

**LONGY FACULTY UNION**

**Financial Statements**

**June 30, 2014 and 2013**

**LONGY FACULTY UNION**

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**Independent Auditor's Report**

**To the Executive Board  
Longy Faculty Union  
Boston, Massachusetts**

I have audited the accompanying statements of Longy Faculty Union ( the Union) ( a nonprofit organization) which comprises the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation of and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 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 entity's internal control. Accordingly, I 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 financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

***Opinion***

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Longy Faculty Union as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Shrewsbury, Massachusetts  
October 2, 2014

*David Aronson CPA P.C.*

**LONGY FACULTY UNION  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2014 AND 2013**

<b>ASSETS</b>	2014	2013
<b>CURRENT ASSETS</b>		
Cash	29,385	22,429
Dues Income Receivable	850	467
<b>TOTAL ASSETS</b>	<b>30,235</b>	<b>22,896</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	-	1,750
Accrued Expenses	9,300	6,300
<b>TOTAL CURRENT LIABILITIES</b>	<b>9,300</b>	<b>8,050</b>
<b>NET ASSETS - UNRESTRICTED (NOTE 1)</b>	<b>20,935</b>	<b>14,846</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>30,235</b>	<b>22,896</b>

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

**LONGY FACULTY UNION  
STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

<b>SUPPORT</b>	2014	2013
Dues Income	49,282	43,470
Initiation Fees	-	60
Donations	348	200
Interest Income	2	1
	49,632	43,731
 <b>EXPENSES</b>		
Arbitration	20,571	21,771
Bad Debts	266	-
Conferences, Conventions and Meetings	888	334
Gifts and Donations	-	71
Insurance - Teachers Liability	198	288
Insurance - Fidelity Bond	60	60
Office Expense	185	204
Per Capita - American Federation of Teachers	6,667	9,411
Per Capita - AFT Massachusetts	8,806	12,703
Per Capita - Massachusetts AFL-CIO	517	728
Per Capita - Greater Boston Labor Council	175	206
Professional Fees	5,210	6,800
	43,543	52,576
 <b>INCREASE (DECREASE) IN NET ASSETS</b>	 6,089	 (8,845)
 <b>NET ASSETS, BEGINNING OF YEAR</b>	 14,846	 23,691
 <b>NET ASSETS, END OF YEAR</b>	 20,935	 14,846

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

**LONGY FACULTY UNION  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>2014</u>	<u>2013</u>
Increase (Decrease) in Net Assets	6,089	(8,845)
Adjustments to reconcile Increase(Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities		
(Increase) Decrease In		
Dues Receivable	(383)	527
Increase (Decrease) in		
Accounts Payable	(1,750)	1,598
Accrued Expenses	<u>3,000</u>	<u>1,300</u>
<b>NET CASH PROVIDED(USED) BY OPERATING ACTIVITIES</b>	6,956	(5,420)
<b>NET INCREASE (DECREASE) IN CASH</b>	6,956	(5,420)
<b>CASH BEGINNING</b>	<u>22,429</u>	<u>27,849</u>
<b>CASH ENDING</b>	<u><u>29,385</u></u>	<u><u>22,429</u></u>

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

**LONGY FACULTY UNION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013**

**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 for 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 Presentation**

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 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 nature of any donor restrictions. For the years ended June 30, 2014 and 2013, 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.

Accounting standards provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an organization's financial statements. Under these accounting standards, the Union is required to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. Management has evaluated its significant financial positions against the criteria established by these accounting standards and believes there are no such tax positions requiring accounting recognition.

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**LONGY FACULTY UNION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013**

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

**Income Tax (Continued)**

The Union's Form 990EZ, Return of Organization Exempt from Income Tax for the year for the years ending June 30, 2012 and 2013 and Form 990-N, Electronic Notice (E Postcard) for tax exempt Organizations Not Required to file Form 990 or 990 EZ, for the year ending June 30, 2014 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.

**See Independent Auditor's Report**