

The Connecticut Society of Certified Public Accountants Incorporated and Affiliated Entities

Independent Auditors' Report, Combined Financial
Statements and Supplemental Schedules

As of and for the Years Ended
March 31, 2012 and 2011



Saslow Lufkin & Buggy, LLP
Certified Public Accountants and Consultants

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Independent Auditors' Report, Combined Financial Statements
and Supplemental Schedules
As of and for the Years Ended March 31, 2012 and 2011**

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Independent Auditors' Report

To the Board of Directors of The Connecticut Society of
Certified Public Accountants Incorporated and Affiliated Entities:

We have audited the accompanying combined statements of financial position of The Connecticut Society of Certified Public Accountants Incorporated and Affiliated Entities (the CSCPA) as of March 31, 2012 and 2011, and the related combined statements of activities and changes in net assets and cash flows for the years then ended. These combined financial statements are the responsibility of the CSCPA's management. Our responsibility is to express an opinion on these combined 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 audits to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CSCPA's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of The Connecticut Society of Certified Public Accountants Incorporated and Affiliated Entities as of March 31, 2012 and 2011, and the changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The supplemental information, contained on pages 12 through 17, is presented for purposes of additional analysis in conjunction with the combined financial statements rather than to present the financial position, results of operations and cash flows of the individual entities, and is not a required part of the combined financial statements. Accordingly, we do not express an opinion on the financial position, results of operations and cash flows of the individual entities. 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 combined financial statements or to the 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 combined financial statements taken as a whole.

Saslow Lufkin & Buggy, LLP

August 16, 2012

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Combined Statements of Financial Position
March 31, 2012 and 2011**

	2012	2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 266,231	\$ 308,419
Investments, at fair value	1,252,197	1,215,775
Accounts receivable	9,930	11,442
Prepaid expenses and other assets	40,903	38,024
Total current assets	1,569,261	1,573,660
Security deposits	30,174	29,629
Property and equipment, net	223,825	242,963
Total assets	\$ 1,823,260	\$ 1,846,252
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 9,718	\$ 66,468
Accrued expenses	190,781	181,531
Deferred revenue	233,579	225,365
Deposits for conferences and meetings	18,483	13,451
Total current liabilities	452,561	486,815
Deferred rent payable	63,272	47,302
Total liabilities	515,833	534,117
Net assets:		
Unrestricted:		
Undesignated	1,072,889	1,092,586
Designated for the Trust	34,075	34,075
Designated for scholarships	200,463	185,474
Total net assets	1,307,427	1,312,135
Total liabilities and net assets	\$ 1,823,260	\$ 1,846,252

The accompanying notes are an integral part of these combined financial statements.

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Combined Statements of Activities and Changes in Net Assets
For the Years Ended March 31, 2012 and 2011**

	2012	2011
Support and revenue:		
CPE, programs and events	\$ 1,894,120	\$ 1,890,807
Membership dues and fees	1,202,277	1,206,794
Publications	59,796	71,630
Contributions	37,588	64,798
Investment gains, net	37,329	108,143
Other income	26,631	24,318
Fundraising	52,365	51,240
Rental income	40,518	34,090
Donated services	33,463	30,212
	3,384,087	3,482,032
Expenses:		
Program services:		
CPE, programs and events	1,301,968	1,316,239
Membership charges	69,701	67,585
Publications	82,858	75,605
Scholarships and awards	60,775	72,833
Community outreach	70,791	55,165
	1,586,093	1,587,427
Supporting services:		
Management and general	1,775,524	1,764,267
Fundraising	27,178	23,542
	1,802,702	1,787,809
	3,388,795	3,375,236
Change in net assets	(4,708)	106,796
Net assets, beginning of year	1,312,135	1,205,339
Net assets, end of year	\$ 1,307,427	\$ 1,312,135

The accompanying notes are an integral part of these combined financial statements.

