

# The Connecticut Society of Certified Public Accountants Incorporated and Affiliated Entity

Independent Auditors' Report, Combined Financial  
Statements and Supplemental Schedules

As of and for the Years Ended  
March 31, 2015 and 2014



Saslow Lufkin & Buggy, LLP  
*Accounting · Tax · Advisory*

**The Connecticut Society of Certified Public Accountants  
Incorporated and Affiliated Entity  
Independent Auditors' Report, Combined Financial Statements  
and Supplemental Schedules  
As of and for the Years Ended March 31, 2015 and 2014**

Table of Contents

	<u>Page</u>
Independent Auditors' Report .....	1
Combined Financial Statements:	
Combined Statements of Financial Position .....	3
Combined Statements of Activities and Changes in Net Assets.....	4
Combined Statements of Cash Flows .....	5
Notes to the Combined Financial Statements .....	6
Supplemental Schedules:	
Combining Statements of Financial Position as of March 31, 2015.....	13
Combining Statements of Financial Position as of March 31, 2014.....	14
Combining Statements of Activities and Changes in Net Assets for the Year Ended March 31, 2015.....	15
Combining Statements of Activities and Changes in Net Assets for the Year Ended March 31, 2014.....	16
Combining Statements of Cash Flows for the Year Ended March 31, 2015 .....	17
Combining Statements of Cash Flows for the Year Ended March 31, 2014 .....	18



## Independent Auditors' Report

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

We have audited the accompanying combined financial statements of The Connecticut Society of Certified Public Accountants Incorporated and Affiliated Entity (the CTCPA), which comprise the combined statements of financial position as of March 31, 2015 and 2014, and the related combined statements of activities and changes in net assets and cash flows for the years then ended.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the CTCPA's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CTCPA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the 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 Entity as of March 31, 2015 and 2014, and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.





**Other Matter**

Our audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The supplemental information, contained on pages 13 through 18, 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 audits 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*

June 22, 2015

**The Connecticut Society of Certified Public Accountants  
Incorporated and Affiliated Entity  
Combined Statements of Financial Position  
March 31, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 428,007	\$ 358,955
Investments, at fair value	1,481,593	1,403,584
Accounts receivable	6,296	4,081
Prepaid expenses and other assets	60,253	42,713
Total current assets	1,976,149	1,809,333
Security deposits	18,294	18,294
Property and equipment, net	138,588	163,430
Total assets	\$ 2,133,031	\$ 1,991,057
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 3,749	\$ 2,885
Accrued expenses	133,688	155,209
Deferred revenue	226,424	220,589
Deposits for conferences and meetings	20,075	20,179
Deferred rent, current	5,532	5,129
Total current liabilities	389,468	403,991
Deferred rent, long term	51,632	57,164
Total liabilities	441,100	461,155
Net assets:		
Unrestricted:		
Undesignated	1,340,838	1,216,689
Designated for the Trust	34,075	34,075
Designated for scholarships	316,518	279,138
Temporarily restricted	500	-
Total net assets	1,691,931	1,529,902
Total liabilities and net assets	\$ 2,133,031	\$ 1,991,057

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

**The Connecticut Society of Certified Public Accountants  
Incorporated and Affiliated Entity  
Combined Statements of Activities and Changes in Net Assets  
For the Years Ended March 31, 2015 and 2014**

