

TO: _____
EMPLOYER

I hereby assign to Local Union 1287 of the Amalgamated Transit Union from any wages earned or to be earned by me as your employee, my periodic dues, initiation fee and assessments, or the established and applicable fee equivalent, in such amounts as are now or here after established by the Union and become due to it, as my membership dues, or the established and applicable fee equivalent, in said Union. I authorize and direct you to deduct and withhold such amount from my pay and to remit the same to said Union.

This assignment, authorization and direction shall be irrevocable for the period of one year from the date hereof or until the termination of the collective bargaining agreement between the Employer and the Union, whichever occurs sooner. I understand that Union membership is not a condition of this authorization and that this authorization may only be revoked as specifically provided by its terms.

I agree and direct that this assignment, authorization and direction shall be automatically renewed for successive periods of one year each or for the period of each succeeding applicable collective bargaining agreement between the Employer and the Union, whichever shall be shorter, unless written notice or revocation is given by me to the Employer not more than twenty (20) days and not less than ten (10) day prior to the expiration of each period of one year, or of each applicable collective bargaining agreement between the Employer and the Union, whichever occurs sooner.

Name (Signature)

Classification

Date

Payroll Number

Financial Secretary-Treasurer

AMALGAMATED TRANSIT UNION

Dues, contributions or gifts to the Amalgamated Transit Union are not deductible as charitable contributions for federal income tax purposes.

AMALGAMATED TRANSIT UNION

*Affiliated with the American Federation of Labor and Congress
of Industrial Organizations, and the Canadian Labour Congress*

APPLICATION FOR MEMBERSHIP

To the Officers and Members of Local Union _____

Location _____

I hereby apply for membership in the above named union and authorize said union to act for me as my collective bargaining agent in all matters pertaining to rates of pay, wages, hours of employment and other terms and conditions of employment.

Name _____
First Middle Last

Address _____
Number Street

_____ City State Zip Code

Telephone No. _____

Age _____ Date of Birth _____ Sex _____

Social Security No. _____ Married or Single _____

Employer _____

Employment Date _____

Position _____ Work Location _____

Date _____ Signature _____

Initiation Date _____

Local Union Secretary



KEEP THIS ON FILE IN YOUR LOCAL UNION

City _____ Date _____

Received from _____

\$ _____ As Application Fee

By _____

Official Position _____ Local Union _____

Complete. Detach and give to applicant. (Printed in U.S.A.)

-Sign Obligation on Reverse Side-



AMALGAMATED TRANSIT UNION

OBLIGATION

I,....., in the presence of God and the members of this Union, do solemnly promise and pledge (without any reservation or evasion) to support the Constitution and General Laws of this Amalgamated Transit Union. I will keep myself in good standing by paying all dues, fines and assessments required. I will work to promote the best interests of this Union and encourage my fellow workers to become members of the same. I will not take the place of any member of this organization, or any other union worker who may be on strike or locked out. I will not reveal any of the private business to anyone not entitled to know the same. I will not engage in activity evidencing gross disloyalty nor in conduct otherwise unbecoming a member, and will not knowingly wrong a member or see one wronged if in my power to prevent it. I will not appeal to any legal authority in matters pertaining to this Union until I have exhausted all means of redress provided by its laws. I will be considerate of others in word and action and will never discriminate against a fellow worker on account of race, religion, creed, sex, sexual orientation, age, disability, citizenship, or national origin. I also promise to promote the cause of trade union principles and defend freedom of thought, whether expressed by tongue or pen, with all the power at my command.

I understand there is nothing in this obligation that will in any way interfere with my political and religious rights or that will be in any way inconsistent with my duties arising from any of the relations of life.

This obligation I take upon my honor, and solemnly promise to keep the same, as long as I remain a member of this Union.

(Obligated Member sign full name here)



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LEGAL NOTICE

TO: Employees Represented by ATU Locals in U.S. Bargaining Units Who Are Subject to Union Security Arrangements

Employees working under collective bargaining agreements which contain a union security clause are required, as a condition of their employment, to pay monthly dues or fees to the union. Regardless of the specific wording used in such a clause, however, formal union membership cannot be, and is not, actually mandated. Those who are members of the ATU pay monthly union dues. Nonmembers, or “agency fee payers,” meet their obligation through the payment of an equivalent “agency fee.”

