

**The New York State Society of
Certified Public Accountants and Related Entities**

**Consolidated and Combined Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

May 31, 2023 and 2022

The New York State Society of Certified Public Accountants and Related Entities

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Independent Auditor's Report

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

Opinion

We have audited the consolidated and combined financial statements of The New York State Society of Certified Public Accountants and Related Entities (the "Organization"), which comprise the consolidated and combined statements of financial position as of May 31, 2023 and 2022, and the related consolidated and combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated and combined financial statements.

In our opinion, the accompanying consolidated and combined financial statements present fairly, in all material respects, the consolidated and combined financial position of the Organization as of May 31, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Combined Financial Statements section of our report. We are required to be independent of the Organization, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated and Combined Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated and combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the consolidated and combined financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated and Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated and combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated and combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated and combined financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated and combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audits.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated and combined financial statements as a whole. The supplementary consolidating and combining schedules of activities by entity is presented for purposes of additional analysis and is not a required part of the consolidated and combined 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 consolidated and combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated and combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated and combined financial statements or to the consolidated and combined 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 consolidated and combined financial statements as a whole.



New York, New York
December 28, 2023

The New York State Society of Certified Public Accountants and Related Entities

**Consolidated and Combined Statements of Financial Position
May 31, 2023 and 2022**

<u>Assets</u>		
	2023	2022
Current assets		
Cash	\$ 3,810,376	\$ 6,396,437
Accounts receivable	159,705	155,103
Investments	11,773,930	9,784,087
Prepaid expenses	316,927	285,259
Total current assets	16,060,938	16,620,886
Long-term assets		
Fixed assets - net	430,395	686,275
Operating right-of-use asset	694,198	-
Total long-term assets	1,124,593	686,275
Total assets	\$ 17,185,531	\$ 17,307,161
 <u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 796,429	\$ 1,008,281
Deferred dues and unearned subscriptions and fees	3,655,808	3,105,434
Deferred rent	-	113,530
Loans payable	-	57,103
Operating lease obligation	760,425	-
Capital lease obligations	-	16,034
Finance lease obligations	7,495	-
Total current liabilities	5,220,157	4,300,382
Long-term liabilities		
Deferred rent	-	66,227
Capital lease obligations	-	8,768
Finance lease obligations	1,273	-
Total long-term liabilities	1,273	74,995
Total liabilities	5,221,430	4,375,377
Commitments		
Net assets		
Without donor restrictions	11,360,102	11,921,203
With donor restrictions	603,999	1,010,581
Total net assets	11,964,101	12,931,784
Total liabilities and net assets	\$ 17,185,531	\$ 17,307,161

See Notes to Consolidated and Combined Financial Statements.

The New York State Society of Certified Public Accountants and Related Entities

**Consolidated and Combined Statements of Activities
Years Ended May 31, 2023 and 2022**

	2023			2022		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Revenues and other support						
Membership dues	\$ 7,535,429	\$ -	\$ 7,535,429	\$ 7,944,821	\$ -	\$ 7,944,821
Education fees	1,336,743	-	1,336,743	1,526,567	-	1,526,567
The CPA Journal	409,804	-	409,804	450,617	-	450,617
Member services	261,601	-	261,601	354,342	-	354,342
Chapter activities	215,307	-	215,307	101,276	-	101,276
The Trusted Professional	104,680	-	104,680	107,150	-	107,150
Contributions	-	138,224	138,224	-	186,500	186,500
Investment loss, net	(31,323)	(18,832)	(50,155)	(267,668)	(199,740)	(467,408)
Gain on debt extinguishment	-	-	-	1,161,405	-	1,161,405
Other revenues	210,719	-	210,719	198,700	-	198,700
Net assets released from restrictions	525,974	(525,974)	-	410,646	(410,646)	-
Total revenues and other support	10,568,934	(406,582)	10,162,352	11,987,856	(423,886)	11,563,970
Expenses						
Program services						
Membership and member services	3,476,733	-	3,476,733	3,068,926	-	3,068,926
Education	1,993,817	-	1,993,817	1,899,106	-	1,899,106
The CPA Journal	988,985	-	988,985	899,844	-	899,844
Chapter activities	587,239	-	587,239	478,148	-	478,148
The Trusted Professional	334,398	-	334,398	345,162	-	345,162
Career Opportunities in the Accounting Profession (COAP) and scholarship programs	434,974	-	434,974	395,646	-	395,646
Advocacy - CPA PAC	91,000	-	91,000	15,000	-	15,000
Total program services	7,907,146	-	7,907,146	7,101,832	-	7,101,832
Supporting services						
General and administrative	3,222,889	-	3,222,889	3,218,151	-	3,218,151
Total supporting services	3,222,889	-	3,222,889	3,218,151	-	3,218,151
Total expenses	11,130,035	-	11,130,035	10,319,983	-	10,319,983
Changes in net assets	(561,101)	(406,582)	(967,683)	1,667,873	(423,886)	1,243,987
Net assets, beginning	11,921,203	1,010,581	12,931,784	10,253,330	1,434,467	11,687,797
Net assets, end	\$ 11,360,102	\$ 603,999	\$ 11,964,101	\$ 11,921,203	\$ 1,010,581	\$ 12,931,784

See Notes to Consolidated and Combined Financial Statements.

