terms for four years and three months at lease inception. Rents are scheduled to increase \$0.75 per square foot on each anniversary of the lease commencement date. The lease also provides for the abatement of monthly rents for the first three months during the first year of the lease. The Union recognizes such rental revenue earned on a straight-line basis. The difference between rental revenue earned and the cash rent due under the provision of the lease agreement is recorded as accrued rent revenue on the accompanying statement of financial position.

CHICAGO TEACHERS UNION  
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 5 – Leases (Continued)

*Operating Lease with the Merchandise Mart (Continued)*

Minimum future rentals under this lease are as follows:

Year ending June 30	Amount
2020	\$397,265
2021	407,327
2022	<u>104,348</u>
Total	<u>\$908,940</u>

Rental income under this operating lease was \$367,539 in each of the years ending June 30, 2019 and 2018.

*Operating Lease with the Foundation*

On December 1, 2016, a portion of the building owned by the Foundation was leased to the Union. The lease provides for noncancelable terms for 15 years at lease inception. Rents are scheduled to increase every five years by a fixed rate of 2.5% compounded annually. The lease also provides for the abatement of monthly rents for the first three months during each of the first five years of the lease. The Union is recognizing office rent expense on a straight-line basis over the lease term.

Minimum future rentals under this lease are as follows:

Year ending June 30	Amount
2020	\$ 700,489
2021	700,489
2022	1,004,742
2023	1,055,283
2024	1,055,283
Thereafter	<u>8,512,875</u>
Total	<u>\$13,029,161</u>

Rent expense under this operating lease was \$1,467,564 in 2019 and \$1,208,931 in 2018.

As an additional lease incentive, the Foundation agreed to provide the Union with an improvement allowance of \$3,561,300 towards the costs and expenses incurred by the Foundation in the design and construction of the Union premises including the purchase of the Union's furniture and fixtures; however, the cost exceeded the allowance by \$4,293,650. The Foundation agreed to provide the Union with financing necessary to repay the cost exceeding the allowance. A promissory note was entered into, with an interest rate of 3.75% per annum, payable monthly, with the principal amortized over 30 years, but subject to a balloon payment of all unpaid principal and accrued interest on the fifth anniversary of the note, presently January 1, 2022. Scheduled repayments of the note have not commenced as of June 30, 2019. The note is secured by the Union's assets, including furniture, fixtures, equipment and other personal property. As of June 30, 2019 and 2018, the balance of the note, including accrued interest was \$4,708,369 and \$5,021,213, respectively.

CHICAGO TEACHERS UNION  
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 5 – Leases (Continued)

*Operating Lease with the Foundation (Continued)*

At June 30, 2018, the design and construction costs in excess of the improvement allowance were determined based on estimates of the Union's share of the original schematic design, change orders and other fees totaling \$4,707,056. During 2019, the Foundation revised these estimates and reallocated \$413,406 of construction costs to the Foundation's fixed assets and reduced the promissory note balance by the same amount.

Also, the interest rate was renegotiated and reduced from 4.5% per annum to 3.75% per annum. Adjustments made to the accounting records to account for these revisions did not have a significant effect on the Union's net assets or its change in net assets as of or for the year ended June 30, 2019.

*Capital Leases*

The Union leases office equipment under contracts qualifying as capital leases. Such contracts have original terms between four and six years. The contracts qualifying as capital leases each contain a bargain purchase option. Some of the leases also provide for a monthly charge for equipment maintenance which is included in the lease payment.

The capitalized leased assets included in office equipment at June 30, 2019 and 2018 are detailed as follows:

	2019	2018
Office equipment	\$551,116	\$551,116
Less: accumulated depreciation	<u>249,181</u>	<u>174,799</u>
	<u>\$301,935</u>	<u>\$376,317</u>

Minimum future rental payments under capital leases having remaining terms in excess of one year as of June 30, 2019, for each of the next three years and in the aggregate are:

Year Ending June 30,	Amount
2020	\$119,330
2021	112,104
2022	<u>41,599</u>
Total minimum lease payments	273,033
Less amount representing maintenance	17,965
Less amount representing interest	<u>15,696</u>
Present value of net minimum capital lease payments	239,372
Less current portion of obligations under capital leases	<u>101,109</u>
Obligations under capital leases, excluding current portion	<u>\$138,263</u>

(Continued on next page)

Note 6 – Pension Plans

The Union contributes to various defined contribution pension plans that cover substantially all of the Union's employees. Contribution expense for the years ended June 30, 2019 and 2018, amounted to \$857,578 and \$966,447, respectively, and is based on a percentage of each participating employee's salary.

Note 7 – Affiliations

The Union is affiliated with the American Federation of Teachers ("AFT") and the Illinois Federation of Teachers ("IFT"). Major transactions with these affiliates include receipt of organizational assistance funds and COPE reimbursements from IFT, and special assistance and legal fee reimbursements from AFT. The Union is also required to pay fees to both IFT and AFT based on the number of Union members. The amounts due from affiliates at June 30, 2019 and 2018 are \$927,970 and \$884,703, respectively.

