

**THE CONNECTICUT SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS INCORPORATED AND
AFFILIATED ENTITY**

**COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES**

March 31, 2019 and 2018

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
INCORPORATED AND AFFILIATED ENTITY

COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES
March 31, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Combined Financial Statements

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, 2019 and 2018, and the related combined statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined 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.

Auditor's 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 audit to obtain reasonable assurance about whether the combined financial statements are free from 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 auditor's 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 entity'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 entity'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.

(Continued)

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, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the combined financial statements, the CTCPA has adopted ASU 2016-14 – *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statements of financial position as of March 31, 2019 and 2018, the combining statements of activities and changes in net assets, combining statements of functional expenses and the combining statements of cash flows for the years ended March 31, 2019 and 2018 are presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, changes in net assets, functional expenses and cash flows of the individual entities, and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The combined 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 combining information is fairly stated in all material respects in relation to the combined financial statements as a whole.

CROWE LLP

Crowe LLP

Simsbury, Connecticut
December 13, 2019

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
 INCORPORATED AND AFFILIATED ENTITY
 COMBINED STATEMENTS OF FINANCIAL POSITION
 March 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 549,301	\$ 345,045
Investments, at fair value	1,608,708	1,754,298
Accounts receivable	43,802	12,828
Prepaid expenses and other assets	<u>67,699</u>	<u>55,429</u>
Total current assets	2,269,510	2,167,600
Security deposits	18,294	18,294
Property and equipment, net	<u>47,379</u>	<u>60,319</u>
Total assets	<u>\$ 2,335,183</u>	<u>\$ 2,246,213</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 46,212	\$ 33,968
Accrued expenses	95,637	111,800
Deferred revenue	200,717	196,907
Deposits for conferences and meetings	36,258	36,233
Deferred rent, current	<u>15,213</u>	<u>10,373</u>
Total current liabilities	394,037	389,281
Deferred rent, long term	<u>1,268</u>	<u>20,918</u>
Total liabilities	395,305	410,199
Net assets		
Without donor restrictions	1,920,378	1,834,414
With donor restrictions	<u>19,500</u>	<u>1,600</u>
Total net assets	<u>1,939,878</u>	<u>1,836,014</u>
Total liabilities and net assets	<u>\$ 2,335,183</u>	<u>\$ 2,246,213</u>

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
 Years Ended March 31, 2019 and 2018

	2019		Total	2018
	Without Donor Restrictions	With Donor Restrictions		
Support and revenue				
Professional development and associated revenue	\$ 1,524,513	\$ -	\$ 1,524,513	\$ 1,482,196
Membership dues and fees	1,139,272	-	1,139,272	1,181,201
Peer review	134,221	-	134,221	146,179
Website and publications	91,374	-	91,374	106,789
Contributions	47,173	19,500	66,673	27,687
Investment income, net	75,878	-	75,878	135,027
Other income	12,978	-	12,978	18,727
Fundraising	46,770	-	46,770	51,364
Rental income	-	-	-	62,436
Donated services	20,002	-	20,002	24,013
Released from restriction	<u>1,600</u>	<u>(1,600)</u>	<u>-</u>	<u>-</u>
Total support and revenue	3,093,781	17,900	3,111,681	3,235,619
Expenses				
Program services				
Professional development	1,294,742	-	1,294,742	1,264,531
Membership charges	596,331	-	596,331	707,779
Peer review	222,796	-	222,796	126,459
Publications and website	172,601	-	172,601	191,464
Advocacy	186,184	-	186,184	209,327
Scholarships and awards	<u>50,449</u>	<u>-</u>	<u>50,449</u>	<u>48,978</u>
Total program services	2,523,103	-	2,523,103	2,548,538
Supporting services				
Management and general	464,278	-	464,278	512,738
Fundraising	<u>20,436</u>	<u>-</u>	<u>20,436</u>	<u>23,310</u>
Total supporting services	<u>484,714</u>	<u>-</u>	<u>484,714</u>	<u>536,048</u>
Total expenses	<u>3,007,817</u>	<u>-</u>	<u>3,007,817</u>	<u>3,084,586</u>
Change in net assets	85,964	17,900	103,864	151,033
Net assets, beginning of year	<u>1,834,414</u>	<u>1,600</u>	<u>1,836,014</u>	<u>1,684,981</u>
Net assets, end of year	<u>\$ 1,920,378</u>	<u>\$ 19,500</u>	<u>\$ 1,939,878</u>	<u>\$ 1,836,014</u>

