

INDEPENDENT ASSOCIATION OF PUBLISHERS'
EMPLOYEES INC. LOCAL 1096
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

BARATZ & ASSOCIATES, P.A.

Accountants and Consultants

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Independent Auditors' 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 financial statements of Independent Association of Publishers' Employees Inc. Local 1096, Communications Workers of America, which comprise of the statement of financial position as of September 30, 2017, and the related statements of activities and changes in net assets 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 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 audit to obtain reasonable assurance about whether the financial statements are free from 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 September 30, 2017 financial statements referred to above present fairly, in all material respects, the financial position of Independent Association of Publishers' Employees Inc. Local 1096 as of September 30, 2017, 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.

Baratz & Associates P.A.

BARATZ & ASSOCIATES, P.A.

December 13, 2017

Independent Association of Publishers Employees, Inc. Local 1096
Communication Workers of America
Statement of Financial Position
September 30, 2017

	2017
Assets	
Current Assets	
Cash	\$ 672,435
Accrued interest receivable	1,202
Dues receivable	20,817
Investments - at market	750,327
Prepaid expenses	2,741
Total Current Assets	1,447,522
Property and Equipment	
Office equipment and furniture	58,028
Accumulated depreciation	(56,833)
Net Property and Equipment	1,195
Other Asset	
Security deposit	4,071
Total Assets	\$ 1,452,788
 Liabilities	
Current Liabilities	
Per capita taxes payable	\$ 4,368
Accounts payable	6,322
Total Current Liabilities	10,690
Net Assets	1,442,098
Total Liabilities and Net Assets	\$ 1,452,788

The accompanying notes are an integral part of these financial statements

BARATZ & ASSOCIATES, P.A.
Accountants and Consultants

Independent Association of Publishers Employees, Inc. Local 1096
Communication Workers of America
Statement of Activities
For the Year Ended
September 30, 2017

	2017
Revenue	
Membership dues	\$ 571,663
Interest & dividends	8,617
Appreciation of investments	4,326
Total Revenue	584,606
 Expenses	
Per capita taxes	232,729
Administrative expenses	260,187
Organizing and servicing expenses	85,164
General expenses	9,289
Total Expenses	587,369
 Change in Net Assets	 (2,763)
 Net Assets – Beginning of Year	 <u>1,444,861</u>
 Net Assets - End of Year	 <u>\$ 1,442,098</u>

The accompanying notes are an integral part of these financial statements

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Independent Association of Publishers Employees, Inc. Local 1096
Communication Workers of America
Statement of Cash Flows
For the Year Ended
September 30, 2017

	2017
Cash Flow from Operating Activities	
Change in Net Assets	\$ (2,763)
Adjustments to reconcile change in net assets to net cash (Used In) operating activities:	
Depreciation and amortization	1,395
Gain on Sale of investments	(173)
Appreciation of investments	(4,326)
 (Increase)/decrease in assets:	
Dues receivable	1,250
Prepaid expenses	4,294
 Increase/(decrease) in liabilities:	
Accounts payable	2,500
Per capita payable	(4,796)
	<u>(2,619)</u>
Net cash (Used In) operating activities	
 Cash Flow from Investing Activities	
Proceeds from sales of investments	332,340
Purchase of investments	(519,009)
	<u>(186,669)</u>
Net Decrease in Cash	(189,288)
 Cash and Cash Equivalents - Beginning	<u>861,723</u>
Cash and Cash Equivalents - Ending	\$ <u><u>672,435</u></u>

The accompanying notes are an integral part of these financial statements

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Accountants and Consultants

Independent Association of Publishers' Employees Inc. Local 1096
Communication Workers of America
Year Ended September 30, 2017

A. Organization

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 members of the Independent Association of Publishers' Employees, Inc. are employees of Dow Jones and Company, Inc.

B. Summary of Significant Accounting Policies

1. *Basis of Accounting*

The local's financial statements are prepared on the accrual method of accounting and in accordance with generally accepted accounting principles and provisions related to financial Accounting Standards for Not-For-Profit Organizations.

2. *Use of Estimates*

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

3. *Concentrations*

The Organization maintains cash in demand deposit accounts with federally insured banks. At times, the balances in these accounts may be in excess of federally insured limits.

4. *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, 2017, no allowance for uncollectible accounts was considered necessary.

5. *Marketable Securities*

The local's investments in equity securities with readily ascertainable fair values and all investments in debt securities are measured at fair market value in the statement of financial position with gains and losses included in the statement of activities. Marketable securities consisted of various money market (cash equivalents), fixed income and equity mutual funds and various stocks.

Independent Association of Publishers' Employees Inc. Local 1096
Communication Workers of America
Year Ended September 30, 2017

6. Property and Equipment

All property and equipment is stated at historical cost. Depreciation for equipment is computed using the straight-line method over the estimated useful lives. Expenditures for maintenance and repairs are charged against income as incurred. When assets are sold or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income. The estimated useful lives in determining depreciation for office equipment are 5 years.

