

COUNCIL OF NEW JERSEY STATE COLLEGE LOCALS,
AFT/AFL-CIO
ALLOCATION BETWEEN
CHARGEABLE AND NON-CHARGEABLE EXPENSES
YEAR ENDED AUGUST 31, 2011

COUNCIL OF NEW JERSEY STATE COLLEGE LOCALS, AFT/AFL-CIO
ALLOCATION BETWEEN CHARGEABLE AND NON-CHARGEABLE EXPENSES
CASH BASIS
YEAR ENDED AUGUST 31, 2011

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To the Board of Trustees
Council of New Jersey State College Locals,
AFT/AFL-CIO
Union, New Jersey

At your request, we have performed certain agreed upon procedures, as enumerated below, with respect to the allocation of the expenses of the Council of New Jersey State College Locals, AFT/AFL-CIO between chargeable and non-chargeable expenses (Columns B and C).

The procedures were performed solely to assist you in connection with the determination of chargeable and non-chargeable expenses to Agency Shop Payors. It is understood that this report is solely for your information and is not to be referred to or distributed for any purposes to anyone other than the Council of New Jersey State College Locals, AFT/AFL-CIO or its affiliates. The procedures we performed are summarized as follows:

- A. We tested the allocations for mathematical accuracy.
- B. We checked the underlying allocation assumptions for reasonableness.

Because the above procedures do not constitute an examination or review made in accordance with generally accepted auditing standards, we do not express an opinion on any of the amounts or items referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the specified amounts or items should be adjusted. Had we performed additional procedures or had we made an examination or review on the Expense Statement in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you. This report relates only to the allocation of Council of New Jersey State College Locals, AFT/AFL-CIO and does not extend to any financial statements of Council of New Jersey State College Locals, AFT/AFL-CIO taken as a whole.

Marchionda & Ferrer, P.A.

Marchionda & Ferrer, P.A.
Certified Public Accountants

January 21, 2012

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COUNCIL OF NEW JERSEY STATE COLLEGE LOCALS, AFT/AFL-CIO
 ALLOCATION BETWEEN CHARGEABLE AND NON-CHARGEABLE EXPENSES
 CASH BASIS
 AUGUST 31, 2011

	Total Column A	Chargeable Expenses Column B	Non-Chargeable Expenses Column C
Expenses:			
Salaries	\$ 534,900	\$ 482,532	\$ 52,368
Payroll Taxes	47,834	42,597	5,237
Professional Fees	42,395	35,555	6,840
Depreciation	3,454	3,454	-0-
Employee Benefit Plans	120,278	120,278	-0-
Employee Expenses	13,530	13,530	-0-
Pension Benefits	79,404	71,549	7,855
Legal and Arbitration Expense	41,686	41,686	-0-
Maintenance and Repairs	2,879	2,879	-0-
Rent	59,732	59,732	-0-
College Voice	8,386	8,386	-0-
Publications and Printing	7,426	3,245	4,181
Convention, Lodging & Food	9,652	4,967	4,685
Organization Expense	100	-0-	100
Office Expense	7,557	7,557	-0-
Insurance	5,948	5,948	-0-
Telephone	9,188	9,188	-0-
Postage	11,372	6,476	4,896
Release Time	18,000	15,577	2,423
Contributions	2,600	2,600	-0-
Dues, Subscription and Registration	14,574	-0-	14,574
Negotiation Expense	26,267	26,267	-0-
Council Meeting Expense	24,099	15,664	8,435
Equipment Leasing	5,738	5,738	-0-
Computer Expense	5,948	5,948	-0-
Total Expenses	<u>\$1,102,947</u>	<u>\$ 991,353</u>	<u>\$ 111,594</u>
	<u>100%</u>	<u>89.88%</u>	<u>10.12%</u>

See accompanying notes and accountants' report.

COUNCIL OF NEW JERSEY STATE COLLEGE LOCALS, AFT/AFL-CIO
NOTES TO FINANCIAL STATEMENT
AUGUST 31, 2011

Note 1) Summary of Significant Accounting Policies:

Organization

The Council provides its members, the faculty and professional staff of New Jersey's nine state colleges, a service as a bargaining agent. The Council is affiliated with the New Jersey State Federation of Teachers - AFL/CIO.

Basis of Accounting

The Organization's policy is to prepare its financial statements on the cash basis of accounting; consequently, contributions and other revenues are recognized when received rather than when promised or earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

Property and Equipment

The Organization carries Property and Equipment at cost. Depreciation is provided using the straight-line-method over a 5-7 year useful life.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized. The cost of maintenance and repairs is expensed as incurred. Significant renewals and improvements are capitalized.

Income Taxes

The Organization is an unincorporated association under New Jersey Statutes 2A:61-1 et seq. The Organization has tax-exempt status under Section 501(C)(5) of the Internal Revenue Code.

Estimates

Preparation of financial statements on the cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

COUNCIL OF NEW JERSEY STATE COLLEGE LOCALS, AFT/AFL-CIO
NOTES TO FINANCIAL STATEMENT
AUGUST 31, 2011

Note 2) Significant Factors and Assumptions Used in the Allocation of
Expenses Between Chargeable and Non-Chargeable:

Salaries, Payroll Taxes and Fringe Benefits

These expenses have been allocated on the basis of individual salary expense allocation for chargeable and non-chargeable by general and administrative functions and managerial functions.

Dues, Subscriptions and Meetings

Dues to non-direct related union affiliates have been considered non-chargeable.

Political Contributions

Political contributions to Committee on Political Education (C.O.P.E) have been omitted from the allocation between chargeable and non-chargeable expenses. C.O.P.E. political contributions are voluntary contributions received from the organization's members and are paid directly from the organization's C.O.P.E. cash account.