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 (CONTINUED)
 Year Ended March 31, 2018

	2018		<u>Total</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	
Support and revenue			
Professional development and associated revenue	\$ 1,482,196	\$ -	\$ 1,482,196
Membership dues and fees	1,181,201	-	1,181,201
Peer review	146,179	-	146,179
Website and publications	106,789	-	106,789
Contributions	26,087	1,600	27,687
Investment income, net	135,027	-	135,027
Other income	18,727	-	18,727
Fundraising	51,364	-	51,364
Rental income	62,436	-	62,436
Donated services	24,013	-	24,013
Released from restriction	<u>2,500</u>	<u>(2,500)</u>	<u>-</u>
Total support and revenue	3,236,519	(900)	3,235,619
Expenses			
Program services			
Professional development	1,264,531	-	1,264,531
Membership charges	707,779	-	707,779
Peer review	126,459	-	126,459
Publications and website	191,464	-	191,464
Advocacy	209,327	-	209,327
Scholarships and awards	<u>48,978</u>	<u>-</u>	<u>48,978</u>
Total program services	2,548,538	-	2,548,538
Supporting services			
Management and general	512,738	-	512,738
Fundraising	<u>23,310</u>	<u>-</u>	<u>23,310</u>
Total supporting services	<u>536,048</u>	<u>-</u>	<u>536,048</u>
Total expenses	<u>3,084,586</u>	<u>-</u>	<u>3,084,586</u>
Change in net assets	151,933	(900)	151,033
Net assets, beginning of year	<u>1,682,481</u>	<u>2,500</u>	<u>1,684,981</u>
Net assets, end of year	<u>\$ 1,834,414</u>	<u>\$ 1,600</u>	<u>\$ 1,836,014</u>

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 FUNCTIONAL EXPENSES
 Years Ended March 31, 2019

	Program Services							Supporting Services			Total Expenses
	Professional Development	Membership	Peer Review	Website and Publications	Advocacy	Scholarships	Program Subtotal	Management and General	Fundraising	Supporting Subtotal	
Salary, benefits and taxes	\$ 250,018	\$ 389,315	\$ 144,777	\$ 108,713	\$ 97,602	\$ -	\$ 990,425	\$ 384,803	\$ -	\$ 384,803	\$ 1,375,228
Event, educational direct expenses	564,584	6,229	-	328	-	-	571,141	-	-	-	571,141
Occupancy	135,307	42,169	16,167	12,136	10,617	-	216,396	41,801	-	41,801	258,197
Food	146,053	35,275	-	-	-	2,352	183,680	-	-	-	183,680
Printing and postage	61,939	8,056	950	35,245	619	-	106,809	2,438	13	2,451	109,260
Scholarships, grants and awards	-	-	-	-	-	47,375	47,375	-	-	-	47,375
Facilities and equipment rental	63,193	15,048	-	-	-	-	78,241	-	-	-	78,241
Credit card fees	32,074	25,612	2,873	1,286	-	558	62,403	1,116	558	1,674	64,077
Travel, meals and education	5,751	17,020	9,594	831	7,787	-	40,983	10,962	201	11,163	52,146
Depreciation	7,275	12,820	4,915	3,689	3,228	-	31,927	12,707	-	12,707	44,634
Office supplies	11,702	10,356	2,217	1,755	1,456	164	27,650	7,196	-	7,196	34,846
Fundraising	-	-	-	-	-	-	-	-	19,664	19,664	19,664
Consultants	-	2,200	29,151	-	56,865	-	88,216	17,124	-	17,124	105,340
Computer	16,520	29,112	11,161	8,378	7,329	-	72,500	32,670	-	32,670	105,170
Other	326	3,119	991	240	681	-	5,357	11,995	-	11,995	17,352
Combined totals before eliminations	<u>1,294,742</u>	<u>596,331</u>	<u>222,796</u>	<u>172,601</u>	<u>186,184</u>	<u>50,449</u>	<u>2,523,103</u>	<u>522,812</u>	<u>20,436</u>	<u>543,248</u>	<u>3,066,351</u>
Eliminations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58,534)</u>	<u>-</u>	<u>(58,534)</u>	<u>(58,534)</u>
Combined totals after eliminations	<u>\$ 1,294,742</u>	<u>\$ 596,331</u>	<u>\$ 222,796</u>	<u>\$ 172,601</u>	<u>\$ 186,184</u>	<u>\$ 50,449</u>	<u>\$ 2,523,103</u>	<u>\$ 464,278</u>	<u>\$ 20,436</u>	<u>\$ 484,714</u>	<u>\$ 3,007,817</u>