The New York State Society of Certified Public Accountants and Related Entities

Consolidated and Combined Statement of Functional Expenses
Year Ended May 31, 2023

	Program services							Supporting services		Total
	Membership and member services	Education	The CPA Journal	Chapter activities	The Trusted Professional	COAP and scholarship programs	Advocacy	Total programs	Management and general	
Salaries, employee benefits and taxes	\$ 1,769,041	\$ 931,865	\$ 485,587	\$ 208,340	\$ 206,991	\$ 193,569	\$ -	\$ 3,795,393	\$ 2,024,629	\$ 5,820,022
Occupancy	477,496	132,885	131,070	56,235	55,870	45,847	-	899,403	484,836	1,384,239
Cost of sales	-	777,035	187,953	-	-	-	-	964,988	-	964,988
Professional fees	184,772	41,290	65,477	17,473	24,976	14,245	-	348,233	336,678	684,911
Meetings and events	55,975	-	-	220,279	-	11,258	-	287,512	-	287,512
Information technology	186,635	51,940	51,230	21,980	21,838	17,919	-	351,542	189,504	541,046
Contributions and awards	-	-	-	-	-	127,050	91,000	218,050	-	218,050
Depreciation and amortization	84,434	23,498	23,177	9,944	9,879	9,284	-	160,216	123,361	283,577
Other	718,380	35,304	44,491	52,988	14,844	15,802	-	881,809	63,881	945,690
Total expenses	<u>\$ 3,476,733</u>	<u>\$ 1,993,817</u>	<u>\$ 988,985</u>	<u>\$ 587,239</u>	<u>\$ 334,398</u>	<u>\$ 434,974</u>	<u>\$ 91,000</u>	<u>\$ 7,907,146</u>	<u>\$ 3,222,889</u>	<u>\$ 11,130,035</u>

See Notes to Consolidated and Combined Financial Statements.

The New York State Society of Certified Public Accountants and Related Entities

**Consolidated and Combined Statement of Functional Expenses
Year Ended May 31, 2022**

	Program services							Supporting services		Total
	Membership and member services	Education	The CPA Journal	Chapter activities	The Trusted Professional	COAP and scholarship programs	Advocacy	Total programs	Management and general	
Salaries, employee benefits and taxes	\$ 1,735,789	\$ 1,141,402	\$ 462,683	\$ 233,258	\$ 221,225	\$ 203,196	\$ -	\$ 3,997,553	\$ 2,172,123	\$ 6,169,676
Occupancy	427,588	124,756	113,976	57,460	54,496	41,865	-	820,141	457,387	1,277,528
Cost of sales	-	486,471	149,247	-	-	-	-	635,718	-	635,718
Professional fees	220,383	51,612	78,540	23,772	28,003	17,319	-	419,629	317,068	736,697
Meetings and events	111,946	-	-	106,004	-	2,500	-	220,450	-	220,450
Information technology	122,421	35,718	32,632	16,451	15,602	11,985	-	234,809	130,952	365,761
Contributions and awards	-	-	8,730	-	-	98,932	15,000	122,662	-	122,662
Depreciation and amortization	94,816	27,664	25,274	12,742	12,084	10,990	-	183,570	102,666	286,236
Other	355,983	31,483	28,762	28,461	13,752	8,859	-	467,300	37,955	505,255
Total expenses	\$ 3,068,926	\$ 1,899,106	\$ 899,844	\$ 478,148	\$ 345,162	\$ 395,646	\$ 15,000	\$ 7,101,832	\$ 3,218,151	\$ 10,319,983

See Notes to Consolidated and Combined Financial Statements.

The New York State Society of Certified Public Accountants and Related Entities

**Consolidated and Combined Statements of Cash Flows
Years Ended May 31, 2023 and 2022**

	2023	2022
Operating activities		
Change in net assets	\$ (967,683)	\$ 1,243,987
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	283,576	286,236
Loss on disposal of fixed assets	34,138	-
Bad debt expense	7,716	8,397
Realized and unrealized loss on investments	258,790	551,776
Gain on debt extinguishment	-	(1,161,405)
Noncash operating lease costs	1,200,396	-
Changes in assets and liabilities		
Accounts receivable	(12,318)	(40,186)
Prepaid expenses	(31,668)	(76,118)
Accounts payable and accrued expenses	(211,852)	246,112
Deferred dues and unearned subscriptions and fees	550,374	381,512
Operating lease obligation	(1,313,926)	-
Deferred rent	-	(113,530)
	<u>(202,457)</u>	<u>1,326,781</u>
Net cash (used in) provided by operating activities		
Investing activities		
Purchases of fixed assets	(61,834)	(232,740)
Proceeds from sales of investments	4,198,277	2,407,217
Purchases of investments	(6,446,910)	(4,449,728)
	<u>(2,310,467)</u>	<u>(2,275,251)</u>
Net cash used in investing activities		
Financing activities		
Principal payments on loan	(57,103)	(220,674)
Principal payments on finance (capital) lease obligations	(16,034)	(24,221)
	<u>(73,137)</u>	<u>(244,895)</u>
Net cash used in financing activities		
Net decrease in cash	(2,586,061)	(1,193,365)
Cash, beginning	<u>6,396,437</u>	<u>7,589,802</u>
Cash, end	<u>\$ 3,810,376</u>	<u>\$ 6,396,437</u>
Supplemental cash flow disclosures		
Cash paid during the year for interest on finance leases and term loan	<u>\$ 1,003</u>	<u>\$ 9,867</u>

See Notes to Consolidated and Combined Financial Statements.

The New York State Society of Certified Public Accountants and Related Entities

Notes to Consolidated and Combined Financial Statements May 31, 2023 and 2022

Note 1 - Nature and purposes of the 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 and combined financial statements reflect the assets, liabilities and net assets, revenues, expenses and cash flows of the Society and its related entities described in the following paragraphs, as well as those of the Society's various chapters. The primary sources of revenue of the Society are membership dues, publications and services to members.