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Combined Statements of Cash Flows
For the Years Ended March 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Change in net assets	\$ (4,708)	\$ 106,796
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	73,887	67,117
Unrealized and realized investment gains, net	(5,566)	(72,722)
Purchases of investments	(92,650)	(146,873)
Proceeds from sales of investments	61,794	56,585
Changes in operating assets and liabilities:		
Accounts receivable	1,512	(1,598)
Prepaid expenses and other assets	(2,879)	6,637
Security deposits	(545)	(4,760)
Accounts payable	(56,750)	308
Accrued expenses	9,250	(19,049)
Deferred revenue	8,214	18,745
Deposits for conferences and meetings	5,032	(2,255)
Deferred rent payable	15,970	5,549
	<u>12,561</u>	<u>14,480</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Purchases of property and equipment	(54,749)	(66,650)
	<u>(54,749)</u>	<u>(66,650)</u>
Net cash used in investing activities		
Net change in cash and cash equivalents	(42,188)	(52,170)
Cash and cash equivalents, beginning of year	<u>308,419</u>	<u>360,589</u>
Cash and cash equivalents, end of year	<u>\$ 266,231</u>	<u>\$ 308,419</u>

The accompanying notes are an integral part of these combined financial statements.

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Notes to the Combined Financial Statements
As of and for the Years Ended March 31, 2012 and 2011**

Note 1 - Organizational Structure

The Connecticut Society of Certified Public Accountants Incorporated (the Society) - A nonprofit organization exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. The Society was established to promote, advance and help preserve professional standards and conduct within the field of public accounting in the State of Connecticut and is supported primarily by membership dues and fees.

The Educational and Research Foundation of The Connecticut Society of Certified Public Accountants Incorporated (the Foundation) - A nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation was formed to engage in educational research and other related activities in the field of public accounting. The Foundation promoted and sponsored certain educational functions and publications for members of the Society and derived revenue from participant fees. It also administered the profession's peer review program for Society members. As of March 31, 2011, the Foundation was dissolved and all operations were transferred to the Society.

The Connecticut Society of Certified Public Accountants Educational Trust Fund (the Trust) - A nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Trust was organized to advance accounting education in the State of Connecticut, and is supported primarily by contributions from members of the Society.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting - The accompanying combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States (GAAP), as promulgated by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The financial statements include the accounts of the Society and the Trust for 2012 and the Society, the Foundation and the Trust for 2011, collectively referred to as the CSCPA. The trustees of the Trust are appointed by Society presidents. All inter-organization transactions and balances have been eliminated in the accompanying combined financial statements.

Use of Estimates - The preparation of combined financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the combined financial statements. Actual results could differ from those estimates.

Net Asset Categories - To ensure observance of limitations and restrictions placed on the use of resources available to the CSCPA, the accounts of the CSCPA are maintained in net asset categories. Unrestricted net assets represent available resources other than donor-restricted contributions. As of March 31, 2012 and 2011, there were no net assets that were donor-restricted.

Net Assets Designated for the Trust - Amounts represent fundraising efforts of the CSCPA to build the net assets of the Trust for future activities related to its efforts to advance accounting education within the State of Connecticut. As of March 31, 2012 and 2011, \$34,075 has been set aside for this purpose.

Net Assets Designated for Scholarships - Cumulative net assets attributable to the annual fundraising golf event providing scholarships for fifth year accounting students are recognized as net assets designated for scholarships. As of March 31, 2012 and 2011, amounts totaled \$200,463 and \$185,474, respectively. Activity for the years ended March 31, 2012 and 2011, included increases from the golf fundraising of \$25,187 and \$27,698, and \$4,802 and \$16,594 for proportionate investment earnings, respectively. In addition, there were decreases of \$15,000 in both 2012 and 2011 for scholarships awarded.

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Notes to the Combined Financial Statements
As of and for the Years Ended March 31, 2012 and 2011**

Note 2 - Summary of Significant Accounting Policies (continued)

Conference and Continuing Education Fees - Revenue from conference and continuing education fees are recognized when conferences take place and the continuing professional education is provided. Revenue received in advance is recorded as deposits for conferences and meetings within the combined statements of financial position.

