

**NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS  
AND CONSOLIDATED ENTITIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
(with supplementary information)**

**MAY 31, 2006**

**NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC  
ACCOUNTANTS AND CONSOLIDATED ENTITIES**

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May 31, 2006**

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# GOLDSTEIN GOLUB KESSLER LLP

Certified Public Accountants and Consultants

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
New York State Society of Certified Public Accountants

We have audited the accompanying consolidated statements of financial position of the New York State Society of Certified Public Accountants and consolidated entities (collectively, the "Organization") as of May 31, 2006 and 2005, and the related consolidated statements of activities, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated 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 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 audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the New York State Society of Certified Public Accountants and consolidated entities as of May 31, 2006 and 2005, and the changes in their consolidated net assets and their consolidated cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplementary consolidating schedules of activities are presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

*Goldstein Golub Kessler LLP*

**GOLDSTEIN GOLUB KESSLER LLP**

August 9, 2006

**NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC  
ACCOUNTANTS AND CONSOLIDATED ENTITIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

<b>May 31,</b>	<b>2006</b>	<b>2005</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$4,549,833	\$2,565,561
Accounts Receivable, net	131,029	182,927
Investments, at fair value	2,431,610	1,843,472
Prepaid Expenses	352,035	195,931
Security Deposit	2,996	80,017
Property and Equipment, net	1,764,771	1,893,010
<b>Total Assets</b>	<b>\$9,232,274</b>	<b>\$6,760,918</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 938,645	\$ 798,837
Deferred dues and unearned subscriptions and fees	4,165,312	2,784,281
Deferred rent and unamortized lease incentives	505,385	263,599
Capital lease obligation	84,378	
<b>Total liabilities</b>	<b>5,693,720</b>	<b>3,846,717</b>
Commitments		
Net Assets:		
Unrestricted	1,228,257	764,722
Temporarily restricted	2,260,697	2,100,979
Permanently restricted	49,600	48,500
<b>Total net assets</b>	<b>3,538,554</b>	<b>2,914,201</b>
<b>Total Liabilities and Net Assets</b>	<b>\$9,232,274</b>	<b>\$6,760,918</b>

See Notes to Consolidated Financial Statements

# NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS AND CONSOLIDATED ENTITIES

## CONSOLIDATED STATEMENTS OF ACTIVITIES

Year ended May 31,	2006				2005			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:								
Membership dues	\$ 7,023,511			\$ 7,023,511	\$ 6,518,870			\$ 6,518,870
Education fees	3,646,624			3,646,624	3,670,196			3,670,196
<i>The CPA Journal</i>	1,160,378			1,160,378	1,185,829			1,185,829
Member services	845,209			845,209	791,617			791,617
Chapter activities	862,369			862,369	869,335			869,335
<i>The Trusted Professional</i>	172,164			172,164	164,400			164,400
Shows and exhibits	164,402			164,402	132,858			132,858
Rental income	6,495			6,495	5,810			5,810
Contributions		\$ 221,257	\$ 1,100	222,357		\$ 151,307	\$ 100	151,407
Fund-raising		66,600		66,600		88,150		88,150
Investment return	44,451	204,919		249,370	2,576	118,244		120,820
Other revenue	45,345			45,345	15,921			15,921
Net assets released from restrictions - satisfaction of program and time restrictions	333,058	(333,058)			336,357	(336,357)		
<b>Total support and revenue</b>	<b>14,304,006</b>	<b>159,718</b>	<b>1,100</b>	<b>14,464,824</b>	<b>13,693,769</b>	<b>21,344</b>	<b>100</b>	<b>13,715,213</b>
Expenses:								
Program services:								
Advocacy	2,575,126			2,575,126	2,569,028			2,569,028
Professional competency	6,954,134			6,954,134	6,832,835			6,832,835
Recognition and visibility	1,696,385			1,696,385	1,447,408			1,447,408
<b>Total program services</b>	<b>11,225,645</b>			<b>11,225,645</b>	<b>10,849,271</b>			<b>10,849,271</b>
Total supporting services - governance and administrative	2,614,826			2,614,826	2,296,251			2,296,251
<b>Total expenses</b>	<b>13,840,471</b>			<b>13,840,471</b>	<b>13,145,522</b>			<b>13,145,522</b>
Change in net assets	463,535	159,718	1,100	624,353	548,247	21,344	100	569,691
Net assets at beginning of year	764,722	2,100,979	48,500	2,914,201	216,475	2,079,635	48,400	2,344,510
<b>Net assets at end of year</b>	<b>\$ 1,228,257</b>	<b>\$2,260,697</b>	<b>\$49,600</b>	<b>\$ 3,538,554</b>	<b>\$ 764,722</b>	<b>\$2,100,979</b>	<b>\$48,500</b>	<b>\$ 2,914,201</b>

