

# 2003 Financial Report

## A report to members on the union's finances

The UAW has faced many challenges over the past year. A continuing decline in American manufacturing jobs has had a significant impact on our membership. In addition, workers who want to become UAW members face considerable obstacles that interfere with the basic right to organize.

The UAW leadership is aware of these challenges and has taken steps to address them.

As a result, the UAW's financial condition remains sound. Our union is prepared to advocate on behalf of working families and to renew and expand our historic commitment to social justice and economic progress for all Americans.

The source of the UAW's financial stability is the hard work of UAW members. The UAW dues formula allows all members to contribute on an equitable and proportional basis, and ensures that our union has the resources to bargain excellent contracts, support strong organizing drives, and advocate effectively for working families.

Nearly half of all union dues paid by



**UAW Secretary-Treasurer Elizabeth Bunn**

UAW members stay with their local union, where members have direct control over how the money is spent.

During 2003, organizing drives brought 114 new bargaining units into the UAW, accounting for 21,037 potential new members.

Average dues-paying membership for calendar year 2003 was 654,733, compared to 675,898 in 2002. This represents a decrease of 21,165 members — a decrease that would have been far more severe if not for the UAW's aggressive organizing program.

Other highlights of the UAW's annual financial report for 2003 include:

- The union's net worth, the difference between what is owned and owed, at the end of the year amounted to \$1,128,314,142.72.
- Active and retired membership stood at 1,198,407.
- Less than 1 percent of UAW members went on strike in 2003, and those 4,108 workers received more than \$20.4 million from the union's Strike Fund, which provides assistance to members on strike.
- As the Secretary-Treasurer's report points out, nearly half — 48 percent — of all dues collected last year went to local unions, 15 percent went to the Strike Fund and 37 percent went to the International Union's General Fund.
- Total income last year was \$262 million, while total expenses amounted to \$260 million.

The following is a summary of the Secretary-Treasurer's report. The full report is available for examination at local unions, each of which has received a copy.

### REPORT OF SECRETARY-TREASURER ELIZABETH BUNN FOR THE YEAR ENDED DEC. 31, 2003

At the direction of the International Trustees, Clarence H. Johnson, P.C., Certified Public Accountants, have audited the books of the International Union, UAW for the year ended Dec. 31, 2003.

The following report reflects the changes in the financial position of the International Union, UAW as of Dec. 31, 2003, in comparison to our Union's financial position as of Dec. 31, 2002.

#### RESOURCES

Total Resources amounted to \$1,131,149,499.68 as of Dec. 31, 2003, an increase of \$1,556,900.99 from the Total Resources of \$1,129,592,598.69 as of Dec. 31, 2002.

#### LIABILITIES

Liabilities, consisting of Loans Payable, Payroll Deductions Payable and Monies Due to Affiliated Organizations amounted to \$2,835,356.96 as of Dec. 31, 2003, a decrease of \$453,693.97 from the Liabilities of \$3,289,050.93 as of Dec. 31, 2002.

#### NET WORTH

The Net Worth of the International Union, repre-

mented by Total Resources less Liabilities, amounted to \$1,128,314,142.72 as of Dec. 31, 2003. This is an increase of \$2,010,594.96 from the Union's Net Worth of \$1,126,303,547.76 as of Dec. 31, 2002.

#### LIQUID ASSETS

Liquid Assets, which consist of Cash on Hand and in Banks, plus Current Investment Securities, amounted to \$995,835,322.65 as of Dec. 31, 2003. This is a decrease of \$628,383.47 from the Liquid Assets of \$995,206,939.18 as of Dec. 31, 2002.

#### GENERAL FUND RESOURCES

General Fund Resources, which include portions of Cash, Investments, Accounts Receivable, Notes Receivable, Inventories for Resale, Furniture, Equipment, Vehicles, Stocks in Companies with UAW contracts and the Union Building Corporation totaled \$163,645,267.83 as of Dec. 31, 2003.

#### GENERAL FUND LIABILITIES

General Fund Liabilities amounted to \$2,608,735.70 as of Dec. 31, 2003. These liabilities consist of Local Union Loans Payable totaling \$1,517,700.00, Payroll Deductions to be forwarded in

the amount of \$166,869.16 and Accounts Payable to Affiliated Organizations at \$924,166.54.

#### GENERAL FUND NET WORTH

The General Fund Net Worth, which is represented by General Fund Resources less General Fund Liabilities, amounted to \$161,036,532.13 as of Dec. 31, 2003.