	2015			2014
	Unrestricted	Temporarily Restricted	Total	
Support and revenue:				
CPE, programs and events	\$ 1,827,716	\$ -	\$ 1,827,716	\$ 1,775,422
Membership dues and fees	1,266,129	-	1,266,129	1,214,148
Publications	87,321	-	87,321	84,850
Contributions	36,389	500	36,889	32,301
Investment gains, net	78,752	-	78,752	127,375
Other income	3,359	-	3,359	14,017
Fundraising	53,005	-	53,005	46,610
Rental income	42,857	-	42,857	42,916
Donated services	24,255	-	24,255	19,312
Total support and revenue	<b>3,419,783</b>	<b>500</b>	<b>3,420,283</b>	3,356,951
Expenses:				
Program services:				
CPE, programs and events	1,227,522	-	1,227,522	1,219,574
Membership charges	63,144	-	63,144	70,370
Publications	48,381	-	48,381	56,719
Scholarships and awards	61,275	-	61,275	66,525
Community outreach	25,489	-	25,489	29,904
Total program services	<b>1,425,811</b>	<b>-</b>	<b>1,425,811</b>	1,443,092
Supporting services:				
Management and general	1,805,189	-	1,805,189	1,767,889
Fundraising	27,254	-	27,254	25,186
Total supporting services	<b>1,832,443</b>	<b>-</b>	<b>1,832,443</b>	1,793,075
Total expenses	<b>3,258,254</b>	<b>-</b>	<b>3,258,254</b>	3,236,167
Change in net assets	161,529	500	162,029	120,784
Net assets, beginning of year	1,529,902	-	1,529,902	1,409,118
Net assets, end of year	<b>\$ 1,691,431</b>	<b>\$ 500</b>	<b>\$ 1,691,931</b>	<b>\$ 1,529,902</b>

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

**The Connecticut Society of Certified Public Accountants  
 Incorporated and Affiliated Entity  
 Combined Statements of Cash Flows  
 For the Years Ended March 31, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
Cash flows from operating activities:		
Change in net assets	\$ <b>162,029</b>	\$ 120,784
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	<b>60,129</b>	67,862
Loss on disposal of fixed assets	-	1,901
Unrealized and realized investment losses (gains), net	<b>14,371</b>	(76,735)
Purchases of investments	<b>(194,506)</b>	(217,972)
Proceeds on sales of investments	<b>102,126</b>	253,662
Changes in operating assets and liabilities:		
Accounts receivable	<b>(2,215)</b>	3,489
Prepaid expenses and other assets	<b>(17,540)</b>	(1,727)
Accounts payable	<b>864</b>	(8,660)
Accrued expenses	<b>(21,521)</b>	(234)
Deferred revenue	<b>5,835</b>	(13,476)
Deposits for conferences and meetings	<b>(104)</b>	760
Deferred rent	<b>(5,129)</b>	(692)
Net cash provided by operating activities	<b>104,339</b>	128,962
Cash flows from investing activities:		
Purchases of property and equipment	<b>(35,287)</b>	(24,048)
Net cash used in investing activities	<b>(35,287)</b>	(24,048)
Net change in cash and cash equivalents	<b>69,052</b>	104,914
Cash and cash equivalents, beginning of year	<b>358,955</b>	254,041
Cash and cash equivalents, end of year	<b>\$ 428,007</b>	\$ 358,955

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

**The Connecticut Society of Certified Public Accountants  
Incorporated and Affiliated Entity  
Notes to the Combined Financial Statements  
As of and for the Years Ended March 31, 2015 and 2014**

**Note 1 - Organizational Structure**

*The Connecticut Society of Certified Public Accountants Incorporated (the Society)* - The Society is 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 Connecticut Society of Certified Public Accountants Educational Trust Fund (the Trust)* - The Trust is 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 of America (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, collectively referred to as the CTCPA. The trustees of the Trust are appointed by the Society president. 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 CTCPA, the accounts of the CTCPA are maintained in net asset categories. Unrestricted net assets represent available resources other than donor-restricted contributions. As of March 31, 2015, there were \$500 in donor-restricted net assets. As of March 31, 2014, there were no net assets that were donor-restricted.

*Net Assets Designated for the Trust* - Amounts represent fundraising efforts of the CTCPA to establish 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, 2015 and 2014, \$34,075 has been designated for this purpose by the Board of Directors.

*Net Assets Designated for Scholarships* - Cumulative net assets attributable to the annual fundraising golf event, which provides scholarships for fifth year accounting students are recognized as net assets designated for scholarships. As of March 31, 2015 and 2014, amounts totaled \$316,518 and \$279,138, respectively. Activity for the years ended March 31, 2015 and 2014, included increases from the golf fundraising of \$25,750 and \$21,424, and \$14,630 and \$21,588 for proportionate investment earnings, respectively. In addition, for both 2015 and 2014, \$3,000 in scholarships were awarded.