Related entities

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 primary sources of revenue of the Foundation are education fees and contributions.

New York State Society CPA PAC, Inc. (the "CPA 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. The primary source of revenue of the CPA PAC is contributions.

The Moynihan Scholarship Fund, Inc. (the "Moynihan Fund") is a not-for-profit organization, the purpose of which is to engage in charitable and education purposes and activities, and to provide assistance to individuals and students in pursuing their professional and personal ambitions in the field of accountancy. The Moynihan Fund originally operated as a program of the Foundation and was incorporated in July 2017. The Moynihan Fund provides financing, scholarships, social events, education, and internship opportunities, as well as providing other services, programs and tools to achieve them.

The Society is the sole member of the Foundation and the Moynihan Fund.

Note 2 - Summary of significant accounting policies

Principles of consolidation and combination

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

Basis of accounting

The accompanying consolidated and combined financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The New York State Society of Certified Public Accountants and Related Entities

Notes to Consolidated and Combined Financial Statements May 31, 2023 and 2022

Classification of net assets

Net assets and revenues, gain and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported in two categories of net assets as follows:

Without donor restrictions - net assets that are not subject to donor-imposed stipulations.

With donor restrictions - net assets that are restricted by the donor for use for a specific purpose or in a future period. Some donor-imposed restrictions are temporary in nature and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions on net assets included in this category are permanent in nature. These net assets have been restricted by the donor to be maintained by the Organization either in perpetuity or until released by specific action by the Organization's Board of Directors in accordance with applicable law.

The Organization has net assets with donor restrictions amounting to \$603,999 and \$1,010,581 as of May 31, 2023 and 2022, respectively.

Use of estimates

The preparation of consolidated and combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Tax-exempt status

The Society has been recognized as an organization exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code (the "Code"). However, revenue earned on activities which are unrelated to the Society's exempt purpose is taxable. The Foundation and the Moynihan Fund are exempt from federal taxes under Section 501(c)(3) of the Code and from state and local taxes under comparable laws. As a political organization, the CPA PAC is subject to corporate tax on its taxable income.

If applicable, the Organization recognizes interest and penalties associated with tax matters as general and administrative expense and includes accrued interest and penalties with accrued expenses in the consolidated and combined statements of financial position.

Management has analyzed the tax positions taken by the Organization and has concluded that, as of May 31, 2023 and 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated and combined financial statements. The Organization's federal and state income tax returns prior to fiscal year 2020 are closed, and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Concentrations of credit risk

Financial instruments that expose the Organization to concentrations of credit risk consist primarily of cash and cash equivalents. Cash equivalents include highly-liquid investments with an original maturity date of three months or less when acquired. The Organization had no cash equivalents, outside of investment portfolios, as of May 31, 2023 and 2022. Cash and cash equivalents held as part of the Organization's investments are deemed to be held for long-term purposes. The Organization places its cash with high credit quality financial institutions. At times, such amounts may exceed federally insured limits.

The New York State Society of Certified Public Accountants and Related Entities

Notes to Consolidated and Combined Financial Statements May 31, 2023 and 2022

Accounts receivable

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. Interest is not accrued or recorded on outstanding receivables. The Organization has determined that no allowance was required as of May 31, 2023 and 2022.

Investment valuation

The Organization values its financial assets and liabilities based on 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. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value. There have been no changes in the methodologies used at May 31, 2023 and 2022.

Investments in cash and cash equivalents, fixed income securities, and equity securities are valued using market prices on active markets ("Level 1"). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held are deemed to be actively traded daily and there are no lockup periods or redemption frequency limitations ("Level 1").

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The New York State Society of Certified Public Accountants and Related Entities

Notes to Consolidated and Combined Financial Statements May 31, 2023 and 2022

Fixed assets

Fixed assets, including furniture and equipment, data processing systems, and leasehold improvements, are recorded at cost. Depreciation is provided on 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. Capital leases and 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.

Contributions

Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met or explicitly waived by the donor.

Deferred dues and unearned subscriptions and fees

The Society receives dues from its members. The membership period is the same as the Organization's fiscal year and dues received for the current year's membership period are recognized as revenue in the current year as the Organization provides benefits. The revenue arising from dues received for a future year's memberships are 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) is deferred to the applicable year. In both fiscal years 2023 and 2022, from each member's dues, the Organization allocated \$15 to *The CPA Journal* and \$5 to *The Trusted Professional*, representing the value of each publication. Deferred dues and unearned subscriptions and fees amounted to \$3,060,899 and \$2,646,271 as of June 1, 2022 and 2021, respectively, and were earned as revenue during the years ended May 31, 2023 and 2022, respectively. Deferred dues and unearned subscriptions and fees collected as of May 31, 2023 and expected to be earned subsequently during the membership period amounted to \$3,546,099.

Revenues

Membership dues include general membership dues for new and renewing members. Membership dues are assessed prior to the beginning of the Organization's fiscal year and are recognized in the year in which the Organization provides benefits. The performance obligations consist primarily of providing members: ongoing advocacy efforts on state and federal issues; discounted fees or complementary access to conferences, events, and education materials; industry publications; research materials and technical guidance; and access to discounted insurance plans and other business products. The portion of dues related to discounted conferences and events are recognized as the conferences and events occur. The remaining portion is recognized ratably as services are simultaneously received and consumed by the members.

Education fees include amounts paid for educational courses. Education fees are recognized when the course occurs. Education fees collected as of June 1, 2022 and 2021 amounted to \$36,598 and \$69,876, respectively, and were earned as revenue during the years ended May 31, 2023 and 2022, respectively. Education fees collected as of May 31, 2023 amounted to \$101,066 and are expected to be earned subsequently as the courses occur.