Membership Dues - Membership dues are recognized ratably over the membership period, which is from June 1 through May 31 each year. Unearned dues revenue as of March 31, 2012 and 2011, is recorded as deferred revenue within the combined statements of financial position.

Contributions - Contributions are defined as voluntary, nonreciprocal transfers. Unrestricted and unconditional contributions are recognized as support when received or pledged, if applicable. Contributions are reported as temporarily restricted support if they are received with donor stipulations that limit the use of such assets. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statement of activities and changes in net assets as net assets released from restrictions. Contributions received, whose use is contingent on the occurrence of a future event are deferred until the condition is substantially met, at which time they are recognized as support. Contributions received in and whose obligations are met in the current year are recognized and recorded to unrestricted net assets.

Donated Services - The CSCPA recognizes donated services at their estimated fair market value if they create or enhance non-financial assets or require specialized skills and would typically need to be purchased if not provided by donation. General volunteer services do not meet this criteria for recognition in the combined financial statements. However, a substantial number of volunteers have donated significant amounts of time to the CSCPA's programs. For the years ended March 31, 2012 and 2011, donated services consisted of volunteer speakers for continuing professional education courses and conferences.

Cash and Cash Equivalents - Cash and cash equivalents are comprised of interest and non-interest bearing cash accounts and money market funds. The CSCPA classifies certain securities with original maturity dates of three months or less from the date of purchase as cash equivalents. In general, the Federal Deposit Insurance Corporation (FDIC) insures cash balances up to \$250,000 per depositor, per bank. However, the FDIC also provides separate unlimited coverage for deposit accounts that meet the definition of non-interest bearing accounts. It is the CSCPA's policy to monitor the financial strength of the banks that hold its deposits on an ongoing basis. During the normal course of business, the CSCPA may maintain cash balances in excess of the FDIC insurance limit.

Money market funds are not insured by the FDIC and are not a risk-free investment. Money market funds can invest in a variety of instruments including mortgage-backed and asset-backed securities. Although a money market fund seeks to preserve its one dollar per share value, it is possible that a money market fund's value can decrease below one dollar per share.

Investments - The CSCPA accounts for its investments in mutual funds in accordance with FASB ASC 320, "Investments - Debt and Equity Securities." Management determines the appropriate classification of its investments at the time of purchase and reevaluates such determinations at each balance sheet date. All of the CSCPA's investments at March 31, 2012 and 2011, were classified as trading securities. Trading securities may be sold prior to maturity and are carried at fair value while unrealized gains and losses are recognized within the statement of activities and changes in net assets during the year in which they occur.

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Notes to the Combined Financial Statements
As of and for the Years Ended March 31, 2012 and 2011**

Note 2 - Summary of Significant Accounting Policies (continued)

Allowance for Doubtful Accounts - The CSCPA establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends, and other information. As of March 31, 2012 and 2011, the Company has not established an allowance for doubtful accounts as it believes all receivable balances are collectible.

Property and Equipment - Property and equipment acquisitions and improvements thereon that individually exceed \$500 are capitalized at cost and depreciated on a straight-line basis over their estimated useful lives. Maintenance and repairs are charged to expense as incurred.

Expenses by Function - The costs of providing the CSCPA's programs have been summarized on a functional basis in the accompanying combined statement of activities and changes in net assets. Accordingly, certain costs have been allocated between program services and supporting services.

Income Taxes - The CSCPA is exempt from federal and state income taxes on exempt function income. The Society had unrelated business taxable income of \$13,591 and \$15,154 for the years ended March 31, 2012 and 2011, respectively. Federal and state income taxes incurred on this income were \$1,306 and \$3,800 for the years ended March 31, 2012 and 2011, respectively, which has been included within management and general expenses in the combined statements of activities and changes in net assets.

