

California Teachers Association

***Combined Financial Statements and
Supplemental Summary and Detail Schedules
of Nonchargeable and Chargeable
Expenditures of Agency Fees for the
Year Ended August 31, 2006, and
Independent Auditors' Report***

CALIFORNIA TEACHERS ASSOCIATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
California Teachers Association:

We have audited the accompanying combined statement of financial position of the California Teachers Association (the "Association", a California not-for-profit corporation) as of August 31, 2006, and the related combined statements of activities and changes in net assets and of cash flows for the year then ended. These combined financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the California Teachers Association's internal control over financial reporting. Accordingly we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such combined financial statements present fairly, in all material respects, the combined financial position of the Association as of August 31, 2006, and the combined changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The accompanying summary and detail schedules of nonchargeable and chargeable expenditures of agency fees for the year ended August 31, 2006, on pages 12 through 34 are presented for the purpose of additional analysis and are not a required part of the basic combined financial statements. This information is the responsibility of the Association's management. Such information has been subjected to the auditing procedures applied in our audit of the basic combined financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic combined financial statements taken as a whole.

Deloitte + Touche LLP

December 18, 2006, except as to the summary and detail schedules of nonchargeable and chargeable expenditures of agency fees as to which the date is August 6, 2007