#### GENERAL FUND LIQUID ASSETS

The General Fund of our Union had Liquid Assets of \$40,623,595.65 as of Dec. 31, 2003. This is a decrease of \$24,868,609.25 from the General Fund Liquid Assets of \$65,492,204.90 as of Dec. 31, 2002.

#### UNION BUILDING CORPORATION

The Union Building Corporation is the holding corporation for all properties owned by the International Union, UAW. During 2003, \$4,133,073.14 was spent for the acquisition, development and capital improvement of UAW-owned properties. In addition, property valued at \$590,199.00 was transferred to UBC from closed local unions.

UBC disposed of property with a book value of \$4,379,602.21 during 2003.

### ORGANIZATIONAL EXPENDITURES

Organizational Expenditures amounted to \$15,759,508.59 during 2003.

Our Union won 114 recognition elections during this period. There are approximately 21,037 potential members in the worksites that voted for the UAW.

### REALLOCATION OF PER CAPITA DUES

In accordance with Article 16, Section 11 of the International Constitution, Local Unions pay to the International Secretary-Treasurer, monthly per capita taxes of 62 percent of each member's monthly dues. For 2003, these per capita taxes were allocated, on a net basis, as follows:

Strike Insurance Fund .....	15%
General Fund .....	37%
Rebated to Local Unions* .....	10%
	<u>62%</u>

\* Should the Strike Insurance Fund balance fall below \$500 million, the ten-percent Local Union Rebates would be revoked. At that point, the 62 percent would be allocated as follows until the Strike Insurance Fund reaches a balance in excess of \$550 million:

Strike Insurance Fund .....	30%
General Fund .....	32%
	<u>62%</u>

## COMPARISON OF RESOURCES, LIABILITIES AND NET WORTH

Year ended Dec. 31

	2003	2002	Increase (Decrease)
Cash on Hand and in Banks.....\$	(3,275,365.91)	\$ (1,068,730.30)	\$ (2,206,635.61)
Investments - Current	999,110,688.56	996,275,669.48	2,835,019.08
Accounts Receivable	6,442,516.23	3,978,817.28	2,463,698.95
Mortgages Receivable	4,794,099.12	4,392,656.80	401,442.32
Notes Receivable	500,745.34	517,694.86	(16,949.52)
Supplies for Resale	845,688.98	860,935.14	(15,246.16)
Furniture, Equipment and Vehicles	9,871,706.83	11,766,626.68	(1,894,919.85)
Union Building Corporation	112,647,014.74	112,555,605.61	91,409.13
Other Investments -			
Stock, Long-Term	212,405.79	313,323.14	(100,917.35)
<b>TOTAL RESOURCES .....</b>	<b>\$ 1,131,149,499.68</b>	<b>\$ 1,129,592,598.69</b>	<b>\$ 1,556,900.99</b>
Liabilities	2,835,356.96	3,289,050.93	(453,693.97)
<b>NET WORTH .....</b>	<b>\$ 1,128,314,142.72</b>	<b>\$ 1,126,303,547.72</b>	<b>\$ 2,010,594.96</b>

### STRIKE INSURANCE FUND

Strike Insurance Fund Total Resources amounted to \$825,366,452.53 as of Dec. 31, 2003.

Income to the Strike Insurance Fund amounted to \$89,841,412.83 during 2003. A breakdown of income by sources follows:

Per Capita Taxes .....	\$ 80,713,558.69
Strike Fund Dues.....	5,256.62
Earnings on Investments ..	8,657,460.41
Interest on Mortgages and Notes .....	215,137.11
Bankruptcy Recovery .....	250,000.00
<b>TOTAL .....</b>	<b>\$ 89,841,412.83</b>

Expenditures of the Strike Insurance Fund for 2003 amounted to \$56,128,129.66. A breakdown of these expenditures by Regions is contained in this report. During 2003, strike assistance was given to 4,108 members of our Union.

The chart at bottom left is a comparison of the Strike Insurance Fund Net Resources as of Dec. 31, 2003, and the preceding year-end.

### EMERGENCY OPERATIONS FUND

This fund had a balance of \$79,664,330.78 as of Dec. 31, 2003.