*Temporarily Restricted* - Amount represents contributions made whose use by the CTCPA is limited to the granting of scholarships. As of March 31, 2015, amounts totaled \$500. Activity for the year ended March 31, 2015, included an increase from a contribution. There were no temporarily restricted assets as of March 31, 2014.



**The Connecticut Society of Certified Public Accountants  
Incorporated and Affiliated Entity  
Notes to the Combined Financial Statements  
As of and for the Years Ended March 31, 2015 and 2014**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**CPE, Programs and Events** - 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, 2015 and 2014 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 fiscal year are recognized and recorded to unrestricted net assets. As of March 31, 2015, \$500 of contributions received were temporarily restricted. As of March 31, 2014, no contributions received were restricted.

**Donated Services** - The CTCPA 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 CTCPA's programs. For the years ended March 31, 2015 and 2014, 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 CTCPA classifies certain securities with original maturity dates of three months or less from the date of purchase as cash equivalents. The Federal Deposit Insurance Corporation (FDIC) insures cash balances up to \$250,000 per depositor, per bank. During the normal course of business, the CTCPA maintains cash balances in excess of the FDIC insurance limit.

**Investments** - The CTCPA 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 CTCPA's investments at March 31, 2015 and 2014 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.

**Allowance for Doubtful Accounts** - The CTCPA 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, 2015 and 2014, the Company had not recorded an allowance for doubtful accounts.

**The Connecticut Society of Certified Public Accountants**  
**Incorporated and Affiliated Entity**  
**Notes to the Combined Financial Statements**  
**As of and for the Years Ended March 31, 2015 and 2014**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Property and Equipment** - Property and equipment is recorded at cost, net of depreciation. Expenditures for maintenance and repairs are charged to expense as incurred, whereas major betterments are capitalized as additions to property and equipment. Depreciation is computed using the straight line method over the lesser of the lease term or the estimated useful lives. The estimated useful lives of the fixed assets, by asset classifications are as follows:

Furniture and fixtures	5-7 years
Leasehold improvements	10 years
Computer equipment	3-5 years
Software	3-5 years

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

**Income Taxes** - The CTCPA is exempt from federal and state income taxes on exempt functional income. The Society had unrelated business taxable losses of \$25,872 and \$23,962 for the years ended March 31, 2015 and 2014, respectively. There were no federal or state income taxes paid for the years ended March 31, 2015 and 2014.

Although the CTCPA is exempt from federal and state income taxes, the CTCPA 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 CTCPA also accounts for uncertain tax positions in accordance with FASB ASC 740, which addresses 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 recognition 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, 2015 and 2014, the CTCPA did not record any penalties or interest associated with unrecognized tax benefits. All tax years from fiscal year ended March 31, 2012 and subsequent are open with the Internal Revenue Service and subject to review.

**Subsequent Events** - Subsequent events have been evaluated through June 22, 2015, 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.

**The Connecticut Society of Certified Public Accountants  
Incorporated and Affiliated Entity  
Notes to the Combined Financial Statements  
As of and for the Years Ended March 31, 2015 and 2014**

**Note 3 - Investments**

Investments, classified as trading and carried at fair value as of March 31, 2015 and 2014, are as follows:

	<u>2015</u>	<u>2014</u>
Mutual funds	<u>\$ 1,481,593</u>	<u>\$ 1,403,584</u>

Investment gains (losses) are comprised of the following for the years ended March 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Net realized (losses) gains on securities	\$ (1,019)	\$ 2,195
Net unrealized (losses) gains on securities	(13,352)	74,540
Interest and dividends	<u>93,123</u>	<u>50,640</u>
Total investment gains	<u>\$ 78,752</u>	<u>\$ 127,375</u>

**Note 4 - Fair Value Measurements**

The CTCPA reports fair values in accordance with FASB ASC 820 “*Fair Value Measurement and Disclosures*.” FASB ASC 820 provides a framework for measuring fair value. 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 (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 CTCPA 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.

