

INDEPENDENT ASSOCIATION OF  
PUBLISHERS' EMPLOYEES, LOCAL 1096,  
COMMUNICATIONS WORKERS OF AMERICA

FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED  
SEPTEMBER 30, 2006 AND 2005



INDEPENDENT ASSOCIATION OF  
PUBLISHERS' EMPLOYEES, LOCAL 1096,  
COMMUNICATIONS WORKERS OF AMERICA

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# SHULMAN, KURTZ, TURER & TOPAZ, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

Officers and Members of  
Independent Association of  
Publishers' Employees Local 1096,  
Communications Workers of America  
Princeton Junction, NJ 08850

We have audited the accompanying balance sheets of Independent Association of Publishers' Employees, Inc. as of September 30, 2006 and 2005 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Union's officers. Our responsibility is to express an opinion on these 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 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 the officers, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 the Independent Association of Publishers' Employees, Inc. as of September 30, 2006 and 2005 and the changes in its net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on page 7 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Shulman, Kurtz, Turer & Topaz*  
January 3, 2007

INDEPENDENT ASSOCIATION OF  
PUBLISHERS' EMPLOYEES, LOCAL 1096,  
COMMUNICATIONS WORKERS OF AMERICA  
BALANCE SHEETS  
SEPTEMBER 30,

	<u>2006</u>	<u>2005</u>
ASSETS		
Current Assets		
Cash	220,659	141,172
Dues receivable	26,525	3,562
Investments - at market	<u>226,440</u>	<u>229,404</u>
Total Current Assets	473,624	374,138
Property and Equipment		
Office equipment and furniture	51,950	51,950
Accumulated depreciation	<u>49,204</u>	<u>48,067</u>
Net Property and Equipment	2,746	3,883
Other Assets		
Security deposit	<u>2,300</u>	<u>2,300</u>
Total Other Assets	<u>2,300</u>	<u>2,300</u>
TOTAL ASSETS	<u>478,670</u>	<u>380,321</u>
LIABILITIES		
Current Liabilities		
Accounts payable	1,167	5,649
Per capita taxes payable	<u>48,000</u>	<u>35,500</u>
Total Current Liabilities	49,167	41,149
NET ASSETS	<u>429,503</u>	<u>339,172</u>
TOTAL LIABILITIES AND NET ASSETS	<u>478,670</u>	<u>380,321</u>

The accompanying notes are an integral part of these financial statements.

INDEPENDENT ASSOCIATION OF  
PUBLISHERS' EMPLOYEES, LOCAL 1096,  
COMMUNICATIONS WORKERS OF AMERICA  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED SEPTEMBER 30,

	<u>2006</u>	<u>2005</u>
Revenue		
Membership dues	620,006	452,673
Investment income	6,011	8,718
Other income	<u>7,279</u>	<u>-</u>
Total Revenue	633,296	461,391
Expenses		
Per capita taxes	299,595	205,248
Administrative expenses	169,521	164,671
Organizing and servicing expenses	72,712	125,627
Depreciation expense	1,137	2,181
Donations	<u>-</u>	<u>250</u>
Total Expenses	<u>542,965</u>	<u>497,977</u>
Excess (Deficit) of Revenue Over Expenses	90,331	( 36,586)
Net Assets - Beginning of Year	<u>339,172</u>	<u>375,758</u>
Net Assets - End of Year	<u>429,503</u>	<u>339,172</u>

The accompanying notes are an integral part of these financial statements.



INDEPENDENT ASSOCIATION OF  
PUBLISHERS' EMPLOYEES, LOCAL 1096,  
COMMUNICATIONS WORKERS OF AMERICA  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30,

	<u>2006</u>	<u>2005</u>
Cash Flows from Operating Activities		
Excess (deficit) of revenue over expenses	90,331	( 36,586)
Add (deduct) items not affecting cash		
Depreciation expense	1,137	2,181
Unrealized (gain) loss on investments	3,772	1,206
(Increase) decrease in:		
Dues receivable	(22,963)	13,635
Increase (decrease) in:		
Accounts payable	( 4,482)	( 1,188)
Per capita taxes payable	<u>12,500</u>	<u>(55,998)</u>
	<u>( 10,036)</u>	<u>( 40,164)</u>
Net Cash Provided (Used) by Operating Activities	80,295	( 76,750)
Cash Flows from Investing Activities		
Purchase of equipment	-	( 4,578)
Purchase of investments	( 808)	( 1,255)
Proceeds from sale of investments	<u>-</u>	<u>99,994</u>
Net Cash Provided (Used) by Investing Activities	<u>( 808)</u>	<u>94,161</u>
Net Increase in Cash	79,487	17,411
Cash and Cash Equivalents - Beginning of Year	<u>141,172</u>	<u>123,761</u>
Cash and Cash Equivalents - End of Year	<u>220,659</u>	<u>141,172</u>

The accompanying notes are an integral part of these financial statements.



