A year of protecting employees’ wages, pensions and working conditions

Each year, UPTE-CWA’s president writes an overview of the union’s work for our members. Here is this year’s report, by UPTE-CWA President Jelger Kalmijn. You can reach him with comments or questions at <president@upte-cwa.org>.

In 2016, UPTE stood at the forefront of efforts to protect the quality of our working lives and the overall health of public universities. Sustained work by UPTE leadership and activists up and down the state resulted in contracts that have protected our wages and benefits.

But since the University of California (UC) system and community colleges do not exist in a vacuum, the union also broadened its focus to join a coalition of unions and community organizations that is seeking to build legislative support to restore state funding for all three higher education systems. Although more always remains to be done, the results so far have been positive and encouraging.

Now, actions at the university, state, and national levels have raised the stakes. Here at the university, for example, UC not only wants to reduce pension benefits but get new hires completely out of the pension plan, which will damage the pension system for everyone.

On the state level, we have the perennial fight for more state funding, while on the level the new federal administration has threatened massive and damaging cuts to research funding. These challenges, though significant, are not insurmountable. We can beat them with new engagement and unity.

UPTE’s contracts have served us well

Over the last 3 years, all UPTE-represented members have received at least 3% raises each year at UC. Some of our community college contracts have included even larger raises. At UC, our raises have now exceeded those of our non-union co-workers by more than 20% over the last decade.

We retain an enviable pension plan with benefits that reach maximum at age 60. Unlike 401(k) or 403(b) plans, which promise dazzling returns but place all the investment risk on the individual, our pension plan guarantees benefits no matter what happens to the market and economy.

For every year we work at UC, we
receive 2.5% of our highest salary for the rest of our lives. So if we work from age 40 to 60, we would enjoy 50% of our highest pay, in addition to Social Security benefits. This is the kind of retirement security every worker in America deserves and one that is worth fighting for at UC.

UPTE contracts protect against outsourcing of work, and information technology (IT) workers at UC covered by our technical unit contract have benefited from those protections, even as the digital age has made it easier to move work around the world. Unfortunately, there are still IT workers at UC who are not covered by union contracts, and earlier this year we watched UCSF force some of its non-unionized IT staff to train their replacements, temporarily brought in from out of the country. Management then laid off those unprotected UC employees and sent their work overseas to those they had just trained. That could not happen under the protection of the UPTE contracts.

At UPTE-represented community colleges, thanks to a bill we helped pass in the California Legislature last year, community college adjunct faculty now will have job security at every community college. The bill, SB1379, fell short of the strong security language that we sought – provisions that would kick in for every adjunct faculty member after 6 semesters – but it is nevertheless progress because it requires college administrations to bargain on this item and provide some guarantees.

Through these efforts we have increased the number of UPTE members and their activism. High turnover in many of the laboratory and adjunct faculty positions makes this a continuous effort. The union has to sign up hundreds of new members and recruit new activists every month, which is always a challenge, but it also means that we are also constantly bringing fresh faces, bright ideas, and new energy into the union.

Membership recruitment blitzes, more communications and more intensive support of our zone contacts have all contributed to this effort.

**A challenging year ahead**

For anyone who thinks politics at the state and national levels do not directly affect their lives, the developments of 2017 have proven them wrong. This year will pose a challenge for UPTE members, both as UC employees and as citizens of the state of California. Here are some of the issues currently facing us.

**Longevity steps at UC.** In member surveys that UPTE conducted to determine bargaining issues, UPTE members rated winning step increases – a mechanism for wage fairness – as the top priority in our bargaining survey. This will most certainly be a major battle with UC. administrators continue to falsely claim that longevity step increases cost the university money, but it’s clear that the cost is balanced by savings from the reduction in turnover that a fair wage system brings.
Damage to the UC pension plan. UC is encouraging non-union newly hired workers to opt out of our collective pension plan (University of California Retirement System, or UCRS) in favor of less beneficial individual retirement accounts. Management has invited Fidelity into the new employee orientations to peddle the retirement savings plan that company manages.

Happy to have a new job with a retirement investment program that claims lucrative returns, many new hires have opted into the Fidelity plans and out of the UCRS pension plan. They don’t understand that in all likelihood these 401(k) and 403(b) plans will never give them adequate savings to retire (and of course, Fidelity reps, who are selling investments in these plans, do not tell them this).

The fees and returns of the individual savings plans work to enrich Wall Street investors at our expense. As new hires do not sign up for the UCRS pension, its collective financial viability and future success suffers.

Community college adjunct faculty not offered adequate equity with tenured faculty. At the community colleges UPTE represents, as our adjunct faculty contracts expire, management wants to limit raises to only the amounts provided by the state.

This cap perpetuates the gross and intolerable inequity in pay that makes these highly-educated faculty jobs pay less than food service jobs on an hourly basis.

Federal and state budgets under assault by Trump. The Trump administration has proposed an 18% cut to the National Institutes of Health (NIH) funding. UC receives over $1 billion in research and educational grants from NIH. Cuts for other research programs, especially those focused on the environment, face even more dramatic hits.

Donald Trump has threatened to cut off all funding for the university if UC does not cooperate in his plan to round up undocumented immigrants. But UC and our community colleges massively benefit and depend upon both documented and undocumented students, who contribute diversity and ability to UC.

The state recognizes this and is fighting back. California was among 18 states that filed supporting briefs in a federal lawsuit against the Trump administration’s executive order on immigration.

Unions face new threats. The US Supreme Court will almost certainly deal a heavy blow to public sector unions in the coming year. The court is expected to issue a decision in the pending Friedrichs case that guarantees that all employees in a union workplace can take advantage of the raises, benefits and protections of a union contract without any obligation to pay for these benefits.

In other words, UPTE and other public sector unions will have the responsibility to bargain for everyone but not be assured of having the resources to do so effectively. In the labor world, as in the rest of our lives, it’s a truism that you get what you pay for. This legal case is being brought by anti-union forces seeking to weaken unions by taking away the funding we need to be strong and effective. They believe that undermining union funding will
lead to frustration with unions unable to bargain effective contracts, and in turn, to a downward spiral of increasing loss of union membership.

What’s the overall motive for this broad assault on pensions, unions, and science? The need for ever greater corporate profits. Public sector unions now are the strongest and most resourceful advocates for working people. Study after study has shown that union representation provides workers with more pay and more protections.

Public sector unions stand against Wall Street’s raiding the retirement security of pensions. We fight the privatization of public services, advocate for corporate taxes to fund public services, and insist on transparent and democratic policy. All these campaigns prioritize the common good and stand in the way of private profit, putting us among corporate America’s biggest targets.

**Staying on a winning path**

Engagement and unity will help us overcome these tough challenges. UPTE’s activists in the workplace, known as “zone contacts,” are helping to create a political network that can mobilize us to win: from signing up new members and keeping co-workers informed, to encouraging participation in actions to pressure UC executives and politicians to support our interests.