*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 Entity  
Notes to the Combined Financial Statements  
As of and for the Years Ended March 31, 2015 and 2014**

**Note 4 - Fair Value Measurements (continued)**

The CTCPA reports its investments at fair value in accordance with FASB ASC 820 as of March 31, 2015 and 2014 as follows:

	<b>Level 1</b>	
	<b>2015</b>	<b>2014</b>
Money market fund	\$ 63,127	\$ 90,642
Mutual funds:		
Large growth value funds	344,707	313,410
Short term bonds	223,587	183,612
Intermediate term bonds	223,484	193,501
Moderate allocation funds	198,221	147,663
Foreign funds	111,415	108,512
Small value growth funds	96,205	76,618
Mid-cap growth funds	96,116	89,782
Multi sector bonds	92,443	118,783
Market neutral funds	57,934	72,893
Global bond fund	37,481	68,015
Conservative allocation fund	-	30,795
	<b>\$ 1,544,720</b>	<b>\$ 1,494,226</b>

The CTCPA 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, 2015 and 2014.

Securities measured 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 CTCPA maintains a defined contribution retirement plan, which is available to all employees. Employees can make elective deferrals up to Internal Revenue Code limitations. The CTCPA contributes up to a safe harbor amount equal to 3% of participating employees' compensation, which totaled approximately \$32,537 and \$31,498 for the years ended March 31, 2015 and 2014, respectively, and is recorded within management and general expenses on the combined statements of activities and changes in net assets.

**The Connecticut Society of Certified Public Accountants**  
**Incorporated and Affiliated Entity**  
**Notes to the Combined Financial Statements**  
**As of and for the Years Ended March 31, 2015 and 2014**

**Note 5 - Retirement Plan (continued)**

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 \$31,647 and \$31,412 was made for the years ended March 31, 2015 and 2014, respectively, and is recorded within management and general expenses on the combined statements of activities and changes in net assets.

**Note 6 - Property and Equipment**

Property and equipment is comprised of the following as of March 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Furniture and fixtures	\$ 207,944	\$ 206,307
Leasehold improvements	61,885	61,885
Computer equipment	152,698	155,163
Software	184,131	162,884
Less: accumulated depreciation	<u>(468,070)</u>	<u>(422,809)</u>
Total	<u>\$ 138,588</u>	<u>\$ 163,430</u>

**Note 7 - Operating Leases**

The CTCPA 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 CTCPA 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. In 2013, the CTCPA entered into a 63 month lease agreement for office equipment. Payments related to the lease began on August 30, 2013 and extend into October 2018.

As of March 31, 2015, 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:	
2016	\$ 121,418
2017	125,855
2018	126,259
2019	128,510
2020	125,853
Thereafter	<u>10,488</u>
Total	<u>\$ 638,383</u>

Rent expense under leases totaled \$159,456 and \$155,090 for each of the years ended March 31, 2015 and 2014, respectively, and is included in management and general expenses on the combined statements of activities and changes in net assets.

**The Connecticut Society of Certified Public Accountants**  
**Incorporated and Affiliated Entity**  
**Notes to the Combined Financial Statements**  
**As of and for the Years Ended March 31, 2015 and 2014**

**Note 7 - Operating Leases (continued)**

Deferred rent of \$57,164 and \$62,293 as of March 31, 2015 and 2014, 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 for the Trust. As of March 31, 2015, the Trust was owed \$640 from the Society, which has been eliminated in the combined financial statements. As of March 31, 2014, the Society was owed \$10,000 from the Trust, which has been eliminated in the combined financial statements.

The Society donates 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 \$19,780 and \$22,042 for the years ended March 31, 2015 and 2014, respectively, and are eliminated on the combined statements of activities and changes in net assets. In 2015, the Society made an additional one-time donation to the Trust of \$8,080. This donation was eliminated on the combined statements of activities and changes in net assets.

