

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, 2011 and 2010

**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, 2011 and 2010**

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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, 2011 and 2010, 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, 2011 and 2010, 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 of 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 and results of operations 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 and results of operations 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 consolidated financial statements as a whole.

Saslow Lufkin & Buggy, LLP

September 13, 2011

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Combined Statements of Financial Position
March 31, 2011 and 2010**

	2011	2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 308,419	\$ 360,589
Investments, at fair value	1,215,775	1,052,765
Accounts receivable	11,442	17,341
Prepaid expenses and other assets	67,653	69,530
Total current assets	1,603,289	1,500,225
Property and equipment, net	242,963	243,430
Total assets	\$ 1,846,252	\$ 1,743,655
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 66,468	\$ 73,657
Accrued expenses	228,833	242,333
Deferred revenue	225,365	206,620
Deposits for conferences and meetings	13,451	15,706
Total current liabilities	534,117	538,316
Net assets:		
Unrestricted:		
Undesignated	1,092,586	1,015,032
Designated for the Trust	34,075	34,125
Designated for scholarships	185,474	156,182
Total net assets	1,312,135	1,205,339
Total liabilities and net assets	\$ 1,846,252	\$ 1,743,655

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, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Support and revenue:		
CPE, programs and events	\$ 1,890,807	\$ 1,936,013
Membership dues and fees	1,207,192	1,228,300
Publications	71,630	68,968
Contributions	64,798	65,760
Investment gains, net	108,143	243,610
Other income	23,920	7,611
Fundraising	51,240	48,928
Rental income	34,090	31,950
Donated services	30,212	19,565
	<hr/>	<hr/>
Total support and revenue	3,482,032	3,650,705
Expenses:		
Program services:		
CPE, programs and events	1,364,101	1,282,116
Membership charges	19,723	24,944
Publications	75,605	78,702
Scholarships and awards	72,833	104,106
Community outreach	55,165	79,414
	<hr/>	<hr/>
Total program services	1,587,427	1,569,282
Supporting services:		
Management and general	1,764,267	1,953,807
Fundraising	23,542	27,314
	<hr/>	<hr/>
Total supporting services	1,787,809	1,981,121
	<hr/>	<hr/>
Total expenses	3,375,236	3,550,403
Change in net assets	106,796	100,302
Net assets, beginning of year	1,205,339	1,105,037
	<hr/>	<hr/>
Net assets, end of year	\$ 1,312,135	\$ 1,205,339
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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, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Change in net assets	\$ 106,796	\$ 100,302
Adjustments to reconcile net assets to net cash provided by (used in) operating activities:		
Depreciation expense	67,117	49,414
Unrealized and realized investment gains, net	(72,722)	(225,265)
Purchases of investments	(146,873)	(417,971)
Proceeds from sales and maturities of investments	56,585	110,514
Changes in operating assets and liabilities:		
Accounts receivable	5,899	9,185
Prepaid expenses and other assets	1,877	(3,243)
Accounts payable	(7,189)	13,213
Accrued expenses	(13,500)	65,954
Deferred revenue	18,745	(2,981)
Deposits for conferences and meetings	(2,255)	(4,834)
Net cash provided by (used in) operating activities	<u>14,480</u>	<u>(305,712)</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(66,650)</u>	<u>(201,320)</u>
Net cash used in investing activities	<u>(66,650)</u>	<u>(201,320)</u>
Net change in cash and cash equivalents	<u>(52,170)</u>	<u>(507,032)</u>
Cash and cash equivalents, beginning of year	<u>360,589</u>	<u>867,621</u>
Cash and cash equivalents, end of year	<u><u>\$ 308,419</u></u>	<u><u>\$ 360,589</u></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
For the Years Ended March 31, 2011 and 2010**

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 promotes and sponsors certain educational functions and publications for members of the Society and derives revenue from participant fees. It also administers 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, the Foundation and the Trust, collectively referred to as the CSCPA. The Society and the Foundation have common directors. 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, 2011 and 2010, 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, 2011 and 2010, amounts totaled \$34,075 and \$34,125, respectively, have been set aside for this purpose.

The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Notes to the Combined Financial Statements
For the Years Ended March 31, 2011 and 2010

Note 2 - Summary of Significant Accounting Policies (continued)

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, 2011 and 2010, amounts totaled \$185,474 and \$156,182, respectively. Activity for the years ended March 31, 2011 and 2010, included increases from the golf fundraising of \$27,698 and \$21,614 and decreases of \$15,000 and \$30,000 in 2011 and 2010 for scholarships awarded and \$16,594 and \$26,956 for proportionate investment earnings, respectively.