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 FUNCTIONAL EXPENSES
 Years Ended March 31, 2018

	Program Services							Supporting Services			Total Expenses
	Professional Development	Membership	Peer Review	Website and Publications	Advocacy	Scholarships	Program Subtotal	Management and General	Fundraising	Supporting Subtotal	
Salary, benefits and taxes	\$ 236,414	\$ 454,782	\$ 76,734	\$ 104,075	\$ 107,572	\$ -	\$ 979,577	\$ 381,577	\$ -	\$ 381,577	\$ 1,361,154
Event, educational direct expenses	619,437	9,549	169	-	-	1,840	630,995	-	-	-	630,995
Occupancy	44,423	83,063	14,015	19,008	19,647	-	180,156	69,741	-	69,741	249,897
Food	149,874	26,503	-	-	-	-	176,377	1,877	-	1,877	178,254
Printing and postage	73,549	7,789	-	48,051	6,937	24	136,350	-	10	10	136,360
Scholarships, grants and awards	-	-	-	-	-	46,500	46,500	-	-	-	46,500
Facilities and equipment rental	58,172	15,098	-	-	-	-	73,270	-	-	-	73,270
Credit card fees	31,743	25,111	3,049	2,227	-	614	62,744	1,228	920	2,148	64,892
Travel, meals and education	8,601	16,545	3,033	3,820	3,914	-	35,913	13,883	146	14,029	49,942
Depreciation	7,325	14,092	2,378	3,225	3,333	-	30,353	11,823	-	11,823	42,176
Office supplies	13,042	10,019	982	1,394	1,697	-	27,134	4,885	-	4,885	32,019
Fundraising	-	-	-	-	-	-	-	-	22,234	22,234	22,234
Consultants	-	3,000	18,975	-	56,239	-	78,214	18,946	-	18,946	97,160
Computer	21,079	40,550	6,842	9,280	9,591	-	87,342	34,023	-	34,023	121,365
Other	872	1,678	282	384	397	-	3,613	11,458	-	11,458	15,071
Combined totals before eliminations	<u>1,264,531</u>	<u>707,779</u>	<u>126,459</u>	<u>191,464</u>	<u>209,327</u>	<u>48,978</u>	<u>2,548,538</u>	<u>549,441</u>	<u>23,310</u>	<u>572,751</u>	<u>3,121,289</u>
Eliminations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,703)</u>	<u>-</u>	<u>(36,703)</u>	<u>(36,703)</u>
Combined totals after eliminations	<u>\$ 1,264,531</u>	<u>\$ 707,779</u>	<u>\$ 126,459</u>	<u>\$ 191,464</u>	<u>\$ 209,327</u>	<u>\$ 48,978</u>	<u>\$ 2,548,538</u>	<u>\$ 512,738</u>	<u>\$ 23,310</u>	<u>\$ 536,048</u>	<u>\$ 3,084,586</u>

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
 Years Ended March 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ 103,864	\$ 151,033
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	43,150	41,372
Unrealized and realized investment gains, net	34,600	(45,417)
Changes in operating assets and liabilities		
Accounts receivable	(30,974)	3,767
Prepaid expenses and other assets	(12,270)	(9,198)
Accounts payable	12,244	25,368
Accrued expenses	(16,163)	(14,213)
Deferred revenue	3,810	(6,444)
Deposits for conferences and meetings	25	2,890
Deferred rent	<u>(14,810)</u>	<u>(10,372)</u>
Net cash provided by operating activities	123,476	138,786
Cash flows from investing activities		
Purchases of investments	(137,047)	(89,077)
Proceeds from sales of investments	248,037	37,624
Purchases of property and equipment	<u>(30,210)</u>	<u>(5,547)</u>
Net cash provided by (used in) investing activities	<u>80,780</u>	<u>(57,000)</u>
Net change in cash and cash equivalents	204,256	81,786
Cash and cash equivalents, beginning of year	<u>345,045</u>	<u>263,259</u>
Cash and cash equivalents, end of year	<u>\$ 549,301</u>	<u>\$ 345,045</u>

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
 March 31, 2019 and 2018

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 Accounting Scholarship Foundation (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.

