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**UNION OF PART TIME FACULTY,
AFT-MICHIGAN/AFT, LOCAL 477, AFL-CIO**

**SCHEDULE OF EXPENSES AND ALLOCATION
BETWEEN CHARGEABLE AND
NON-CHARGEABLE EXPENSES AND
INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

For the Year Ended June 30, 2014

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Troy, Michigan

Independent Accountant's Review Report

To the Union Council
Union of Part Time Faculty, AFT-Michigan/AFT,
Local 477, AFL-CIO
Detroit, Michigan

We have reviewed the accompanying Schedule of Expenses and Allocation Between Chargeable and Non-Chargeable Expenses of the Union of Part Time Faculty, AFT-Michigan/AFT, Local 477, AFL-CIO for the year ended June 30, 2014, based upon the significant factors and assumptions described in Note C. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Union management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the schedule as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the Schedule of Expenses and Allocation Between Chargeable and Non-Chargeable Expenses in accordance with significant factors and assumptions described in Note C and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the Schedule of Expenses and Allocation Between Chargeable and Non-Chargeable Expenses.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the Schedule of Expenses and Allocation Between Chargeable and Non-Chargeable Expenses. We believe the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying Schedule of Expenses and Allocation Between Chargeable and Non-Chargeable Expenses in order for it to be presented consistently with the significant factors and assumptions described in Note C.

Collins, Buri & McConkey, LLP

Troy, Michigan
August 13, 2015

UNION OF PART TIME FACULTY,
AFT MICHIGAN/AFT, LOCAL 477,
AFL-CIO

SCHEDULE OF EXPENSES AND ALLOCATION BETWEEN
CHARGEABLE AND NON-CHARGEABLE EXPENSES

For the Year Ended June 30, 2014
(See Accountant's Review Report)

	<u>Total Expenses</u>	<u>Chargeable Expenses</u>	<u>Non-Chargeable Expenses</u>	<u>Notes</u>
Affiliate dues				
AFT	\$ 31,224	\$ 22,313	\$ 8,911	C(1)
AFT Michigan	37,206	28,905	8,301	C(1)
AFL-CIO Michigan	1,662	-	1,662	C(1)
AFL-CIO Metro Detroit	1,264	-	1,264	C(1)
Accounting fees	4,725	4,725	-	C(6)
AFT liability insurance	1,737	-	1,737	C(2)
Bank fees	119	119	-	C(6)
Bookkeeping fees	7,205	7,205	-	C(6)
Conferences	6,954	1,784	5,170	C(5)
Contributions	250	-	250	C(4)
Depreciation	374	374	-	C(6)
Dues and subscriptions	60	60	-	C(6)
IT expenses	99	99	-	C(6)
Legal fees	130	130	-	C(6)
Office expense	625	625	-	C(6)
Organizer fees and benefits	62,759	42,883	19,876	C(3)
Printing and postage	115	115	-	C(6)
Rent	3,504	3,504	-	C(6)
Telephone	1,199	1,199	-	C(6)
Travel	<u>288</u>	<u>288</u>	<u>-</u>	C(5)
 Total expenses	 <u>\$161,499</u>	 <u>\$114,328</u>	 <u>\$47,171</u>	
	<u>100.00%</u>	<u>70.79%</u>	<u>29.21%</u>	

The accompanying notes are an integral part of this schedule.

UNION OF PART TIME FACULTY,
AFT-MICHIGAN/AFT, LOCAL 477,
AFL-CIO

NOTES TO SCHEDULE OF EXPENSES AND ALLOCATION BETWEEN CHARGEABLE
AND NON-CHARGEABLE EXPENSES

June 30, 2014
(See Accountant's Review Report)

Note A – NATURE OF THE ENTITY

The Union of Part Time Faculty, AFT-Michigan/AFT, Local 477, AFL-CIO (the Union), an unincorporated Michigan not-for-profit association, is organized as the sole collective bargaining agent for the part time faculty of Wayne State University in Detroit, Michigan.

Note B – SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying Schedule of Expenses and Allocation Between Chargeable and Non-Chargeable Expenses follows:

1. Basis of Presentation

The accompanying statement was prepared for the purpose of determining the fair share of cost of services rendered by the Union for employees represented by, but not members of, the Union. The accompanying statement is not intended to be a complete presentation of the Union's financial position, changes in its net assets, or its cash flows in accordance with generally accepted accounting principles accepted in the United States of America.