Note 8 – Net Assets with Donor Restrictions

A summary of net assets with donor restrictions and net assets released from restriction for the years ended June 30, 2019 and 2018 follows:

	2019			
	Beginning Balance	Additions	Net Assets Released	Ending Balance
RAPP Memorial	\$ 2,000	\$ -	\$ 2,000	\$ -
Political action committees	239,231	1,122,794	889,743	472,282
	\$241,231	\$1,122,794	\$891,743	\$472,282
	2018			
	Beginning Balance	Additions	Net Assets Released	Ending Balance
RAPP Memorial	\$ 2,000	\$ -	\$ -	\$ 2,000
Political action committees	593,716	778,186	1,132,671	239,231
	\$595,716	\$778,186	\$1,132,671	\$241,231

Net assets are released from donor restrictions when the Union incurs expenses satisfying the restricted purposes, or by occurrence of other events specified by the donors.

Following is a summary of net assets with donor restrictions:

RAPP Memorial	- Earnings on the fund may be used to benefit the deaf and hard of hearing children attending the Chicago public schools.
Political action committees	- committees support candidates in state and local governmental elections.

Note 9 – Contingencies

The Union is currently involved in various litigations and disputes, the ultimate dispositions of which the Union believes will not have a material effect upon the Union's financial position.

Note 10 – Merger of Alliance Charter Teachers and Staff Local 4343

On March 1, 2018, the members of the Chicago Alliance of Charter Teachers and Staff Local 4343 (Local 4343) merged with the Union. Local 4343 transferred net assets totaling \$8,067 to the Union. The merger of Local 4343 had no significant effect on the Union's operating activities.

Note 11 – Liquidity

The Union's financial assets available within one year of the balance sheet date for general expenditure are as follows:

	2019	2018
Cash and cash equivalents	\$ 5,346,427	\$3,318,179
Certificates of deposit	125,594	125,594
Due from Foundations	3,284,169	2,656,274
Due from affiliates	927,970	884,703
Other receivables	931,245	907,433
	\$10,615,405	\$7,892,183
Less assets not available for general expenditure - Purpose restricted	472,282	241,231
Financial assets available to meet cash needs for general expenditures within one year	\$10,143,123	\$7,650,952

As part of the Union's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 12 – Subsequent Event

On January 30, 2020, the World Health Organization (WHO) declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Business disruption as a result of the spread of the COVID-19 coronavirus is expected to be temporary, though there is considerable uncertainty around the duration. The financial impact as a result of the spread of the COVID-19 coronavirus cannot be reasonably estimated at this time.

House of Delegates Meeting /  
Wednesday, November 4, 2020

**Delegates not present:** NETWORK 1A Brennan, Jennifer; Green, Laurie / NETWORK 1B Davis, Deborah; Garrity, Norma / NETWORK 1C Burchfield, Elizabeth; Cantu, Lisa; Dillon, Barbara; Graves, Kenneth; Wehbeh, Jenine / NETWORK 2A Askounis, Katherine; Gladney, Maxine; Lancaster, Elizabeth; Williams, Isaac / NETWORK 2B Hernandez, Wilson; Park, Kimberly; Pedersen, Christian / NETWORK 3A Arroyo, Judith; Martinez, Nellie; Poellinetz, Andre / NETWORK 3B Crowder, Sharon; Del Monico, Kathleen; Moore, Tammy; Poole, Alethea / NETWORK 4A Cieslik, Laura; Hungerford, Robert; Jun Suvatne, Wonju; Ryan, Phyllis; Schmidt, Kathryn; Zoldan, Sara / NETWORK 4B Rendleman, Hillarey; Schroeder, Zach / NETWORK 4C Reddcliffe, Rebecca; Sikes, Jonathan / NETWORK 5A Cerda, Brian; Grayer, Barbara; Greco-Serwa, Sandra; Hudson, Jessie; James, Donella; Koziol, Monica; Page, Catherine /

NETWORK 5B Bryant, Michael; Georgopoulos, Stella; Jasutis, Susan; Smith, Edie; Watson, Joyce; Williams, Lekisch / NETWORK 6A Anderson-Matchem, Candace; Bertoni-Mancine, Arlene; Stewart, Cailynn / NETWORK 6B Bruesch, Michael; Jean, Alicia; Scanlon, Heather; Taylor, Steven / NETWORK 7A Chino, Ervis; Fragozo, Miguel; Moreno, Karin; Neuman, Robert; Perez, Carmencita; Reed, Anne; Rentz, Kathleen / NETWORK 7B Castaneda, Bertha; Kniff, Jennifer; Peralta, Alfredo; Zygowicz, Debra / NETWORK 8A Burke, Niamh; Carapia, Yesenia; Cleve, Craig; Matuska, Lisa / NETWORK 8B Banasiak, Sally; Gallagher, Martin; Helfman, Kevin; Saucedo, Ernestina / NETWORK 9A Denard, Kimberly / NETWORK 9B Banks, Lindsey; Horton, Kawana; MacKay, Gideon; Olson, Genni; Schnall, Jamie / NETWORK 10A Martinez, Teresa; O'Malley, Margaret; Toro, Theresa / NETWORK 10B Kelly, Laura; Linehan, Joseph; McDevitt, Julie; Zachary, Terri / NETWORK 10C Fuller, Nicole; Jemison, Dianna; Vinezano, Michele; Wagner, Colette / NETWORK 11A Miller, David;