Although the CSCPA is exempt from federal and state income taxes, the CSCPA accounts for income taxes in accordance with FASB ASC 740 "Income Taxes." FASB ASC 740 is an asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the tax and financial reporting bases of certain assets and liabilities.

The CSCPA also accounts for uncertain tax positions in accordance with FASB ASC 740, which address the accounting for any income tax uncertainties recognized in a company's combined financial statements. FASB ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognized and measurement of an organization's tax position taken or expected to be taken in a tax return. FASB ASC 740 also provides guidance on recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of March 31, 2012 and 2011, the CSCPA did not record any penalties or interest associated with unrecognized tax benefits. All tax years from fiscal year ended March 31, 2008 and subsequent are open with the Internal Revenue Service and subject to review.

Subsequent Events - Subsequent events have been evaluated through August 16, 2012, which is the date the combined financial statements were available to be issued. Management believes there are no subsequent events having a material impact on the combined financial statements.

Reclassifications - Certain reclassifications to the 2011 financial statements have been made in order to conform to the 2012 presentation. Such reclassifications did not have a material effect on the financial statements.

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Notes to the Combined Financial Statements
As of and for the Years Ended March 31, 2012 and 2011**

Note 3 - Investments

Investments, classified as trading and carried at fair value as of March 31, 2012 and 2011, are as follows:

	<u>2012</u>	<u>2011</u>
Mutual funds	<u>\$ 1,252,197</u>	<u>\$ 1,215,775</u>

Investment gains (losses) are comprised of the following for the years ended March 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Net realized losses on securities	\$ (6,235)	\$ (9,394)
Net unrealized gains on securities	11,801	82,116
Interest and dividends	<u>31,763</u>	<u>35,421</u>
Total investment gains	<u>\$ 37,329</u>	<u>\$ 108,143</u>

Note 4 - Fair Value Measurements

The CSCPA reports fair values in accordance with FASB ASC 820 *“Fair Value Measurement and Disclosures.”* FASB ASC 820 defines fair value, provides a framework for measuring fair value and requires certain disclosures about fair value measurements. The definition of fair value focuses on the price that would be received to sell the asset, which is referred to as the exit price. FASB ASC 820 provides guidance on how to measure fair value, when required, under existing accounting standards. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the CSCPA has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has specified (contractual) terms, the Level 2 input must be observable for substantially the full term of the asset.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Notes to the Combined Financial Statements
As of and for the Years Ended March 31, 2012 and 2011**

Note 4 - Fair Value Measurements (continued)

The CSCPA reports its investments at fair value in accordance with ASC 820 as of March 31, 2012 and 2011 as follows:

<u>2012</u>	<u>Level 1</u>
Money market funds	\$ 34,598
Mutual funds:	
Intermediate term bonds	128,632
Conservative allocation funds	32,231
Multi sector bonds	54,581
Intermediate government funds	94,808
Short term bonds	234,607
Global bond funds	61,113
Inflation protected bond	41,461
Large growth value funds	275,184
Small value growth funds	53,344
Mid-cap growth funds	64,472
Market neutral funds	47,634
Foreign funds	33,656
Moderate allocation funds	130,474
	<u>\$ 1,286,795</u>
	<u><u>\$ 1,286,795</u></u>
<u>2011</u>	<u>Level 1</u>
Money market funds	\$ 34,650
Mutual funds:	
Intermediate term bonds	183,426
Conservative allocation funds	31,098
Multi sector bonds	52,108
Intermediate government funds	26,635
Short term bonds	208,019
Global bond funds	35,801
Inflation protected bond	37,040
Large growth value funds	327,615
Small value growth funds	53,952
Mid-cap growth funds	58,477
Market neutral funds	60,762
Foreign funds	34,911
Moderate allocation funds	105,931
	<u>\$ 1,250,425</u>
	<u><u>\$ 1,250,425</u></u>

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Notes to the Combined Financial Statements
As of and for the Years Ended March 31, 2012 and 2011**

Note 4 - Fair Value Measurements (continued)

The CSCPA measures fair value for its investments within the fair value hierarchy based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There were no transfers between fair value hierarchy levels for any invested assets recorded at fair value for the years ended March 31, 2012 and 2011.