Winning step increases and protecting our pension will require considerable pressure on UC management. When UC sees that the cost of resisting its own employees doesn’t pay, we will win. From media events to strikes, we must show UC that we will settle for nothing less.

At California’s community colleges, administrators must feel pressure to agree to more than minimal increases. It is necessary to set our goals high. Fighting for raises that are merely adequate perpetuates the current exploitation of adjunct faculty.

At UC, collaborating with other unions will greatly augment our power. Together we wield much greater power than the sum of our separate efforts. The contracts of the nurses (CNA), service workers (AFSCME) and patient care technical workers (AFSCME) all expire within a three-month window. These three unions won together in the last round of bargaining and can do so again.

Winning at the bargaining table will give us greater influence and strength in the broader political arena. Supporting major public actions such as the March for Science and legislation establishing Medicare for All (single payer) can solve major challenges at the bargaining table and create a more favorable climate for all our activities at public academic institutions.

The challenges at the bargaining table are intertwined with broad political struggles. Combining them in our actions will inspire our members and yield sustaining results in the year ahead.
UPTE-CWA’s structure

UPTE-CWA is Local 9119 of the Communications Workers of America. CWA provides essential support for our bargaining, legislative and organizing campaigns. CWA is an affiliate of the AFL-CIO, an umbrella organization of the labor movement.

UPTE locals at each campus have their own elected executive boards and oversee activities and committees according to the needs at each campus. Local stewards represent members who need help with workplace problems.

Bargaining our contracts

Elected UPTE bargaining teams, which negotiate our contracts, consist of members from each location (campus, lab, medical center, etc.). The priorities for each round of contract bargaining are set by all the members in that unit, through surveys as well as through local and statewide conferences.

UPTE sets policies at an annual convention. Between conventions, the union’s board runs the union. The board consists of a representative from each location (16 in all), 1 from the Retiree Association, and 5 officers elected by the entire membership.

Special benefits for UPTE members

Your membership in UPTE not only sends a message to management in negotiations over wages, benefits and working conditions, it brings a few special benefits available only to union members.

These include Union Plus <www.unionplus.org>, which offers a variety of services and products at discount rates. Check out the discounted AT&T wireless phone service (the only all-union cell phone company), as well as Powell’s online <www.powellsbooks.com>, an independent bookstore based in Portland, Oregon, which has a huge selection and a unionized work force. Many other discounts on credit cards, mortgages, insurance and legal services are available.

Our national union, CWA, offers college scholarships for members and children of members. Go to <www.cwa-union.org/members/beirne> for more information.

UPTE locals coordinate collecting vacation time from UC employees who wish to donate time to their co-workers who run out of sick leave. This has helped many members with their own serious illnesses, or that of a family member. UPTE members with large amounts of accrued vacation are often very willing to contribute.

Becoming an UPTE member costs you nothing extra. You gain a full voice in the union, with all the rights and benefits of membership. Questions? Give us a call at 510-704-UPTE or email us at <info@upte-cwa.org>.
Contact UPTE-CWA

If you have a question about your rights, or want to get more involved with the union, please contact your local or visit us online at www.upte.org.

UPTE systemwide
2855 Telegraph Avenue, Suite 310
Berkeley, CA 94705
(510) 704-8783 p | (510) 704-8065 f
info@upte-cwa.org

Local 1 (UCB)
2510 Channing Way, Suite 10
Berkeley, CA 94704
(510) 848-8783 p | (510) 848-8786 f
uptelocal1@igc.org

Local 2 (UCLA)
1015 Gayley Ave., Suite 301
Los Angeles, CA 90024
(310) 443-5484 p | (310) 443-5487 f
uptelia@netwood.net

Local 3 (UCSC)
501 Mission St, Suite 11
Santa Cruz, CA 95060
(831) 429-8783 p | (831) 425-0821 f
upte@upte-cwa.org

Local 4 (UCSB)
900 Embarcadero del Mar, Suite C
Isla Vista, CA 93117
(805) 685-3661 p | (805) 685-3666 f
upte@upte-cwa.org

Local 5 (UCR)
5005 LaMart, 100 B#1
Riverside, CA 92507
(951) 781-7922 p | (951) 781-7926 f
upte-5@pacbell.net

Local 6 (UCD)
1772 Picasso Drive, Suite C
Davis, CA 95616
(530) 759-0803 p | (530) 759-0805 f
davisadmin@upte-cwa.org

Local 7 (UCSF)
1498 Ninth Ave.
San Francisco, CA 94122
(415) 753-8783 p | (415) 753-8010 f
uptesf@upte-cwa.org

Local 8 (UCI)
3848 Campus Drive #118,
Newport Beach, CA 92660
(949) 223-5400 p | (949) 223-5401 f
upteucli@upte-cwa.org

Local 9 (UCSD)
8380 Miramar Mall, Suite 223
San Diego, CA 92121
(858) 458-0862 p | (858) 458-0853 f
sandiego@upte-cwa.org

Local 10 (Merced)
731 E. Yosemite Ave.
Suite B, PMB #104
Merced, CA 95340
(510) 704-8783 p | (510) 704-8065 f
uptelocal10@gmail.com

Local 11 (LLNL/SPSE)
PO Box 1066
Livermore, CA 94551
(925) 449-4846 p | (925) 449-4851 f
spse@spse.org

Local 12 (Butte College)
c/o UPTE systemwide
2855 Telegraph Avenue, Suite 310
Berkeley, CA 94705
(530) 400-6953 p | (510) 704-8065 f
butte@upte-cwa.org

Local 13 (College of the Sequoias)
c/o UPTE systemwide
2855 Telegraph Avenue, Suite 310
Berkeley, CA 94705
(510) 704-8783 p | (510) 704-8065 f
cos@upte-cwa.org

Local 14 (Mt. San Jacinto College)
30141 Anetlope Rd. Suite D #105
Menifee, CA 92584
(951) 660-9049 | msjc@upte-cwa.org

Local 184 (LBNL)
PO Box 4247
Berkeley, CA 94704
(510) 665-7722 p | (510) 704-8065 f
upte@upte-cwa.org

Local 1663 (LANL)
127 Eastgate Dr Suite 212G
Los Alamos, NM 87544
(505) 603-9034 p | (510) 704-8065 f
lanl@upte-cwa.org

Researchers, techs and health care professionals meet to discuss bargaining demands.
UPTE AUDIT

UNIVERSITY PROFESSIONAL AND TECHNICAL EMPLOYEES COMMUNICATIONS WORKERS OF AMERICA, LOCAL 9119

CONSOLIDATED FINANCIAL STATEMENTS WITH ADDITIONAL INFORMATION

JUNE 30, 2016 AND 2015

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<td>Consolidated Statements of Assets, Liabilities and Net Assets - Modified Cash Basis</td>
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<td>Consolidating Schedules of Office and Administrative Expenses - Modified Cash Basis</td>
<td>12</td>
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</table>
INDEPENDENT AUDITORS’ REPORT

To the Executive Board of
University Professional and Technical Employees
Communications Workers of America, Local 9119

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of assets, liabilities and net assets - modified cash basis of University Professional and Technical Employees Communications Workers of America, Local 9119 (the Local) as of June 30, 2016 and 2015; the related consolidated statements of revenue, expenses and changes in net assets - modified cash basis for the years then ended; and the related notes to the consolidated financial statements.