By actions of the 33rd Constitutional Convention in June 2002, the Emergency Operations Fund was newly established. The assets of the Emergency Operations Fund, including accrued interest and earnings on investments, shall be available to finance operations of the International Union in the event Operating Fund resources are insufficient to sustain operations due to the effects of a protracted or expensive strike, a series of strikes, or other events posing a serious threat to the economic viability of the International Union.

### FUND TRANSFERS

Periodically, it becomes necessary to transfer funds from the General Fund to other Funds in order to wipe out deficits and establish working balances. During 2003, \$5,675,000.00 was transferred from the General Fund to the Citizenship Fund.

### RETIRES DUES FUND

This Fund had a balance of \$20,668,516.71 (which includes the Regions' 25 percent share of each dues dollar) as of Dec. 31, 2003. There are 543,674 retirees currently paying \$1.00 and \$2.00 per month dues into this Fund. Local Unions received \$3,042,534.60 for their retiree chapters.

## COMPARISON OF FUND BALANCES ALLOCATED TO CURRENT ASSETS

Year ended Dec. 31

	2003	2002	Increase (Decrease)
General Fund .....	\$ 40,623,595.65	\$ 65,492,204.90	\$ (24,868,609.25)
Emergency Strike Fund .....	79,664,330.78	76,381,040.56	3,283,290.22
Strike Insurance Fund .....	820,798,974.67	807,891,889.86	12,907,084.81
Citizenship Fund .....	12,182.22	8,583.14	3,599.08
Education Fund .....	3,810.48	3,604.87	205.61
Civil Rights Fund .....	19,818.17	11,170.75	8,647.42
Recreation Fund .....	902,239.29	1,094,824.73	(192,585.44)
Family Education Center Fund....	1,277,870.19	4,847.04	1,273,023.15
Retirees Dues Fund .....	20,668,516.71	20,577,275.07	91,241.64
Organization, Education and Communication Fund.....	21,812,096.85	11,998,579.76	9,813,517.09
Regional Activities Fund .....	4,126,634.96	4,137,747.31	(11,112.35)
Councils Fund .....	5,925,252.68	7,605,171.19	(1,679,918.51)
<b>TOTALS.....</b>	<b>\$ 995,835,322.65</b>	<b>\$ 995,206,939.18</b>	<b>\$ 628,383.47</b>

## COMPARISON OF STRIKE INSURANCE FUND NET RESOURCES

Year ended Dec. 31

	2003	2002	Increase (Decrease)
Cash and Investments ....	\$ 820,798,974.67	\$ 807,891,889.86	\$ 12,907,084.81
Mortgages Receivable .....	4,794,099.12	4,392,656.80	401,442.32
Notes Receivable .....	0.00	100,000.00	(100,000.00)
Gross Resources .....	\$ 825,593,073.79	\$ 812,384,546.66	13,208,527.13
*Liabilities .....	226,621.26	453,287.92	(226,666.66)
<b>Net Resources .....</b>	<b>\$ 825,366,452.53</b>	<b>\$ 811,931,258.74</b>	<b>\$ 13,435,193.79</b>

\*Loan payable - Walter P. Reuther Library of Labor and Urban Affairs, Leonard Woodcock Addition

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## TRANSFER OF OEC FUNDS

Transfer of Funds to:	
General Fund, including:	
Organizing Expense.....	\$ 6,270,695.91
Other Education & Communication Related Expenses .....	5,065,933.92
Total 2003 transfers from the OEC Fund to:	
General Fund .....	\$ 21,336,629.83
Family Education Center Fund.....	1,750,000.00
Education Fund.....	2,800,000.00
Civil Rights Fund.....	1,010,000.00
Total 2003 transfers from the Organization, Education and Communication Fund to Other Funds .....	
<u>\$ 26,896,629.83</u>	

The Organization, Education and Communication Fund received \$25,987,945.77 from interest received on Strike Insurance Fund investments during 2003. Expenditures, (excluding transfers), from this Fund amounted to \$7,437,922.41. The Fund balance was \$29,310,502.58 as of Dec. 31, 2003.

### FAMILY EDUCATION CENTER FUND

By actions of the delegates to the 28th Constitutional Convention held in June, 1986, our International Executive Board was authorized to supplement to the extent necessary, the present funding arrangements for our Family Education Center Program (Black Lake), through infusions of funds from the Organization, Education and Communication (OEC) Fund. The OEC was established by Convention action in 1980 for the express purpose of strengthening, among other programs, our educational activities.

Monetary infusions to the Family Education Center Fund during 2003 amounted to \$1,750,000.00, while expenditures totaled \$477,976.85.