See Notes to Consolidated Financial Statements

# NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS AND CONSOLIDATED ENTITIES

## CONSOLIDATED STATEMENTS OF CASH FLOW

Year ended May 31,	2006	2005
Cash flows from operating activities:	\$ 624,353	\$ 569,691
Change in net assets		
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Amortization of deferred rent expense and lease incentives	241,786	169,806
Depreciation and amortization	328,716	265,937
Permanently restricted contributions	(1,100)	(100)
Provision for doubtful accounts	22,820	43,628
Realized and unrealized gain on investments	(168,471)	(93,122)
Changes in operating assets and liabilities:		
Decrease in accounts receivable	29,078	19,748
(Increase) decrease in prepaid expenses	(156,104)	41,303
Net return of security deposit	77,021	510,266
Increase (decrease) in accounts payable and accrued expenses	139,808	(125,240)
Increase (decrease) in deferred member dues and unearned subscriptions and fees	1,381,031	(1,840,582)
<b>Net cash provided by (used in) operating activities</b>	<b>2,518,938</b>	<b>(438,665)</b>
Cash flows from investing activities:		
Proceeds from sale of investments	521,587	1,152,549
Purchase of investments	(941,254)	(488,545)
Purchases of property and equipment	(103,918)	(1,695,022)
<b>Net cash used in investing activities</b>	<b>(523,585)</b>	<b>(1,031,018)</b>
Cash flows from financing activities:		
Permanently restricted contributions	1,100	100
Principal payments on capital lease obligation	(12,181)	
<b>Net cash provided by (used in) financing activities</b>	<b>(11,081)</b>	<b>100</b>
Net change in cash and cash equivalents	1,984,272	(1,469,583)
Cash and cash equivalents at beginning of year	2,565,561	4,035,144
Cash and cash equivalents at end of year	\$4,549,833	\$ 2,565,561
<b>Supplemental disclosures of cash flow information:</b>		
Interest paid on capital lease obligation	\$ 2,821	
Purchase of property and equipment through capital lease	\$ 96,559	

See Notes to Consolidated Financial Statements

# NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS AND CONSOLIDATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2006

**1. ORGANIZATION:** The New York State Society of Certified Public Accountants (the "Society") is a not-for-profit membership organization, the purpose of which is to provide its members with the following broad areas of service: education, publications, ethical practice, protection of the profession, advancement of the profession and other membership benefits. The accompanying consolidated financial statements reflect the revenue, expenses, assets, liabilities and net assets of the Society and its affiliated entities described in the following paragraphs, as well as those of the Society's various chapters. The Society is exempt from federal taxes under section 501(c)(6) of the U.S. Internal Revenue Code (the "Code") and from state and local taxes under comparable laws.

The Foundation for Accounting Education, Inc. (the "Foundation") is a not-for-profit organization, the purpose of which is to engage in education, research and related activities in the field of accountancy, including the sponsorship of courses and seminars to provide continuing education for members of the profession. In addition, the Foundation provides information on career opportunities in the profession and scholarship assistance at the undergraduate level. The Foundation is exempt from federal taxes under section 501(c)(3) of the Code and from state and local taxes under comparable laws.

The New York State Society of Certified Public Accountants Benevolent Fund, Inc. (the "Benevolent Fund") is a not-for-profit organization, the purpose of which is to aid members and their families who are in need of financial assistance and to provide referral services for members suffering from substance-abuse disorders. It is supported by contributions and bequests from members of the Society and by income derived from investments. The Benevolent Fund is exempt from federal taxes under section 501(c)(3) of the Code and from state and local taxes under comparable laws.

The New York State Society CPA PAC, Inc. (the "PAC") is a not-for-profit organization, the purpose of which is to provide for the mutual assistance, advancement and recognition of its members and the profession of public accounting by promoting participation in political activities in New York State. As a political organization, the PAC is subject to corporate tax on its taxable income.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accompanying consolidated financial statements include the financial position, operating activities and cash flows of the Society, the Foundation, the Benevolent Fund and the PAC (together, the "Organization"). All significant intercompany accounts and transactions have been eliminated in consolidation. The individual entities have interrelated directors/trustees and share common facilities and personnel. Various expenses, including occupancy costs and salaries, have been allocated among the Society, the Foundation, the Benevolent Fund and the PAC, based upon services rendered by common personnel and usage of common facilities.