Securities recorded using Level 1 fair values are based on observable quoted market prices from national securities exchanges and daily sales prices.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Note 5 - Retirement Plan

The CSCPA maintains a defined contribution retirement plan, which is available to all employees. Employees can make elective deferrals up to Internal Revenue Code limitations. The CSCPA contributes an amount equal to 3% of participating employees' compensation, which totaled approximately \$31,835 and \$32,592 for the years ended March 31, 2012 and 2011, respectively.

Employees who are employed at year end, have worked 1,000 hours and have made elective deferrals into the plan are eligible to receive a discretionary employer matching contribution determined each year by the Society's Board of Directors. A discretionary employer matching contribution of \$30,740 and \$30,230 was made for the years ended March 31, 2012 and 2011, respectively.

Note 6 - Property and Equipment

Property and equipment is comprised of the following as of March 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Furniture and equipment	\$ 666,020	\$ 628,131
Less: accumulated depreciation	<u>(442,195)</u>	<u>(385,168)</u>
Total	<u>\$ 223,825</u>	<u>\$ 242,963</u>

Note 7 - Operating Leases

The CSCPA leases certain office equipment as well as office and classroom space in Rocky Hill, Connecticut under terms of various non-cancelable operating leases. In 2010, the CSCPA entered into a 10-year lease agreement for office and training space. Payments related to the lease began on May 1, 2010 and extend into April 2020.

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Notes to the Combined Financial Statements
As of and for the Years Ended March 31, 2012 and 2011**

Note 7 - Operating Leases (continued)

As of March 31, 2012, future minimum lease payments under operating leases with initial or remaining non-cancelable terms in excess of one year are as follows.

Year ending March 31:		
2013	\$	110,928
2014		111,332
2015		115,769
2016		116,172
2017		120,609
Thereafter		<u>382,803</u>
Total	\$	<u>957,613</u>

Rent expense under leases totaled \$149,373 and \$156,071 for each of the years ended March 31, 2012 and 2011, respectively.

Deferred rent payable of \$63,272 and \$47,302 as of March 31, 2012 and 2011, respectively, represents the excess of the rent expense determined on a straight-line basis over the amounts paid to date pursuant to the office lease agreement and is included in the accompanying combined statements of financial position.

Note 8 - Related Party Transactions

During the normal course of business the Society collects contributions on behalf of the Trust and various amounts of shared expenses are paid by the Society and the Trust. As of March 31, 2012, the Society was owed \$10 from the Trust. As of March 31, 2011 the Trust was owed \$7,704 from the Society, for contributions received on the Trust's behalf, net of shared expenses.

Stated within the bylaws of the Society and the Foundation were provisions that the Foundation would be allocated administrative expenses from the Society up to an amount that was not to exceed a supportable percentage of total expenses on the Society's books that is based on the actual time of various employees and actual expenses incurred. These allocations were usually in the amount of the net income created by the Foundation on a standalone basis. This allocation from the Society to the Foundation amounted to \$552,812 for the year ended March 31, 2011.

During fiscal year 2011, the Society began donating services to the Trust based on the actual time of various employees and actual expenses incurred. The donated services from the Society to the Trust amounted to \$28,951 and \$30,187 for the years ended March 31, 2012 and 2011, respectively, and are recorded within management and general expenses as contributed services.