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, 2011 and 2010, 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 as net assets released from restrictions. Contributions received, whose use is conditioned on the occurrence of a future event are deferred until the condition is substantially met, at which time they are recognized as support.

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, 2011 and 2010, donated services consisted of volunteer speakers for continuing professional education courses and conferences.

Cash and Cash Equivalents - The CSCPA classifies certain securities with original maturity dates of three months or less from the date of original purchase as cash equivalents. Cash and cash equivalents are comprised of cash and money market instruments. In general, the Federal Deposit Insurance Corporation (FDIC) insures cash balances up to \$250,000 per depositor, per bank. The FDIC also provides separate unlimited coverage for deposit accounts that meet the definition of non-interest bearing accounts. Unlimited coverage on non-interest bearing accounts extends until December 31, 2012. The CSCPA may maintain cash deposits in excess of the FDIC insurance limit during the normal course of business. The CSCPA currently maintains its cash deposits with one regional bank. It is the Company's policy to monitor the financial strength of the bank on an ongoing basis.

Money market funds are not insured by the FDIC and are not a risk-free investment. Money market funds invest in a variety of instruments including mortgage-backed and asset-backed securities. Although a money market fund seeks to preserve its \$1 per share value, it is possible that a money market fund's value can decrease below \$1 per share.

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Notes to the Combined Financial Statements
For the Years Ended March 31, 2011 and 2010**

Note 2 - Summary of Significant Accounting Policies (continued)

Investments - The CSCPA accounts for its investments in mutual fund securities in accordance with FASB ASC 320, “*Investments - Debt and Equity Securities.*” All of the Company’s investments at March 31, 2011 and 2010, 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 during the year in which they occur.

Fair Value Measurements - The CSCPA measures 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 Company 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 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.

New Accounting Pronouncements - In January 2010, the FASB issued FASB Accounting Standards Update (ASU) 2010-06, which clarifies certain existing fair value measurement disclosure requirements of FASB ASC 820 and also requires additional fair value measurement disclosures. FASB ASU 2010-06 requires fair value measurement disclosures for each class of assets and liabilities by level of disaggregation, disclosures about inputs and valuation techniques used to determine the fair value for each class of assets and liabilities and disclosures of significant transfers in and out of Level 1 and Level 2 investments. These disclosures are effective for interim and annual periods beginning after December 15, 2009. The new disclosures also require Level 3 activity regarding purchases, sales, issuances and settlements to be presented separately on a gross versus net basis. The disclosures of Level 3 activity on a gross basis are effective for fiscal years beginning after December 15, 2010. Changes in FASB ASC 820 disclosures required by FASB ASU 2010-06 have been presented in the current year only in accordance with FASB ASU 2010-06 transition guidance. Disclosures will be presented in comparative form in subsequent periods.

Accounts Receivable - The CSCPA provides for estimated losses on accounts receivable based upon a collectability review on the existing receivables. The CSCPA has not recorded an allowance for losses on accounts receivable, as all accounts receivable are considered collectible.

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Notes to the Combined Financial Statements
For the Years Ended March 31, 2011 and 2010**

Note 2 - Summary of Significant Accounting Policies (continued)

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. 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 \$15,154 and \$0 for the years ended March 31, 2011 and 2010, respectively. The Foundation had unrelated business taxable income of \$0 and \$6,806 for the years ended March 31, 2011 and 2010, respectively, which were offset entirely by federal net operating loss carryforwards. Federal and state income taxes incurred on this income were \$3,800 and \$510 for the years ended March 31, 2011 and 2010, respectively, which has been included within management and general expenses in the combined statements of activities.

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.

FASB ASC 740, also clarifies the accounting for uncertainty in income taxes recognized in financial statements. FASB ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a company's tax position taken or expected to be taken in a tax return. FASB ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The adoption of FASB ASC 740 did not have any impact on the accompanying combined financial statements, as the CSCPA does not believe that it has any uncertain tax positions. All tax years from fiscal year ended March 31, 2007 and subsequent are open with the Internal Revenue Service and subject to review.

Reclassifications - Certain reclassifications to the 2010 combined financial statements have been made in order to conform to the 2011 presentation. These reclassifications are not material to the audited combined financial statements.

Subsequent Events - Subsequent events have been evaluated through September 13, 2011, which is the date the financial statements were available to be issued. Management believes there are no subsequent events having a material impact on the financial statements.

