

AFT NEW JERSEY

**STATEMENTS OF EXPENSES AND ALLOCATION OF
EXPENSES BETWEEN CHARGEABLE AND
NON-CHARGEABLE EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2017
AND**

INDEPENDENT AUDITOR'S REPORT

AFT NEW JERSEY - AGENCY FEE REPORT

For the Year Ended June 30, 2017

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
Agency Fee Statement	3
Agency Fee Report	4
Notes to the Agency Fee Statements	5

LEWIS W. PARKER, III
CERTIFIED PUBLIC ACCOUNTANT

P.O. BOX 6510, 9L PRINCESS ROAD
LAWRENCEVILLE, NJ 08648
TEL.: (609) 896-2177
FAX: (609) 844-0133
EMAIL: lparkercpa@erols.com

AFT New Jersey – Agency Fee Report
Edison, New Jersey

Independent Auditor's Report

Report on Financial Statements

I have audited the financial statements of AFT New Jersey (a not-for-profit Organization) as of, and for the year ended June 30, 2017 (not presented herein) and have issued my report thereon dated August 10, 2017. I have also audited the accompanying summary statement of expenses and allocation of expenses between chargeable and non-chargeable expenses and related statements of expenses allocated according to time analysis and other allocations and apportionments setting forth the computation of the chargeable and non-chargeable expenses of AFT New Jersey – Agency Fee Report for the year ended June 30, 2017.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements, and the allocation of expenses between chargeable and non-chargeable expenses, on the basis of the definitions and significant factors and assumptions described in the notes; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the statements referred to above presents fairly, in all material respects the expenses of AFT New Jersey- Agency Fee Report for the year ended June 30, 2017, and the allocations of expenses between chargeable and non-chargeable expense, based on the significant factors and assumptions described in the notes to these statements.

Basis of Presentation

The notes to the financial statements describe the basis of presentation. The expenses reflected in these statements are based on the audited financial statements for the year ended June 30, 2017. The allocation of expenses between chargeable and non-chargeable is based on the definitions and significant factors and assumptions described in the footnotes. The financial statements are not intended to be presented in conformity with accounting principles generally accepted in the United States of America. My opinion is not modified with respect to this matter.

Restriction on Use

This report is intended solely for the information and AFT New Jersey – Agency Fee Report and its agency fee payers and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, reading "Lewis W. Parkes III".

Lawrenceville, New Jersey
August 10, 2017

Agency Fee 7/1/16 - 6/30/17

	TOTAL EXPENSES	CHARGEABLE EXPENSES	NON CHARGEABLE EXPENSES
Salaries	667,611	\$ 574,145	\$ 93,466
Fringe Benefits	257,187	221,181	36,006
Payroll Taxes	58,757	50,531	8,226
Depreciation	3,944	3,944	-
General Insurance	2,829	2,433	396
Dues, Donations & Memberships	100	-	100
Legal defense	120,808	120,808	-
Organizing	116,999	116,999	-
Rebate to Locals	35,000	35,000	-
Research Grants	7,426	7,426	-
Office Expenses	33,181	28,536	4,645
Rent & Maintenance	55,888	48,064	7,824
Professional fees	99,623	68,513	31,110
Meetings/Conferences	44,851	35,881	8,970
	<u>\$ 1,504,204</u>	<u>\$ 1,313,461</u>	<u>\$ 190,743</u>
TOTAL EXPENSES			
Percentage of Total	100%	87%	13%

Agency Fee Report
Fiscal Period July 1, 2016 - June 30, 2017

Based on the chargeable and non-chargeable expenses for the year ended June 30 2016, AFTNJ calculated the agency fee per capita for the 2016 – 2017 year to be as follows:

AFTNJ’s Delegate Assembly approved per capita rates effective July 1, 2014.

July 2017 through June 2018 12 months @ \$10.00 = \$120.00

The estimated chargeable expenses for the 2017 - 2018 year are \$120.00 * 85.00% = \$102.00
Therefore, non-chargeable expenses for the 2017 - 2018 year are \$120.00 * 15.00% = \$18.00

The non-chargeable percentage is derived by dividing the expenses that are non-chargeable by the total expenses incurred.

This AFTNJ report must be combined with the AFT and your local reports and be provided to agency fee payers at least 30 days prior to the collection of the first agency fee for the school year 2017 – 2018 or the appropriate dues year for each Local.

AFT NEW JERSEY – AGENCY FEE REPORT

Notes to Statements of Expenses and Allocation of Expenses Between
Chargeable and Non-Chargeable Expenses
June 30, 20171. Basis of Expenses Classification

The expenses reflected in these statements are based upon the total expenses reported in the audited financial statements of AFT New Jersey- Agency Fee Report for the year June 30, 2017.

2. Methods of Allocation Between Chargeable and Non-Chargeable Expenses

The following expenses incurred in connection with operations are allocated on the basis of a time analysis:

Salaries and taxable fringe benefits

Non taxable fringe benefits

Payroll taxes

Meetings and conventions

Rent and maintenance

Office expense

Insurance