Management’s Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the modified cash basis of accounting described in Note 2, which includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the consolidated financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of
To the Executive Board of
University Professional and Technical Employees
Communications Workers of America, Local 9119
Page two

the consolidated financial statements, whether due to fraud or error. In making those risk
assessments, the auditors consider internal control relevant to the Local’s preparation and
fair presentation of the consolidated 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 Local’s internal control. Accordingly, we 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of the Local at June 30, 2016 and 2015, and its revenue, expenses and changes in net assets for the years then ended in accordance with the modified cash basis of accounting described in Note 2.

Basis of Accounting

We draw your attention to Note 2 of the consolidated financial statements, which describes the basis of accounting. The consolidated financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

January 11, 2017
# University Professional and Technical Employees Communications Workers of America, Local 9119

**Consolidated Statements of Assets, Liabilities and Net Assets Modified Cash Basis**

**June 30, 2016 and 2015**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
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<tr>
<td>Cash and cash equivalents</td>
<td>$1,786,842</td>
<td>$1,113,275</td>
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<tr>
<td>Property and equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>-</td>
<td>515</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>-</td>
<td>(515)</td>
</tr>
<tr>
<td>Net property and equipment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deposits</td>
<td>35,391</td>
<td>28,391</td>
</tr>
<tr>
<td>Total assets</td>
<td>$1,822,233</td>
<td>$1,141,666</td>
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<tr>
<td><strong>Liabilities and Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll and other withholdings</td>
<td>$12,874</td>
<td>$4,730</td>
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<tr>
<td>Total liabilities</td>
<td>12,874</td>
<td>4,730</td>
</tr>
<tr>
<td>Unrestricted net assets</td>
<td>1,809,359</td>
<td>1,136,936</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>$1,822,233</td>
<td>$1,141,666</td>
</tr>
</tbody>
</table>

See accompanying notes to consolidated financial statements.
UNIVERSITY PROFESSIONAL AND TECHNICAL 
EMPLOYEES COMMUNICATIONS WORKERS 
OF AMERICA, LOCAL 9119

CONSOLIDATED STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN 
NET ASSETS - MODIFIED CASH BASIS

YEARS ENDED JUNE 30, 2016 AND 2015

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dues and agency fees</td>
<td>$ 7,857,225</td>
<td>$ 7,325,647</td>
</tr>
<tr>
<td>Interest income</td>
<td>1,031</td>
<td>718</td>
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<tr>
<td>Other income</td>
<td>74,166</td>
<td>54,004</td>
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<tr>
<td><strong>Total revenue</strong></td>
<td>7,932,422</td>
<td>7,380,369</td>
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<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
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<tr>
<td>Agency fee refunds</td>
<td>39,186</td>
<td>34,911</td>
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<tr>
<td>Agency fee-related expenses</td>
<td>10,889</td>
<td>35,446</td>
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<tr>
<td>Arbitration expenses</td>
<td>22,488</td>
<td>25,370</td>
</tr>
<tr>
<td>Bargaining expenses</td>
<td>7,262</td>
<td>13,413</td>
</tr>
<tr>
<td>Benefits</td>
<td>603,123</td>
<td>590,231</td>
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<tr>
<td>Contract wages and benefits</td>
<td>139,973</td>
<td>143,467</td>
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<tr>
<td>Dues refund</td>
<td>31,546</td>
<td>15,451</td>
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<tr>
<td>Joint labor meetings</td>
<td>12,738</td>
<td>10,050</td>
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<tr>
<td>Legislative</td>
<td>5,796</td>
<td>27,333</td>
</tr>
<tr>
<td>Mobilizing</td>
<td>59,762</td>
<td>69,349</td>
</tr>
<tr>
<td>Office and administrative</td>
<td>915,458</td>
<td>835,680</td>
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<tr>
<td>Organizing</td>
<td>59,785</td>
<td>62,541</td>
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<tr>
<td>Payroll and other taxes</td>
<td>184,974</td>
<td>175,946</td>
</tr>
<tr>
<td>Per-capita taxes</td>
<td>2,997,813</td>
<td>3,027,048</td>
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<tr>
<td>Professional fees</td>
<td>119,225</td>
<td>140,347</td>
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<tr>
<td>Salaries and expense allowances</td>
<td>2,034,385</td>
<td>1,964,936</td>
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<tr>
<td>Training</td>
<td>15,596</td>
<td>19,964</td>
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<tr>
<td><strong>Total expenses</strong></td>
<td>7,259,999</td>
<td>7,191,483</td>
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<tr>
<td><strong>Change in net assets</strong></td>
<td>672,423</td>
<td>188,886</td>
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<tr>
<td><strong>Unrestricted net assets</strong></td>
<td></td>
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<tr>
<td>Beginning of year</td>
<td>1,136,936</td>
<td>948,050</td>
</tr>
<tr>
<td>End of year</td>
<td>$ 1,809,359</td>
<td>$ 1,136,936</td>
</tr>
</tbody>
</table>

See accompanying notes to consolidated financial statements.
UNIVERSITY PROFESSIONAL AND TECHNICAL
EMPLOYEES COMMUNICATIONS WORKERS
OF AMERICA, LOCAL 9119

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

NOTE 1. ORGANIZATION AND TAX STATUS

The purpose of University Professional and Technical Employees Communications Workers of America, Local 9119 (the Local) is to provide representation for union members and fee payers, including, but not limited to, wages, hours, and other terms and conditions of employment, and to protect and preserve the union as an institution in the performance of its legal and contractual obligations through collective bargaining with the University of California, Lawrence Livermore National Laboratory, Los Alamos National Laboratory, Butte-Glenn Community College, Mt. San Jacinto Community College and Community College of the Sequoias. The Local is affiliated with Communications Workers of America (CWA).

The Local is affiliated with UPTE - CWA 9119 Retirees Association (the Retirees Association). The Retirees Association is a separate, segregated fund established to coordinate the activities of the retired members of the Local in their efforts to improve the quality of their lives. The financial activity of the Retirees Association is included in the accompanying consolidated financial statements of the Local.

The Local is a not-for-profit organization. Income generated from the activities of the Local and the Retirees Association are exempt from federal income taxes under Section 501(c)(5) of the Internal Revenue Code and from state income taxes under California Revenue and Taxation Code Section 23701a. No provisions for federal or state income taxes have been made.

