

LONGY FACULTY UNION

Financial Statements

Year Ended June 30, 2018 and 2017

LONGY FACULTY UNION

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Independent Auditor's Report

**To the Executive Board
Longy Faculty Union
Boston, Massachusetts**

We have audited the accompanying financial statements of Longy Faculty Union (the Union) (a nonprofit organization), which comprises the statements of financial position as of June 30, 2018 and 2017, 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 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 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 Longy Faculty Union as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Joseph B. Cohan & Associates PC

Norwood, Massachusetts
August 24, 2018

**LONGY FACULTY UNION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 36,948	\$ 41,857
Dues Income Receivable	594	672
TOTAL ASSETS	<u>\$ 37,542</u>	<u>\$ 42,529</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued Expenses	\$ 7,666	\$ 5,682
TOTAL CURRENT LIABILITIES	7,666	5,682
NET ASSETS - UNRESTRICTED (NOTE 1)	<u>29,876</u>	<u>36,847</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 37,542</u>	<u>\$ 42,529</u>

The Independent Auditor's Report and Accompanying Notes
are an Integral Part of these Financial Statements.

**LONGY FACULTY UNION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
SUPPORT		
Dues Income	\$ 21,229	\$ 22,463
Interest Income	<u>1</u>	<u>1</u>
	21,230	22,464
 EXPENSES		
Arbitration	7,921	4,250
Conferences, Conventions and Meetings	227	195
Donations	50	-
Insurance - Teacher's Liability	221	180
Office	312	386
Officer Stipends	599	599
Per Capita - AFT Massachusetts	7,524	8,319
Per Capita - American Federation of Teachers	4,717	5,430
Per Capita - Greater Boston Labor Council	149	169
Per Capita - Massachusetts AFL-CIO	481	506
Professional Fees	<u>6,000</u>	<u>4,500</u>
	28,201	24,534
 DECREASE IN NET ASSETS	(6,971)	(2,070)
 NET ASSETS, BEGINNING OF YEAR	<u>36,847</u>	<u>38,917</u>
 NET ASSETS, END OF YEAR	<u>\$ 29,876</u>	<u>\$ 36,847</u>

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**LONGY FACULTY UNION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in Net Assets	\$ (6,971)	\$ (2,070)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Used by Operating Activities		
Decrease (Increase) In		
Dues Income Receivable	78	(90)
Increase In		
Accrued Expenses	<u>1,984</u>	<u>708</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(4,909)</u>	<u>(1,452)</u>
NET DECREASE IN CASH	(4,909)	(1,452)
CASH, BEGINNING	<u>41,857</u>	<u>43,309</u>
CASH, ENDING	<u>\$ 36,948</u>	<u>\$ 41,857</u>

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**LONGY FACULTY UNION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Longy Faculty Union (the Union) is a nonprofit educational labor union formed in Boston, Massachusetts in February 2010 which provides support services to 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 Preparation

The Union has presented its financial statements in accordance with generally accepted accounting principles for nonprofit organizations. Under this guidance, the Union is required to report information regarding financial position and activities according to three classes of net assets: unrestricted net 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 nonprofit organizations, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. For the years ended June 30, 2018 and 2017, 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 nonprofit 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 tax positions against the criteria established by these accounting standards and believes there are no such tax positions requiring accounting recognition.

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**LONGY FACULTY UNION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax (Continued)

The Union's Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organization Not Required to File Form 990 or 990-EZ, for the years ending June 30, 2016, 2017 and 2018 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.

2. EVALUATION OF SUBSEQUENT EVENTS

The Union has evaluated subsequent events through August 24, 2018, the date which the financial statements were available to be issued.

See Independent Auditor's Report.