Mitchell, Susan; Threlkeld, Selena / NETWORK 11B Holmes, Davina; House, Mariah; White, Larne / NETWORK 11C Smith, Kimnise; Stephanos, Peter / NETWORK 12A Carter, Launder; Crockett, Nicole; Keys-Brickford, Samica; Pineda, Leticia; Robinson, Chaunte; Simpson, Andrea / NETWORK 12B Bell, Wilma; Farmer, Yvette; Johnson, Tequila; Jones, Kallie; Kidd, Tracey; Kile, Carmen; Thigpen, Sondra / NETWORK 13A Abioro, Elizabeth; Bobo, Jennifer; Gordon-Thompson, Latonya; Mason, James; Miller, Taniko / NETWORK 13B Carrethers, Loreal; Koslowski, Mary; Lee, Tyrone; Schmitt, Mary Therese / NETWORK 14 Hessenthaler, Jennifer; Iselin, Gabriella; Islas, Raul; Kaplan, David; Lewis, Shereena; Mead, Thomas; Schmidt, Sharon; Szweczyk, Nickolas / NETWORK 15 Banda, Stephen; Ford-France, Phyllis; Harris, Stephanie; Huirache, Jessica; Padilla, Juan; Roberson, Gerald; Thomas, Alison; Zwiasek, Carly / NETWORK 16 Burke, Heide; Cover, Marc; Daniels, Rochelle / NETWORK 17; Miller, Martin; Riouse, Nicole; Sullivan, Nancy / AUSL SOUTH Calhoun,

M'rald; Sanders, Toya / AUSL WEST Kelly, Ryan; Pope, Bryan; Redmond, La'Tina; Waters, Cynthia / CTUA1 Buffington, Brigid; Byrnes, Megan; Crooks, Andrew; Jones, Sarah; Kalisky, Jean; Loafmann, Paul; Pietruszka, David; Rouke, Bethany; Staples, Bradley / CTUA2 Anfossi, Sabrina; Berner, Indalia; Brooks, James; Ferri, Enrico; Foley, Seamus; Holmes, Claude; Martin, Roy; Martinez, Marines; Rousakis, Nicole; Tobin, Paul; Van Herik, Andrew; Vargas, Valerie / CITY-WIDE CAREER SERVICE Bullocks, Latonya; Butler, Deborah; Campbell, Jacqueline; Casimir, Jacqueline; Cruz, Griselda; Davis, Barbara; Garcia, Bethsaida; Gonzalez, Maria; Hill, Delphine; Johnson, Marsha; Jordan, Sherry; Lozoya, Maria; Martinez, Nellie; Powers, Reyne; Schmidt, Kathryn; Smith, Cynthia; Trice, Jeanine / CITY-WIDE Ali, Jamillah; Beavers, Charles; Bell, Benna; Chistensen, William; Daniels, Theresa; Lopez, Gabriel; Manney, Germaine; Morgan, Merritt; Schecter, Jeff; Schwab, Jean; Scott, Cecelia; Stachler, Lara; Temkin, David; Vega, Hilario; White, Leandres; Zoller, Daniel

House of Delegates Meeting /  
Wednesday, December 9, 2020

**Delegates not present:** NETWORK 1A Brennan, Jennifer; McNulty, Scott / NETWORK 1B All Present / NETWORK 1C Burchfield, Elizabeth; Flanagan, Nora / NETWORK 2A All Present / NETWORK 2B Bravo-Gonzalez, Mayra; Park, Kimberly; Trice, Jeanine / NETWORK 3A Arroyo, Judith; Cantillon, Siobhan / NETWORK 3B Crowder, Sharon; Del Monico, Kathleen; Montanez, Rene; Moore, Tammy / NETWORK 4A Hungerford, Robert; Jun Suvatne, Wonju; Zoldan, Sara / NETWORK 4B All Present / NETWORK 4C Reddcliffe, Rebecca / NETWORK 5A Grayer, Barbara; Greco-Serwa, Sandra; Koziol,

Monica; Oliva, Melissa; Wendorf, Lori / NETWORK 5B Bryant, Michael; Clark, Clinetta; Watson, Joyce; Williams, Lekisch / NETWORK 6A Jones, Shaleka / NETWORK 6B Burks, Kenyada / NETWORK 7A Fragozo, Miguel; Rentz, Kathleen; Vidakovic, Diana / NETWORK 7B Castaneda, Bertha; Peralta, Alfredo / NETWORK 8A Matuska, Lisa / NETWORK 8B Gallagher, Martin / NETWORK 9A Denard, Kimberly / NETWORK 9B Burrell, Curtis; Horton, Kawana; Jefferson, Joyce; MacKay, Gideon; Olson, Genni / NETWORK 10A Martinez, Teresa; O'Malley, Margaret; Strange, Brenda; Toro, Theresa / NETWORK 10B Sullivan, Kathleen / NETWORK 10C Fuller, Nicole; Jemison, Dianna; Vinezano, Michele / NETWORK 11A; Mitchell, Susan / NETWORK 11B Holmes,

Davina; House, Mariah / NETWORK 11C Smith, Kimnise; Smith, Patrick; Stephanos, Peter / NETWORK 12A Carter, Launder; Crockett, Nicole; Robinson, Chaunte; Simpson, Andrea / NETWORK 12B Bell, Wilma; Farmer, Yvette; Kidd, Tracey; Kile, Carmen; Thigpen, Sondra / NETWORK 13A Bobo, Jennifer; Gordon-Thompson, Latonya; Holmes, Deborah; Mason, James; Miller, Taniko / NETWORK 13B Carrethers, Loreal; King, Latia / NETWORK 14 Shoffer, Trevor; Ward, Anne / NETWORK 15 Banda, Stephen; Ford-France, Phyllis; Huirache, Jessica; Roberson, Gerald; Ruiz, Melanie; Thomas, Alison / NETWORK 16 Burke, Heide; Byrnes, Christopher; Cybulski, Nicholas; Daniels, Rochelle; Kelly, Jason / NETWORK 17 Infante, Xochitl; Riouse, Nicole; Sullivan, Nancy / AUSL SOUTH