2. Basis of Accounting

The Union's policy is to prepare this schedule on the accrual basis of accounting.

3. Use of Estimates

The preparation of the accompanying schedule requires management to make estimates and assumptions that affect the reported amounts of expenses and allocations between chargeable and non-chargeable expenses during the reporting period. Actual results could differ from those estimates.

4. Depreciation

Depreciation on the Union's property and equipment is provided for utilizing the straight-line method over the assets' estimated useful lives.

5. Income Taxes

The Union is granted tax-exempt status by the Internal Revenue Service under Code Section 501(c)(5), as an affiliate of the American Federation of Teachers. Accordingly, no provision for income taxes is required.

UNION OF PART TIME FACULTY,
AFT-MICHIGAN/AFT, LOCAL 477,
AFL-CIO

NOTES TO SCHEDULE OF EXPENSES AND ALLOCATION BETWEEN CHARGEABLE
AND NON-CHARGEABLE EXPENSES

June 30, 2014
(See Accountant's Review Report)

Note B – SUMMARY OF ACCOUNTING POLICIES (Continued)

6. Definitions

a. Chargeable Expenses

Chargeable expenses are those incurred by the Union that reflect operational costs which are considered necessary and reasonably incurred in the performance of its role as a representative of employees in dealing with Wayne State University on labor management issues, including the costs of: negotiating and administering the collective bargaining contract; settling grievances and disputes by mutual agreement, arbitration, legal process, or otherwise; activities and undertakings normally and reasonably employed to implement the duties of the Union as the representative of the employees in their bargaining unit.

The following are examples of expenses classified as chargeable: preparation for and negotiations of collective bargaining agreements; contract administration including investigation and processing grievances; meetings, conferences, administrative, arbitral, and legal proceedings, and pertinent investigation and research in connection with work-related subjects and issues; handling work-related problems of employees; communications with community organizations, civic groups, government agencies, and the media regarding the Union's position on work-related matters; lobbying and legislative activities with respect to matters concerning employees' work-related issues; maintaining membership and recruitment of members; employee group programs; and providing legal, economic, and technical expertise on behalf of employees in all work-related matters.

b. Non-Chargeable Expenses

Non-chargeable expenses are those of an ideological or political nature and those that are not germane to work-related interests of employees.

The term "political" is defined as support for or against candidates for political office of any level of government or an office in the Union structure. The term "ideological" is defined as support for or against certain positions that the Union may take which are not work-related.

UNION OF PART TIME FACULTY,
AFT-MICHIGAN/AFT, LOCAL 477,
AFL-CIO

NOTES TO SCHEDULE OF EXPENSES AND ALLOCATION BETWEEN CHARGEABLE
AND NON-CHARGEABLE EXPENSES – CONTINUED

June 30, 2014
(See Accountant's Review Report)

Note C – SIGNIFICANT FACTORS AND ASSUMPTIONS USED IN THE ALLOCATION OF
EXPENSES BETWEEN CHARGEABLE AND NON-CHARGEABLE EXPENSES

1. Affiliate Dues

The portion of per capita dues paid to AFT and AFT Michigan are deemed to be non-chargeable are based on the percentages reported by the respective affiliates for their previous fiscal year. Per capita dues paid to the state and local AFL-CIO affiliates are deemed fully non-chargeable.

2. AFT Liability Insurance

AFT liability insurance is available only to union members and is deemed non-chargeable.

3. Organizer Fees and Benefits

Organizer's fees and benefit expenses are allocated to non-chargeable expenses based on time spent on non-chargeable activities.

4. Contributions

Expenditures made to community, charitable, and other organizations in connection with member goodwill or to support ideological positions are deemed non-chargeable.

5. Conferences and Travel

Conventions, conferences, and related travel expenses generally include training programs for the staff and union members to enhance skills in collective bargaining, grievance, and contract administration which are deemed fully chargeable. Certain expenses in connection with conferences having political and/or ideological content, if any, are specifically identified and allocated as non-chargeable based on the nature of the conference content.

6. General, Administrative, and Operating Expenses

All general, administrative, and operating expenses, unless otherwise noted, are deemed fully chargeable.