

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

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED
SEPTEMBER 30, 2013



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

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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 Independent Association of Publishers' Employees Inc. (a nonprofit organization) which comprise the statement of financial position as of September 30, 2013, and the related statements of activities and cash flows for the year 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 generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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. (a nonprofit organization) as of September 31, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenses 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. 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.

Shul, Kurtz, Turer & Topaz
December 23, 2013

INDEPENDENT ASSOCIATION OF
PUBLISHERS' EMPLOYEES INC. LOCAL 1096,
COMMUNICATIONS WORKERS OF AMERICA
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2013

ASSETS

Current Assets

Cash	689,602
Accrued interest receivable	1,199
Dues receivable	22,744
Investments - at market	552,363
Prepaid expenses	<u>7,236</u>

Total Current Assets 1,273,144

Property and Equipment

Office equipment and furniture	58,028
Accumulated depreciation	<u>(50,392)</u>

Net Property and Equipment 7,636

Other Assets

Security deposit	<u>4,071</u>
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Total Other Assets 4,071

TOTAL ASSETS 1,284,851

LIABILITIES

Current Liabilities

Per capita taxes payable	9,831
Accounts payable	<u>2,375</u>

Total Current Liabilities 12,206

NET ASSETS 1,272,645

TOTAL LIABILITIES AND NET ASSETS 1,284,851

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, 2013

Revenue		
Membership dues	600,103	
Interest & dividends	19,004	
Appreciation (depreciation) of investments	(22,164)	
Other	<u>1,559</u>	
Total Revenue		598,502
Expenses		
Per capita taxes	249,860	
Administrative expenses	237,862	
General expenses	2,045	
Organizing and servicing expenses	<u>44,421</u>	
Total Expenses		<u>534,188</u>
Excess of Revenue Over Expenses		64,314
Net Assets - Beginning of Year		<u>1,208,331</u>
Net Assets - End of Year		<u>1,272,645</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, 2013

Cash Flows from Operating Activities		
Excess of revenue over expenses		64,314
Add (deduct) items not affecting cash		
Depreciation expense	631	
(Gain)loss on sale of investment	2,786	
Unrealized (gain) loss on investments	19,382	
(Increase) decrease in:		
Dues receivable	699	
Accrued interest receivable	740	
Prepaid expenses	(1,303)	
Increase (decrease) in:		
Accounts payable	1,343	
Per capita taxes payable	<u>116</u>	
Net Cash (Used) Provided by Operating Activities		<u>24,394</u>
		88,708
Cash Flows from Investing Activities		
Purchase of investments	(6,019)	
Purchase of equipment	(6,972)	
Proceeds from sale of investments	<u>100,000</u>	
Net Cash (Used) by Investing Activities		<u>87,009</u>
Net Increase (Decrease) in Cash		175,717
Cash and Cash Equivalents - Beginning of Year		<u>513,885</u>
Cash and Cash Equivalents - End of Year		<u>689,602</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, 2013

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, 2013, 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, 2013 was \$631

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,
COMMUNICATIONS WORKERS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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, 2013 was \$18,917. Generally, the lease requires payment of additional common area maintenance fees which totaled \$8,231 for the year ended September 30, 2013.

Minimum lease payments for the future years at September 30, 2013 are as follows:

	<u>September 30,</u>
2014	19,411
2015	19,905
2016	20,398
2017	<u>13,818</u>
	<u>75,532</u>



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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

C. FEDERAL INCOME TAXES

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

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending September 30, 2011, 2012 and 2013 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, 2013, the Organization's uninsured cash balances totaled \$21,087.

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, 2013 are as follows:

Investments, at fair value, consist of the following:

<u>Description</u>	<u>Fair Value</u>	<u>9/30/13</u> Quoted Prices in Active Mkts. for Identical Assets <u>Level I</u>
Common Stock Industry Media	3,934	3,934
US Government Securities Mutual Funds	228,854	228,854
Short term corp. bonds	75,935	75,935
Short term government bonds	<u>243,640</u>	<u>243,640</u>
Total	<u>552,363</u>	<u>552,363</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, 2013

E. FAIR VALUE MEASUREMENTS (continued)

The following schedule summarizes the investment return for the year ended September 30, 2013:

Interest and Dividend Income	19,004
Net appreciation of investments	<u>(22,164)</u>
Net investment income	<u>(3,160)</u>

F. PENSION

The Local has a defined contribution retirement plan which covers fulltime employees. Employer contributions to the defined contribution retirement plan for the year ended September 30, 2013 was \$10,847.

G. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 23, 2013, the date which the financial statements were available to be issued.



SUPPLEMENTARY INFORMATION



INDEPENDENT ASSOCIATION OF
PUBLISHERS' EMPLOYEES INC. LOCAL 1096,
COMMUNICATIONS WORKERS OF AMERICA
SCHEDULE I - OPERATING EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Per Capita Taxes	
Communication Workers of America	<u>249,860</u>
Total Per Capita Taxes	<u>249,860</u>
Administrative Expenses	
Audit	6,574
Benefits	31,366
Office supplies and expenses	25,579
Payroll taxes	13,800
Postage	629
Rent and utilities	29,469
Salaries	124,496
Telephone	<u>5,949</u>
Net Administrative Expenses	<u>237,862</u>
Organizing and Servicing Expenses	
Arbitration and bargaining	3,671
Board meetings	3,929
Committees	1,046
Conferences and conventions	418
Legal	24,467
Organizing and training	<u>10,890</u>
Net Organizing and Servicing Expenses	<u>44,421</u>
General Expenses	
Donations and gifts	<u>2,045</u>
Net General Expenses	<u>2,045</u>

See independent auditor's report.