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Supplemental Schedule - Combining Statement of Financial Position
March 31, 2012**

	<u>Society</u>	<u>Trust</u>	<u>Elimination Entries</u>	<u>Combined</u>
Current assets:				
Cash and cash equivalents	\$ 208,422	\$ 57,809	\$ -	\$ 266,231
Investments, at fair value	693,803	558,394	-	1,252,197
Accounts receivable	9,930	-	-	9,930
Prepaid expenses and other assets	39,865	1,038	-	40,903
Due from affiliates	10	-	(10)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	952,030	617,241	(10)	1,569,261
Security deposits	30,174	-	-	30,174
Property and equipment, net	223,825	-	-	223,825
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 1,206,029</u>	<u>\$ 617,241</u>	<u>\$ (10)</u>	<u>\$ 1,823,260</u>
Current liabilities:				
Accounts payable	\$ 9,718	-	\$ -	\$ 9,718
Accrued expenses	190,781	-	-	190,781
Deferred revenue	223,079	10,500	-	233,579
Deposits for conferences and meetings	18,483	-	-	18,483
Due to affiliates	-	10	(10)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities	442,061	10,510	(10)	452,561
Deferred rent payable	63,272	-	-	63,272
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	505,333	10,510	(10)	515,833
Net assets:				
Unrestricted:				
Undesignated	700,696	372,193	-	1,072,889
Designated for the Trust	-	34,075	-	34,075
Designated for scholarships	-	200,463	-	200,463
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	700,696	606,731	-	1,307,427
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 1,206,029</u>	<u>\$ 617,241</u>	<u>\$ (10)</u>	<u>\$ 1,823,260</u>

See independent auditors' report.

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Supplemental Schedule - Combining Statement of Financial Position
March 31, 2011**

	<u>Society</u>	<u>Foundation</u>	<u>Trust</u>	<u>Elimination Entries</u>	<u>Combined</u>
Current assets:					
Cash and cash equivalents	\$ 240,477	\$ -	\$ 67,942	\$ -	\$ 308,419
Investments, at fair value	671,756	-	544,019	-	1,215,775
Accounts receivable	8,942	-	2,500	-	11,442
Prepaid expenses and other assets	37,774	-	250	-	38,024
Due from affiliates	-	-	7,704	(7,704)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	958,949	-	622,415	(7,704)	1,573,660
Security deposits	29,629	-	-	-	29,629
Property and equipment, net	242,963	-	-	-	242,963
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$1,231,541</u>	<u>\$ -</u>	<u>\$ 622,415</u>	<u>\$ (7,704)</u>	<u>\$1,846,252</u>
Current liabilities:					
Accounts payable	\$ 43,802	\$ -	\$ 22,666	\$ -	\$ 66,468
Accrued expenses	181,531	-	-	-	181,531
Deferred revenue	225,365	-	-	-	225,365
Deposits for conferences and meetings	13,451	-	-	-	13,451
Due to affiliates	7,704	-	-	(7,704)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities	471,853	-	22,666	(7,704)	486,815
Deferred rent payable	47,302	-	-	-	47,302
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	519,155	-	22,666	(7,704)	534,117
Net assets:					
Unrestricted:					
Undesignated	712,386	-	380,200	-	1,092,586
Designated for the Trust	-	-	34,075	-	34,075
Designated for scholarships	-	-	185,474	-	185,474
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	712,386	-	599,749	-	1,312,135
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and net assets	<u>\$1,231,541</u>	<u>\$ -</u>	<u>\$ 622,415</u>	<u>\$ (7,704)</u>	<u>\$1,846,252</u>

See independent auditors' report.

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Supplemental Schedule - Combining Statement of Activities and Changes in Net Assets
For the Year Ended March 31, 2012**