Member services consist of fees paid to the Organization by insurance providers based on a percentage of the discounted insurance premiums members pay to the partnering third-party insurance providers. Member services revenue is recognized when the members purchase the plans.

The New York State Society of Certified Public Accountants and Related Entities

Notes to Consolidated and Combined Financial Statements May 31, 2023 and 2022

Chapter activities consist of fees collected from various events and meetings held by the local chapters. Chapter activities revenue is recognized when the events and meetings occur. Chapter fees collected as of June 1, 2022 and 2021 amounted to \$7,937 and \$7,776, respectively, and were earned as revenue during the years ended May 31, 2023 and 2022, respectively. Chapter fees collected as of May 31, 2023 amounted to \$8,643 and are expected to be earned subsequently as the events and meetings occur.

Advertising costs

Costs of promotion and advertising are expensed as incurred. For the fiscal years ended May 31, 2023 and 2022, advertising expense amounted to \$10,607 and \$5,390, respectively.

Functional expenses

The costs of supporting the various programs and other activities of the Organization have been summarized on a functional basis in the consolidated and combined statement of functional expenses. Costs that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the program services, management and general, and fundraising categories based on time and effort measurements. Management and general expenses include costs not identifiable with any specific program, but which provide for the overall support and direction of the Organization. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

New accounting pronouncement

The Organization adopted Accounting Standards Update 2016-02 (as amended), *Leases*, ("Topic 842") on June 1, 2022 ("adoption date"). Topic 842 requires lessees to recognize a right-of-use asset and a corresponding lease obligation for most leases. The Organization elected and applied the following transition practical expedients when initially adopting Topic 842:

- To apply the provisions of Topic 842 at the adoption date, instead of applying them to the earliest comparative period presented in the consolidated and combined financial statements.
- The package of practical expedients permitting the Organization to not reassess (i) the lease classification of existing leases; (ii) whether existing and expired contracts are or contain leases; and (iii) initial direct costs for existing leases.

The Organization recognized the following as of the adoption date in connection with transitioning to Topic 842:

	As of June 1, 2022
Operating lease right-of-use asset	\$ 1,864,053
Finance lease right-of-use assets	\$ 24,551
Operating lease obligation	\$ 2,043,810
Finance lease obligations	\$ 24,802

The Organization's adoption of Topic 842 also resulted in a decrease of \$179,757 in deferred rent which was reclassified to the operating lease right-of-use asset at adoption. Capital lease obligations were reclassified as finance lease obligations at adoption. The adoption of Topic 842 did not have a material impact on the Organization's change in net assets for the year ended May 31, 2023.

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Notes to Consolidated and Combined Financial Statements May 31, 2023 and 2022

The Organization presents its right-of-use asset and lease obligations for its operating lease separately on its consolidated and combined statements of financial position. Further, the Organization includes its right-of-use assets for finance leases within fixed assets - net and the corresponding finance lease obligations separately in its consolidated and combined statements of financial position. See Notes 4 and 8 regarding the Organization's right-of-use assets and finance lease obligations, respectively. See Note 8 regarding its right-of-use asset for its operating lease and lease obligation.

Upcoming accounting pronouncement

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, to reflect management's current estimate of expected credit losses as opposed to current U.S. GAAP which delayed recognition until the loss was probable. As a result of the ASU, management will be required to perform an assessment of expected credit losses on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. Subsequent amendments to this ASU extended the implementation of ASU 2016-13, therefore, it is effective for the Organization for the fiscal year beginning June 1, 2023. The Organization is in the process of evaluating the impact this standard will have on the consolidated and combined financial statements.

Subsequent events

Management has evaluated subsequent events through December 28, 2023, the date the consolidated and combined financial statements were available to be issued. No adjustments have been booked to the consolidated and combined financial statements as a result of management's evaluation.

As discussed in Note 8, in September 2023, the Organization entered into a new lease agreement for office space in New York City.

Note 3 - Investments

The following table sets forth, within the fair value hierarchy (see Note 2), the investments, at fair value at May 31, 2023 and 2022:

	2023			2022	
	Level 1	Level 2	Total	Level 1	Total
Cash and cash equivalents	\$ 2,414,508	\$ -	\$ 2,414,508	\$ 400,249	\$ 400,249
Certificates of deposit	-	39,952	39,952	-	-
Equity securities	4,688,024	-	4,688,024	4,735,689	4,735,689
Fixed income securities	1,993,331	-	1,993,331	2,104,128	2,104,128
Mutual funds					
Fixed income	907,568	-	907,568	988,108	988,108
Equity	1,730,547	-	1,730,547	1,555,913	1,555,913
	<u>\$ 11,733,978</u>	<u>\$ 39,952</u>	<u>\$ 11,773,930</u>	<u>\$ 9,784,087</u>	<u>\$ 9,784,087</u>

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**Notes to Consolidated and Combined Financial Statements
May 31, 2023 and 2022**

Note 4 - Fixed assets

Fixed assets consist of the following:

	May 31,	
	2023	2022
Furniture and equipment (1)	\$ 1,962,416	\$ 1,962,416
Data processing system	3,479,730	3,452,034
Leasehold improvements	995,208	995,208
	6,437,354	6,409,658
Less accumulated depreciation and amortization	(6,006,959)	(5,723,383)
	\$ 430,395	\$ 686,275

(1) Includes finance right-of-use assets for equipment of \$162,470 as of May 31, 2023 and 2022 with an accumulated amortization of \$154,008 and \$137,919 at May 31, 2023 and 2022, respectively. See Note 8 regarding the Organization's leases.