Nonmembers subject to a union security clause also have the additional legal right to file objections to their funding of certain expenditures with which they may disagree. More specifically, in a series of judicial and agency decisions it has been determined that objecting nonmembers may not properly be charged for union activities and expenditures which are “unrelated to collective bargaining, contract administration, or grievance adjustment” and/or are otherwise “nongermane to the collective bargaining process.”

When considering these matters, individuals should remember that the union security clause included in their labor contract was negotiated and ratified by their fellow employees based upon the principle that everyone who benefits from the collective bargaining process should share in its costs. Simply stated, the well-being of all bargaining unit employees is improved immeasurably when the union obtains higher wages, better health care and retirement benefits, fairness in the discipline system, and the many other improvements realized in contract negotiations. But it would be difficult to provide such effective representation at the bargaining table without the influence earned through the “nongermane” political and ideological activities of the trade union movement. If the ATU and other labor organizations did not express the workers’ views on the important issues facing our nation and communities, one can only imagine how much more damage might be done to the rights and interests of American working men and women by anti-Labor forces in Washington, DC, and in statehouses across the country.

Any individual thinking of electing objector status also needs to keep in mind the considerable benefits of union membership that must first be surrendered. As a nonmember, a fee objector relinquishes many valuable privileges, including the right to attend and participate in union meetings; the right to run in local union elections and to otherwise nominate and vote for any candidates for union office; the right to participate in

the formation of ATU bargaining demands; the right to vote on contract ratification questions; and the right to enjoy the many benefits of the Union Privilege Benefits Program, which offers low-interest credit cards, legal and travel services, prescription drug cards, and life insurance.

The Notice of Statement of Law and Procedures which appears below sets forth the specific means by which an individual who decides to become a nonmember agency fee payer notwithstanding the above considerations may lodge and perfect a request for a reduction in the amount of his or her monthly International per capita fee obligation. (This notice applies only to the International Union expenditures and to the per capita tax portion of local union dues except where – as is typically the case – the local union has, by voluntary and affirmative action, adopted this Notice and Statement for application to the local union’s total fees in order to comply with the dictates of the applicable law in this area.) First implemented two decades ago, this detailed process has been carefully tailored to satisfy the objectors’ rights to not financially support “nongermane” activities while still requiring them to share in the full costs of union representation.

As noted, these procedures have been effectively imposed upon us. It remains our opinion that all of our organizing and all the legislative, litigation, and similar activities undertaken by the ATU – some of which tribunals have indicated may in part be ideological and, therefore, nonchargeable – are essential to improving the working conditions of all the employees we represent. Still, as a democratic and law-abiding union, we acknowledge and stand fully prepared to honor an individual’s freedom to choose not to participate as a full member of the ATU and to not support these essential union endeavors.

The rights are, of course, yours. But for only pennies more per day, you can enjoy the many advantages of union membership in the ATU.



Warren S. George
International President

The following ATU Statement of Law and Procedures concerning union security objections applies only to the International per capita tax charged to objectors as part of local union fees (unless this Notice and Statement has been adopted by the local union for application to the local union’s total fees).

1. Any ATU-represented nonmember employee, whether publicly or privately employed, who is subject to a union security clause conditioning continued employment on the payment of dues or fees has the right to become an objector to expenditures not related to collective bargaining, contract administration, grievance adjustment, or other chargeable expenditures. A current ATU member who chooses not to tender the full periodic (monthly) dues and assessments uniformly required for the acquisition or retention of full membership in the union, but who instead opts to become an objector, must assume nonmember status prior to filing an objection through these procedures. An objector shall pay reduced fees calculated in accordance with Section 5.

2. To become an objector,¹ an ATU-represented nonmember employee shall notify the International Secretary-Treasurer in writing of the objection transmitted during the month of January each year or within thirty (30) days after assuming nonmember status. Employees who were not subject to an ATU union security clause as of January in any given year must forward an objection within thirty (30) days after becoming subject to union security obligations and receiving notice of these procedures or within thirty (30) days after assuming nonmember status. The objection shall be signed and shall specify the objector’s current home mailing address, name the objector’s employer with which the applicable union security arrangements have been entered into, and identify the ATU local union number, if known. All objections should be mailed to the International Secretary-Treasurer, 5025 Wisconsin Avenue, NW, Washington, DC 20016-4139 or transmitted by facsimile to 202-244-7824 with a separate cover page directing such to the attention of the International Secretary-Treasurer and specifying the subject thereof to be the “Election of Fee Objector Status.” A person who wishes to continue an objection in a subsequent twelve (12) month period shall so provide notice of objection each January.