See further comments under Organization, Education and Communication Fund.

### ORGANIZATION, EDUCATION AND COMMUNICATION FUND

By action of the delegates to the 1980 Constitutional Convention, the Constitution was amended to provide that an Organization, Education and Communication Fund be established on the books and records of the International Union. This Fund may receive up to 75 percent of the interest and dividends received by the International Strike Insurance Fund to be expended, as authorized by the International Executive Board, for specific organization, education and communication programs.

In addition, the delegates to the 28th Constitutional Convention held in June, 1986, authorized the transfer of monies from the Organization, Education and Communication Fund to our Family Education Center Fund (Black Lake) to offset deficits incurred in assisting members to participate in the International Union's Family Education Center Programs.

The chart above shows monies transferred from the Organization, Education and Communication Fund during the year ended Dec. 31, 2003, to offset organization, education and communication expenses:

### DUES

The dues structure, based on the two-hour pay formula, resulted in average monthly dues of \$40.97 for 2003, compared with \$40.09 for 2002.

### MEMBERSHIP

The average dues-paying membership for calendar year 2003 was 654,733 compared to 675,898 in 2002, a decrease of 21,165 members.

Initiation fees were received on 28,504 members during 2003 compared to 32,571 in 2002, a decrease of 4,067.

## RECONCILIATION OF CASH

Year ended Dec. 31, 2003

CASH BALANCE - DEC. 31, 2002 .....	\$ (1,068,730.30)
ADD - RECEIPTS:	
General Fund .....	\$ 127,252,504.55
Emergency Operation Fund .....	3,283,290.22
Strike Insurance Fund .....	89,841,412.83
Citizenship Fund .....	647,849.00
Education Fund.....	352,438.94
Civil Rights Fund .....	211,234.23
Recreation Fund .....	131,171.60
Retirees' Dues Fund .....	9,792,158.86
Family Education Center Fund .....	—
Organization, Education and Communication Fund .....	24,617,422.04
Regional Activities Fund .....	2,794,140.58
Councils Fund .....	1,662,143.35
Total Funds Receipts .....	<u>\$ 260,585,766.20</u>
LESS - DISBURSEMENTS:	
General Fund .....	\$ 164,960,695.77
Strike Insurance Fund .....	56,128,129.66
Citizenship Fund .....	6,319,249.92
Education Fund .....	3,152,233.33
Civil Rights Fund .....	1,212,586.81
Recreation Fund .....	225,860.35
Retirees' Dues Fund .....	8,725,161.77
Family Education Center Fund .....	477,976.85
Organization, Education and Communication Fund .....	7,437,922.41
Regional Activities Fund .....	3,161,535.76
Councils Fund .....	2,891,655.90
Subtotal, Funds Disbursements .....	<u>\$ 254,693,008.53</u>
Excess of Purchases over Sales of Investment Securities .....	\$ 2,835,019.08
Excess of Purchases over Sales from Asset Disbursements .....	\$ 5,264,374.20
Total Funds Disbursements .....	<u>\$ 262,792,401.81</u>
CASH BALANCE - Dec. 31, 2003 .....	<u>\$ (3,275,365.91)</u>

## UAW V-CAP

Balance - Dec. 31, 2002 .....	\$ 11,818,945.89
Income - 2003 .....	4,925,361.68
	\$ 16,744,307.57
Disbursements - 2003 .....	2,453,822.90
Balance - Dec. 31, 2003 .....	<u>\$ 14,290,484.67</u>

We have approximately 543,674 retired members as of Dec. 31, 2003.

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I urge you to study this report carefully so that you may be better acquainted with the financial status of our Union.

I wish to thank my fellow Officers, Board Members, Staff Members and Office Employees for their cooperation.