During the year ended May 31, 2023, the Organization disposed of assets in the amount of \$34,138. This loss is included in other expenses in the consolidated and combined statement of functional expenses.

Note 5 - Loans payable

Bank line of credit and term loan

In fiscal year 2016, the Society and Foundation, as co-borrowers, obtained a working capital line of credit of \$480,000 from a bank. The working line of credit was increased to \$500,000 in January 2019. The line of credit has a variable interest rate of 3.25% as of May 31, 2023 and 2022. There were no drawdowns against this line of credit, and therefore no amounts outstanding, as of May 31, 2023 and 2022.

In fiscal year 2013, the Society and Foundation, as co-borrowers, obtained a term loan from the same bank above for the purpose of financing the Organization's office relocation expenses. The loan had a borrowing limit of \$2,000,000 and was available in one or multiple advances until August 21, 2013, on which date the loan had an outstanding principal balance of \$1,668,108. The loan has a maturity of 108 equal monthly installments and expired in August 2022. The loan bears a fixed interest rate of 4.81%. The balance due as of May 31, 2023 and 2022 amounted to \$0 and \$57,103, respectively.

The working capital line of credit and the term loan are collateralized with a first position security interest on the assets of the Society and Foundation, excluding net assets with donor restrictions. The term loan was subject to certain conditions and covenants.

Interest expense related to the term loan payable totaled \$470 and \$8,684 in 2023 and 2022, respectively.

PPP loans

On May 6, 2020, the Foundation received \$242,900 as part of its application submission under the Paycheck Protection Program ("PPP") established by the Coronavirus Aid, Relief, and Economic Security ("CARES") Act and administered by the U.S. Small Business Administration ("SBA"). The

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Foundation recognized debt in accordance with Accounting Standards Codification ("ASC") 470, Debt.

Under the CARES Act, PPP Loan recipients meeting certain criteria set by the SBA may be eligible for full or partial forgiveness of such loans. On May 13, 2021, the Foundation submitted its PPP Loan forgiveness application to its bank. On June 7, 2021, the Foundation received notification from its bank that the SBA had approved full forgiveness of the \$242,900 loan and related interest thereon. Accordingly, during the year ended May 31, 2022, the Foundation derecognized the entire amount of the PPP Loan and recognized a corresponding gain on debt extinguishment on the consolidated and combined statements of activities.

On March 15 and March 25, 2021, the Society and the Foundation, respectively, obtained a PPP Loan for \$679,300 and \$226,400. On April 20 and May 12, 2022, the Foundation and the Society, respectively, received notification from their bank that the SBA had approved full forgiveness of the \$226,400 and \$679,300 loans and related interest thereon. Accordingly, during the year ended May 31, 2022, the Foundation and the Society derecognized the entire amount of each of the PPP Loans and recognized corresponding gains on debt extinguishment on the consolidated and combined statements of activities.

There is a six-year period during which the SBA can review the Organization's forgiveness calculation.

Interest expense accrued related to the PPP Loans during the year ended May 31, 2022 amounted to \$10,416. The total accumulated accrued interest of \$12,805 was forgiven and included in the gain on debt extinguishment in the consolidated and combined statements of activities.

Note 6 - Net assets with donor restrictions

Net assets with donor restrictions for programs at each fiscal year-end were restricted for the following activities:

	<u>2023</u>	<u>2022</u>
The Moynihan Fund	\$ 213,276	\$ 585,992
Member financial assistance	81,607	81,607
CPA PAC	227,420	261,286
Lecture series	<u>13,446</u>	<u>13,446</u>
	<u>\$ 535,749</u>	<u>\$ 942,331</u>

Donor-restricted net assets in perpetuity 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:

	<u>2023</u>	<u>2022</u>
Lecture series	\$ 15,000	\$ 15,000
The Moynihan Fund	<u>53,250</u>	<u>53,250</u>
	<u>\$ 68,250</u>	<u>\$ 68,250</u>

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Notes to Consolidated and Combined Financial Statements May 31, 2023 and 2022

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

	<u>2023</u>	<u>2022</u>
The Moynihan Fund	\$ 434,974	\$ 395,646
CPA PAC	91,000	15,000
	<u>\$ 525,974</u>	<u>\$ 410,646</u>

The Moynihan Fund supports the Career Opportunities in the Accounting Profession and the Excellence in Accounting Scholarship programs, and provides voluntary financial aid and other assistance to members of the Society in need. The Moynihan Fund awarded scholarships amounting to approximately \$127,000 and \$96,000 in fiscal years ended May 31, 2023 and 2022, respectively.

Note 7 - Retirement plan

The Organization maintains a deferred compensation 401(k) retirement plan for all qualifying employees. Participants may elect to have a portion of their salaries deferred in an amount equal to but not less than 1%, nor exceed 100% of annual compensation, or the maximum limits allowed by the Code. The Organization is required to make a contribution equal to 3% of all eligible employees' salaries; the Organization is also required to make a matching contribution equal to 50% of each participating employee's deferral amount, limited to 10% of their salaries. Amounts contributed by the Organization to this plan totaled \$251,759 and \$250,444 for the fiscal years ended May 31, 2023 and 2022, respectively.

Note 8 - Leases

The Organization leases building space and office equipment used in its operations. All contracts that implicitly or explicitly involve property and equipment are evaluated to determine whether they are or contain a lease.

At lease commencement, the Organization recognizes a lease obligation, which is measured at the present value of future lease payments, and a corresponding right-of-use asset equal to the lease obligation, adjusted for prepaid lease costs, initial direct costs, and lease incentives. The Organization has elected and applies the practical expedient available to lessees to combine nonlease components with their related lease components and account for them as a single combined lease component for all its leases. The Organization remeasures lease obligations and right-of-use assets whenever there is a change to the lease term and/or there is a change in the amount of future lease payments, but only when such modification does not qualify to be accounted for as a separate contract.