The accompanying consolidated financial statements of the Organization have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit entities.

# NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS AND CONSOLIDATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2006

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Expenses are classified according to the categories for which they were incurred and are summarized on a functional basis in the accompanying consolidated statement of activities. The Organization has moved towards a comprehensive system of strategic planning which is based on three major goals - Advocacy, Professional Competency, and Recognition and Visibility, and an additional goal for administrative support covering the three main goals, referred to as Governance and Administrative. Expenses for both fiscal 2006 and 2005 are now classified according to these strategic budget categories. The purposes of these various categories are as follows:

### Advocacy

To promote the professional interests of its members in pursuit of the interests of the profession and the public, and to develop the grassroots process, impact legislation, impact regulations, impact public policy and increase recruitment programs.

### Professional Competency

To enable members to have access to resources to realize their full potential as competent, educated, ethical and trusted professionals. This program strengthens the peer review process, strengthens the ethics process, strengthens *The CPA Journal*, develops thought-leading forums, and provides a meaningful education program to provide the most current information for the industry members and the most current information about ethics and fraud prevention.

### Recognition and Visibility

To ensure that the value and contribution of CPAs are universally recognized. This program strengthens *The Trusted Professional* by including committee and chapter materials, strengthens the Web site by including legislative, legal and ethical materials, and increases media visibility.

### Governance and Administrative

To ensure that the Organization has the appropriate governing structure to serve the membership's services and needs, as well as capture the costs associated with the common management and general expenses of the Organization.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and disclosure of contingencies. Actual results may differ from those estimates.

The Organization considers all highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents.

# NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS AND CONSOLIDATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2006

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Accounts receivable are reported at their outstanding unpaid principal balances reduced by an allowance for doubtful accounts. The Organization estimates doubtful accounts based on historical bad debts, factors related to specific members and customers' ability to pay and current economic trends. The Organization writes off accounts receivable against the allowance when a balance is determined to be uncollectible.

Investments in securities are reported at their quoted market values, with gains and losses included in the consolidated statement of activities.

Property and equipment is recorded at cost. Depreciation is provided for using the straight-line method over the estimated useful lives of three to ten years for furniture and equipment and three to five years for data-processing systems.

Purchase of property and equipment and leasehold improvements are capitalized, whereas costs of maintenance and repairs are charged to expense as incurred. Leasehold improvements are amortized over either the remaining term of the underlying lease or the useful lives of the improvements, whichever is shorter, using the straight-line method.

The net assets of the Organization and changes therein are classified and reported as follows:

(i) *Unrestricted*

Unrestricted net assets represent those resources that are not subject to donor restrictions.

(ii) *Temporarily restricted*

Temporarily restricted net assets represent those resources that are subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time. Net assets released from restrictions represent the satisfaction of the restricted purposes.

(iii) *Permanently restricted*

Permanently restricted net assets represent those resources that are subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments, and the net capital appreciation thereon, for general or specific purposes.

The net assets of the Benevolent Fund and the PAC are classified as temporarily restricted as they arise from contributions made for the restricted purposes of these entities.

Contributions are recorded as revenue upon the receipt of cash or unconditional pledges. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

# NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS AND CONSOLIDATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2006

The Society receives dues from its members. Dues received for the current year's membership are recognized as revenue in the current year. The revenue arising from dues received for a future year's membership is deferred until that year. Revenue from amounts received in advance for *The CPA Journal* subscriptions and for other purposes (e.g., fees for future conferences) are deferred to the applicable year.

Costs of promotion and advertising are expensed as incurred. For the fiscal years ended May 31, 2006 and 2005, advertising expense amounted to \$349,940 and \$376,861, respectively.

Certain fiscal year 2005 amounts have been reclassified to conform with the fiscal year 2006 consolidated financial statement presentation. These reclassifications had no impact on the 2005 total assets, total liabilities, total net assets, and changes in net assets.