Respectfully submitted

*Elizabeth Bunn*

Elizabeth Bunn  
International Secretary-Treasurer

## UAW FINANCES AT A GLANCE

### INCOME AND EXPENDITURES FOR 2003

Receipts .....	\$ 262,079,448.52
Disbursements .....	260,068,853.56
Excess Receipts Over Disbursements ....	\$ 2,010,594.96

### WHAT UAW HAD ON HAND DEC. 31, 2003

Cash on Hand and in Banks .....	(3,275,365.91)
Fixed Income Obligations .....	771,729,392.49
Equities .....	190,225,254.65
Cash Equivalents .....	36,371,041.42
State of Israel Bonds .....	785,000.00
Accounts Receivable .....	6,442,516.23
Mortgages Receivable .....	4,794,099.12
Notes Receivable .....	500,745.34
Inventories - Resale Items .....	845,688.98
Furniture, Equipment & Vehicles .....	9,871,706.83
Union Building Corporation .....	112,647,014.74
Stock .....	212,405.79
<b>TOTAL ASSETS .....</b>	<b>\$ 1,131,149,499.68</b>

### WHAT UAW OWES

Accounts Payable to	
Affiliated Organizations .....	\$ 924,166.54
Loans Payable to Local Unions .....	1,517,700.00
Payroll Deductions .....	166,869.16
Loan Payable - Walter P. Reuther Library, Leonard Woodcock Addition .....	226,621.26
<b>TOTAL LIABILITIES .....</b>	<b>\$ 2,835,356.96</b>

### WHAT UAW MEMBERS OWN FREE OF DEBT

\$ 1,128,314,142.72



DEBI KIRCHNER / UAW LOCAL 598

Members of UAW Local 1811 at the UAW/GM Child Development Center in Flint, Mich., celebrate with staff members after completing the apprenticeship program.

## 2003 STRIKE FUND EXPENDITURES BY REGIONS

Region	Location	Amount
I	East Side of Detroit & Northeast Michigan.....	\$ 598,494.30
IA	West Side of Detroit & Southeast Michigan.....	15,104.28
IC	Flint, Lansing & Jackson, Mich., Areas .....	377,336.15
ID	Western & Upper Michigan .....	683,074.26
2B	Ohio .....	1,722,704.44
3	Indiana and Kentucky .....	2,700,102.78
4	Illinois, Iowa, Minnesota & Wisconsin .....	3,717,512.10
5	West & Southwest United States .....	1,778,710.97
8	Southeast United States .....	8,060,838.59
9	New Jersey, New York & Pennsylvania .....	872,212.67
9A	New England States, Long Island, Puerto Rico ...	658,298.21
	Other expenditures .....	34,943,740.91
	<b>GRAND TOTAL .....</b>	<b>\$ 56,128,129.66</b>

## SUMMARY OF FUND BALANCES ALLOCATED TO CURRENT ASSETS For the year ended Dec. 31, 2003

### GENERAL FUND:

Balance-Beginning.....	\$ 65,492,204.90
Add-Receipts .....	127,252,504.55
-Transfer of Funds from Organization, Education and Communication Fund.....	21,336,629.83
Retirees Fund .....	672,255.45
Councils Fund.....	450,405.96
	\$ 215,204,000.69

Less-Disbursements.....	164,960,695.77
-Asset Disbursements.....	3,944,709.27
-Transfer of Funds to Citizenship Fund.....	5,675,000.00
Balance-Ending.....	\$ 40,623,595.65

### EMERGENCY OPERATIONS FUND:

Balance-Beginning.....	\$ 76,381,040.56
Add-Receipts .....	3,283,290.22
Less-Disbursements.....	—
Balance-Ending .....	\$ 79,664,330.78

### STRIKE INSURANCE FUND:

Balance-Beginning.....	\$ 807,891,889.86
Add-Receipts .....	89,841,412.83
	\$ 897,733,302.69
Less-Disbursements.....	56,128,129.66
-Asset Disbursements.....	528,108.98
-Transfer of Funds to Organization, Education and Communication Fund.....	20,278,089.38
Balance-Ending.....	\$820,798,974.67

### CITIZENSHIP FUND:

Balance-Beginning.....	\$ 8,583.14
Add-Receipts .....	647,849.00
-Transfer of Funds from General Fund.....	5,675,000.00
	\$ 6,331,432.14
Less-Disbursements.....	6,319,249.92
Balance-Ending .....	\$ 12,182.22

### EDUCATION FUND:

Balance-Beginning.....	\$ 3,604.87
Add-Receipts .....	352,438.94
-Transfer of Funds from Organization, Education and Communication Fund.....	2,800,000.00
	\$ 3,156,043.81
Less-Disbursements.....	3,152,233.33
Balance-Ending .....	\$ 3,810.48

### CIVIL RIGHTS FUND:

Balance-Beginning.....	\$ 11,170.75
Add-Receipts .....	211,234.23
-Transfer of Funds from Organization, Education and Communication Fund.....	1,010,000.00
	\$ 1,232,404.98
Less-Disbursements.....	1,212,586.81
Balance-Ending .....	\$ 19,818.17