Financial Statement Presentation: The combined financial statements report the changes in and totals of each net asset class based on the existence of donor restrictions. Net assets are classified as net assets without donor restrictions or net assets with donor restrictions.

Net assets without donor restrictions are net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the CTCPA.

Net assets with donor restrictions are net assets subject to donor imposed restrictions. Some donor restrictions are temporary in nature and will be met by actions of the CTCPA or by the passage of time. Net assets with donor restrictions as of March 31, 2019 and 2018 are available for the following activities:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:		
Scholarship	\$ -	\$ 1,600
Contributions by donors for legislative items	<u>19,500</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 19,500</u>	<u>\$ 1,600</u>

Revenue from Professional Development: Revenue from professional development fees, which include conferences and continuing education, 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.

(Continued)

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
INCORPORATED AND AFFILIATED ENTITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS
March 31, 2019 and 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2019 and 2018 are recorded as deferred revenue within the combined statements of financial position.

Contributions: Contributions are defined as voluntary, nonreciprocal transfers. Unconditional contributions are recognized as support when received or pledged, if applicable. Conditional contributions are reported as net assets with donor restrictions 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities and changes in net assets as net assets released from restriction. 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 net assets without donor restrictions. As of March 31, 2019 and 2018, \$19,500 and \$1,600 of contributions received were net assets with donor restrictions.

Donated Services: The CTCPA recognizes donated services at their estimated fair 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, 2019 and 2018, donated services consisted of volunteer speakers for continuing professional education courses and membership meetings.

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, 2019 and 2018 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 statements 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, 2019 and 2018, the Company had not recorded an allowance for doubtful accounts as management believes all amounts are fully collectible.

(Continued)

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
INCORPORATED AND AFFILIATED ENTITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS
March 31, 2019 and 2018

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 or remaining lease period
Computer equipment and 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 recognized by the Internal Revenue Service as tax exempt under 501(c)(6) of the Internal Revenue Code. Accordingly, the entities will not incur any liability for federal income taxes except for tax on unrelated business income. The CTCPA has a federal and state income net operating loss and "NOL" carryforward related to its advertising business. For the year ended March 31, 2019, federal NOL carryforward was \$86,497 and the state NOL carryforward was \$87,614. Such NOL carryforwards expire from 2033 to 2038. The CTCPA does not believe that it has any uncertain tax positions.

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. The CTCPA does not have any uncertain tax positions as of March 31, 2019 and 2018. As of March 31, 2019 and 2018, the CTCPA did not record any penalties or interest associated with unrecognized tax benefits. The CTCPA would recognize interest and/or penalties related to income tax matters in income tax expense. All tax years from fiscal year ended March 31, 2016 and subsequent are open with the Internal Revenue Service and subject to review.

(Continued)

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
INCORPORATED AND AFFILIATED ENTITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS
March 31, 2019 and 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Guidance: In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, "*Revenue from Contracts with Customers: Topic 606*" (ASU 2014-09). ASU 2014-09 affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards (e.g., insurance contracts or lease contracts). ASU 2014-09 will supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry-specific guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in ASU 2014-09 are effective retrospectively for fiscal years beginning after December 15, 2018. The CTCPA does not believe that this ASU will have a material impact on its combined excess of revenues over expenses or net assets.

During January 2016, the FASB issued ASU 2016-01, "*Recognition and Measurement of Financial Assets and Financial Liabilities*" (ASU 2016-01). ASU 2016-01 requires the CTCPA to ensure equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) at fair value with changes in fair value recognized in excess of revenues over expenses. Furthermore, to the extent CTCPA holds any equity investments without a readily determinable fair value, ASU 2016-01 allows for the election to estimate fair value at cost with assessment criteria for impairment plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. CTCPA does not hold any equity investments, which do not have a readily determinable fair value. ASU 2016-01 is effective for CTCPA for fiscal years beginning after December 15, 2018. Adoption of this standard requires a modified retrospective transition adjustment as of the beginning of the period of adoption related to equity instruments with readily determinable fair values, not accounted for under other guidance. CTCPA does not believe that this ASU will have a material impact on its combined statements of operations and changes in net assets.