7. Impairment of Long-Lived-Assets

The local reviews its property and equipment for Impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The local assesses recoverability by comparing the estimates undiscounted cash flows associated with the related asset or group of assets against their respective carrying amounts. The amount of impairment, if any, is calculated based on the excess of the carrying amount over the fair value of those assets.

8. Income Taxes

The local is exempt from federal income taxes pursuant to section 501(c)(5) of the internal revenue code and exempt from state income taxes under the statutes of The State of New Jersey.

FASB requires financial statement recognition of the impact of a tax position, if that position is more than likely than not to be sustained on examination, based on the technical merits of the position. The benefit is calculated as the larger amount that is more than 50% likely to be realized upon resolution of the benefit. The local has evaluated its tax positions and believes that all could be sustained upon examination. With few exceptions the local is no longer subject to income tax examinations by federal authorities before 2013.

9. 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.

10. Fair Value of Financial Instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques as appropriate. Management believes that there are no material differences between the book values of its financial instruments and their estimated values.

The Local adopted on a prospective basis, certain required provisions of the Fair Value Measurement topic of the FASB Accounting Standard Codification. These provisions define fair value, specify a hierarchy of valuation techniques based on the nature of the inputs used to develop the fair value measures, and expands the related disclosure requirements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There are three levels of input to the fair value measurements; Level 1, meaning the use of quoted market prices for identical instruments in active markets; Level 2, meaning the use of observable input for similar instruments in markets that are not active or are directly or indirectly observable; and Level 3,

Independent Association of Publishers' Employees Inc. Local 1096
Communication Workers of America
Year Ended September 30, 2017

10. *Fair Value of Financial Instruments (continued)*

meaning the use of unobservable input. Observable market data should be used when available. Many, but not all, of the local's financial instruments are carried at fair value. The adoption of these provisions did not have a significant impact on the local's financial statements.

11. *Date of Management's Review*

Subsequent events have been evaluated through December 13, 2017, which is the date the financial statements were available to be issued.

C. Commitments

The Organization entered into a four year lease which will expire May 2021. Rent expense, including various charges, for the year ended September 30, 2017 was \$25,882. Generally, the lease requires payment of additional common area maintenance fees which totaled \$6,969 for the year ended September 30, 2017. The Organization leases office equipment under leases ranging from sixty to sixty-three months. Equipment lease expense totaled approximately \$5,399 for the year ended September 30, 2017.

Minimum lease payments for the future years at September 30, 2017 are as follows:

September 30,

2018	\$	23,936
2019		19,346
2020		18,424
2021		12,502
2022	\$	-

D. 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, 2017 are as follows:

Investments, at fair value, consist of the following at September 30, 2017:

Description	Fair			
	Value	Level I	Level II	Level III
Equities	\$ 3,063	\$ 3,063	\$ -	\$ -
U.S. Government	215,995	215,995	-	-
Mutual Funds	471,573	471,573	-	-
Close Ended Funds	59,696	59,696	-	-
Total	\$ <u>750,327</u>	\$ <u>750,327</u>	\$ <u>-</u>	\$ <u>-</u>

Independent Association of Publishers' Employees Inc. Local 1096
Communication Workers of America
Year Ended September 30, 2017

D. Fair Value Measurements (continued)

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

The following schedule summarizes the investment return for the year ended September 30, 2017:

Interest and Dividend Income	\$ 8,617
Net appreciation of investments	<u>4,326</u>
Net investment income	\$ <u>12,943</u>

E. Employee Benefits

The Local has a defined contribution retirement plan which covers full time employees. Employer contributions to the defined contribution retirement plan for the year ended September 30, 2017 was \$7,913.

F. Risks and Uncertainties

The Local invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of net assets available for benefits.

SUPPLEMENTARY INFORMATION

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Independent Auditors' Report on Supplementary Information

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

We have audited the financial statements of Independent Association of Publishers' Employees Inc. Local 1096, Communications Workers of America as of and for the year ended September 30, 2017 and our report thereon dated December 13, 2017, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Operating 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 of 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.

Baratz & Associates, P.A.

BARATZ & ASSOCIATES, P.A.

December 13, 2017

**Independent Association of Publishers Employees, Inc. Local 1096
 Communication Workers of America
 Schedule of Operating Expenses
 For the Year Ended
 September 30, 2017**

	2017
Per Capita Taxes	
Communications Workers of America	\$ 232,729
Administrative Expenses	
Audit	\$ 8,500
Benefits	41,847
Office Supplies and Expenses	32,124
Payroll Taxes	13,620
Postage	384
Rent & Utilities	27,681
Salaries	130,138
Telephone	5,893
Net Administration Expenses	\$ 260,187
Organizing and Servicing Expenses	
Arbitration & Bargaining	\$ 15,078
Board Meetings	25,238
Committees	2,589
Convention & Conferences	10,290
Legal	18,766
Organizing & Training	13,203
Net Organizing and Servicing Expenses	\$ 85,164
General Expenses	
Donations & Gifts	\$ 9,289