### RECREATION FUND:

Balance-Beginning.....	\$ 1,094,824.73
Add-Receipts .....	131,171.60
	\$ 1,225,996.33
Less-Disbursements.....	225,860.35
-Transfer of Funds to Regional Activities Fund.....	56,282.83
Organization, Education and Communication Fund.....	41,613.86
Balance-Ending .....	\$ 902,239.29

### RETIRES' DUES FUND:

Balance-Beginning.....	\$ 20,577,275.07
Add-Receipts .....	9,792,158.86
	\$ 30,369,433.93
Less-Disbursements.....	8,725,161.77
-Asset Disbursements.....	3,500.00
-Transfer of Funds to General Fund .....	672,255.45
Regional Activities Fund .....	300,000.00
Balance-Ending .....	\$ 20,668,516.71

### FAMILY EDUCATION CENTER FUND:

Balance-Beginning .....	\$ 4,847.04
-Transfer of Funds from Organization, Education and	

Communication Fund.....	1,750,000.00
-Asset Receipts .....	1,000.00
	1,755,847.04
Less-Disbursements.....	477,976.85
Balance-Ending .....	\$ 1,277,870.19

### ORGANIZATION, EDUCATION AND COMMUNICATION FUND:

Balance-Beginning.....	\$ 11,998,579.76
Add-Receipts .....	24,617,422.04
-Transfer of Funds from: Strike Insurance Fund .....	20,278,089.38
Recreation Fund .....	41,613.86
	\$ 56,935,705.04
Less-Disbursements.....	7,437,922.41
-Asset Disbursements.....	789,055.95
-Transfer of Funds to: Family Education Center Fund.....	1,750,000.00
General Fund.....	21,336,629.83
Education Fund .....	2,800,000.00
Civil Rights Fund.....	1,010,000.00
Balance-Ending .....	\$ 21,812,096.85

Less-Disbursements.....	7,437,922.41
-Asset Disbursements.....	789,055.95
-Transfer of Funds to: Family Education Center Fund.....	1,750,000.00
General Fund.....	21,336,629.83
Education Fund .....	2,800,000.00
Civil Rights Fund.....	1,010,000.00
Balance-Ending .....	\$ 21,812,096.85

### REGIONAL ACTIVITIES FUND:

Balance-Beginning.....	\$ 4,137,747.31
Add-Receipts .....	2,794,140.58
-Transfer of Funds from: Recreation Fund .....	56,282.83
Retirees Dues Fund .....	300,000.00
	\$ 7,288,170.72
Less-Disbursements.....	3,161,535.76
Balance-Ending .....	\$ 4,126,634.96

### COUNCILS FUND:

Balance-Beginning.....	\$ 7,605,171.19
Add-Receipts .....	1,662,143.35
	\$ 9,267,314.54
Less-Disbursements .....	2,891,655.90
-Transfer of Funds to General Fund .....	450,405.96
Balance-Ending.....	\$ 5,925,252.68