3. The following categories of expenditure are chargeable to the extent permitted by law:

a. All expenses concerning the negotiation of agreements, practices and working conditions;

b. All expenses concerning the administration of agreements, practices and working conditions, including grievance handling, all activities related to arbitration, and discussion with employees in the bargaining unit or employer representatives regarding working conditions, benefits and contract rights;

c. Convention expenses and other normal union internal governance and management expenses;

d. Social activities and union business meeting expenses;

e. Publication expenses to the extent coverage is related to otherwise chargeable activities;

f. Expenses of litigation before the courts and administrative agencies related to contract administration, collective bargaining rights and internal governance;

g. Expenses for legislative, executive branch and administrative agency representation on legislative and regulatory matters closely related to contract ratification or the implementation of contracts;

h. All expenses for the education and training of members, officers, and staff intended to prepare the participants to better perform chargeable activities;

i. All strike fund expenditures and costs of group cohesion and economic action, e.g., general strike activity, informational picketing, etc.;

j. All funeral or dismemberment benefits; and

k. A proportional share of all overhead and administrative expenses.

4. Each December, the International Union shall publish these policies and procedures in the *In Transit* to provide to ATU-represented employees notice of their right to object and of the procedures for objecting. The International shall also send a copy of these policies and procedures to each person who objected the previous year to inform the person of his or her right to renew the objection for the current year.

5. The International retains an independent auditor who submits an annual report for the purpose of verifying the percentage of expenditures that fall within the categories specified in Section 3. Similarly, if the local union has adopted these procedures for application to its total fees, the local union arranges for the audit of the records, enabling the local union to verify annually the percentage of its total expenditures other than the International per capita tax that is chargeable to objectors. The amount of the International and local union expenditures falling within Section 3 made during that fiscal year which ended in the previous calendar year shall be the basis for calculating the reduced fees that must be paid by the objector for the current calendar year.² For each objector, an amount equal to the reduced fees paid by the objector shall be placed in an interest-bearing escrow account.

6. The report(s) of the independent auditor(s) shall be completed prior to the publication of these policies and procedures in December. The report(s) shall include verification of the major categories of union expenses attributable to chargeable and nonchargeable activities. Local unions which adopt these procedures shall provide a copy of their independent auditor’s report to each nonmember employee represented by the local union.

7. In the absence of an exclusive statutory review procedure,³ each objector may challenge the legal and arithmetical bases of the calculations contained in the independent auditor report(s) by filing an appeal with the International Secretary-Treasurer. Nonmember objectors in bargaining units covered by the National Labor Relations Act shall also have the right to seek a determination of any issues relating to these procedures by invoking the jurisdiction of the National Labor Relations Board. If such an objector chooses not to invoke the Board’s jurisdiction, or if the Board defers to these appeal procedures, the nonmember objector’s appeal shall be filed exclusively with the International Secretary-Treasurer. Any such appeal must be made by sending a signed letter to the International Secretary-Treasurer postmarked or transmitted via facsimile no later than thirty (30) days after the International Secretary-Treasurer has forwarded a letter to the objector acknowledging receipt of the objection or the date the National Labor Relations Board affirmatively declines to assert its reviewing jurisdiction, whichever is later.

8. Except where state law provides an exclusive statutory review procedure as discussed in Note 3 below or when an objector proceeds before the National Labor Relations Board as set forth in Section 7, all such appeals received by the union within the time limits specified above shall be determined by expeditious referral to an impartial arbitrator appointed by the American Arbitration Association (AAA) under its rules for impartial determination of union fees and these procedures. The International Union will notify the AAA that challenges of its fees, which have been received from one or more individual employees, are to be determined by an impartial arbitrator and will include the names and addresses of the individuals who have filed the appeals challenging the union’s fees and

who should be notified of the proceedings.

a. All appeals filed within any given forty-five (45) day period shall be consolidated. Appeals shall be heard as soon as the AAA can schedule the arbitration and shall be at a location selected by the AAA to be the most convenient for those involved in the proceeding.