**The Connecticut Society of Certified Public Accountants  
Incorporated and Affiliated Entity  
Supplemental Schedule - Combining Statements of Financial Position  
March 31, 2015**

	<u>Society</u>	<u>Trust</u>	<u>Elimination Entries</u>	<u>Combined</u>
Current assets:				
Cash and cash equivalents	\$ 341,482	\$ 86,525	\$ -	\$ 428,007
Investments, at fair value	860,176	621,417	-	1,481,593
Accounts receivable	6,296	-	-	6,296
Prepaid expenses and other assets	58,753	1,500	-	60,253
Due from affiliate	-	640	(640)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	1,266,707	710,082	(640)	1,976,149
Security deposits	18,294	-	-	18,294
Property and equipment, net	138,588	-	-	138,588
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 1,423,589</u>	<u>\$ 710,082</u>	<u>\$ (640)</u>	<u>\$ 2,133,031</u>
Current liabilities:				
Accounts payable	\$ 3,749	\$ -	\$ -	\$ 3,749
Accrued expenses	133,688	-	-	133,688
Deferred revenue	226,424	-	-	226,424
Deposits for conferences and meetings	20,075	-	-	20,075
Deferred rent, current	5,532	-	-	5,532
Due to affiliate	640	-	(640)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities	390,108	-	(640)	389,468
Deferred rent, long term	51,632	-	-	51,632
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	441,740	-	(640)	441,100
Net assets:				
Unrestricted:				
Undesignated	981,849	358,989	-	1,340,838
Designated for the Trust	-	34,075	-	34,075
Designated for scholarships	-	316,518	-	316,518
Temporarily restricted	-	500	-	500
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	981,849	710,082	-	1,691,931
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 1,423,589</u>	<u>\$ 710,082</u>	<u>\$ (640)</u>	<u>\$ 2,133,031</u>

See independent auditors' report.

**The Connecticut Society of Certified Public Accountants  
Incorporated and Affiliated Entity  
Supplemental Schedule - Combining Statements of Financial Position  
March 31, 2014**

	<u>Society</u>	<u>Trust</u>	<u>Elimination Entries</u>	<u>Combined</u>
Current assets:				
Cash and cash equivalents	\$ 266,055	\$ 92,900	\$ -	\$ 358,955
Investments, at fair value	817,630	585,954	-	1,403,584
Accounts receivable	4,081	-	-	4,081
Prepaid expenses and other assets	40,963	1,750	-	42,713
Due from affiliate	10,000	-	(10,000)	-
	<u>1,138,729</u>	<u>680,604</u>	<u>(10,000)</u>	<u>1,809,333</u>
Total current assets				
Security deposits	18,294	-	-	18,294
Property and equipment, net	163,430	-	-	163,430
	<u>1,320,453</u>	<u>\$ 680,604</u>	<u>\$ (10,000)</u>	<u>\$ 1,991,057</u>
Total assets				
Current liabilities:				
Accounts payable	\$ 2,885	\$ -	\$ -	\$ 2,885
Accrued expenses	155,209	-	-	155,209
Deferred revenue	220,589	-	-	220,589
Deposits for conferences and meetings	20,179	-	-	20,179
Deferred rent, current	5,129	-	-	5,129
Due to affiliate	-	10,000	(10,000)	-
	<u>403,991</u>	<u>10,000</u>	<u>(10,000)</u>	<u>403,991</u>
Total current liabilities				
Deferred rent, long term	57,164	-	-	57,164
	<u>461,155</u>	<u>10,000</u>	<u>(10,000)</u>	<u>461,155</u>
Total liabilities				
Net assets:				
Unrestricted:				
Undesignated	859,298	357,391	-	1,216,689
Designated for the Trust	-	34,075	-	34,075
Designated for scholarships	-	279,138	-	279,138
	<u>859,298</u>	<u>670,604</u>	<u>-</u>	<u>1,529,902</u>
Total net assets				
Total liabilities and net assets	<u>\$ 1,320,453</u>	<u>\$ 680,604</u>	<u>\$ (10,000)</u>	<u>\$ 1,991,057</u>

See independent auditors' report.