The Local has analyzed the tax positions taken and has concluded that, as of June 30, 2016, there are no uncertain positions taken, or expected to be taken, that would require disclosure in the consolidated financial statements. The Local is subject to routine audits by the taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Local believes it is no longer subject to income tax examinations for the fiscal years prior to 2013.

Method of Accounting - The consolidated financial statements have been prepared using the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Except for assets and liabilities, which arise from cash transactions, recognition of depreciation and payroll...
NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Withholdings liability, revenue is recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred.

Net assets are classified as unrestricted, temporarily restricted or permanently restricted. Net assets are generally reported as unrestricted unless assets are received from donors with explicit stipulations that limit the use of the asset. The Local does not have any temporarily or permanently restricted net assets.

Basis of Presentation - The consolidated financial statements include the Local and all related entities over which the Local has control. As part of the consolidated financial statements, all intercompany transactions have been eliminated.

Cash and Cash Equivalents - Cash includes demand-deposit checking, savings and money market accounts.

Property and Equipment - Property and equipment are carried at cost. Major additions are capitalized, and replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed currently. Depreciation is computed over the following estimated useful lives of the related assets by the straight-line method:

Furniture and equipment 3–7 years

All assets were fully depreciated as of June 30, 2015. The Local disposed of all property and equipment during the year ended June 30, 2016.

Deposits - The deposits represent deposits made on leases of office space.

Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosures in the consolidated financial statements. Actual results may differ from those estimates.

NOTE 3. CONCENTRATIONS OF CASH

The Local places its cash with several financial institutions that are deemed to be creditworthy. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) up to a maximum of $250,000 per institution. From time to time, the Local’s deposits are in excess of the FDIC or NCUA insurance coverage limit.
NOTE 4. PENSION AND OTHER POST-RETIREMENT BENEFITS

Multiemployer Defined Benefit Pension Plans - The Local’s office employees and certain officers are covered by a multiemployer defined benefit pension plan. Contributions to the multiemployer defined benefit plan are made monthly under the terms of a collective bargaining agreement and a participation agreement. The risk of participating in a multiemployer plan is different from a single-employer plan in the following respects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers;
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; and
- If the Local chooses to stop participating in the multiemployer plan, the Local may be required to pay an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Local’s participation in the CWA/ITU Negotiated Pension Plan is outlined in the following table.

<table>
<thead>
<tr>
<th>Pension Fund</th>
<th>EIN/Pension Plan Number</th>
<th>PPA Zone Status 2014</th>
<th>PPA Zone Status 2013</th>
<th>Funding Improvement/Rehabilitation Plan Status</th>
<th>Contributions Made by the Local 2016</th>
<th>Surcharge Imposed 2015</th>
<th>Surcharge Imposed 2014</th>
<th>Expiration Date of Collective Bargaining Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>CWA/ITU Negotiated Pension Plan</td>
<td>13-6212879</td>
<td>Red</td>
<td>Red</td>
<td>Implemented</td>
<td>$132,104</td>
<td>$131,206</td>
<td>$124,641</td>
<td>12/31/2015 and signed participation agreement *</td>
</tr>
</tbody>
</table>

* The Local is in the process of negotiating a new collective bargaining agreement.

An explanation of each item in the above table follows:

- The “EIN/Pension Plan Number” provides the employee identification number (EIN) and the three-digit plan number, if applicable.
- The most recent Pension Protection Act (PPA) zone status available as of June 30, 2016 and 2015, is for the plan’s year-end at December 31, 2014 and 2013.
- The zone status is based on information that the Local received from the plan and is certified by the plan’s actuary.
- Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded.
- The “Funding Improvement Plan/Rehabilitation Plan Status” indicates plans for which a funding improvement plan or a rehabilitation plan is either pending or has been implemented.
NOTE 4. PENSION AND OTHER POST-RETIREMENT BENEFITS (CONT’D)

- The expiration date indicates the date of the collective bargaining agreements to which the Local is subject.

The Plan implemented a Rehabilitation Plan in 2010 and has elected to have only one schedule, which eliminated adjustable benefits, but does not require additional contributions. There have been no significant changes that affect the comparability of the contributions for the years ended June 30, 2016 and 2015.

*Defined Contribution Pension Plan* - Contributions of 1.0% of gross wages are made to the defined contribution pension plan on behalf of the Local’s eligible employees who have been employed by the Local for at least three years. Contributions of 1.5% of gross wages are made on behalf of employees who have been employed by the Local for at least six years, in addition to those contributions stated above. Effective January 1, 2013, employees who have been employed by the Local for at least six years are also eligible for an additional 1.0% contribution, contingent upon a 1.0% employee contribution. Pension contributions made to the defined contribution pension plan totaled approximately $30,790 and $24,464 for the years ended June 30, 2016 and 2015, respectively.

NOTE 5. OBLIGATION UNDER OPERATING LEASES

The Local has three long-term lease agreements for office space. The expiration date for each lease is as follows:

- University of California - Los Angeles campus, expires October 31, 2018.
- University of California - Davis campus, expires September 30, 2018.

The Local also had a long-term lease agreement for UC Irvine campus, which expired May 14, 2016.

For the years ended June 30, 2016 and 2015, lease payments made pursuant to these agreements totaled approximately $173,000 and $101,000, respectively.
NOTE 5. **OBLIGATION UNDER OPERATING LEASES (CONT’D)**

As of June 30, 2016, the future minimum lease payments required under the current operating leases were as follows:

<table>
<thead>
<tr>
<th>Years Ending</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2017</td>
<td>$194,192</td>
</tr>
<tr>
<td>2018</td>
<td>181,377</td>
</tr>
<tr>
<td>2019</td>
<td>138,540</td>
</tr>
<tr>
<td>2020</td>
<td>121,628</td>
</tr>
<tr>
<td>2021</td>
<td>125,280</td>
</tr>
<tr>
<td>Thereafter</td>
<td>20,982</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$781,999</strong></td>
</tr>
</tbody>
</table>

The Local also rents office space for other locations on a month-to-month basis.

NOTE 6. **COMPENSATED ABSENCES**

The Local provides vacation benefits to its employees, which accrue at varying rates based on length of employment. If employees do not utilize these benefits, they may accumulate a certain amount of time until the employee leaves employment, at which time the liability is due. The estimated liability for accumulated vacation leave to all employees of the Local at June 30, 2016 and 2015, including estimated payroll taxes, totaled approximately $136,000 and $146,000, respectively. Under the modified cash basis of accounting, the Local’s consolidated financial statements do not reflect a liability for these accrued compensated absences.