### 3. ACCOUNTS RECEIVABLE:

Accounts receivable consist of the following:

May 31,	2006	2005
Advertising	\$ 76,727	\$ 97,912
Membership dues	16,997	26,558
Peer-review administration fees	5,316	10,996
Educational classes	17,463	11,584
Other	40,404	58,935
	156,907	205,985
Less allowance for doubtful accounts	(25,878)	(23,058)
	\$131,029	\$182,927

### 4. INVESTMENTS:

At each fiscal year-end, the fair value of the Organization's investments was as follows:

May 31,	2006	2005
Mutual funds	\$1,020,782	\$ 927,313
Equity securities	1,410,828	916,159
	\$2,431,610	\$1,843,472

# NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS AND CONSOLIDATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2006

The following schedule summarizes the Organization's investment return for each fiscal year:

Year ended May 31,	2006			2005		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Interest and dividend income	\$49,664	\$ 50,376	\$100,040	\$ 7,530	\$ 35,795	\$ 43,325
Net realized gains (losses)	(5)	111,517	111,512	(20,090)	18,776	(1,314)
Net unrealized gains (losses)	(4,419)	61,378	56,959	15,370	79,067	94,437
	45,240	223,271	268,511	2,810	133,638	136,448
Investment fees	(789)	(18,352)	(19,141)	(234)	(15,394)	(15,628)
Total investment return	\$44,451	\$204,919	\$249,370	\$ 2,576	\$118,244	\$120,820

The investment portfolio is subject to the volatility of the securities marketplace, and, accordingly, its annual fair value may rise or decline on a basis unrelated to management's investment decisions.

### 5. PROPERTY AND EQUIPMENT:

Property and equipment consists of the following:

May 31,	2006	2005
Furniture and equipment	\$ 278,365	\$ 171,451
Data processing system	400,367	460,821
Leasehold improvements	1,676,830	1,651,533
	2,355,562	2,283,805
Less accumulated depreciation and amortization	(590,791)	(390,795)
	\$1,764,771	\$1,893,010

Depreciation and amortization of property and equipment amounted to \$328,716 and \$265,937 for the fiscal years ended May 31, 2006 and 2005, respectively. During the fiscal year 2006, the Organization wrote off fully depreciated property and equipment amounting to \$128,720.

# NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS AND CONSOLIDATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2006

**6. BANK CREDIT FACILITY:**

The Society maintains a credit facility with a bank whereby it is permitted to borrow up to a maximum of \$500,000 under a line of credit facility for working capital purposes. Additionally, the Society can borrow \$500,000 under a term loan facility for a period of two years. Interest is payable on any outstanding balances of the line of credit and term loan at the bank's prime rate. The credit facility is guaranteed by the Foundation and secured by substantially all of the Society's and Foundation's unrestricted assets. There were no outstanding balances under all existing credit facilities as of May 31, 2006 and 2005.

**7. TEMPORARILY RESTRICTED AND PERMANENTLY RESTRICTED NET ASSETS:**

Temporarily restricted net assets at each fiscal year-end were available for the following activities:

May 31,	2006	2005
Career opportunities in the accounting profession	\$ 30,265	\$ 84,919
Undergraduate scholarships	1,484,238	1,343,819
Benevolent Fund	515,648	465,442
PAC	227,516	205,204
Lecture series	3,030	1,595
	\$2,260,697	\$2,100,979

Net assets released from restrictions during each fiscal year consist of the following:

May 31,	2006	2005
Career opportunities in the accounting profession	\$182,727	\$168,611
Undergraduate scholarships	70,904	102,015
Benevolent Fund	3,710	8,526
PAC	75,717	57,205
	\$333,058	\$336,357

Permanently restricted net assets at each fiscal year-end represent endowment corpus to be held in perpetuity. The income from these net assets is expendable to support the following career development activities:

May 31,	2006	2005
Lecture series	\$15,000	\$15,000
Scholarships	34,600	33,500
	\$49,600	\$48,500

# NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS AND CONSOLIDATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2006

**8. RETIREMENT PLAN:**

The Organization maintains a deferred-compensation 401(k) retirement plan for all qualifying employees. Qualifying employees may elect to contribute up to the federal tax law limitations. The Organization contributes 3% of all eligible employees' salaries and, subject to a matching contribution limitation of 5% of the respective employee's salary, matches one-half of these employees' elective contributions. Amounts contributed by the Organization to this plan totaled \$261,325 and \$255,667 for the fiscal years ended May 31, 2006 and 2005, respectively.

