

LONGY FACULTY UNION

Financial Statements

June 30, 2015 and 2014

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, 2015 and 2014, 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, 2015 and 2014, 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, 2015

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**LONGY FACULTY UNION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014**

ASSETS	2015	2014
CURRENT ASSETS		
Cash	17,714	29,385
Dues Income Receivable	198	850
TOTAL ASSETS	17,912	30,235
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued Expenses	4,705	9,300
TOTAL CURRENT LIABILITIES	4,705	9,300
NET ASSETS - UNRESTRICTED (NOTE 1)	13,207	20,935
TOTAL LIABILITIES AND NET ASSETS	17,912	30,235

**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, 2015 AND 2014**

SUPPORT	2015	2014
Dues Income	29,949	31,042
Donations		18,588
Interest Income	2	2
	<u>29,951</u>	<u>49,632</u>
EXPENSES		
Arbitration	18,294	20,571
Bad Debts	479	266
Conferences, Conventions and Meetings	292	888
Insurance - Teachers Liability	178	198
Insurance - Fidelity Bond	60	60
Office Expense	444	185
Per Capita - American Federation of Teachers	6,039	6,667
Per Capita - AFT Massachusetts	7,766	8,806
Per Capita - Massachusetts AFL-CIO	479	517
Per Capita - Greater Boston Labor Council	148	175
Professional Fees	3,500	5,210
	<u>37,679</u>	<u>43,543</u>
INCREASE (DECREASE) IN NET ASSETS	(7,728)	6,089
NET ASSETS, BEGINNING OF YEAR	20,935	14,846
NET ASSETS, END OF YEAR	13,207	20,935

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are an integral Part of these Financial Statements.**

**LONGY FACULTY UNION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2015</u>	<u>2014</u>
Increase (Decrease) in Net Assets	(7,728)	6,089
Adjustments to reconcile Increase(Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities		
(Increase) Decrease In		
Dues Receivable	652	(383)
Increase (Decrease) in		
Accounts Payable	-	(1,750)
Accrued Expenses	<u>(4,595)</u>	<u>3,000</u>
NET CASH PROVIDED(USED) BY OPERATING ACTIVITIES	(11,671)	6,956
NET INCREASE (DECREASE) IN CASH	(11,671)	6,956
CASH BEGINNING	<u>29,385</u>	<u>22,429</u>
CASH ENDING	<u><u>17,714</u></u>	<u><u>29,385</u></u>

**The Independent Auditor's Report and Accompanying Notes
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LONGY FACULTY UNION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

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, 2015 and 2014, 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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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax (Continued)

The Union's Form 990EZ, Return of Organization Exempt from Income Tax for the years ending June 30, 2013 and 2014 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, 2015 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.