NOTE 7. **FUNCTIONAL EXPENSES**

The Local expended $7,259,999 and $7,191,483 for the years ended June 30, 2016 and 2015, respectively. The Local has estimated that, on a functional classification basis, these expenses would be allocated as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member services</td>
<td>50 %</td>
<td>49 %</td>
</tr>
<tr>
<td>Per-capita taxes</td>
<td>41</td>
<td>42</td>
</tr>
<tr>
<td>General and administrative</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100 %</strong></td>
<td><strong>100 %</strong></td>
</tr>
</tbody>
</table>
NOTE 8. DESIGNATED FUNDS

The Local maintains a designated Strike Fund. The Local’s General Fund encompasses all activities of the Local not accounted for in the Strike Fund. The Local’s Strike Fund provides for member assistance in the event of a strike.

The Local’s net assets by fund were as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>June 30, 2016</th>
<th>June 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$ 839,359</td>
<td>$ 240,136</td>
</tr>
<tr>
<td>Strike Fund</td>
<td>$ 970,000</td>
<td>$ 896,800</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,809,359</td>
<td>$ 1,136,936</td>
</tr>
</tbody>
</table>

NOTE 9. OUTSTANDING OBLIGATIONS

As of June 30, 2016 and 2015, the Local was obligated to CWA for the payment of outstanding per-capita taxes. The per-capita taxes payable to CWA for the months of April, May and June, 2016 and 2015, totaled approximately $743,000 and $706,000, respectively. In accordance with the modified cash basis of accounting, the Local’s accompanying consolidated financial statements do not reflect liabilities for the obligations described above.

NOTE 10. SUBSEQUENT EVENTS

Subsequent events were evaluated through the date on which the consolidated financial statements were available to be issued. This date is approximately the same as the independent auditors’ report date.
INDEPENDENT AUDITORS’ REPORT ON ADDITIONAL INFORMATION

To the Executive Board of
University Professional and Technical Employees
Communications Workers of America, Local 9119

We have audited the consolidated financial statements of University Professional and Technical Employees Communications Workers of America, Local 9119 (the Local) as of and for the years ended June 30, 2016 and 2015, and have issued our report thereon dated January 11, 2017, which contained an unmodified opinion on those consolidated financial statements. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidated schedules of office and administrative expenses - modified cash basis on page 12 are presented for the purpose of additional analysis and are not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Lindquist LLP

January 11, 2017
# Consolidating Schedules of Office and Administrative Expenses

**Modified Cash Basis**

**Years Ended June 30, 2016 and 2015**

<table>
<thead>
<tr>
<th>Item</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>$26,734</td>
<td>$13,310</td>
</tr>
<tr>
<td>Bank fees and charges</td>
<td>1,190</td>
<td>1,955</td>
</tr>
<tr>
<td>Computer supplies, repairs and maintenance</td>
<td>13,836</td>
<td>10,505</td>
</tr>
<tr>
<td>Conference and meetings</td>
<td>288,033</td>
<td>282,157</td>
</tr>
<tr>
<td>Consulting expenses</td>
<td>27,220</td>
<td>25,556</td>
</tr>
<tr>
<td>Donations</td>
<td>5,948</td>
<td>13,822</td>
</tr>
<tr>
<td>Insurance</td>
<td>61,332</td>
<td>41,857</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>1,194</td>
</tr>
<tr>
<td>Office expenses</td>
<td>33,500</td>
<td>46,303</td>
</tr>
<tr>
<td>Other expenses</td>
<td>3,172</td>
<td>1,404</td>
</tr>
<tr>
<td>Printing, copying and mailing</td>
<td>63,361</td>
<td>50,583</td>
</tr>
<tr>
<td>Rent</td>
<td>283,351</td>
<td>235,340</td>
</tr>
<tr>
<td>Telephone and communication</td>
<td>101,906</td>
<td>106,536</td>
</tr>
<tr>
<td>Utilities</td>
<td>5,875</td>
<td>5,158</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$915,458</td>
<td>$835,680</td>
</tr>
</tbody>
</table>
CWA AUDIT

COMMUNICATIONS WORKERS OF AMERICA,
AFL-CIO, CLC

STATEMENT OF CHARGEABLE AND NON-CHARGEABLE
EXPENSES AND REPORT OF INDEPENDENT AUDITORS

YEAR ENDED MAY 31, 2015

CONTENTS

Report of Independent Auditors .......................................................... 1
Summary Statement of Chargeable and Non-Chargeable Expenses ......... 3
Statement I - Expenses Allocated According to the WESTAT Study ....... 4
Statement II - Redistribution of Expenses from Finance and Office Operations ........................................... 5
Statement III - Expenses Accumulated for Apportionment ................. 6
Statement IV - Other Allocations and Apportionments ....................... 7
Notes to Statement of Chargeable and Non-Chargeable Expenses ...... 8

CALIBRE
Bethesda, MD
REPORT OF INDEPENDENT AUDITORS

To the Members of the Executive Board of
Communications Workers of America, AFL-CIO, CLC

We have audited the accompanying statement of chargeable and non-chargeable expenses and the related statements of expenses allocated according to the WESTAT study, redistribution of expenses from finance and office operations, expenses accumulated for apportionment and other allocations and apportionments setting forth the computation of the chargeable and non-chargeable (retainable and nonretainable) expenses of the Communications Workers of America, AFL-CIO, CLC (CWA) for the year ended May 31, 2015.

Management’s Responsibility for the Statement of Chargeable and Non-Chargeable Expenses

Management is responsible for the preparation and fair presentation of this statement in accordance with the basis of expense classification presented in Note 1 and the methods of allocation described in Note 2; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the statement that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on this statement 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatements of the statement, 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 statement 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, we 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 statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Opinion

In our opinion, the statement referred to above present fairly, in all material respects, the total expenses of CWA for the year ended May 31, 2015, and the allocation of expenses between chargeable and nonchargeable expenses based on the classifications and methods of allocation described in the notes.

Other Matters

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated financial statements of the CWA as of and for the year ended May 31, 2015, and our report thereon dated December 10, 2014, expressed an unmodified opinion on those financial statements.

The expenses reflected in this statement are based on the expenditures in the audited consolidated financial statements for the year ended May 31, 2015. The classifications and allocations of expenses are based on the descriptions presented in the notes. The accompanying statement was prepared for the purpose of determining the allowable percentage of chargeable cost of services provided by CWA for employees represented by, but not members of CWA and its affiliated organization. This statement is not intended to be a complete presentation of CWA's financial statements.

Intended Use of Report of Independent Auditors

This report is intended solely for the information and use of the Communications Workers of America, AFL-CIO, CLC and its agency fee payers and is not intended to be and should not be used by anyone other than these specified parties.