**9. COMMITMENTS:**

The Organization has a lease agreement that expires in August 2013. Provisions of the lease include incentives covering \$500,000 for construction allowance payable from November 2004 through October 2006, a rental subsidy of \$74,709 through October 2004 and sublease payments throughout the life of the lease. In addition, the lease requires payment of escalation rentals for certain operating expenses and real estate taxes. Also, the Organization has a standby letter of credit in the amount of \$1,166,000 with the same bank providing its other credit facilities, in lieu of providing a security deposit. The sublease provides for the Organization to charge for increases in real estate taxes and operating costs in addition to minimum rentals. Minimum future rental payments under this lease and sublease are summarized as follows:

Year ending May 31,	Gross	Sublease	Net
2007	\$1,171,833	\$ 203,500	\$ 968,333
2008	1,276,000	267,042	1,008,958
2009	1,358,500	281,000	1,077,500
2010	1,386,000	281,000	1,105,000
2011	1,386,000	281,000	1,105,000
Thereafter	3,118,500	351,250	2,767,250
	\$9,696,833	\$1,664,792	\$8,032,041

Rent expense (including charges for operating expenses and taxes) is recognized using the straight-line method over the term of the lease, and amounted to \$1,579,684 and \$1,284,321 for the fiscal years ended May 31, 2006 and 2005, respectively.

The Society entered into an employment agreement with dated June 1, 2006 with its executive director. The agreement has an initial term ending on May 31, 2008, which is automatically renewable for two additional one-year terms ending May 31, 2009 and May 31, 2010, respectively.

**10. CAPITAL LEASE OBLIGATION:**

The Society leases four computers under a capital lease that is payable in aggregate monthly installments of \$2,996 including interest imputed at 7.32% per annum, maturing in December 2008. These computers had a carrying value of \$95,912, net of accumulated depreciation of \$9,679, at May 31, 2006.

**NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC  
ACCOUNTANTS AND CONSOLIDATED ENTITIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**May 31, 2006**

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The future minimum lease payments under the capital lease are as follows:

Year ending May 31,

2007	\$35,948
2008	35,948
2009	20,969
<hr/>	
	92,865
Less amount representing interest	8,487
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<b>Capital lease obligation</b>	<b>\$84,378</b>
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- 11. CONCENTRATIONS OF CREDIT RISK:** Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions which, from time to time, exceed federal insurance limits. The Organization does not have a material concentration of credit risk with respect to accounts receivable, due to its large number of members and generally short payment terms.

**NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC  
ACCOUNTANTS AND CONSOLIDATED ENTITIES**

**SUPPLEMENTARY INFORMATION**

**CONSOLIDATING SCHEDULE OF ACTIVITIES**

**Year ended May 31, 2006**

	<b>Consolidated</b>	<b>Eliminations</b>	<b>New York State Society of of Certified Public Accountants Unrestricted</b>	<b>Foundation for Accounting Education, Inc. Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>	<b>New York State Society of Certified Public Accountants Benevolent Fund, Inc. Temporarily Restricted</b>	<b>New York State Society CPA PAC, Inc. Temporarily Restricted</b>
Support and revenue:									
Membership dues	\$ 7,023,511		\$ 7,023,511						
Education fees	3,646,624			\$3,646,624			\$3,646,624		
<i>The CPA Journal</i>	1,160,378		1,160,378						
Member services	845,209		845,209						
Chapter activities	862,369		862,369						
<i>The Trusted Professional</i>	172,164		172,164						
Shows and exhibits	164,402			164,402			164,402		
Rental income	6,495			6,495			6,495		
Contributions	222,357	\$(847,415)		847,415	\$ 127,514	\$ 1,100	976,029	\$ 500	\$ 93,243
Fund-raising	66,600				66,600		66,600		
Investment return	249,370		34,485	9,966	146,717		156,683	53,416	4,786
Other revenue	45,345	(51,900)	24,256	72,989			72,989		
Net assets released from restrictions - satisfaction of program and time restrictions				253,631	(253,631)				
<b>Total support and revenue</b>	<b>14,464,824</b>	<b>(899,315)</b>	<b>10,122,372</b>	<b>5,001,522</b>	<b>87,200</b>	<b>1,100</b>	<b>5,089,822</b>	<b>53,916</b>	<b>98,029</b>
Expenses:									
Program services:									
Advocacy	2,575,126	(51,900)	2,302,711	245,339			245,339	3,710	75,266
Professional competency	6,954,134	(847,415)	3,406,361	4,395,188			4,395,188		
Recognition and visibility	1,696,385		1,696,385						
<b>Total program services</b>	<b>11,225,645</b>	<b>(899,315)</b>	<b>7,405,457</b>	<b>4,640,527</b>			<b>4,640,527</b>	<b>3,710</b>	<b>75,266</b>
Total supporting services - governance and administrative	2,614,826		2,253,380	360,995			360,995		451
<b>Total expenses</b>	<b>13,840,471</b>	<b>(899,315)</b>	<b>9,658,837</b>	<b>5,001,522</b>			<b>5,001,522</b>	<b>3,710</b>	<b>75,717</b>
Change in net assets	624,353		463,535		87,200	1,100	88,300	50,206	22,312
Net assets (deficiency) at beginning of year	2,914,201		1,342,120	(577,398)	1,430,333	48,500	901,435	465,442	205,204
<b>Net assets (deficiency) at end of year</b>	<b>\$ 3,538,554</b>	<b>\$ - 0 -</b>	<b>\$ 1,805,655</b>	<b>\$ (577,398)</b>	<b>\$ 1,517,533</b>	<b>\$ 49,600</b>	<b>\$ 989,735</b>	<b>\$ 515,648</b>	<b>\$ 227,516</b>