	<u>Society</u>	<u>Trust</u>	<u>Elimination Entries</u>	<u>Combined</u>
Support and revenue:				
CPE, programs and events	\$ 1,894,120	\$ -	\$ -	\$ 1,894,120
Membership dues and fees	1,202,277	-	-	1,202,277
Publications	59,796	-	-	59,796
Contributions	-	37,588	-	37,588
Investment gains, net	22,951	14,378	-	37,329
Other income	26,631	-	-	26,631
Fundraising	-	52,365	-	52,365
Rental income	40,518	-	-	40,518
Donated services	33,463	28,951	(28,951)	33,463
	<u>3,279,756</u>	<u>133,282</u>	<u>(28,951)</u>	<u>3,384,087</u>
Total support and revenue				
Expenses:				
Program services:				
CPE, programs and events	1,295,430	6,538	-	1,301,968
Membership charges	69,701	-	-	69,701
Publications	82,858	-	-	82,858
Scholarships and awards	-	60,775	-	60,775
Community outreach	70,791	-	-	70,791
	<u>1,518,780</u>	<u>67,313</u>	<u>-</u>	<u>1,586,093</u>
Total program services				
Supporting services:				
Management and general	1,772,666	31,809	(28,951)	1,775,524
Fundraising	-	27,178	-	27,178
	<u>1,772,666</u>	<u>58,987</u>	<u>(28,951)</u>	<u>1,802,702</u>
Total supporting services				
Total expenses	<u>3,291,446</u>	<u>126,300</u>	<u>(28,951)</u>	<u>3,388,795</u>
Change in net assets	(11,690)	6,982	-	(4,708)
Net assets, beginning of year	<u>712,386</u>	<u>599,749</u>	<u>-</u>	<u>1,312,135</u>
Net assets, end of year	<u>\$ 700,696</u>	<u>\$ 606,731</u>	<u>\$ -</u>	<u>\$ 1,307,427</u>

See independent auditors' report.

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Supplemental Schedule - Combining Statement of Activities and Changes in Net Assets
For the Year Ended March 31, 2011**

	<u>Society</u>	<u>Foundation</u>	<u>Trust</u>	<u>Elimination Entries</u>	<u>Combined</u>
Support and revenue:					
CPE, programs and events	\$ 6,442	\$ 1,884,365	\$ -	\$ -	\$1,890,807
Membership dues and fees	1,206,794	-	-	-	1,206,794
Publications	-	71,630	-	-	71,630
Contributions	-	-	64,798	-	64,798
Investment gains, net	58,143	318	49,682	-	108,143
Other income	20,563	3,755	-	-	24,318
Fundraising	-	-	51,240	-	51,240
Rental income	-	34,090	-	-	34,090
Donated services	-	30,212	30,187	(30,187)	30,212
	<u>1,291,942</u>	<u>2,024,370</u>	<u>195,907</u>	<u>(30,187)</u>	<u>3,482,032</u>
Total support and revenue					
Expenses:					
Program services:					
CPE, programs and events	59,560	1,252,450	4,229	-	1,316,239
Membership charges	19,723	47,862	-	-	67,585
Publications	-	75,605	-	-	75,605
Scholarships and awards	-	-	72,833	-	72,833
Community outreach	55,165	-	-	-	55,165
	<u>134,448</u>	<u>1,375,917</u>	<u>77,062</u>	<u>-</u>	<u>1,587,427</u>
Total program services					
Supporting services:					
Management and general	1,666,082	95,641	32,731	(30,187)	1,764,267
Fundraising	-	-	23,542	-	23,542
	<u>1,666,082</u>	<u>95,641</u>	<u>56,273</u>	<u>(30,187)</u>	<u>1,787,809</u>
Total supporting services					
Administrative expenses allocated between affiliates	<u>(552,812)</u>	<u>552,812</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>1,247,718</u>	<u>2,024,370</u>	<u>133,335</u>	<u>(30,187)</u>	<u>3,375,236</u>
Change in net assets	44,224	-	62,572	-	106,796
Net assets, beginning of year	667,862	300	537,177	-	1,205,339
Net asset transfers from/(to) entities	<u>300</u>	<u>(300)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u><u>\$ 712,386</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 599,749</u></u>	<u><u>\$ -</u></u>	<u><u>\$1,312,135</u></u>

See independent auditors' report.