Bethesda, MD
February 9, 2015
### COMMUNICATIONS WORKERS OF AMERICA, AFL-CIO, CLC

#### SUMMARY STATEMENT OF CHARGEABLE AND NON-CHARGEABLE EXPENSES

**Year Ended May 31, 2015**

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Chargeable</th>
<th>Non-chargeable</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Statement I</td>
<td>$89,057,310</td>
<td>$74,238,174</td>
<td>$14,819,136</td>
</tr>
<tr>
<td>From Statement IV</td>
<td>$56,257,470</td>
<td>$26,841,724</td>
<td>$29,415,746</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$145,314,780</td>
<td>$101,079,898</td>
<td>$44,234,882</td>
</tr>
<tr>
<td>Percentage relationship</td>
<td>100.00%</td>
<td>69.56%</td>
<td>30.44%</td>
</tr>
</tbody>
</table>
## Statement I

**Communications Workers of America, AFL-CIO, CLC**

**Expenses Allocated According to the WESTAT Study**

**Year Ended May 31, 2015**

<table>
<thead>
<tr>
<th>Not Subject to WESTAT Study</th>
<th>Total</th>
<th>CWA Publicity and Public Relations</th>
<th>Subject to Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>COPE</td>
<td></td>
</tr>
<tr>
<td>Officers and staff salaries</td>
<td>$25,769,353</td>
<td>$ -</td>
<td>$ 116,004</td>
</tr>
<tr>
<td>Other full time salaries</td>
<td>$13,064,534</td>
<td>8,990</td>
<td>32,366</td>
</tr>
<tr>
<td>Travel and expense, full time</td>
<td>4,753,102</td>
<td>1,225</td>
<td>26,052</td>
</tr>
<tr>
<td>Pension and employee insurance</td>
<td>22,399,638</td>
<td>911</td>
<td>75,524</td>
</tr>
<tr>
<td>Staff moves and illness absence</td>
<td>88,526</td>
<td>-</td>
<td>339</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>3,563,163</td>
<td>721</td>
<td>13,486</td>
</tr>
<tr>
<td>Real estate taxes and other</td>
<td>7,206,181</td>
<td>-</td>
<td>194,055</td>
</tr>
<tr>
<td>building expenses</td>
<td>1,344,762</td>
<td>41,055</td>
<td>10,457</td>
</tr>
<tr>
<td>Equipment and terminal leases and information systems development</td>
<td>2,183,976</td>
<td>341,371</td>
<td>372,440</td>
</tr>
<tr>
<td>Supplies and printing</td>
<td>847,896</td>
<td>348,738</td>
<td>10,397</td>
</tr>
<tr>
<td>Postage, freight, and express</td>
<td>629,059</td>
<td>408,783</td>
<td>10,023</td>
</tr>
<tr>
<td>Rental of equipment *</td>
<td>81,739</td>
<td>5,228</td>
<td>2,315</td>
</tr>
<tr>
<td>Maintenance of equipment *</td>
<td>1,483,358</td>
<td>-</td>
<td>4,184</td>
</tr>
<tr>
<td>Telephone *</td>
<td>7,066,760</td>
<td>-</td>
<td>68,872</td>
</tr>
<tr>
<td>Office rent and occupancy *</td>
<td>19,738</td>
<td>727,154</td>
<td>342,919</td>
</tr>
<tr>
<td>Total</td>
<td>$90,422,050</td>
<td>$19,738</td>
<td>$1,364,740</td>
</tr>
</tbody>
</table>

Chargeable Percentage 83.36%

Amount Chargeable $74,238,174

(1) Other than editor

(2) Other than salaries and related expenses

* Amounts in these categories are attributed to various departments based on direct charges to each department and the redistribution of charges from Department 25 shown on Statement II.

See accompanying notes to statement.
**Statement II**

**Communications Workers of America, AFL-CIO, CLC**

**Redistribution of Expenses from Finance and Office Operations**

**Year Ended May 31, 2015**

<table>
<thead>
<tr>
<th>Rental of Equipment</th>
<th>Maintenance of Equipment</th>
<th>Telephone</th>
<th>Office Rent and Occupancy</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$276,677</td>
<td>$171</td>
<td>$193,246</td>
<td>$2,557,582</td>
<td>$3,027,676</td>
</tr>
</tbody>
</table>

Redistributable portion of Department 25 expenses (1)

Redistributed to the following accounts on the basis indicated:

<table>
<thead>
<tr>
<th>Account Number and Name</th>
<th>Redistribution Based On Number of Permanent Staff in Each Department</th>
<th>Redistribution Based On Space Utilized</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 AFA</td>
<td>$47,463</td>
<td>$349,271</td>
<td>$429,914</td>
</tr>
<tr>
<td>14 PPMW Sector</td>
<td>3,473</td>
<td>32,812</td>
<td>38,713</td>
</tr>
<tr>
<td>15 IUE</td>
<td>40,518</td>
<td>25,800</td>
<td>65,843</td>
</tr>
<tr>
<td>16 TNG</td>
<td>16,207</td>
<td>10,120</td>
<td>26,327</td>
</tr>
<tr>
<td>17 NABET</td>
<td>9,261</td>
<td>6,468</td>
<td>15,729</td>
</tr>
<tr>
<td>18 Communications &amp; Technologics</td>
<td>10,419</td>
<td>7,277</td>
<td>17,696</td>
</tr>
<tr>
<td>19 Public Workers</td>
<td>3,473</td>
<td>2,426</td>
<td>5,899</td>
</tr>
<tr>
<td>22 Internal Communications/PR</td>
<td>5,788</td>
<td>4,943</td>
<td>10,731</td>
</tr>
<tr>
<td>23 Legislation</td>
<td>2,315</td>
<td>1,617</td>
<td>3,932</td>
</tr>
<tr>
<td>24 President's Office</td>
<td>13,892</td>
<td>9,703</td>
<td>23,595</td>
</tr>
<tr>
<td>25 Finance and Office Operations</td>
<td>69,459</td>
<td>48,514</td>
<td>117,973</td>
</tr>
<tr>
<td>26 EVP Office</td>
<td>4,431</td>
<td>3,234</td>
<td>7,665</td>
</tr>
<tr>
<td>27 Development and Research</td>
<td>11,576</td>
<td>8,086</td>
<td>19,662</td>
</tr>
<tr>
<td>28 Organizing Support</td>
<td>1,158</td>
<td>809</td>
<td>1,967</td>
</tr>
<tr>
<td>29 Organizing</td>
<td>23,153</td>
<td>16,171</td>
<td>39,324</td>
</tr>
<tr>
<td>31 Legal</td>
<td>10,419</td>
<td>7,277</td>
<td>17,696</td>
</tr>
<tr>
<td>42 Building Operations</td>
<td>3,472</td>
<td>2,424</td>
<td>5,899</td>
</tr>
</tbody>
</table>

| $276,677 | $171 | $193,246 | $2,557,582 | $3,027,676 |

(1) These amounts are included in the respective captions on Statement I.