Note 3 - Investments

Investments, classified as trading and carried at fair value as of March 31, 2011 and 2010, are as follows:

	2011	2010
Mutual funds	\$ 1,215,775	\$ 1,052,765

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Notes to the Combined Financial Statements
For the Years Ended March 31, 2011 and 2010**

Note 3 - Investments (continued)

Investment gains (losses) are comprised of the following for the years ended March 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Realized (losses) gains on securities	\$ (9,394)	\$ 198
Unrealized gains on securities	82,116	225,067
Interest and dividends	<u>35,421</u>	<u>18,345</u>
Total investment gains	<u>\$ 108,143</u>	<u>\$ 243,610</u>

Money market funds and mutual fund securities held by the CSCPA at March 31, 2011 and 2010 are recorded at fair value in accordance with FASB ASC 820 as further described in Note 2. The CSCPA measures fair value of these securities at March 31, 2011 as follows:

	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Observable Inputs (Level 2)</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	126,820	-
Global bond funds	35,801	-
Muni short bonds	16,233	-
Ultra short bonds	64,966	-
Inflation protected bond	37,040	-
Large growth/value funds	283,911	-
Foreign large blend/growth funds	43,704	-
Small value/growth funds	53,952	-
Mid-cap growth funds	58,477	-
Market neutral funds	60,762	-
Foreign small value funds	24,631	-
Moderate allocation funds	105,931	-
World stock fund	<u>10,280</u>	<u>-</u>
	<u>\$ 1,215,775</u>	<u>\$ 34,650</u>

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Notes to the Combined Financial Statements
For the Years Ended March 31, 2011 and 2010**

Note 3 - Investments (continued)

The CSCPA measures fair value of these securities at March 31, 2010 as follows:

	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)
Money market funds	\$ -	\$ 89,852
Mutual funds	1,052,765	-
	\$ 1,052,765	\$ 89,852

The fair value measurement level selected within the fair value hierarchy discussed above is based on using the lowest level of input that is significant to the fair value measurement. There were no transfers between fair value hierarchy Level 1 and Level 2 for any invested assets recorded at fair value during 2011. The valuation techniques used by the Company maximize the use of observable inputs and minimize the use of unobservable inputs.

Mutual funds valued using Level 1 inputs were recorded using fair values based on observable quoted market prices from national securities exchanges. Securities valued using Level 2 inputs are priced based on the following valuation methodologies as of March 31, 2011:

Money Market Funds: Valued based on the underlying investments defined sector, benchmark yields, yield to maturity, and adjustments related to corporate or federal actions. In addition to the standard inputs described above, certain underlying investments are valued using vendor trading platform data.

Note 4 - 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 employee's compensation, which totaled approximately \$32,592 and \$31,228 for the years ended March 31, 2011 and 2010, 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 \$30,230 and \$31,228 was made for the years ended March 31, 2011 and 2010, respectively.

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Notes to the Combined Financial Statements
For the Years Ended March 31, 2011 and 2010**

Note 5 - Property and Equipment

Property and equipment is comprised of the following as of March 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Furniture and equipment	\$ 628,131	\$ 566,856
Less: accumulated depreciation	<u>(385,168)</u>	<u>(323,426)</u>
Total	<u>\$ 242,963</u>	<u>\$ 243,430</u>

Note 6 - 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 to relocate office and training space. Payments related to the new lease begin on May 1, 2010 and extend into April 2020.

As of March 31, 2011, 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:	
2012	\$ 108,767
2013	110,928
2014	111,332
2015	115,768
2016	116,172
Thereafter	<u>503,412</u>
Total	<u>\$ 1,066,379</u>

Rent expense under leases totaled \$156,071 and \$197,055 for each of the years ended March 31, 2011 and 2010, respectively.

Deferred rent payable of \$59,123 and \$41,753 at March 31, 2011 and 2010, 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 accrued expenses in the accompanying combined statements of financial position.

Note 7 - Related Party Transactions

During the normal course of business, various invoices and amounts of shared expenses are paid by either the Society or the Foundation. As of March 31, 2011 and 2010, the Society was owed \$0 and \$275,956, respectively, from the Foundation related to these shared expenses. The Trust was owed \$7,704 from the Society as of March 31, 2011.

**The Connecticut Society of Certified Public Accountants
Incorporated and Affiliated Entities
Notes to the Combined Financial Statements
For the Years Ended March 31, 2011 and 2010**

Note 7 - Related Party Transactions (continued)

Stated within the bylaws of the Society and the Foundation are provisions that the Foundation is allocated administrative expenses from the Society up to an amount that is 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 are 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 and \$625,271 for the years ended March 31, 2011 and 2010, respectively.