**The Connecticut Society of Certified Public Accountants  
Incorporated and Affiliated Entity  
Supplemental Schedule - Combining Statements of Activities and Changes in Net Assets  
For the Year Ended March 31, 2015**

	<u>Society</u>	<u>Trust</u>		<u>Elimination Entries</u>	<u>Combined</u>
		<u>Unrestricted</u>	<u>Temporarily Restricted</u>		
Support and revenue:					
CPE, programs and events	\$ 1,827,716	\$ -	\$ -	\$ -	\$ 1,827,716
Membership dues and fees	1,266,129	-	-	-	1,266,129
Publications	87,321	-	-	-	87,321
Contributions	-	44,469	500	(8,080)	36,889
Investment gains, net	43,293	35,459	-	-	78,752
Other income	3,359	-	-	-	3,359
Fundraising	-	53,005	-	-	53,005
Rental income	42,857	-	-	-	42,857
Donated services	24,255	19,780	-	(19,780)	24,255
<b>Total support and revenue</b>	<b>3,294,930</b>	<b>152,713</b>	<b>500</b>	<b>(27,860)</b>	<b>3,420,283</b>
Expenses:					
Program services:					
CPE, programs and events	1,222,325	5,197	-	-	1,227,522
Membership charges	63,144	-	-	-	63,144
Publications	48,381	-	-	-	48,381
Scholarships and awards	-	61,275	-	-	61,275
Community outreach	25,489	-	-	-	25,489
<b>Total program services</b>	<b>1,359,339</b>	<b>66,472</b>	<b>-</b>	<b>-</b>	<b>1,425,811</b>
Supporting services:					
Management and general	1,813,040	20,009	-	(27,860)	1,805,189
Fundraising	-	27,254	-	-	27,254
<b>Total supporting services</b>	<b>1,813,040</b>	<b>47,263</b>	<b>-</b>	<b>(27,860)</b>	<b>1,832,443</b>
<b>Total expenses</b>	<b>3,172,379</b>	<b>113,735</b>	<b>-</b>	<b>(27,860)</b>	<b>3,258,254</b>
Change in net assets	122,551	38,978	500	-	162,029
Net assets, beginning of year	859,298	670,604	-	-	1,529,902
Net assets, end of year	\$ 981,849	\$ 709,582	\$ 500	\$ -	\$ 1,691,931

See independent auditors' report.

**The Connecticut Society of Certified Public Accountants  
Incorporated and Affiliated Entity  
Supplemental Schedule - Combining Statements of Activities and Changes in Net Assets  
For the Year Ended March 31, 2014**

	<u>Society</u>	<u>Trust</u>	<u>Elimination Entries</u>	<u>Combined</u>
Support and revenue:				
CPE, programs and events	\$ 1,775,422	\$ -	\$ -	<b>\$1,775,422</b>
Membership dues and fees	1,214,148	-	-	<b>1,214,148</b>
Publications	84,850	-	-	<b>84,850</b>
Contributions	-	32,301	-	<b>32,301</b>
Investment gains, net	70,527	56,848	-	<b>127,375</b>
Other income	14,017	-	-	<b>14,017</b>
Fundraising	-	46,610	-	<b>46,610</b>
Rental income	42,916	-	-	<b>42,916</b>
Donated services	19,312	22,042	(22,042)	<b>19,312</b>
Total support and revenue	<u>3,221,192</u>	<u>157,801</u>	<u>(22,042)</u>	<b><u>3,356,951</u></b>
Expenses:				
Program services:				
CPE, programs and events	1,215,408	4,166	-	<b>1,219,574</b>
Membership charges	70,370	-	-	<b>70,370</b>
Publications	56,719	-	-	<b>56,719</b>
Scholarships and awards	-	66,525	-	<b>66,525</b>
Community outreach	29,904	-	-	<b>29,904</b>
Total program services	<u>1,372,401</u>	<u>70,691</u>	<u>-</u>	<b><u>1,443,092</u></b>
Supporting services:				
Management and general	1,766,689	23,242	(22,042)	<b>1,767,889</b>
Fundraising	-	25,186	-	<b>25,186</b>
Total supporting services	<u>1,766,689</u>	<u>48,428</u>	<u>(22,042)</u>	<b><u>1,793,075</u></b>
Total expenses	<u>3,139,090</u>	<u>119,119</u>	<u>(22,042)</u>	<b><u>3,236,167</u></b>
Change in net assets	82,102	38,682	-	<b>120,784</b>
Net assets, beginning of year	<u>777,196</u>	<u>631,922</u>	<u>-</u>	<b><u>1,409,118</u></b>
Net assets, end of year	<u>\$ 859,298</u>	<u>\$ 670,604</u>	<u>\$ -</u>	<b><u>\$1,529,902</u></b>

See independent auditors' report.