The Organization determines an appropriate discount rate to apply when determining the present value of the remaining lease payments for purposes of measuring or remeasuring lease liabilities. As the rate implicit in the lease is generally not readily determinable with respect to its office lease, the Organization elected to use a risk-free rate instead of its incremental borrowing rate as the discount rate. The Organization's risk-free rate, which is determined at either lease commencement or when a lease obligation is remeasured, is the rate on U.S. government securities over a period commensurate with the lease term. The Organization used the rates implicit in the leases with respect to its equipment leases.

For accounting purposes, the Organization's leases commence on the earlier of (i) the date upon which the Organization obtains control of the underlying asset and (ii) the contractual effective date

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Notes to Consolidated and Combined Financial Statements May 31, 2023 and 2022

of a lease. Lease commencement for most of the Organization's leases coincides with the contractual effective date. The Organization's leases generally have minimum base terms with renewal options or fixed terms with early termination options. Such renewal and early termination options are exercisable at the option of the Organization and, when exercised, usually provide for rental payments during the extension period at then current market rates or at pre-determined rental amounts.

Unless the Organization determines that it is reasonably certain that the term of a lease will be extended, such as through the exercise of a renewal option or nonexercise of an early termination option, the term of a lease begins at lease commencement and spans for the duration of the minimum noncancellable contractual term. When the exercise of a renewal option or nonexercise of an early termination option is reasonably certain, the lease term is measured as ending at the end of the renewal period or on the date an early termination may be exercised.

The Organization includes variable rental payments based on a rate or an index such as the Consumer Price Index ("CPI") in its measurement of lease payments based on the rate or index in effect at lease commencement. Other types of variable lease payments are expensed as incurred.

Leases involving real estate

The Organization occupies office space under a 10.5-year lease agreement expiring in January 2024, which has been incorporated into its measurement of the related right-of-use asset and lease obligation. The office lease requires reimbursement of real estate taxes and other charges.

Rental payments on this lease provides for fixed minimum payments that increase over the lease term at predetermined amounts. Variable rental payments for taxes and other charges are recognized as occupancy expenses when incurred. Office space rental expense (including charges for operating expenses and taxes) is recognized using the straight-line method over the term of the lease and amounted to \$1,336,664 and \$1,238,549 for the fiscal years ended May 31, 2023 and 2022, respectively. Pursuant to the lease, the Organization has a letter of credit agreement totaling approximately \$300,000. This agreement guarantees the lease rental obligations. There were no payments drawn against this letter of credit by the beneficiary during 2023 and 2022.

Leases involving equipment

Equipment leases have lease terms that generally range from less than one year to 5 years and generally do not have renewal options. Rental payments on these leases typically provide for fixed payments that increase over the lease term at predetermined amounts, are included in the measurement of lease payments, and are therefore included in the measurement of lease liabilities. Certain of the Organization's leases involving equipment have purchase options. When those options are reasonably certain of being exercised, the Organization reflects such purchase options when measuring the lease term and lease payments for those leases.

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**Notes to Consolidated and Combined Financial Statements
May 31, 2023 and 2022**

Financial information

The following provides information about the Organization's right-of-use assets and lease obligations for its operating and finance leases as of May 31, 2023 and 2022:

		<u>Statement of Financial Position Classification</u>		<u>May 31, 2023</u>	<u>May 31, 2022</u>
Right-of-use assets					
Finance/capital leases	Fixed assets - net			\$ 8,462	\$ 24,551
Operating leases	Operating right-of-use asset			694,198	-
				<u>\$ 702,660</u>	<u>\$ 24,551</u>
Total leased assets					
Lease obligations					
<i>Current</i>					
Finance/capital leases	Current portion of finance lease obligations			\$ 7,495	\$ 16,034
Operating leases	Current portion of operating lease obligation			760,425	-
<i>Noncurrent</i>					
Finance/capital leases	Noncurrent portion of finance lease obligations			1,273	8,768
Operating leases	Noncurrent portion of operating lease obligation			-	-
				<u>\$ 769,193</u>	<u>\$ 24,802</u>
Total lease obligations					

The components of the Organization's lease costs for its office space and equipment for the years ended May 31, 2023 and 2022 are as follows:

		<u>Statement of Functional Expense Classification</u>		<u>May 31, 2023</u>	<u>May 31, 2022</u>
Operating lease cost, net					
Rent expense	Occupancy			\$ 1,200,395	\$ 1,200,395
Variable costs	Occupancy			136,269	38,154
				<u>1,336,664</u>	<u>1,238,549</u>
Net operating lease cost					
Finance/capital lease cost					
Amortization expense	Depreciation and amortization			16,089	23,775
Interest expense (1)	Other			533	1,200
				<u>16,622</u>	<u>24,975</u>
Total finance/capital lease cost					
				<u>\$ 1,353,286</u>	<u>\$ 1,263,524</u>
Total lease cost, net					

(1) Interest on the Organization's finance/capital lease obligations is recognized on a level yield basis over the period preceding purchase options, if any, which is generally five years from lease commencement.

The weighted average remaining lease term and weighted average discount rate for the Organization's leases as of May 31, 2023 are as follows:

	<u>Operating lease</u>	<u>Finance leases</u>
Weighted average remaining term (in years)	0.60	1.25
Weighted average discount rate (1)	2.38%	3.25%

(1) The Organization has elected to use the rate implicit in the lease and risk-free rate as the discount rate for its leases involving equipment and office space, respectively. The Organization uses rates on U.S. government securities for periods comparable with lease terms as the risk-free rate.