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 \$30,187 for the year ended March 31, 2011 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, 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	67,403	-	250	-	67,653
Due from affiliates	-	-	7,704	(7,704)	-
	<u>988,578</u>	<u>-</u>	<u>622,415</u>	<u>(7,704)</u>	<u>1,603,289</u>
Total current assets					
Property and equipment, net	<u>242,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,963</u>
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	228,833	-	-	-	228,833
Deferred revenue	225,365	-	-	-	225,365
Deposits for conferences and meetings	13,451	-	-	-	13,451
Due to affiliates	7,704	-	-	(7,704)	-
	<u>519,155</u>	<u>-</u>	<u>22,666</u>	<u>(7,704)</u>	<u>534,117</u>
Total current liabilities					
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
	<u>712,386</u>	<u>-</u>	<u>599,749</u>	<u>-</u>	<u>1,312,135</u>
Total net assets					
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 Financial Position
March 31, 2010**

	<u>Society</u>	<u>Foundation</u>	<u>Trust</u>	<u>Elimination Entries</u>	<u>Combined</u>
Current assets:					
Cash and cash equivalents	\$ 118,324	\$ 125,085	\$ 117,180	\$ -	\$ 360,589
Investments, at fair value	585,613	-	467,152	-	1,052,765
Accounts receivable	2,710	7,131	7,500	-	17,341
Prepaid expenses and other assets	40,919	28,486	125	-	69,530
Due from affiliates	283,013	-	-	(283,013)	-
	<u>1,030,579</u>	<u>160,702</u>	<u>591,957</u>	<u>(283,013)</u>	<u>1,500,225</u>
Property and equipment, net	<u>92,589</u>	<u>150,841</u>	<u>-</u>	<u>-</u>	<u>243,430</u>
Total assets	<u>\$ 1,123,168</u>	<u>\$ 311,543</u>	<u>\$ 591,957</u>	<u>\$ (283,013)</u>	<u>\$ 1,743,655</u>
Current liabilities:					
Accounts payable	\$ 8,940	\$ 16,994	\$ 47,723	\$ -	\$ 73,657
Accrued expenses	242,333	-	-	-	242,333
Deferred revenue	204,033	2,587	-	-	206,620
Deposits for conferences and meetings	-	15,706	-	-	15,706
Due to affiliates	-	275,956	7,057	(283,013)	-
	<u>455,306</u>	<u>311,243</u>	<u>54,780</u>	<u>(283,013)</u>	<u>538,316</u>
Net assets:					
Unrestricted:					
Undesignated	667,862	300	346,870	-	1,015,032
Designated for the Trust	-	-	34,125	-	34,125
Designated for scholarships	-	-	156,182	-	156,182
	<u>667,862</u>	<u>300</u>	<u>537,177</u>	<u>-</u>	<u>1,205,339</u>
Total liabilities and net assets	<u>\$ 1,123,168</u>	<u>\$ 311,543</u>	<u>\$ 591,957</u>	<u>\$ (283,013)</u>	<u>\$ 1,743,655</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	1,207,192	-	-	-	1,207,192
Publications	-	71,630	-	-	71,630
Contributions	-	-	64,798	-	64,798
Investment gains, net	58,143	318	49,682	-	108,143
Other income	20,165	3,755	-	-	23,920
Fundraising	-	-	51,240	-	51,240
Rental income	-	34,090	-	-	34,090
Donated services	-	30,212	30,187	(30,187)	30,212
Total support and revenue	1,291,942	2,024,370	195,907	(30,187)	3,482,032
Expenses:					
Program services:					
CPE, programs and events	59,560	1,300,312	4,229	-	1,364,101
Membership charges	19,723	-	-	-	19,723
Publications	-	75,605	-	-	75,605
Scholarships and awards	-	-	72,833	-	72,833
Community outreach	55,165	-	-	-	55,165
Total program services	134,448	1,375,917	77,062	-	1,587,427
Supporting services:					
Management and general	1,666,082	95,641	32,731	(30,187)	1,764,267
Fundraising	-	-	23,542	-	23,542
Total supporting services	1,666,082	95,641	56,273	(30,187)	1,787,809
Administrative expenses allocated between affiliates	(552,812)	552,812	-	-	-
Total expenses	1,247,718	2,024,370	133,335	(30,187)	3,375,236
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 to/(from) entities	300	(300)	-	-	-
Net assets, end of year	<u>\$ 712,386</u>	<u>\$ -</u>	<u>\$ 599,749</u>	<u>\$ -</u>	<u>\$ 1,312,135</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, 2010**

