

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

FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED  
SEPTEMBER 30, 2012

INDEPENDENT ASSOCIATION OF  
PUBLISHERS' EMPLOYEES INC. 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 Inc. Local 1096,  
Communications Workers of America  
Princeton Junction, NJ 08850

We have audited the accompanying statement of financial position of Independent Association of Publishers' Employees Inc. as of September 30, 2012 and the related statements of activity and cash flow for the year then ended. These financial statements are the responsibility of the union officers. Our responsibility is to express an opinion on these financial statements 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 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 Independent Association of Publishers' Employees Inc. as of September 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 8 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

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The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Shulman, Kurtz, Turer & Topaz*

January 7, 2013

INDEPENDENT ASSOCIATION OF  
PUBLISHERS' EMPLOYEES INC. LOCAL 1096,  
COMMUNICATIONS WORKERS OF AMERICA  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2012

ASSETS	
Current Assets	
Cash	513,885
Accrued interest receivable	1,939
Dues receivable	23,443
Investments - at market	668,512
Prepaid expenses	<u>5,933</u>
Total Current Assets	1,213,712
Property and Equipment	
Office equipment and furniture	51,056
Accumulated depreciation	<u>( 49,761)</u>
Net Property and Equipment	1,295
Other Assets	
Security deposit	<u>4,071</u>
Total Other Assets	<u>4,071</u>
TOTAL ASSETS	<u>1,219,078</u>
LIABILITIES	
Current Liabilities	
Per capita taxes payable	9,715
Accounts payable	<u>1,032</u>
Total Current Liabilities	10,747
NET ASSETS	<u>1,208,331</u>
TOTAL LIABILITIES AND	
NET ASSETS	<u>1,219,078</u>

See independent auditor's report and accompanying notes.

INDEPENDENT ASSOCIATION OF  
PUBLISHERS' EMPLOYEES INC. LOCAL 1096,  
COMMUNICATIONS WORKERS OF AMERICA  
STATEMENT OF ACTIVITY  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Revenue		
Membership dues	641,082	
Investment income	19,964	
Other	<u>501</u>	
Total Revenue		661,547
Expenses		
Per capita taxes	264,472	
Administrative expenses	249,450	
Organizing and servicing expenses	<u>65,866</u>	
Total Expenses		<u>579,788</u>
Excess of Revenue Over Expenses		81,759
Net Assets - Beginning of Year		<u>1,126,572</u>
Net Assets - End of Year		<u>1,208,331</u>

See independent auditor's report and accompanying notes.

INDEPENDENT ASSOCIATION OF  
PUBLISHERS' EMPLOYEES INC. LOCAL 1096,  
COMMUNICATIONS WORKERS OF AMERICA  
STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Cash Flows from Operating Activities		
Excess of revenue over expenses		81,759
Add (deduct) items not affecting cash		
Depreciation expense	432	
Unrealized (gain) loss on investments	( 3,541)	
(Increase) decrease in:		
Dues receivable	1,106	
Accrued interest receivable	( 331)	
Prepaid expenses	( 694)	
Increase (decrease) in:		
Accounts payable	( 1,843)	
Per capita taxes payable	<u>(120,805)</u>	
		<u>(125,676)</u>
Net Cash (Used) Provided by Operating Activities		( 43,917)
Cash Flows from Investing Activities		
Purchase of investments	(152,335)	
Purchase of equipment	<u>1,980</u>	
		<u>(150,355)</u>
Net Increase (Decrease) in Cash		(194,272)
Cash and Cash Equivalents - Beginning of Year		<u>708,157</u>
Cash and Cash Equivalents - End of Year		<u>513,885</u>

See independent auditor's report and accompanying notes.

INDEPENDENT ASSOCIATION OF  
PUBLISHERS' EMPLOYEES INC. LOCAL 1096,  
COMMUNICATIONS WORKERS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

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 expense as they are deemed uncollectible based upon a periodic review of the accounts. At September 30, 2012, 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. Depreciation expense for the year ended September 30, 2012 was \$432

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. See Note E for value measurements.



INDEPENDENT ASSOCIATION OF  
PUBLISHERS' EMPLOYEES INC. LOCAL 1096,  
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NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Cash Flow

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

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 December 12, 2006, the Organization entered into a 10 year lease for its office space. The office space was built and occupied as of June 1, 2007. Rent expense for the year ended September 30, 2012 was \$18,424. Generally, the lease requires payment of additional common area maintenance fees which totaled \$10,691 for the year ended September 30, 2012.

Minimum lease payments for the future years at September 30, 2012 are as follows:

	<u>September 30,</u>
2013	18,917
2014	19,411
2015	19,905
2016	20,398
Thereafter	<u>13,818</u>
	<u>92,449</u>

INDEPENDENT ASSOCIATION OF  
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 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2012

C. FEDERAL INCOME TAXES

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

The Organizations's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending September 30, 2010, 2011 and 2012 are subject to examination by the IRS, generally for three years after they were filed.

D. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and savings accounts in various financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At September 30, 2012, the Organization's uninsured cash balances totaled \$8,402.

E. FAIR VALUE MEASUREMENTS

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at September 30, 2012 are as follows:

Investments, at fair value, consist of the following:

<u>Description</u>	<u>Fair Value</u>	<u>9/30/12</u> Quoted Prices in Active Mkts for Identical Assets <u>Level I</u>
Common Stock Industry		
Media	2,603	2,603
US Government Securities	345,677	345,677
Mutual Funds	75,897	75,897
Short term government bonds	<u>244,335</u>	<u>244,335</u>
Total	<u>688,512</u>	<u>688,512</u>

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

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NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

E. FAIR VALUE MEASUREMENTS (continued)

The following schedule summarizes the investment return for the year ended September 30, 2012:

Interest and Dividend Income	16,423
Net appreciation of investments	<u>3,541</u>
Net investment income	<u>19,964</u>

F. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 7, 2013, the date which the financial statements were available to be issued.

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

**CERTIFIED PUBLIC ACCOUNTANTS**

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SUPPLEMENTARY INFORMATION

INDEPENDENT ASSOCIATION OF  
PUBLISHERS' EMPLOYEES INC. LOCAL 1096,  
COMMUNICATIONS WORKERS OF AMERICA  
SCHEDULE I - OPERATING EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Per Capita Taxes	
Communication Workers of America	<u>264,472</u>
Total Per Capita Taxes	<u>264,472</u>
Administrative Expenses	
Audit	6,426
Benefits	47,095
Office supplies and expenses	22,215
Payroll taxes	12,459
Postage	864
Rent and utilities	30,912
Salaries	123,367
Telephone	<u>6,112</u>
Net Administrative Expenses	<u>249,450</u>
Organizing and Servicing Expenses	
Arbitration and bargaining	39,483
Board meetings	10,665
Committees	1,566
Legal	11,717
Organizing and training	<u>2,435</u>
Net Organizing and Servicing Expenses	<u>65,866</u>

See independent auditor's report.