INDEPENDENT ASSOCIATION OF  
PUBLISHERS' EMPLOYEES, LOCAL 1096,  
COMMUNICATIONS WORKERS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006 AND 2005

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization's Objective

The Independent Association of Publishers' Employees, Inc. is a nonprofit organization located in Princeton Junction, New Jersey. The Union's primary objective is to advance the economic interest and improve the working conditions of its members. The membership of the Independent Association of Publishers' Employees, Inc. are employees of Dow Jones and Company, Inc.

2. Dues Receivable

Accounts are charged to bad debt expenses as they are deemed uncollectible based upon a periodic review of the accounts. At September 30, 2006 and 2005, no allowance for uncollectible accounts was considered necessary.

3. Equipment

Furniture and equipment is carried at cost less accumulated depreciation. The straight-line method of computing depreciation is used over the estimated useful lives of the assets.

4. Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

INDEPENDENT ASSOCIATION OF  
 PUBLISHERS' EMPLOYEES, LOCAL 1096,  
 COMMUNICATIONS WORKERS OF AMERICA  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2006 AND 2005

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Investments (continued)

Investments, at fair value, consist of the following:

	<u>9/30/06</u>		<u>9/30/05</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
55 Shares Dow Jones	1,386	1,845	1,386	2,357
Evergreen Money Market	19,896	19,896	19,088	19,088
US Treasury Note, 4.250% due 1/15/10	<u>192,181</u>	<u>204,699</u>	<u>184,580</u>	<u>207,959</u>
Total	<u>213,463</u>	<u>226,440</u>	<u>205,054</u>	<u>229,404</u>

Quoted market prices from the Wall Street Journal were used to value investments listed above.

The following schedule summarizes the investment return for the years ended September 30, 2006 and 2005, respectively:

	<u>9/30/06</u>	<u>9/30/05</u>
Interest and Dividend Income	9,783	9,924
Net unrealized gain	<u>(3,772)</u>	<u>(1,206)</u>
Net investment income	<u>6,011</u>	<u>8,718</u>

5. Cash Flows

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.





INDEPENDENT ASSOCIATION OF  
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NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006 AND 2005

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

B. COMMITMENTS

On July 1, 2003, the Organization entered into a 5 year lease for its office space. Rent expense for the years ended September 30, 2006 and 2005 were \$23,541 and \$27,313, respectively.

Minimum lease payments for the future years at September 30, 2006 are as follows:

September 30,

2007	<u>7,475</u>
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C. FEDERAL INCOME TAXES

The Organization meets the criteria of the U.S. Federal Tax Code for exemption from federal income tax.

**SHULMAN, KURTZ, TURER & TOPAZ, LLC**

**CERTIFIED PUBLIC ACCOUNTANTS**



SUPPLEMENTARY INFORMATION



INDEPENDENT ASSOCIATION OF  
PUBLISHERS' EMPLOYEES, LOCAL 1096,  
COMMUNICATIONS WORKERS OF AMERICA  
SCHEDULES OF OPERATING EXPENSES  
FOR THE YEARS ENDED SEPTEMBER 30,

	<u>2006</u>	<u>2005</u>
Per Capita Taxes		
Communication Workers of America	299,595	205,248
Total Per Capita Taxes	<u>299,595</u>	<u>205,248</u>
Administrative Expenses		
Audit	4,670	4,300
Benefits	21,672	19,006
Equipment rental	1,852	4,077
Office supplies and expenses	6,011	8,521
Payroll taxes	10,247	8,724
Postage	1,347	2,188
Rent and utilities	23,541	27,313
Salaries	95,802	86,006
Telephone	<u>4,379</u>	<u>4,536</u>
Net Administrative Expenses	<u>169,521</u>	<u>164,671</u>
Organizing and Servicing Expenses		
Arbitration and bargaining	27,060	15,488
Board meetings	9,336	22,999
Committees	-	4,975
Consultant	-	12,500
Conventions and conferences	1,607	37,104
Elections	5,018	3,962
Legal	14,903	14,835
Lost time	-	6,388
Newsletter	4,658	3,197
Organizing and training	10,130	2,910
Seminars and meetings	<u>-</u>	<u>1,269</u>
Net Organizing and Servicing Expenses	<u>72,712</u>	<u>125,627</u>

See independent auditor's report.