The New York State Society of Certified Public Accountants and Related Entities

**Notes to Consolidated and Combined Financial Statements
May 31, 2023 and 2022**

For the years ended May 31, 2023 and 2022, the Organization's finance/capital lease obligations have effective interest rates ranging from 3.25% to 4.25% and expire at various dates through August 2024.

The annual maturity analysis of the Organization's lease obligations as of May 31, 2023 are as follows:

Year ending May 31,	Operating	Finance	Total
2024	\$ 766,457	\$ 7,669	\$ 774,126
2025	-	1,278	1,278
Total lease payments	766,457	8,947	775,404
Less interest	(6,032)	(179)	(6,211)
Present value of net minimum lease payments	<u>\$ 760,425</u>	<u>\$ 8,768</u>	<u>\$ 769,193</u>
Less current portion	<u>\$ 760,425</u>	<u>\$ 7,495</u>	<u>\$ 767,920</u>
Noncurrent portion of lease obligations	<u>\$ -</u>	<u>\$ 1,273</u>	<u>\$ 1,273</u>

Future minimum lease payments for the Organization's office space in each of the years subsequent to May 31, 2022 were as follows:

Year ending May 31,	
2023	\$ 1,313,926
2024	<u>766,457</u>
	<u>\$ 2,080,383</u>

Subsequent to May 31, 2023, the Society entered into a lease agreement dated September 12, 2023, for new office space at 200 Madison Avenue, New York, New York, replacing the current office lease expiring January 31, 2024. The lease commencement date is to be determined; however, the landlord at 200 Madison is leasing the Society temporary space commencing February 1, 2024, and continuing until the leased premises are ready for occupation. This temporary space shall be at the fixed rate of \$10,575 per month.

The lease proper shall be for a term of 11 years and 3 months, consisting of a period of free fixed rent and 2 rental periods (the 1st and 2nd rental periods).

Fixed rent for the two rental periods is as follows:

- i. \$1,110,932 per annum for the period beginning on the Commencement Date and ending on the day immediately preceding the fifth anniversary of the Commencement Date (the "1st Rental Period"), payable in advance in equal monthly installments of approximately \$92,600.
- ii. \$1,220,204 per annum for the period beginning on the fifth anniversary of the Commencement Date and ending on the Expiration Date (the "2nd Rental Period"), payable in advance in equal monthly installments of approximately \$101,700.

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**Notes to Consolidated and Combined Financial Statements
May 31, 2023 and 2022**

In addition to the fixed rent, the Society is expected to pay additional rent for its proportionate share of real estate taxes and operating expenses.

The Society will be depositing with the landlord a standby letter of credit in the amount of \$462,888 as a security deposit. On the third anniversary of the rent commencement date of the lease, the Society shall be permitted to reduce the security amount to \$370,311 if certain conditions have been satisfied, in which case the Society will deliver to the landlord an amended or replacement letter of credit for the reduced amount.

Note 9 - Availability and liquidity

The following represents the Organization's financial assets at May 31, 2023 and 2022:

	2023	2022
Financial assets, at year end		
Cash	\$ 3,810,376	\$ 6,396,437
Accounts receivable	159,705	155,103
Investments	11,773,930	9,784,087
Total financial assets	15,744,011	16,335,627
Less amounts not available to be used within one year		
Net assets with donor restrictions	603,999	1,010,581
Financial assets available to meet general expenditures over the next 12 months	\$ 15,140,012	\$ 15,325,046

As part of its liquidity plan, the Organization invests its excess cash in short-term investments, including money market accounts and certificates of deposit. If the need arises, the Organization can liquidate these short-term investments quickly, without incurring significant fees. The Organization also has a \$500,000 line of credit available to meet cash flow needs.

Supplementary Information

The New York State Society of Certified Public Accountants and Related Entities

Consolidating and Combining Schedule of Activities by Entity
Year Ended May 31, 2023