See accompanying notes to statement.
## Statement III

**COMMUNICATIONS WORKERS OF AMERICA, AFL-CIO, CLC**

**EXPENSES ACCUMULATED FOR APPORTIONMENT**

**YEAR ENDED MAY 31, 2015**

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
<th>Organizing</th>
<th>Legal</th>
<th>CWA News</th>
<th>Public Relations</th>
<th>Legislation</th>
<th>COPE</th>
<th>Transfers</th>
<th>Subject to Overall Appportionment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, part-time</td>
<td>$10,990,107</td>
<td>$1,778,443</td>
<td>$52,978</td>
<td>$62,467</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$1,893,888</td>
<td>$9,096,219</td>
</tr>
<tr>
<td>Travel and expense, part-time</td>
<td>4,001,191</td>
<td>179,910</td>
<td>-</td>
<td>-</td>
<td>$319</td>
<td>175</td>
<td>-</td>
<td>$180,404</td>
<td>3,820,787</td>
</tr>
<tr>
<td>Rental of meeting rooms</td>
<td>235,915</td>
<td>14,105</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$14,105</td>
<td>221,810</td>
</tr>
<tr>
<td>Contract services</td>
<td>457,841</td>
<td>-</td>
<td>4,831,241</td>
<td>43,555</td>
<td>515,688</td>
<td>27,473</td>
<td>-</td>
<td>2,000</td>
<td>455,841</td>
</tr>
<tr>
<td>Other services</td>
<td>7,924,113</td>
<td>142,626</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,359,053</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$23,609,167</td>
<td>$2,115,084</td>
<td>$4,884,219</td>
<td>$43,555</td>
<td>$580,474</td>
<td>$27,648</td>
<td>-</td>
<td>$7,655,457</td>
<td>$15,953,710</td>
</tr>
</tbody>
</table>

See accompanying notes to statement.
# Statement IV

## Communications Workers of America, AFL-CIO, CLC

### Other Allocations and Apportionments

Year Ended May 31, 2015

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
<th>Chargeable</th>
<th>Non-Chargeable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizing - from Statement III</td>
<td>$2,115,084</td>
<td>$</td>
<td>$2,115,084</td>
</tr>
<tr>
<td>Affiliation dues</td>
<td>3,810,413</td>
<td>-</td>
<td>3,810,413</td>
</tr>
<tr>
<td>Foreign affairs</td>
<td>19,235</td>
<td>-</td>
<td>19,235</td>
</tr>
<tr>
<td>Contributions</td>
<td>511,473</td>
<td>-</td>
<td>511,473</td>
</tr>
<tr>
<td>COPE</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Statement I</td>
<td>$19,738</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statement III</td>
<td>4,477</td>
<td></td>
<td>24,215</td>
</tr>
<tr>
<td>Citizenship contributions</td>
<td>155,254</td>
<td>-</td>
<td>155,254</td>
</tr>
<tr>
<td>Legal fees specifically identifiable - from Statement III</td>
<td>4,884,219</td>
<td>4,209,708</td>
<td>674,511</td>
</tr>
<tr>
<td>Convention and committees</td>
<td>636,699</td>
<td>636,699</td>
<td></td>
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<tr>
<td>Committees and conferences</td>
<td>569,339</td>
<td>444,084</td>
<td>125,255</td>
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<tr>
<td>CWA News - expenses other than Editor's salary:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statement I</td>
<td>727,154</td>
<td>770,709</td>
<td>459,034</td>
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<tr>
<td>Statement III</td>
<td>43,555</td>
<td></td>
<td></td>
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<tr>
<td>Publicity and public relations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statement I</td>
<td>304,929</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statement III</td>
<td>580,474</td>
<td>885,403</td>
<td></td>
</tr>
<tr>
<td>Legislation</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Statement I</td>
<td>312,919</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statement III</td>
<td>27,648</td>
<td>340,567</td>
<td>340,567</td>
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<tr>
<td>Education programs</td>
<td>186,010</td>
<td>42,373</td>
<td>143,637</td>
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<tr>
<td>Apprenticeship programs</td>
<td>101,052</td>
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<td></td>
</tr>
<tr>
<td>Defense Fund activities</td>
<td>42,716</td>
<td>37,671</td>
<td>5,045</td>
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<tr>
<td>Growth Fund</td>
<td>8,668,732</td>
<td>612,475</td>
<td>8,256,257</td>
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<tr>
<td>Members' Relief Fund expense</td>
<td>3,194,119</td>
<td>3,194,119</td>
<td></td>
</tr>
<tr>
<td>Strategic Industry Fund expenses</td>
<td>11,145,952</td>
<td>2,997,421</td>
<td>8,148,531</td>
</tr>
<tr>
<td>Professional fees - specifically identifiable</td>
<td>2,042,569</td>
<td>1,906,125</td>
<td>136,444</td>
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<tr>
<td>Salaries, part-time - from Statement III</td>
<td>9,096,219</td>
<td>6,913,126</td>
<td>2,183,093</td>
</tr>
<tr>
<td>Travel and expense, part-time - from Statement III</td>
<td>3,820,787</td>
<td>2,903,798</td>
<td>916,989</td>
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<tr>
<td>Rental of meeting rooms - from Statement III</td>
<td>221,810</td>
<td>184,901</td>
<td>36,909</td>
</tr>
<tr>
<td>Contract services - from Statement III</td>
<td>455,841</td>
<td>379,989</td>
<td>75,852</td>
</tr>
<tr>
<td>Other services - from Statement III</td>
<td>2,359,053</td>
<td>1,966,507</td>
<td>392,546</td>
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</tbody>
</table>

Total $56,257,470 $26,841,724 $29,415,746

See accompanying notes to statement.
COMMUNICATIONS WORKERS OF AMERICA, AFL-CIO, CLC

NOTES TO STATEMENT OF CHARGEABLE AND NON-CHARGEABLE EXPENSES

YEAR ENDED MAY 31, 2015

NOTE 1. BASIS OF EXPENSE CLASSIFICATION

The expenses reported in this statement are based upon the total expenses reported on the audited financial statements of the Communications Workers of America, AFL-CIO, CLC (CWA) for the year ended May 31, 2015. The preparation of the statement in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the statement. Actual results may differ from those estimates.

Payroll taxes, pension and other employee benefit expenses were distributed to the various offices, departments and districts in proportion to the respective salary expense.

For accounting and reporting purposes, certain expenses of headquarters offices and departments are accumulated within the expenses of finance and office operations. These have been reclassified to the various offices and departments as follows:

* Rental and maintenance of equipment and telephone - on the basis of the number of permanent staff in each area.

* Office rent and occupancy - on the basis of the space utilized by each office or department.

Real estate taxes and other building expenses are specifically identified for each location. Expenses of the Headquarters building are allocated to each department or office on the basis of the space occupied. The cost of equipment acquisitions is also identified for each location.