**The Connecticut Society of Certified Public Accountants  
Incorporated and Affiliated Entity  
Supplemental Schedule - Combining Statements of Cash Flows  
For the Year Ended March 31, 2015**

	<u>Society</u>	<u>Trust</u>	<u>Elimination Entries</u>	<u>Combined</u>
Cash flows from operating activities:				
Change in net assets	\$ 122,551	\$ 39,478	\$ -	\$ 162,029
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Depreciation expense	60,129	-	-	60,129
Unrealized and realized investment losses, net	8,672	5,699	-	14,371
Purchases of investments	(102,219)	(92,287)	-	(194,506)
Proceeds from sales of investments	51,001	51,125	-	102,126
Changes in operating assets and liabilities:				
Accounts receivable	(2,215)	-	-	(2,215)
Prepaid expenses and other assets	(17,790)	250	-	(17,540)
Accounts payable	864	-	-	864
Accrued expenses	(21,521)	-	-	(21,521)
Deferred revenue	5,835	-	-	5,835
Deposits for conferences and meetings	(104)	-	-	(104)
Deferred rent	(5,129)	-	-	(5,129)
Due from/to affiliate	10,640	(10,640)	-	-
Net cash provided by (used in) operating activities	110,714	(6,375)	-	104,339
Cash flows from investing activities:				
Purchases of property and equipment	(35,287)	-	-	(35,287)
Net cash used in investing activities	(35,287)	-	-	(35,287)
Net change in cash and cash equivalents	75,427	(6,375)	-	69,052
Cash and cash equivalents, beginning of year	266,055	92,900	-	358,955
Cash and cash equivalents, end of year	<u>\$ 341,482</u>	<u>\$ 86,525</u>	<u>\$ -</u>	<u>\$ 428,007</u>

See independent auditors' report.

**The Connecticut Society of Certified Public Accountants  
Incorporated and Affiliated Entity  
Supplemental Schedule - Combining Statements of Cash Flows  
For the Year Ended March 31, 2014**

	<u>Society</u>	<u>Trust</u>	<u>Elimination Entries</u>	<u>Combined</u>
Cash flows from operating activities:				
Change in net assets	\$ 82,102	\$ 38,682	\$ -	\$ 120,784
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation expense	67,862	-	-	67,862
Loss on disposal of fixed assets	1,901	-	-	1,901
Unrealized and realized investment gains, net	(41,430)	(35,305)	-	(76,735)
Purchases of investments	(171,561)	(46,411)	-	(217,972)
Proceeds from sales of investments	141,261	112,401	-	253,662
Changes in operating assets and liabilities:				
Accounts receivable	3,489	-	-	3,489
Prepaid expenses and other assets	(1,727)	-	-	(1,727)
Accounts payable	(8,660)	-	-	(8,660)
Accrued expenses	(234)	-	-	(234)
Deferred revenue	(5,476)	(8,000)	-	(13,476)
Deposits for conferences and meetings	760	-	-	760
Deferred rent	(692)	-	-	(692)
Due from/to affiliate	(10,000)	10,000	-	-
Net cash provided by operating activities	57,595	71,367	-	128,962
Cash flows from investing activities:				
Purchases of property and equipment	(24,048)	-	-	(24,048)
Net cash used in investing activities	(24,048)	-	-	(24,048)
Net change in cash and cash equivalents	33,547	71,367	-	104,914
Cash and cash equivalents, beginning of year	232,508	21,533	-	254,041
Cash and cash equivalents, end of year	<u>\$ 266,055</u>	<u>\$ 92,900</u>	<u>\$ -</u>	<u>\$ 358,955</u>

See independent auditors' report.