Sanders, Toya / AUSL WEST Pope, Bryan / CTUA1 Buffington, Brigid; Byrnes, Megan; Crooks, Andrew; Jones, Sarah; Kalisky, Jean; Loafmann, Paul; Pietruszka, David; Staples, Bradley; Thomas, Meghan; Wax Trost, Joanna / CTUA2 Anfossi, Sabrina; Brooks, James; Ferri, Enrico; Foley, Seamus; Martin, Roy; Martinez, Marines; Rousakis, Nicole; Van Herik, Andrew; Wallek, Bradley / CITY-WIDE CAREER SERVICE Bullocks, Latonya; Butler, Deborah; Campbell, Jacqueline; Coty, Sharon; Cruz, Griselda; Gonzalez, Maria; Jordan, Sherry; Lozoya, Maria; Shlemon, Sarah; Smith, Cynthia / CITY-WIDE Christensen, William; Cochrane, Christine; Daniels, Theresa; Hill, Alex; Lopez, Gabriel; Manney, Germaine; Schecter, Jeff; Scott, Cecelia; Smith, Eileen; Stachler, Lara

In memoriam

2019  
December 26 Myrtle G Rhoden, Mozart

2020  
August 17 Gloria H Spears, Kohn  
September 14 Lois W Travis, Evergreen Acad  
October 7 Sylvia Schneider, Mayer  
October 8 Carolyn S Armstrong, Copernicus  
October 11 Janette Pauley, Wright  
October 13 Joseph W Washington, Douglas  
October 19 Willie L Gray, Harvard  
October 21 James A Yates, Harlan High  
October 21 Dorothy L Stirus, Altgeld  
October 21 Freddie McGee, Ross  
October 23 Dorothy S Dawson, City College, Recip

October 24 Allen J Kaiser, Medill PDC  
October 24 Margaret M Kruczkowski, Henderson  
October 26 George L Hobby, Clay  
October 27 Arline Shah, Harlan Comm Acad  
October 28 Cyrene P Grierson, Steinmetz  
October 28 Joann Tomlinson, Mason  
October 29 Monserrate Quinones, Barry  
October 30 Csaba Czabafi, Senn  
October 30 Jeremiah Jenkins, Emmet  
October 31 Evelyn A Carson, Carpenter  
October 31 Sandra A Givens, Res eval & acct  
November 1 Shirley T Shechtman, Hibbard  
November 2 Jacqueline M White, Young  
November 3 Barbara J Martin, Clemente  
November 3 Betty J Hogg Pittman, Medill  
November 3 Joyce J McCree, Hubbard  
November 3 Lucille Outlaw, Barry  
November 4 Adell Ellis, Harte

November 5 Argie S Bingham, Roberson  
November 6 Narcissa T Cummings, Lovett  
November 6 Dennis Nodulman, Gage Park  
November 7 Alfred L Deane, Dyett  
November 7 Ann D Connelly, Edwards  
November 7 William S Noonan, Cooper  
November 8 Velma Chavis, Bouchet Branch  
November 9 Virginia R Fieck, Reciprocal  
November 9 Edythe S Freeman, Hanson Park  
November 10 Wilbur N Daniel, Hughes  
November 10 Rogelio Villalobos, Juarez  
November 11 Iona H Harris, Prussing  
November 12 Richard M Rath  
November 12 Robert L Edwards, Buckingham  
November 12 Joan M Pufundt, Foreman  
November 12 Robert L Woods, Delano  
November 13 Ronald P Cheek, Gage Park  
November 13 Tommie L Martin, Wadsworth

November 14 William R Charleston, Tilton  
November 14 Anna Marie Donatelli, Lovett  
November 16 Clarence Johnson, Jefferson  
November 17 Luisa P Ali, Harvard  
November 17 James P Kelly, Kelly  
November 18 Barbara A Hamilton, Herbert  
November 18 Monetta White, Tesla  
November 18 Eleanor M Vega, Cooper  
November 19 Janice Mayo, Farragut  
November 19 Isabel Deguzman, Dist 10  
November 20 Gwendolyn Square, Howland  
November 21 Anita Welborn, Abbott  
November 21 Marek J Michalski, Sub  
November 21 John J Greven, OSS  
November 22 Charlean A Pelekoudas, Tonti  
November 23 Yvonne Arroyo, Spry  
November 24 Cheryl Clark, C-W Spec  
November 26 Eduardo D Lopez

Lists of deceased members of the Chicago Teachers Union (CTU) are provided to the Chicago Union Teacher by the office of the Chicago Teachers Pension Fund (CTPF) and are printed as received. If you notice an error or omission, please first contact the CTPF at 312.641.4464 or via email at memberservices@ctpf.org to report the information. Please contact the CTU Financial Dept. as well by phoning 312.329.9100. Both the CTPF and CTU disburse death benefits to a member's designated beneficiaries.