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Supplemental Schedule - Combining Statement of Cash Flows
For the Year Ended March 31, 2012**

	<u>Society</u>	<u>Trust</u>	<u>Elimination Entries</u>	<u>Combined</u>
Cash flows from operating activities:				
Change in net assets	\$ (11,690)	\$ 6,982	\$ -	\$ (4,708)
Adjustments to reconcile the change in net assets to net cash provided by (used in) operating activities:				
Depreciation expense	73,887	-	-	73,887
Unrealized and realized investment (gains) losses, net	(5,756)	190	-	(5,566)
Purchases of investments	(52,617)	(40,033)	-	(92,650)
Proceeds from sales of investments	36,326	25,468	-	61,794
Changes in operating assets and liabilities:				
Accounts receivable	(988)	2,500	-	1,512
Prepaid expenses and other assets	(2,091)	(788)	-	(2,879)
Due from affiliate	(10)	7,704	(7,694)	-
Security deposits	(545)	-	-	(545)
Accounts payable	(34,084)	(22,666)	-	(56,750)
Accrued expenses	9,250	-	-	9,250
Deferred revenue	(2,286)	10,500	-	8,214
Deposits for conferences and meetings	5,032	-	-	5,032
Due to affiliate	(7,704)	10	7,694	-
Deferred rent payable	15,970	-	-	15,970
Net cash provided by (used in) operating activities	22,694	(10,133)	-	12,561
Cash flows from investing activities:				
Purchases of property and equipment	(54,749)	-	-	(54,749)
Net cash used in investing activities	(54,749)	-	-	(54,749)
Net change in cash and cash equivalents	(32,055)	(10,133)	-	(42,188)
Cash and cash equivalents, beginning of year	240,477	67,942	-	308,419
Cash and cash equivalents, end of year	<u>\$ 208,422</u>	<u>\$ 57,809</u>	<u>\$ -</u>	<u>\$ 266,231</u>

See independent auditors' report.

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Supplemental Schedule - Combining Statement of Cash Flows
For the Year Ended March 31, 2011**

	<u>Society</u>	<u>Foundation</u>	<u>Trust</u>	<u>Elimination Entries</u>	<u>Combined</u>
Cash flows from operating activities:					
Change in net assets	\$ 44,224	\$ -	\$ 62,572	\$ -	\$ 106,796
Adjustments to reconcile the change in net assets to net cash provided by provided by (used in) operating activities:					
Depreciation expense	15,749	51,368	-	-	67,117
Unrealized and realized investment gains, net	(41,133)	-	(31,589)	-	(72,722)
Purchases of investments	(101,595)	-	(45,278)	-	(146,873)
Proceeds from sales and maturities of investments	56,585	-	-	-	56,585
Changes in operating assets and liabilities:					
Accounts receivable	(6,232)	7,131	5,000	(7,497)	(1,598)
Prepaid expenses and other assets	(21,724)	28,486	(125)	-	6,637
Due from affiliate	283,013	-	(7,704)	(275,309)	-
Security deposits	(4,760)	-	-	-	(4,760)
Accounts payable	34,862	(16,994)	(25,057)	7,497	308
Accrued expenses	(19,049)	-	-	-	(19,049)
Deferred revenue	21,332	(2,587)	-	-	18,745
Deposits for conferences and meetings	13,451	(15,706)	-	-	(2,255)
Due to affiliate	7,704	(275,956)	(7,057)	275,309	-
Deferred rent payable	5,549	-	-	-	5,549
Net cash provided by (used in) operating activities	287,976	(224,258)	(49,238)	-	14,480
Cash flows from investing activities:					
Purchases of property and equipment	(12,354)	(54,296)	-	-	(66,650)
Net cash used in investing activities	(12,354)	(54,296)	-	-	(66,650)
Transfers of cash related to dissolution	(153,469)	153,469	-	-	-
Net change in cash and cash equivalents	275,622	(278,554)	(49,238)	-	(52,170)
Cash and cash equivalents, beginning of year	118,324	125,085	117,180	-	360,589
Cash and cash equivalents, end of year	<u>\$ 240,477</u>	<u>\$ -</u>	<u>\$ 67,942</u>	<u>\$ -</u>	<u>\$ 308,419</u>

See independent auditors' report.