b. Each party to the arbitration shall bear its own costs. The challengers shall have the option of paying a pro-rata portion of the arbitrator’s fees and expenses. The union shall pay the balance of such fees and expenses.

c. Challengers may, at their expense, be represented by counsel or other representative of choice. Challengers need not appear at the hearing and shall be permitted to instead file written statements with the arbitrator no later than the beginning of the arbitration hearing. Post-hearing statements may be filed in accordance with the provisions of Section 8(g).

d. Fourteen (14) days prior to the start of the arbitration, challengers shall be provided with copies of all exhibits or a list of all such exhibits intended to be introduced at the arbitration by the union and a list of all witnesses the union intends to call, except for exhibits and witnesses the union may introduce for rebuttal. Where a list of exhibits has been provided, challengers shall have a right to receive copies of such exhibits by making a written request for them to the International Secretary-Treasurer. Additionally, copies of all exhibits shall be available for inspection and copying at the hearing.

e. A court reporter shall make a transcript of all proceedings before the arbitrator. This transcript shall be the only official record of the proceedings and may be purchased by the challengers. If challengers do not purchase a copy of the transcript, a copy shall be available for inspection by challengers at the International headquarters during normal business hours.

f. The arbitrator shall have control over all procedural matters affecting the arbitration in order to fulfill the dual needs of an informed and an expeditious arbitration. The arbitrator shall set forth in the decision the legal and arithmetic bases for the decision, giving full consideration to the legal requirements limiting the amount objectors may be charged.

g. The parties to the arbitration shall have the right to file a post-hearing statement within fifteen (15) days after both parties have completed submission of their cases at the hearing. Such statements may not introduce new evidence nor discuss evidence not introduced in the arbitration. The arbitrator shall issue a decision within forty-five (45) days after the final date for submission of post-hearing statements or within such other reasonable period as is consistent with the applicable AAA rules and the requirements of law.

h. The decision of the arbitrator shall be final and binding on all findings of fact supported by substantial evidence on the record considered as a whole and on other findings legally permitted to be binding on all parties.

i. Upon receipt of the arbitrator’s award, any adjustment in favor of the challenger will be made from the escrow account.

9. Under Section 18.1 of the ATU Constitution and General Laws, each local union will be responsible for collecting and transmitting to the International Union each month from those who have made an objection the amount of the per capita tax certified as due under these procedures. In addition, each local will be responsible for developing a system covering local union fees that will meet the legal requirements relative to the objectors in the local. If the local union affirmatively opts to adopt the International procedures concerning fee objections on an integrated basis,

no multiple notice (other than providing its independent auditor's report to nonmember employees represented by the local union), objection, challenge or appeal procedures will be necessary. If, however, the local union adopts an independent system covering local union expenditures other than per capita tax, such arrangements must, by law, be included in the local's procedures. The local's procedures must, further, at a minimum: (1) establish record-keeping methods sufficient to permit an accurate calculation of the percentage of the local's total expenditures that are chargeable to objectors; (2) provide for an independent audit which will enable the local union to verify annually the chargeable portion of the local's total expenditures, the amount of the reduced fees payable by objectors, and the appropriate escrow amount; and (3) provide objectors a single, expeditious review of the calculation of the chargeable expenditures before a neutral person not selected by the local. Under either an integrated or independent local system governing local union fees, each local union is responsible for collecting only those fees as may be certified as properly due to the local union.

10. The provisions of this procedure shall be considered legally separable. Should any provision or portion hereof be held contrary to law by a court, administrative agency or arbitrator, the remaining provisions or portions thereof shall continue to be legally effective and binding. If, after consultation with each other, the International President or the local union business agent determines that modifications in this procedure are necessary to maintain compliance with applicable law, such modifications may be made in accordance with the Constitution and General Laws of the International Union or the bylaws of the local union, as applicable.

NOTES

1. ATU-represented public employees in Illinois, Minnesota, Montana, or Oregon who are not members of the union are automatically considered objectors and are not required to make a filing under the provisions of Sections 2 and 4 of this Statement of Law and Procedures. The collective bargaining statute applicable to New Jersey public employers (with the significant exceptions of New Jersey Transit and NJT-Mercer) has the same impact. Similarly, except where a more stringent union security arrangement was in place on January 1, 1970, and has been continued in accordance with the "grand fathering" provisions of state law, the Pennsylvania public employee bargaining statute only permits a fair share union security clause under which every nonmember is obligated to pay only a reduced fee based upon prior chargeable expenditures. Local unions representing such members shall forward the names of all such nonmember objectors to the International Secretary-Treasurer, including the objector's current home address and employer.