# Victory in North Lawndale

Parents, community win the fight against more school closures, demand investments that the mayor promised during her campaign instead

BY CTU COMMUNICATIONS

It felt like déjà vu in North Lawndale. The west side community knows better than most the trauma of school closings. CPS has shuttered six neighborhood schools in the area since 2005 — all while opening a slew of new charters — and three more neighborhood schools were on the chopping block.

But an expansive group of parents, teachers and students, organized as the North Lawndale Parent and Community Coalition (NLPCC), fought back and won the latest battle. In a historic victory, CPS failed to announce the planned closings by the legally-required Dec. 1 deadline.

In the months since the closings came to light, NLPCC organized parents, students, and staff in the three schools as well as community members, many who had no idea the schools could be shuttered. And, at every turn, they reminded Mayor Lori Lightfoot that she promised equity and investment for Chicago's Black community — not more of the same failed policies of Rahm Emanuel.

## STEAMrolling the community

The plan, being falsely touted as “com-

munity driven,” would have closed and consolidated Lawndale Community Academy, Crown Community Academy and Charles Sumner Math and Science Community Academy to make way for a new STEAM school in the Lawndale area.

PSRP Willie Cousins, whose fourth grade daughter attends Crown, helped organize parents and neighborhood residents in the fight to save the three schools. They attended CPS board meetings, held press conferences and rallies, met with Alderman Michael Scott and, at press time, had collected over 1,400 signatures opposing the school closings.

## Parents shut out

“CPS keeps calling this a community proposal, but they're not being honest about it,” Cousins said. “The people of North Lawndale — the parents, teachers and students at these schools — have been shut out of the process. We are going to keep organizing and fighting because this is about our children's safety and the future of our community.”

School closings and consolidations are the bedrock of long standing disinvestment in the West Side community, which has been starved of the programs and

services students so desperately need. In just the last five years, CPS' Student-Based Budgeting slashed North Lawndale school budgets by \$4 million.

While proponents of the closings say the new STEAM school would be a boon for the neighborhood, community residents note it does nothing to address a lack of jobs and affordable housing or increased violence. Those conditions, along with school destabilization, have created a perfect storm, causing enrollment at schools to drop and neighborhood population to plummet. In 1960, 124,937 people lived in a thriving, bustling North Lawndale community. By 2018, the population dropped to 33,854.

## Promises made, promises broken

Parents, teachers, administrators, and community members are calling on the mayor to turn back that tide by providing the investments she promised during her campaign.

“The mayor said it was a new day. She said she wouldn't close schools because she understood the trauma that caused the community,” Cousins said. “But in her second year, she already wants to close three schools...it's just more of the same,

promises made, promises broken.”

Speaking at a community press conference in November, CTU Recording Secretary Christel Williams-Hayes, a North Lawndale resident, urged parents not to “drink the kool-aid.”

## Stop taking from us

“We can't always be excited because somebody is offering us something new,” Williams-Hayes said. “We are already devastated with crime, we are devastated with death. Give us what we deserve. Invest in these schools. Stop taking from us. They've taken so much from us already.”

While the closings are off the table for now, organizers like Cousins know these fights aren't won in the legal arena. They intend to keep fighting.

“To lose these schools would be another huge loss for the community,” he said. “This is why we went on strike last year to get investments in these schools to help bring the community back. With the right support, they could be a beacon of light. So, we're going to keep fighting and organizing in the community because we know the people are on our side.” [ctucity](#)



# A sleepless election night

After tossing and turning, we woke to some good and some bad news in the aftermath of a frantic 2020 election season

BY KURT HILGENDORF

Despite warnings from election authorities about ballot counting delays, despite the fact that my job involves the minutiae of elections and I knew ballots would take a while to count, and despite the fact that ballot-counting in the era of mail ballots and touch screens largely avoids problems like the “hanging chads” in Florida 20 years ago, I still didn’t sleep election night. Turns out my emotional self trumped my rational self, at least for one night.

Fortunately, Biden trumped Trump that night. Kim Foxx trumped white reactionaries trying to subvert her criminal justice reform work in the Cook County State’s Attorney’s office. And some of CTU’s staunchest allies triumphed over their opponents.

Unfortunately, billionaires — the ones mostly outside Chicago — also had a great night as their misinformation campaign defeated the graduated income tax amendment. And Trump did better than predicted — he got the most votes of any Republican presidential candidate ever, even in a loss.

## What does it all mean?

Politics is rarely a clean sweep. The key question now is, “What does it all mean?”

At the national level, Biden’s win was the result of Black voters not being taken for granted. It was the result of organizers in Detroit and Atlanta and Philadelphia and Milwaukee and Arizona turning people out in a pandemic. Victory came from millions across the country voting for their own lives and economic securi-

ty over the politics of racism, conspiracy theories, and fear mongering.

The election result means the end of Betsy DeVos’ U.S. Department of Education. It means a much more coordinated national response to the COVID-19 pandemic, and hopefully some real economic relief for the millions devastated by the economic downturn. That said, there are still real challenges in Congress — including two Senate races in Georgia that won’t be settled until January run-offs, and the fact that Democrats lost seats in the House.

## Long road ahead

The U.S. remains deeply red in large portions of the country, including in large sections of Illinois. A huge Trump turnout benefited Republicans up and down the ballot. State legislatures that theoretically could have become Democratic will remain Republican. That has implications for the next 10 years, as redistricting tied to the census will be determined by those same Republican state legislatures. If the massive amounts of voter suppression and efforts to discredit elections by Trump and his allies are any indication, we have a long road ahead.