See Notes to Consolidated Financial Statements

**NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC  
ACCOUNTANTS AND CONSOLIDATED ENTITIES**

**SUPPLEMENTARY INFORMATION**

**CONSOLIDATING SCHEDULE OF ACTIVITIES**

**Year ended May 31, 2005**

	Consolidated	Eliminations	New York State Society of Certified Public Accountants	Foundation for Accounting Education, Inc.			New York State Society of Certified Public Accountants Benevolent Fund, Inc.	New York State Society CPA PAC, Inc.	
			Unrestricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Temporarily Restricted	Temporarily Restricted
Support and revenue:									
Membership dues	\$ 6,518,870		\$ 6,518,870						
Education fees	3,670,196			\$ 3,670,196			\$ 3,670,196		
<i>The CPA Journal</i>	1,185,829		1,185,829						
Member services	791,617		791,617						
Chapter activities	869,335		869,335						
<i>The Trusted Professional</i>	164,400		164,400						
Shows and exhibits	132,858			132,858			132,858		
Rental income	5,810			5,810			5,810		
Contributions	151,407	\$(485,232)		485,232	\$ 78,368	\$ 100	563,700	\$ 5	
Fund-raising	88,150				88,150		88,150		
Investment return	120,820		2,576		83,048		83,048	34,249	
Other revenues	15,921	(79,600)	9,362	86,159			86,159	947	
Net assets released from restrictions - satisfaction of program and time restrictions				270,626	(270,626)				
<b>Total support and revenue</b>	<b>13,715,213</b>	<b>(564,832)</b>	<b>9,541,989</b>	<b>4,650,881</b>	<b>(21,060)</b>	<b>100</b>	<b>4,629,921</b>	<b>34,254</b>	<b>73,881</b>
Expenses:									
Program services:									
Advocacy	2,569,028	(79,600)	2,318,736	265,303			265,303	8,526	56,063
Professional competency	6,832,835	(485,232)	3,190,331	4,127,736			4,127,736		
Recognition and visibility	1,447,408		1,447,408						
<b>Total program services</b>	<b>10,849,271</b>	<b>(564,832)</b>	<b>6,956,475</b>	<b>4,393,039</b>			<b>4,393,039</b>	<b>8,526</b>	<b>56,063</b>
<b>Total supporting services - governance and administrative</b>	<b>2,296,251</b>		<b>2,037,266</b>	<b>257,843</b>			<b>257,843</b>		<b>1,142</b>
<b>Total expenses</b>	<b>13,145,522</b>	<b>(564,832)</b>	<b>8,993,741</b>	<b>4,650,882</b>			<b>4,650,882</b>	<b>8,526</b>	<b>57,205</b>
Change in net assets	569,691		548,248	(1)	(21,060)	100	(20,961)	25,728	16,676
Net assets (deficiency) at beginning of year	2,344,510		793,872	(577,397)	1,451,393	48,400	922,396	439,714	188,528
<b>Net assets (deficiency) at end of year</b>	<b>\$ 2,914,201</b>	<b>\$ - 0 -</b>	<b>\$ 1,342,120</b>	<b>\$ (577,398)</b>	<b>\$ 1,430,333</b>	<b>\$ 48,500</b>	<b>\$ 901,435</b>	<b>\$ 465,442</b>	<b>\$ 205,204</b>

See Notes to Consolidated Financial Statements