2. In accordance with applicable state laws, the reduced per capita tax owed by nonmember public employee objectors in Minnesota and New Jersey (except those working for New Jersey Transit or NJT-Mercer) shall be computed utilizing either the percentage of chargeable expenditures as verified by the report of the independent auditor retained by the International or eighty-five (85%) percent, whichever is lesser.

3. State statutes covering public employees in Minnesota and New Jersey (again, other than those workers employed by New Jersey Transit or NJT-Mercer) require that any person wishing to challenge the fees file an action with the state public employment board (Minnesota) or with a three-member board appointed by the governor specifically to hear fair share challenges (New Jersey). Where these statutes are applicable, any local union procedure must provide that the binding expeditious review be through the applicable state process.

Amalgamated Transit Union - Analysis of Objectors' Expense for the Fiscal Year Ended June 30, 2007

To the Chair and Members of the General Executive Board of the Amalgamated Transit Union

We have audited the accompanying Analysis of Objectors' Expenses of the Amalgamated Transit Union (the Analysis) for the year ended June 30, 2007. The Analysis is the responsibility of the Union's management. Our responsibility is to express an opinion on the Analysis 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 Analysis is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Analysis. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Analysis. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Analysis was prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The total net (U.S.) includable expenses presented in the Analysis agree to the expenses in the audited financial statements of the Amalgamated Transit Union for the year ended June 30, 2007, as modified as discussed in Note 3. The allocations of expenses between chargeable and non-chargeable are based on the descriptions and the significant factors and assumptions described in Note 2. The accompanying Analysis was prepared for the purpose of determining the amount of the Union's expenses that are chargeable or non-chargeable to fee objectors. The accompanying Analysis is not intended to be a complete presentation of the Union's financial statements.

In our opinion, the Analysis referred to above presents fairly, in all material respects, the includable expenses of the Amalgamated Transit Union for the year ended June 30, 2007, and the allocation between chargeable and non-chargeable expenses, on the basis of accounting described in Note 1 and significant factors and assumptions described in Note 2.

This report is intended solely for the information and use of the Amalgamated Transit Union and its fee objectors and is not intended to be and should not be used by anyone other than these specified parties.

Calibre CPA Group, PLLC

Washington, DC

Dated: August 29, 2007, except for the allocation of expenditures described in Note 2 as to which the date is November 20, 2007

AMALGAMATED TRANSIT UNION ANALYSIS OF OBJECTORS' EXPENSES YEAR ENDED JUNE 30, 2007

EXPENSES	Net (U.S.) Includable Expenses	Chargeable	Non- Chargeable	Allocation Method
General Fund				
Salaries and expenses	\$ 10,613,485	\$ 8,875,864	\$ 1,737,621	Time Records
Seminars	820,502	571,055	249,447	Content
Donations, charitable, political and scholarship expenses	404,611	-	404,611	Non-Chargeable
Organizing Department	173,028	-	173,028	Non-Chargeable
Per capita taxes	1,206,056	-	1,206,056	Non-Chargeable
Insurance	123,718	99,172	24,546	Time Records
IN TRANSIT expenses	453,164	235,962	217,202	Space and Content
Net building operating expenses	129,015	91,923	37,092	Time Records
Office and administrative	571,837	458,384	113,453	Time Records
Other	684,365	447,148	237,217	Various
Funeral and Dismemberment Benefits Fund				
Benefits paid	1,157,600	1,157,600	-	100% Chargeable
Net building operating expenses	51,606	51,606	-	100% Chargeable
Defense Fund				
Arbitration expenses	61,081	61,081	-	100% Chargeable
Outside legal fees	522,972	512,839	10,133	Identified by case
Legal Department salaries and expenses	1,029,782	666,403	363,379	Time Records
Net building operating expenses	77,408	50,221	27,187	Time Records
Raid defense	1,638	1,638	-	100% Chargeable
Other	61,524	24,992	36,532	Specific Identification
Building Fund				
Depreciation	248,656	199,323	49,333	Time Records
Convention Fund				
Convention expenses	(2,062)	(2,062)	-	100% Chargeable
Health Fund				
Health care premium expenses	1,654,457	1,326,213	328,244	Time Records
Totals	\$ 20,044,443	\$ 14,829,362	\$ 5,215,081	
Percentage	100.00%	73.98%	26.02%	

NOTES TO ANALYSIS OF OBJECTORS' EXPENSES YEAR ENDED JUNE 30, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting - The Analysis is presented using a modified cash basis of accounting. Generally, expenses are recognized when paid rather than when the obligation is incurred. However, accruals of expenses are recorded for certain transactions with local unions, funeral benefits, accrued compensated absences and other items.