	<u>Society</u>	<u>Foundation</u>	<u>Trust</u>	<u>Elimination Entries</u>	<u>Combined</u>
Support and revenue:					
CPE, programs and events	\$ 7,760	\$1,928,253	\$ -	\$ -	\$1,936,013
Membership dues and fees	1,228,300	-	-	-	1,228,300
Publications	-	68,968	-	-	68,968
Contributions	-	-	65,760	-	65,760
Investment gains, net	151,390	532	91,688	-	243,610
Other income	7,611	-	-	-	7,611
Fundraising	-	-	48,928	-	48,928
Rental income	-	31,950	-	-	31,950
Donated services	-	19,565	-	-	19,565
Total support and revenue	1,395,061	2,049,268	206,376	-	3,650,705
Expenses:					
Program services:					
CPE, programs and events	47,087	1,235,029	-	-	1,282,116
Membership charges	24,944	-	-	-	24,944
Publications	-	78,702	-	-	78,702
Scholarships and awards	-	-	104,106	-	104,106
Community outreach	79,414	-	-	-	79,414
Total program services	151,445	1,313,731	104,106	-	1,569,282
Supporting services:					
Management and general	1,837,654	110,266	5,887	-	1,953,807
Fundraising	-	-	27,314	-	27,314
Total supporting services	1,837,654	110,266	33,201	-	1,981,121
Administrative expenses allocated between affiliates	<u>(625,271)</u>	<u>625,271</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>1,363,828</u>	<u>2,049,268</u>	<u>137,307</u>	<u>-</u>	<u>3,550,403</u>
Change in net assets	31,233	-	69,069	-	100,302
Net assets, beginning of year	<u>636,629</u>	<u>300</u>	<u>468,108</u>	<u>-</u>	<u>1,105,037</u>
Net assets, end of year	<u>\$ 667,862</u>	<u>\$ 300</u>	<u>\$ 537,177</u>	<u>\$ -</u>	<u>\$1,205,339</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 (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	-	5,899
Prepaid expenses and other assets	(26,484)	28,486	(125)	-	1,877
Due from affiliate	283,013	-	(7,704)	(275,309)	-
Accounts payable	34,862	(16,994)	(25,057)	-	(7,189)
Accrued expenses	(13,500)	-	-	-	(13,500)
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	-
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	122,153	(125,085)	(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	\$ 240,477	\$ -	\$ 67,942	\$ -	\$ 308,419

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, 2010**

	<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	\$ 31,233	\$ -	\$ 69,069	\$ -	\$ 100,302
Adjustments to reconcile the change in net assets to net cash (used in) provided by operating activities:					
Depreciation expense	10,457	38,957	-	-	49,414
Unrealized and realized investment losses, net	(138,701)	-	(86,564)	-	(225,265)
Purchases of investments	(183,682)	-	(234,289)	-	(417,971)
Proceeds from sales and maturities of investments	106,397	-	4,117	-	110,514
Changes in operating assets and liabilities:					
Accounts receivable	1,544	973	14,165	(7,497)	9,185
Prepaid expenses and other assets	15,081	(18,324)	-	-	(3,243)
Due from affiliate	(99,170)	-	-	99,170	-
Accounts payable	(1,756)	16,581	(9,109)	7,497	13,213
Accrued expenses	65,954	-	-	-	65,954
Deferred revenue	2,129	(5,110)	-	-	(2,981)
Deposits for conferences and meetings	-	(4,834)	-	-	(4,834)
Due to affiliate	-	92,113	7,057	(99,170)	-
Net cash (used in) provided by operating activities	(190,514)	120,356	(235,554)	-	(305,712)
Cash flows from investing activities:					
Purchases of property and equipment	(94,561)	(106,759)	-	-	(201,320)
Net cash used in investing activities	(94,561)	(106,759)	-	-	(201,320)
Net change in cash and cash equivalents	(285,075)	13,597	(235,554)	-	(507,032)
Cash and cash equivalents, beginning of year	403,399	111,686	352,536	-	867,621
Cash and cash equivalents, end of year	<u>\$ 118,324</u>	<u>\$ 125,283</u>	<u>\$ 116,982</u>	<u>\$ -</u>	<u>\$ 360,589</u>

See independent auditors' report.