

**LONGY FACULTY UNION**

**Financial Statements**

**June 30, 2012 and 2011**

# LONGY FACULTY UNION

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To the Executive Board  
Longy Faculty Union  
Boston, Massachusetts

Independent Auditor's Report

We have audited the accompanying statement of financial position of Longy Faculty Union (the Union) (a not-for-profit organization) as of June 30, 2012, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Union's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Longy Faculty Union as of and for the year ended June 30, 2011 were audited by other auditors whose report dated September 9, 2011, expressed an unqualified opinion on those statements.

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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Longy Faculty Union as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Joseph B. Cohan & Associates PC*

Dedham, Massachusetts  
August 7, 2012

**LONGY FACULTY UNION  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 27,849	\$ 4,746
Dues Income Receivable	994	6,266
<b>TOTAL ASSETS</b>	<u><b>28,843</b></u>	<u><b>11,012</b></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	152	1,732
Accrued Expenses	5,000	3,500
Reserve for Defense Fund	-	124
<b>TOTAL CURRENT LIABILITIES</b>	<u><b>5,152</b></u>	<u><b>5,356</b></u>
<b>NET ASSETS - UNRESTRICTED (NOTE 1)</b>	<u><b>23,691</b></u>	<u><b>5,656</b></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 28,843</b></u>	<u><b>\$ 11,012</b></u>

**The Independent Auditor's Report and Accompanying Notes  
are an Integral Part of these Financial Statements.**

**LONGY FACULTY UNION  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b>SUPPORT</b>		
Dues Income	46,853	9,491
Initiation Fees	140	1,500
Interest Income	1	1
Scholarship Donations	-	1,370
	<u>46,994</u>	<u>12,362</u>
 <b>EXPENSES</b>		
Arbitration	-	225
Conferences, Conventions and Meetings	300	-
Gifts and Donations	59	-
Insurance - Teacher's Liability	282	43
Insurance - Fidelity Bond	60	-
Office	312	47
Per Capita - American Federation of Teachers	9,134	1,142
Per Capita - AFT Massachusetts	12,924	1,628
Per Capita - Massachusetts AFL-CIO	686	105
Per Capita - Greater Boston Labor Council	202	16
Professional Fees	5,000	3,500
	<u>28,959</u>	<u>6,706</u>
 <b>INCREASE IN NET ASSETS</b>	 <b>18,035</b>	 <b>5,656</b>
 <b>NET ASSETS, BEGINNING OF YEAR</b>	 <u>5,656</u>	 <u>-</u>
 <b>NET ASSETS, END OF YEAR</b>	 <u><u>\$ 23,691</u></u>	 <u><u>\$ 5,656</u></u>

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**LONGY FACULTY UNION  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in Net Assets	\$ 18,035	\$ 5,656
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
(Increase) Decrease In		
Dues Income Receivable	5,272	(6,266)
Increase (Decrease) In		
Accounts Payable	(1,580)	1,732
Accrued Expenses	1,500	3,500
Reserve for Defense Fund	(124)	124
	<b>23,103</b>	<b>4,746</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
<b>NET INCREASE IN CASH</b>	<b>23,103</b>	<b>4,746</b>
<b>CASH, BEGINNING</b>	<b>4,746</b>	<b>-</b>
<b>CASH, ENDING</b>	<b>\$ 27,849</b>	<b>\$ 4,746</b>

**The Independent Auditor's Report and Accompanying Notes  
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**LONGY FACULTY UNION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012 AND 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Longy Faculty Union (the Union) is a not-for-profit educational labor union formed in Boston, Massachusetts in February 2010 which provides support services to members regarding labor issues. Support is primarily derived from union member dues.

**Method of Accounting**

The financial statements of Longy Faculty Union are prepared on the accrual method of accounting.

**Financial Statement Preparation**

The Union has presented its financial statements in accordance with generally accepted accounting principles for not-for-profit organizations. Under this guidance, the Union is required to report information regarding financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Union is required to present a statement of cash flows.

**Contributions**

Under generally accepted accounting principles for not-for-profit organizations, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. For the year ended June 30, 2012, Longy Faculty Union did not receive any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

**Income Tax**

The Union is a not-for-profit organization that is exempt from income taxes under Section 501 (c) (5) of the Internal Revenue Code.

The Union's policy is to record interest expense and penalties in administrative expenses. For the years ended June 30, 2012 and 2011, there was no interest and penalties expense recorded on the Union's books and no accrued interest and penalties.

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**LONGY FACULTY UNION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012 AND 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Tax (Continued)**

The Union's Form 990-EZ, Return of Organization Exempt from Income Tax, for the years ending June 30, 2011 and 2012 are subject to examination by the IRS, generally for three years after they were filed.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**2. EVALUATION OF SUBSEQUENT EVENTS**

The Union has evaluated subsequent events through August 7, 2012, the date which the financial statements were available to be issued.

**See Independent Auditor's Report.**