At the State level, the political prognosis is clearer. Democrats hold supermajorities in both chambers of the Illinois General Assembly. Democrats lost one seat in the state house but still hold a 73 to 45 majority. In the Illinois Senate, Democrats gained one seat and now hold a 41 to 18 advantage.

CTU-endorsed general assembly candidates Rep. Lindsey LaPointe, Rep. Fran Hurley, Sen. Celina Villanueva and Sen. Rob Martwick all won on election day.

Additional CTU-endorsed candidates, like Denyse Wang Stoneback, Rep. Lakeasia Collins, and Rep. Omar Williams, won their primaries and faced no general election opponent. Our Union’s influence in the Illinois Legislature continues to grow.

## Wealthy Illinoisans sink ballot measure

The budgetary and economic prognosis, on the other hand, is not as clear. The Fair Tax defeat means the loss of \$3 billion in annual revenue from Illinois’ wealthiest residents. Their steadfast opposition, rooted in dishonest claims about the amendment, combined with the uncertainty of the pandemic, sunk the ballot measure. To be clear, though, that message was most effective outside of Chicago.

In the City, 10 years of work by the CTU and its allies to hammer home the need for progressive revenue resulted in the Fair Tax receiving 72 percent of the vote. Some 700,000 Chicagoans agreed that taxing the wealthiest to pay for things our state needs, like public education, is the best public policy.

Margins were even higher in the wards where our students live, with some South and West side wards nearing 90 percent support for the Fair Tax amendment. Governor J.B. Pritzker has already started warning of deep budget cuts, which would be devastating during the pandemic. Thus, it is critical that we continue to advocate for new revenue at the state and city level.

That’s why the CTU supports ending Illinois corporate tax loopholes worth \$1 billion to those same entities that opposed the Fair Tax. And that’s why the CTU is advocating for a series of city budget or-

dinances to immediately end downtown TIF districts that take tens of millions of dollars from CPS and other city agencies. Those sweet deals must end now.

## CTU has real power

The election results make one additional critical point crystal clear. When the CTU engages in the electoral process, with our endorsements, grassroots organizing and campaigning, we have a real impact. We have helped elect members to the Chicago City Council, Cook County Board, and Illinois Legislature. We have moved hundreds of thousands of Chicago voters to advocate for a more progressive vision of social, racial, and economic justice.

For example, CTU members made thousands of phone calls in support of the Fair Tax, to other states in support of President-elect Biden and Vice President-elect Harris and to voters in key state legislative races. That work would have been impossible without our Political Action Committee.

If you don’t yet contribute to the CTU PAC, please consider doing so. Even a contribution of \$5 a month makes a difference. Sign up at <https://www.ctucal.org/movement/ctu-pac/>.

If you already contribute, thank you. Your commitment is helping us advance our progressive legislative agenda.

See you on Zoom, in the streets, or, hopefully, soon in the State Capitol when it is safe to do so. Thanks for your advocacy for the schools Chicago’s students deserve. 🇺🇸

*Kurt Hilgendorf is CTU’s legislative and policy director.*



# Exhibit

2

**From:** Philip Weiss [REDACTED]

**Date:** May 1, 2024 at 5:08:24 PM CDT

**To:** [REDACTED]

**Subject:** Audits

Greetings Matt,

Would you be so kind as to send me a copy of the last four years of CTU Audits, 2020-2023?

Respectfully,

Phil Weiss

Sent from my iPhone

**From:** Philip Weiss [REDACTED]

**Date:** May 3, 2024 at 6:17:11 AM CDT

**To:** [REDACTED]

**Subject:** Audits 2nd Request

Greetings Matt,

Would you be so kind and forward me the 2020-2023 CTU Audits? I hear they are complete.

Thanks,

Philip Weiss

Member CTU

Sent from my iPhone

**From:** Philip Weiss [REDACTED]

**Date:** May 8, 2024 at 11:39:50AM CDT

**To:** [REDACTED]

**Subject:** Audit Reports 3rd Request

Greetings Matt,

I hope all is well. I am making a third request for the CTU 2020-2023 Audit reports. Can you please take an opportunity and forward them to me? If there is someone else to request these documents from, please let me know.

Kind regards,

Philip Weiss

Member CTU

# Exhibit

3

**Fiscal Year 2020 Audited Report**  
**for**  
**Chicago Teachers Union, AFT Local 1**

Covering the period of:  July 1, 2019 – June 30, 2020	Audit completed by Legacy Professionals, LLP (formerly Bansley & Kiener, LLP, merged with Legacy Professionals, LLP)
	Jesse Sharkey, CTU President

**Asset summary**

At the end of Fiscal Year 2019, the CTU had \$16,158,611 in assets and \$14,443,051 in liabilities, for a positive net asset position of \$1,715,560.

At the end of Fiscal Year 2020, the CTU had \$15,347,414 in assets and \$12,430,707 in liabilities, for a positive net asset position of \$2,916,707.

The Union's net assets increased by \$1.2 million between FY2019 and FY2020.