### GRAND TOTAL

FUND BALANCES .....\$ 995,835,322.65

# 2003 Financial Report

## STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES As of Dec. 31, 2003

ASSETS		LIABILITIES AND FUND BALANCES	
<b>CURRENT ASSETS:</b>		<b>CURRENT LIABILITIES:</b>	
Cash on Hand and in Banks.....	\$ (3,275,365.91)	Accounts Payable-Affiliated Organizations	\$ 924,166.54
<b>INVESTMENT SECURITIES:</b>		Loans Payable-Local Unions.....	1,517,700.00
Fixed Income Obligations.....	\$ 771,729,392.49	Payroll Deductions .....	166,869.16
Equities.....	190,225,254.65	Construction Loan Payable - Walter P. Reuther	
Cash Equivalents.....	36,371,041.42	Library of Labor and Urban Affairs - Wayne State	
State of Israel Bonds.....	785,000.00	University - Leonard Woodcock Addition .....	226,621.26
	<u>999,110,688.56</u>	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 2,835,356.96</b>
<b>TOTAL CURRENT ASSETS.....</b>	<b>\$ 995,835,322.65</b>	<b>TOTAL LIABILITIES.....</b>	<b>\$ 2,835,356.96</b>
<b>OTHER ASSETS:</b>		<b>FUND BALANCES:</b>	
<b>ACCOUNTS RECEIVABLE:</b>		Allocated to Current Assets:	
Miscellaneous Advances.....	\$ 6,014,069.52	General Fund.....	\$ 40,623,595.65
Rotating Funds.....	<u>428,446.71</u>	Emergency Operations Fund.....	79,664,330.78
	\$ 6,442,516.23	Strike Insurance Fund.....	820,798,974.67
<b>MORTGAGES RECEIVABLE.....</b>	<b>4,794,099.12</b>	Citizenship Fund.....	12,182.22
<b>NOTES RECEIVABLE.....</b>	<b>500,745.34</b>	Education Fund.....	3,810.48
<b>INVENTORIES:</b>		Civil Rights Fund.....	19,818.17
Supplies for Resale.....	845,688.98	Recreation Fund.....	902,239.29
<b>OTHER INVESTMENTS:</b>		Retirees' Dues Fund.....	20,668,516.71
Stocks.....	<u>212,405.79</u>	Family Education Center Fund... ..	1,277,870.19
		Organization, Education, and	
<b>TOTAL OTHER ASSETS.....</b>	<b>12,795,455.46</b>	Communication Fund.....	21,812,096.85
<b>FIXED ASSETS:</b>		Regional Activities Fund.....	4,126,634.96
Furniture and Equipment.....	\$ 33,922,976.71	Councils Fund.....	<u>5,925,252.68</u>
Vehicles and Equipment.....	<u>1,280,195.61</u>		<b>\$ 995,835,322.65</b>
	\$ 35,203,172.32	Allocated to Other Assets:	
Less-Reserves for Depreciation....	<u>25,331,465.49</u>	General Fund.....	\$120,412,936.48
	\$ 9,871,706.83	Strike Insurance Fund.....	4,567,477.86
<b>PROPERTIES:</b>		Organization, Education, and	
Union Building Corporation-USA. \$	113,240,180.75	Communication Fund.....	<u>7,498,405.73</u>
Less-Reserve for Depreciation.....	<u>593,166.01</u>		<u>132,478,820.07</u>
	\$ 112,647,014.74	<b>TOTAL FUND BALANCES.....</b>	<b>1,128,314,142.72</b>
<b>TOTAL FIXED ASSETS.....</b>	<b>122,518,721.57</b>	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$1,131,149,499.68</b>
<b>TOTAL ASSETS.....</b>	<b>\$1,131,149,499.68</b>		

## INDEPENDENT AUDITOR'S REPORT

March 5, 2004

UAW Board of Trustees:

We have audited the accompanying statement of assets, liabilities and fund balances—modified cash basis of the International Union, United Automobile, Aerospace & Agricultural Implement Workers of America-UAW as of Dec. 31, 2003, and the related statement of cash receipts, disbursements and changes in fund balances—modified cash basis for the six months ended June 30, 2003, six months ended Dec. 31, 2003, and the year ended Dec. 31, 2003. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. We audited the financial statements of UBN Inc. and UBG Inc., and UBE Inc., wholly owned subsidiaries, the investment in which, as described in the notes to the financial statements, is accounted for by the equity method of accounting. The investments in UBN Inc., UBG Inc. and UBE Inc. as of Dec. 31, 2003 are zero, \$87,583.15, and \$281,033.49 respectively. The equity in their net losses is included in net receipts over disbursements for the six months ended June 30, 2003, the six months

ended Dec. 31, 2003 and the year ended Dec. 31, 2003.

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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

All property held in the Union Building Corporation is stated at cost and most have not been depreciated. In our opinion, these properties should be depreciated over their estimated useful lives to conform with U.S. generally accepted accounting principles. The effects of this departure from U.S. generally accepted accounting principles on the accompanying financial statements are not reasonably determinable.

The Organization prepares its financial statements on the modified cash basis. This basis is a comprehen-

sive basis of accounting other than U.S. generally accepted accounting principles. Consequently, some revenues and the related assets are recognized when received, rather than when earned, and some expenditures and liabilities are recognized when paid, rather than when the obligation is incurred.

In our opinion, except for the effects of the matter discussed in the third paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances of the International Union, United Automobile, Aerospace & Agricultural Implement Workers of America-UAW as of Dec. 31, 2003, and its cash receipts, disbursements, and the changes in its fund balances for the six months ended June 30, 2003, six months ended Dec. 31, 2003, and the year ended Dec. 31, 2003, on the modified cash basis of accounting.

Clarence H. Johnson, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS