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

**FINANCIAL STATEMENTS AND  
INDEPENDENT ACCOUNTANT'S  
REVIEW REPORT**

**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 statement of financial position of the Union of Part Time Faculty, AFT-Michigan/AFT, Local 477, AFL-CIO, as of June 30, 2014, and the related statements of activities and cash flows for the year then ended. 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 financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

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 financial statements. We believe that 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 financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Collins, Buri & McConkey, LLP*

Troy, Michigan  
August 13, 2015

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

STATEMENT OF FINANCIAL POSITION

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

ASSETS

CURRENT ASSETS

Cash (Note D)		\$44,877
Member dues receivable (Notes B3 and D)		19,350
Prepaid expenses		<u>1,393</u>
Total current assets		65,620

PROPERTY AND EQUIPMENT (Note B4)

Office equipment	\$ 2,224	
Less: accumulated depreciation	<u>(1,613)</u>	<u>611</u>

TOTAL ASSETS

\$66,231

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable		<u>\$14,454</u>
Total current liabilities		14,454

COMMITMENT (Note C)

-

NET ASSETS – UNRESTRICTED

51,777

TOTAL LIABILITIES AND NET ASSETS

\$66,231

The accompanying notes are an integral part of this statement.

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

STATEMENT OF ACTIVITIES

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

REVENUES		
Member dues		\$ 176,273
Interest income		14
Miscellaneous income		<u>84</u>
Total revenues		176,371
EXPENSES (Note B6)		
Member Representation		
Affiliate dues		
AFT	\$31,224	
AFT Michigan	37,206	
AFL-CIO Michigan	1,662	
AFL-CIO Metro Detroit	<u>1,264</u>	71,356
AFT liability insurance		1,737
Conferences		6,954
Contributions		250
Depreciation		102
Dues and subscriptions		60
Legal fees		130
Office expense		584
Organizer fees and benefits		62,759
Rent		3,154
Telephone		1,079
Travel		<u>288</u>
Total member representation		148,453
Management and General		
Accounting fees		4,725
Bank fees		119
Bookkeeping fees		7,205
Depreciation		272
IT expenses		99
Office expenses		41
Printing and postage		115
Rent		350
Telephone		<u>120</u>
Total management and general		<u>13,046</u>
Total expenses		<u>161,499</u>
CHANGE IN NET ASSETS		14,872
NET ASSETS, July 1, 2013		<u>36,905</u>
NET ASSETS, June 30, 2014		<u>\$ 51,777</u>

The accompanying notes are an integral part of this statement.

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

STATEMENT OF CASH FLOWS

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

INCREASE (DECREASE) IN CASH

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from members	\$ 157,861
Cash paid to affiliates and suppliers	(171,560)
Interest received	<u>14</u>
Net cash used in operating activities	<u>( 13,685)</u>
Net decrease in cash	( 13,685)
CASH, July 1, 2013	<u>58,562</u>
CASH, June 30, 2014	<u>\$ 44,877</u>

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED  
IN OPERATING ACTIVITIES

Change in net assets	\$ 14,872
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation	374
Change in assets and liabilities	
Increase in member dues receivable	( 18,496)
Increase in prepaid expenses	( 1,393)
Decrease in accounts payable	<u>( 9,042)</u>
Net cash used in operating activities	<u>\$ ( 13,685)</u>

The accompanying notes are an integral part of this statement.



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

NOTES TO FINANCIAL STATEMENTS

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 financial statements follows:

1. Basis of Presentation

The financial statements are prepared in accordance with generally accepted accounting principles in the United States of America, and report information regarding financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

There were no temporarily or permanently restricted net assets as of June 30, 2014.

2. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Member Dues Receivable

The Union records receivables from Wayne State University on behalf of its members for employee deduction of union dues. Management considers receivables to be fully collectible. Therefore an allowance for doubtful accounts is not required.

4. Property and Equipment

Purchased property and equipment are recorded at cost. The Union's policy is to capitalize property and equipment purchases exceeding \$500. Depreciation is provided in amounts sufficient to relate the cost to operations over their estimated useful lives (generally five years) using the straight-line method.

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

NOTES TO FINANCIAL STATEMENTS

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

Note B – SUMMARY OF ACCOUNTING POLICIES (Continued)

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.

6. Functional Allocation of Expenses

The costs of providing various member representation and management and general expenses have been reported on a functional basis in the statement of activities. Accordingly, certain indirect costs have been allocated using appropriate bases.

Note C – LEASE COMMITMENT

The Union subleases its office space from an affiliate under a verbal, month-to-month agreement providing for monthly payments of \$292. Rent expense in connection with this lease agreement was \$3,504 for the year ended June 30, 2014.

Note D – CONCENTRATION OF CREDIT RISK

The Union maintains cash accounts with one financial institution which are insured up to a maximum amount of \$250,000 through the Federal Deposit Insurance Corporation.

Members' dues receivable are solely from its members' employer, Wayne State University.

Note E – INCOME TAXES

Management is required to recognize the impact of significant uncertain tax positions in the Union's financial statements for all open tax years. Previous tax years open to federal examination include the fiscal years ended June 30, 2011, 2012, and 2013. As of June 30, 2014, management has concluded there were no uncertain tax positions requiring recognition in the financial statements.

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

NOTES TO FINANCIAL STATEMENTS

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

Note F –RELATED PARTY TRANSACTIONS

The Union is obligated to pay per capita dues to national and state affiliate organizations as reported in the accompanying statement of activities. In addition, the Union reimburses an affiliate for compensation and fringe benefit expenses related to its staff organizer. During the year ended June 30, 2014, the organizer fees reimbursed totaled \$62,759. At June 30, 2014, amounts payable to affiliated organizations totaled \$13,480.

During the year ended June 30, 2014, a Union officer was paid \$7,205 for bookkeeping services. At June 30, 2014, the amount payable to the Union officer was \$825.

Note G – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after June 30, 2014, but before financial statements are issued or are available to be issued, and which may require recognition or disclosure in the financial statements. Management has evaluated such events or transactions through August 13, 2015 (the available to be issued date), and determined that such occurrences, if any, do not required recognition or disclosure in the financial statements.