*A full audit of the Union is available at the Union offices for inspection by members of the Chicago Teachers Union. Contact [InformationRequest@ctulocal1.org](mailto:InformationRequest@ctulocal1.org) to make arrangements.*

# CHICAGO TEACHERS UNION

## COMBINED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,667,656	\$ 4,893,942
Cash and cash equivalents - restricted	457,261	452,485
Certificates of deposit	125,594	125,594
Receivables		
Due from Foundations	885,395	3,284,169
Due from affiliates	819,989	927,970
Other receivables	1,287,621	1,861,022
Prepaid expenses and other current assets	<u>295,353</u>	<u>142,554</u>
Total current assets	11,538,869	11,687,736
ACCRUED RENTAL REVENUE	52,250	81,975
DEFERRED LEASING COSTS - net	104,620	66,582
PROPERTY AND EQUIPMENT - net	<u>3,651,675</u>	<u>4,322,318</u>
Total assets	<u>\$ 15,347,414</u>	<u>\$ 16,158,611</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current maturities of capital lease obligations	\$ 106,339	\$ 101,109
Accounts payable	3,623,054	4,658,475
Accrued expenses	<u>2,366,212</u>	<u>3,484,167</u>
Total current liabilities	<u>6,095,605</u>	<u>8,243,751</u>
LONG-TERM LIABILITIES		
Capital lease obligations, less current maturities	38,290	138,263
Note payable - Foundation	4,869,377	4,708,369
Deferred rent	<u>1,427,435</u>	<u>1,352,668</u>
Total long-term liabilities	<u>6,335,102</u>	<u>6,199,300</u>
Total liabilities	12,430,707	14,443,051
NET ASSETS		
Net assets without member restrictions	<u>2,916,707</u>	<u>1,715,560</u>
Total liabilities and net assets	<u>\$ 15,347,414</u>	<u>\$ 16,158,611</u>

# CHICAGO TEACHERS UNION

## COMBINED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>SUPPORT AND REVENUE</b>		
Dues and fees	\$ 27,145,095	\$ 25,322,335
IFT organizational and other assistance	3,162,106	3,178,728
AFT reimbursement and special assistance	388,840	519,881
Contributions	870,682	630,465
Rent	376,667	379,050
Merchandise sales	277,031	63,995
Interest	1,400	1,001
Other	6,793	18,626
Total support and revenue	<u>32,228,614</u>	<u>30,114,081</u>
<b>EXPENSES</b>		
Collective bargaining and member services	7,528,080	5,684,073
Member development	2,853,836	2,152,419
Management and general activities	5,770,913	5,848,091
Other	14,344,817	13,557,550
Political action committee	529,821	889,743
Total expenses	<u>31,027,467</u>	<u>28,131,876</u>
<b>INCREASE IN NET ASSETS</b>	1,201,147	1,982,205
<b>NET ASSETS (DEFICIENCY)</b>		
Beginning of year - as restated	<u>1,715,560</u>	<u>(266,645)</u>
End of year	<u>\$ 2,916,707</u>	<u>\$ 1,715,560</u>

**CTU note:** Due to the use of standardized reporting practices, the audit expense category of "other" is comprised of per capita dues paid by the CTU to the AFT, IFT and other affiliate organizations, as detailed in the LM-2 filed with the US Department of labor and various membership reports.



**Fiscal Year 2021 Audited Report**  
**for**  
**Chicago Teachers Union, AFT Local 1**

Covering the period of:  July 1, 2020 – June 30, 2021	Audit completed by Legacy Professionals, LLP
	Jesse Sharkey, CTU President

**Asset summary**

At the end of Fiscal Year 2020, the Union had \$15,347,414 in assets and \$12,430,707 in liabilities, for a positive net asset position of \$2,916,707.

At the end of Fiscal Year 2021, the Union had \$15,709,704 in assets and \$10,592,695 in liabilities, for a positive net asset position of \$5,117,009.

The Union's net assets increased by \$2.2 million between FY2020 and FY2021.

*A full audit of the Union is available at the Union offices for inspection by members of the Chicago Teachers Union. Contact [InformationRequest@ctulocal1.org](mailto:InformationRequest@ctulocal1.org) to make arrangements.*

# CHICAGO TEACHERS UNION

## COMBINED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 8,212,415	\$ 7,667,656
Cash and cash equivalents - restricted	1,092,649	457,261
Certificates of deposit	125,962	125,594
Receivables		
Due from Foundations	1,038,482	885,395
Due from affiliates	1,078,971	819,989
Other receivables	274,958	518,844
Prepaid expenses and other current assets	341,083	295,353
Total current assets	<u>12,164,520</u>	<u>10,770,092</u>
OTHER DEPOSITS	525,517	768,777
ACCRUED RENTAL REVENUE	12,462	52,250
DEFERRED LEASING COSTS - net	24,305	104,620
PROPERTY AND EQUIPMENT - net	<u>2,982,900</u>	<u>3,651,675</u>
Total assets	<u>\$ 15,709,704</u>	<u>\$ 15,347,414</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current maturities of capital lease obligations	\$ 44,961	\$ 106,339
Accounts payable	1,958,161	3,623,054
Accrued expenses	<u>2,234,221</u>	<u>2,366,212</u>
Total current liabilities	<u>4,237,343</u>	<u>6,095,605</u>
LONG-TERM LIABILITIES		
Capital lease obligations, less current maturities	-	38,290
Note payable - Foundation	4,882,794	4,869,377
Deferred rent	<u>1,472,558</u>	<u>1,427,435</u>
Total long-term liabilities	<u>6,355,352</u>	<u>6,335,102</u>
Total liabilities	10,592,695	12,430,707
NET ASSETS		
Net assets without member restrictions	<u>5,117,009</u>	<u>2,916,707</u>
Total liabilities and net assets	<u>\$ 15,709,704</u>	<u>\$ 15,347,414</u>

# CHICAGO TEACHERS UNION

## COMBINED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
SUPPORT AND REVENUE		
Dues and fees	\$28,276,215	\$27,145,095
IFT organizational and other assistance	3,597,011	3,162,106
AFT reimbursement and special assistance	625,190	388,840
Contributions	409,983	870,682
Rent	379,505	376,667
Merchandise sales	33,158	277,031
Interest	4,100	1,400
Other	29,957	6,793
Total support and revenue	<u>33,355,119</u>	<u>32,228,614</u>
EXPENSES		
Collective bargaining and member services	6,547,398	7,528,080
Member development	3,130,233	2,853,836
Management and general activities	6,588,575	5,770,913
Other	14,511,232	14,344,817
Political action committee	377,379	529,821
Total expenses	<u>31,154,817</u>	<u>31,027,467</u>
INCREASE IN NET ASSETS	2,200,302	1,201,147
NET ASSETS		
Beginning of year	<u>2,916,707</u>	<u>1,715,560</u>
End of year	<u>\$ 5,117,009</u>	<u>\$ 2,916,707</u>

**CTU note:** Due to the use of standardized reporting practices, the audit expense category of "other" is comprised of per capita dues paid by the CTU to the AFT, IFT and other affiliate organizations, as detailed in the LM-2 filed with the US Department of labor and various membership reports.

**Fiscal Year 2022 Audited Report**  
**for**  
**Chicago Teachers Union, AFT Local 1**

Covering the period of:  July 1, 2021 – June 30, 2022	Audit completed by Legacy Professionals, LLP
	Jesse Sharkey, CTU President

**Asset summary**

At the end of Fiscal Year 2021, the CTU had \$15,709,704 in assets and \$10,592,695 in liabilities, for a positive net asset position of \$5,117,009.

At the end of Fiscal Year 2022, the CTU had \$17,573,032 in assets and \$10,931,151 in liabilities, for a positive net asset position of \$6,641,881.

The Union's net assets increased by \$1.5 million between FY2021 and FY2022.

*A full audit of the Union is available at the Union offices for inspection by members of the Chicago Teachers Union. Contact [InformationRequest@ctulocal1.org](mailto:InformationRequest@ctulocal1.org) to make arrangements.*

# CHICAGO TEACHERS UNION

## COMBINED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 10,908,874	\$ 8,212,415
Cash and cash equivalents - restricted	1,099,762	1,092,649
Certificates of deposit	125,962	125,962
Receivables		
Due from Foundations	1,103,187	1,038,482
Due from affiliates	713,235	1,078,971
Other receivables	286,086	274,958
Prepaid expenses and other current assets	<u>117,906</u>	<u>341,083</u>
Total current assets	14,355,012	12,164,520
OTHER DEPOSITS	595,845	525,517
ACCRUED RENTAL REVENUE	-	12,462
DEFERRED LEASING COSTS - net	-	24,305
PROPERTY AND EQUIPMENT - net	<u>2,622,175</u>	<u>2,982,900</u>
Total assets	<u>\$ 17,573,032</u>	<u>\$ 15,709,704</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current maturities of capital lease obligations	\$ 107,295	\$ 44,961
Accounts payable	2,543,551	1,958,161
Accrued expenses	<u>1,790,688</u>	<u>2,234,221</u>
Total current liabilities	<u>4,441,534</u>	<u>4,237,343</u>
LONG-TERM LIABILITIES		
Capital lease obligations, less current maturities	170,649	-
Note payable - Foundation	4,882,794	4,882,794
Deferred rent	<u>1,436,174</u>	<u>1,472,558</u>
Total long-term liabilities	<u>6,489,617</u>	<u>6,355,352</u>
Total liabilities	10,931,151	10,592,695
NET ASSETS		
Net assets without member restrictions	<u>6,641,881</u>	<u>5,117,009</u>
Total liabilities and net assets	<u>\$ 17,573,032</u>	<u>\$ 15,709,704</u>

# CHICAGO TEACHERS UNION

## COMBINED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
SUPPORT AND REVENUE		
Dues and fees	\$ 29,443,082	\$ 28,276,215
IFT organizational and other assistance	3,683,191	3,597,011
AFT reimbursement and special assistance	321,190	625,190
Contributions	322,868	409,983
Rent	103,876	379,505
Merchandise sales	38,981	33,158
Interest	4,009	4,100
Other	23,895	29,957
Total support and revenue	<u>33,941,092</u>	<u>33,355,119</u>
EXPENSES		
Collective bargaining and member services	6,336,499	6,547,398
Member development	3,127,387	3,130,233
Management and general activities	6,655,191	6,588,575
Other	15,425,748	14,511,232
Political action committee	871,395	377,379
Total expenses	<u>32,416,220</u>	<u>31,154,817</u>
INCREASE IN NET ASSETS	1,524,872	2,200,302
NET ASSETS		
Beginning of year	<u>5,117,009</u>	<u>2,916,707</u>
End of year	<u>\$ 6,641,881</u>	<u>\$ 5,117,009</u>

**CTU note:** Due to the use of standardized reporting practices, the audit expense category of "other" is comprised of per capita dues paid by the CTU to the AFT, IFT and other affiliate organizations, as detailed in the LM-2 filed with the US Department of labor and various membership reports.