Depreciation - Depreciation of property and equipment is charged to operations over the estimated useful lives of the assets using the straight-line method.

Benefit Payments - The Union's Constitution and General Laws provide for the payment of a \$1,000 funeral or dismemberment benefit on behalf of members and fee payers in good standing with one or more years of continuous membership or fee payment at the time of their death or dismemberment. An expense is recognized for the benefit for life members at the time they become life members. The costs associated with this benefit for other members and fee payers are accounted for upon disbursement of the benefit.

Estimates - The preparation of this Analysis requires management to make estimates and assumptions that affect the reported amounts of expenses during the reporting period. Actual results may differ from those estimates.

NOTE 2. PURPOSE OF ANALYSIS OF OBJECTORS' EXPENSES AND SIGNIFICANT FACTORS AND ASSUMPTIONS USED IN DETERMINING CHARGEABLE AND NON-CHARGEABLE EXPENSES

The purpose of this Analysis is for the determination of the percentage of fee objector dues (or their equivalent) expended by the Union for chargeable activities. Expenses for chargeable activities are those deemed "necessarily or reasonably incurred" to execute the representational duties of the Union. The percentage of Union expenses deemed not chargeable is used for determining advance dues (or their equivalent) reduction for fee objectors for the subsequent calendar year.

The procedures followed in the preparation of this Analysis include categorization of each classification of expenses by chargeable and non-chargeable activities. This is accomplished by analyzing each classification of expenses and identifying amounts which are either chargeable or non-chargeable.

The Union engaged professional assistance to determine criteria for identifying chargeable and non-chargeable expenses. The procedures and significant factors and assumptions used in this Analysis in determining these expenses are as follows:

- All expenses are identified by fund and reconciled to the Union's annual financial statements.
- Canadian expenses within each fund are eliminated.
- Certain interfund transfers are recorded to more accurately reflect the Union activity for which certain expenditures were made.

D. Expenses are analyzed to identify chargeable and non-chargeable amounts using the following criteria:

1. Chargeable expenses include:

- All expenses concerning the negotiation of agreements, practices and working conditions;
- All expenses concerning the administration of agreements, practices and working conditions, including grievance handling, all activities related to arbitration and discussion with employees in the bargaining unit or employer representatives regarding working conditions, benefits and contract rights;
- Convention expenses and other normal Union internal governance and management expenses;
- Social activities and Union business meeting expenses;
- Publication expenses to the extent coverage is related to chargeable activities;
- Expenses of litigation before the courts and administrative agencies related to contract administration, collective bargaining rights and internal governance;
- Expenses for legislative, executive branch and administrative agency representation on legislative and regulatory matters closely related to contract ratification or the implementation of contracts;
- All strike fund expenditures and other costs of group cohesion and economic action, e.g., demonstrations, general strike activity, informational picketing, etc.;
- All expenses for the education and training of members, officers and staff intended to prepare the participants to better perform chargeable activities;
- All funeral and dismemberment benefits; and
- An allocable amount of all net building expenses.

2. Non-chargeable expenses include all other expenses.

E. For those expenses which have both chargeable or non-chargeable aspects, allocations are made using certain ratios. Significant ratios used for these allocated expenses include ratios based on salary costs supported by time records and other ratios such as student days ratios for allocation of seminar costs and printed line ratios for allocation of certain publication costs.

NOTE 3. RECONCILIATION OF ANALYSIS TO AUDITED FINANCIAL STATEMENTS

The expenses included in this analysis are based upon the total expenses of \$22,434,084 reported in the audited financial statements of the Amalgamated Transit Union modified for the following:

\$2,251,050 in Canadian expenses has been excluded from this analysis.

\$138,591 relating to various expenses which have been offset by corresponding revenue items have been excluded from this analysis.