The contingency account has been reclassified and expenses originally charged to that account are included in the expenses of the appropriate department or account according to the purpose of the expense.
NOTE 2. **METHODS OF ALLOCATION BETWEEN CHARGEABLE AND NON-CHARGEABLE EXPENSES**

The following expenses incurred in connection with the operations of the administrative office, finance and office operations, the executive vice presidents and other headquarters departments, national bargaining units, the PPMW, NABET, IUE, AFA and TNG Sectors and the eight district offices are allocated on the basis of a Time Record Sampling conducted by WESTAT, Inc.:

* Salary and related payroll costs of full-time employees
* Travel and other reimbursable expenses incurred by full-time employees
* Rental and occupancy expenses
* Equipment costs
* Telephone
* Other taxes
* General office supplies and printing
* Postage, freight and express

According to that study, which was dated November 16, 2015, 83.36% of such expenses were chargeable.

Expenses are considered to be chargeable if they are incurred by CWA for matters germane to collective bargaining, contract administration and grievance adjustment.

The following expenses have been identified as being non-chargeable:

* Affiliation dues
* Citizenship contributions
* Contributions
* COPE
* Legislation

With the exception of the basic office operating expenses, which are allocated on the basis of the WESTAT study, expenses of the following activities are identified as non-chargeable:

* Organizing
* Foreign affairs

The following expenses have been identified as chargeable:

* Convention and committees expenses
* Apprenticeship programs
* Members’ Relief Fund expenses, including strike expenses

Payroll and related expenses of the Publicity and Public Relations Department have been allocated on the basis of the WESTAT study. All other expenses of this department have been considered to be non-chargeable.
NOTE 2. METHODS OF ALLOCATION BETWEEN CHARGEABLE AND NON-CHARGEABLE EXPENSES (CONTINUED)

Outside legal expenses incurred for specific matters have been allocated according to the purpose of such expense. General retainers of outside counsel have been allocated between chargeable and non-chargeable expenses according to the analysis of time records submitted by the retained attorneys. Other fees and billed expenses were allocated on the basis of the percentage of time dedicated to chargeable and non-chargeable purposes, respectively. The salaries and related expenses of the legal department are allocated on the basis of the WESTAT study.

Committees and conference expenses have been allocated on the basis of the nature of each meeting.

Except for the Editor's salary and related expenses, which are allocated on the basis of the WESTAT study, expenses of the CWA News have been allocated on the basis of column-inches devoted to the various activities.

Education program expenses have been allocated according to the course content of each program.

Defense Fund expenses incurred in connection with CWA strike and collective bargaining activities have been included as chargeable. Organizing expenses in this category have been separately identified as non-chargeable.

Growth Fund expenses have been allocated according to the purpose of the activity giving rise to the expense.

Strategic Industry Fund expenses have been allocated according to the purpose of the activity giving rise to the expense.

Professional fees have been allocated according to the purpose of such fees.

Part-time salary expenses have been allocated according to the purpose of employment as indicated by an analysis of the account activity. Travel and related expenses of part-time employees have been allocated on the same basis as the part-time payroll costs.

Rental of meeting rooms has been allocated the basis of the WESTAT study.

Contract services have been allocated on the basis of the WESTAT study.

Other services have been allocated on the basis of the WESTAT study.

NOTE 3. SUBSEQUENT EVENTS REVIEW

Subsequent events have been evaluated through February 9, 2016, which is the date the statement was available to be issued. This review and evaluation revealed no new material event or transactions which would require an additional adjustment to or disclosure in the accompanying statement.
CHARGEABLE ACTIVITIES AND EXPENDITURES

Contract proposals, negotiations and ratification work
Grievance handling and arbitrations
Contract ratification report and ratification expenses
Bargaining council expenses
Contract agreement printing expenses
Work on questions and complaints about working conditions, benefits and contract rights available to everyone represented
Attendance at meetings, conversations, phone calls etc with employer representative
Worksite meetings regarding matters germane to collective bargaining, contract administration and grievance adjustment.
Background reading, phone calls, conferences, discussions or other preparation concerning wages, working conditions, industry conditions or other matters germane to collective bargaining, contract administration and grievance adjustment
Demonstrations, leafleting and strikes about CWA wages, hours working conditions, including visiting picket lines, strike committee meetings etc
Preparation for and attendance at steward meetings and training
Preparation for and attendance at CWA schools
Adjudicatory proceedings before courts or administrative agencies that are directly related to private sector collective bargaining, contract enforcement, grievance handling or union administration in the United States
CWA publications, including CWA News, the State Worker, and Local newsletters, concerning matters germane to collective bargaining, contract administration and grievance adjustment
Nonlitigation legal expenses that are directly related to collective bargaining, contract enforcement, grievance handling or union administration
Committees and conferences that are on topics germane to collective bargaining, contract administration and grievance adjustment
Salaries of part-time employees, working on activities germane to collective bargaining, contract administration and grievance adjustment
Rent on meeting rooms relating to matters germane to collective bargaining, contract administration and grievance adjustment
Education programs, if content is germane to collective bargaining, contract administration and grievance adjustment
Preparation for and attendance at CWA meetings (for example, conventions, monthly, and area meetings)
CWA Local union meetings
Supplies, printing, freight
Committees and conferences relating to union administration
Local union administration including interpretation of constitution, local elections, and Local union management
Local general clerical salaries, hall rental, accounting costs
Office management and administrative financial matters, forms, scheduling, miscellaneous material
International Union convention expenses
Executive Board expenses
Insurance (excluding employees benefits)
Taxes (excluding payroll)
Legal expenses related to union administration
Salaries of part-time employees - voucher, identified as administrative
NON-CHARGEABLE ACTIVITIES AND EXPENDITURES

Recruiting members to CWA (organizing)
Charitable contributions and expenses
Scholarship fund
Community services
Legislative activity, including contacts with government agencies concerning CWA’s views as to appropriate regulations
Political contributions to State and Local candidates
Contributions to organizations outside CWA
Public relations
Affiliation fees and contributions to other (non-CWA) labor organizations
Adjudicatory proceedings before courts or administrative agencies that are not directly related to private sector collective bargaining, contract enforcement, grievance handling or union administration in the United States
CWA publications not concerning matters germane to collective bargaining, contract administration and grievance adjustment
Meetings and conventions of other labor organizations that do not provide background information directly related to collective bargaining, contract administration and grievance adjustment
Registration and get-out-the-vote activity
COPE activities and expenses
Other political activity
Foreign affairs, including hosting foreign visitors, international relief efforts, international trade union activity (other than within CWA)
Members-only benefit expenses, including events to which only members are invited
Citizenship activities and expenses
Committees and conferences identified as political, ideological or not on topics germane to collective bargaining, contract administration and grievance adjustment
Salaries of part-time employees - voucher, identified as political, ideological or not germane to collective bargaining, contract administration and grievance adjustment
Rent on meeting rooms - voucher, identified as political, ideological or not germane to collective bargaining, contract administration and grievance adjustment
Education programs - topics identified as political, ideological or not germane to collective bargaining, contract administration and grievance adjustment
Nonlitigation legal expenses that are not directly related to collective bargaining, contract enforcement, grievance handling or union administration
University Professional
& Technical Employees
Communications Workers of America
Local 9119, AFL-CIO

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