	The New York State Society of Certified Public Accountants			Foundation for Accounting Education, Inc.			CPA PAC			Moynihan Fund			Eliminations	Total
	Without donor restrictions	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total				
Revenues and other support														
Membership dues	\$ 7,535,429	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,535,429	
Education fees	-	1,336,743	-	1,336,743	-	-	-	-	-	-	-	-	1,336,743	
The CPA Journal	409,804	-	-	-	-	-	-	-	-	-	-	-	409,804	
Member services	261,601	-	-	-	-	-	-	-	-	-	-	-	261,601	
Chapter activities	215,307	-	-	-	-	-	-	-	-	-	-	-	215,307	
The Trusted Professional	104,680	-	-	-	-	-	-	-	-	-	-	-	104,680	
Contributions	-	1,361,206	-	1,361,206	-	57,134	57,134	260,966	81,090	342,056	(1,622,172)	-	138,224	
Investment income, net	(29,656)	(1,667)	-	(1,667)	-	-	-	-	(18,832)	(18,832)	-	-	(50,155)	
Other revenues	210,719	-	-	-	-	-	-	-	-	-	-	-	210,719	
Net assets released from restrictions	-	-	-	-	91,000	(91,000)	-	434,974	(434,974)	-	-	-	-	
Total revenues and other support	8,707,884	2,696,282	-	2,696,282	91,000	(33,866)	57,134	695,940	(372,716)	323,224	(1,622,172)	-	10,162,352	
Expenses														
Program services														
Membership and member services	5,098,905	-	-	-	-	-	-	-	-	-	(1,622,172)	-	3,476,733	
Education	-	1,993,817	-	1,993,817	-	-	-	-	-	-	-	-	1,993,817	
The CPA Journal	988,985	-	-	-	-	-	-	-	-	-	-	-	988,985	
Chapter activities	587,239	-	-	-	-	-	-	-	-	-	-	-	587,239	
The Trusted Professional	334,398	-	-	-	-	-	-	-	-	-	-	-	334,398	
Career Opportunities in the Accounting Profession (COAP) scholarship programs	-	-	-	-	-	-	-	434,974	-	434,974	-	-	434,974	
Advocacy - CPA PAC	-	-	-	-	91,000	-	91,000	-	-	-	-	-	91,000	
Total program services	7,009,527	1,993,817	-	1,993,817	91,000	-	91,000	434,974	-	434,974	(1,622,172)	-	7,907,146	
Supporting services														
General and administrative	2,426,502	702,465	-	702,465	35,889	-	35,889	58,033	-	58,033	-	-	3,222,889	
Total supporting services	2,426,502	702,465	-	702,465	35,889	-	35,889	58,033	-	58,033	-	-	3,222,889	
Total expenses	9,436,029	2,696,282	-	2,696,282	126,889	-	126,889	493,007	-	493,007	(1,622,172)	-	11,130,035	
Changes in net assets	(728,145)	-	-	-	(35,889)	(33,866)	(69,755)	202,933	(372,716)	(169,783)	-	-	(967,683)	
Net assets, beginning	11,487,896	(1,207,862)	81,607	(1,126,255)	4,312	261,286	265,598	1,636,857	667,688	2,304,545	-	-	12,931,784	
Net assets, end	\$ 10,759,751	\$ (1,207,862)	\$ 81,607	\$ (1,126,255)	\$ (31,577)	\$ 227,420	\$ 195,843	\$ 1,839,790	\$ 294,972	\$ 2,134,762	\$ -	\$ -	\$ 11,964,101	

See Independent Auditor's Report.

The New York State Society of Certified Public Accountants and Related Entities

Consolidating and Combining Schedule of Activities by Entity
Year Ended May 31, 2022

	The New York State Society of Certified Public Accountants			Foundation for Accounting Education, Inc.			CPA PAC			Moynihan Fund			Eliminations	Total
	Without donor restrictions	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total				
Revenues and other support														
Membership dues	\$ 7,944,821	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,944,821	
Education fees	-	1,526,567	-	1,526,567	-	-	-	-	-	-	-	-	1,526,567	
The CPA Journal	450,617	-	-	-	-	-	-	-	-	-	-	-	450,617	
Member services	354,342	-	-	-	-	-	-	-	-	-	-	-	354,342	
Chapter activities	101,276	-	-	-	-	-	-	-	-	-	-	-	101,276	
The Trusted Professional	107,150	-	-	-	-	-	-	-	-	-	-	-	107,150	
Contributions	-	600,120	-	600,120	-	46,325	46,325	267,961	140,175	408,136	(868,081)	-	186,500	
Investment income, net	(259,534)	(8,134)	-	(8,134)	-	-	-	-	(199,740)	(199,740)	-	-	(467,408)	
Gain on debt extinguishment	687,131	474,274	-	474,274	-	-	-	-	-	-	-	-	1,161,405	
Other revenues	198,700	-	-	-	-	-	-	-	-	-	-	-	198,700	
Net assets released from restrictions	-	-	-	-	15,000	(15,000)	-	395,646	(395,646)	-	-	-	-	
Total revenues and other support	9,584,503	2,592,827	-	2,592,827	15,000	31,325	46,325	663,607	(455,211)	208,396	(868,081)	-	11,563,970	
Expenses														
Program services														
Membership and member services	3,937,007	-	-	-	-	-	-	-	-	-	(868,081)	-	3,068,926	
Education	-	1,899,106	-	1,899,106	-	-	-	-	-	-	-	-	1,899,106	
The CPA Journal	899,843	-	-	-	-	-	-	-	-	-	-	-	899,843	
Chapter activities	478,148	-	-	-	-	-	-	-	-	-	-	-	478,148	
The Trusted Professional	345,163	-	-	-	-	-	-	-	-	-	-	-	345,163	
Career Opportunities in the Accounting Profession (COAP) and scholarship programs	-	-	-	-	-	-	-	395,646	-	395,646	-	-	395,646	
Advocacy - CPA PAC	-	-	-	-	15,000	-	15,000	-	-	-	-	-	15,000	
Total program services	5,660,161	1,899,106	-	1,899,106	15,000	-	15,000	395,646	-	395,646	(868,081)	-	7,101,832	
Supporting services														
General and administrative	2,481,306	693,721	-	693,721	324	-	324	42,800	-	42,800	-	-	3,218,151	
Total supporting services	2,481,306	693,721	-	693,721	324	-	324	42,800	-	42,800	-	-	3,218,151	
Total expenses	8,141,467	2,592,827	-	2,592,827	15,324	-	15,324	438,446	-	438,446	(868,081)	-	10,319,983	
Changes in net assets	1,443,036	-	-	-	(324)	31,325	31,001	225,161	(455,211)	(230,050)	-	-	1,243,987	
Net assets, beginning	10,044,860	(1,207,862)	81,607	(1,126,255)	4,636	229,961	234,597	1,411,696	1,122,899	2,534,595	-	-	11,687,797	
Net assets, end	\$ 11,487,896	\$ (1,207,862)	\$ 81,607	\$ (1,126,255)	\$ 4,312	\$ 261,286	\$ 265,598	\$ 1,636,857	\$ 667,688	\$ 2,304,545	\$ -	\$ -	\$ 12,931,784	

See Independent Auditor's Report.



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