In August 2016, the FASB issued ASU 2016-14, "*Presentation of Financial Statements of Not-for-Profit Entities*" (ASU 2016-14). ASU 2016-14 changes the way all not-for-profits classify net assets and prepare financial statements. As a result of the new standard, the three classes of net assets (unrestricted temporarily restricted, and permanently restricted) become two: Net assets without donor restrictions and net assets with donor restrictions.

As part of the change in classification of net assets, endowments that have a current fair value that is less than the original gift amount (or amount required to be retained by donor or by law), known as "underwater" endowments, are now classified in net assets with donor restrictions, instead of the current classification in unrestricted net assets. Enhanced disclosure requirements are required on the amount and purposes of board-designated net assets. As of March 31, 2019 and 2018, CTCPA has not established an endowment.

Quantitative and qualitative information about liquidity is also required for the purpose of providing financial statement users with an understanding of an entity's exposure risks, as well as how an entity manages its liquidity risk, and information about the availability of assets to meet cash needs for general expenditures within one year of the balance sheet date. An analysis of expenses by both function and natural classification is required for all not-for-profits on a separate statement, on the face of the statement of activities, or in the footnotes. ASU 2016-14 was effective for annual financial statements issued for fiscal years beginning after December 15, 2017. CTCPA adopted ASU 2016-14 as of April 1, 2018.

Reclassification: Certain prior year amounts related to net assets and expenses have been reclassified to conform to the current year presentation, as a result of the CTCPA's adoption of ASU 2016-14.

(Continued)

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
INCORPORATED AND AFFILIATED ENTITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS
March 31, 2019 and 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events: Subsequent events have been evaluated through December 13, 2019, which is the date the combined financial statements were available to be issued.

NOTE 3 - INVESTMENTS

Investments, classified as trading and carried at fair value as of March 31, 2019 and 2018, are as follows:

	<u>2019</u>	<u>2018</u>
Mutual funds	\$ <u>1,608,708</u>	\$ <u>1,754,298</u>

Investment income is comprised of the following for the years ended March 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Net realized gains on securities	\$ 63,987	\$ 19,863
Net unrealized gains on securities	(98,587)	25,554
Interest and dividends	<u>110,478</u>	<u>89,610</u>
Total investment income, net	\$ <u>75,878</u>	\$ <u>135,027</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.

(Continued)

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
 INCORPORATED AND AFFILIATED ENTITY
 NOTES TO THE COMBINED FINANCIAL STATEMENTS
 March 31, 2019 and 2018

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)

The CTCPA reports its investments at fair value in accordance with FASB ASC 820 as of March 31, 2019 and 2018 as follows:

	Level 1	
	2019	2018
Mutual funds		
Large growth value funds	\$ 391,236	\$ 497,937
Short term bonds	388,334	375,184
Moderate allocation funds	143,968	249,230
Intermediate term bonds	215,435	208,626
Mid-cap growth funds	122,580	109,153
Foreign funds	88,485	87,631
Market neutral funds	82,049	79,595
Small value growth funds	80,281	52,971
Multi sector bonds	40,232	39,521
Global bond fund	33,529	32,937
Conservative allocation fund	22,579	21,513
	\$ 1,608,708	\$ 1,754,298

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, 2019 and 2018.

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.

(Continued)

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
 INCORPORATED AND AFFILIATED ENTITY
 NOTES TO THE COMBINED FINANCIAL STATEMENTS
 March 31, 2019 and 2018

NOTE 5 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2019</u>	<u>2018</u>
Financial assets:		
Cash and cash equivalents	\$ 549,301	\$ 345,045
Investments, at fair value	1,608,708	1,754,298
Accounts receivable	<u>43,802</u>	<u>12,828</u>
Total financial assets	2,201,811	2,112,171
Less those unavailable for general expenditure within one year due to:		
Deferred revenue	200,717	196,907
Deposits for conferences and meetings	36,258	36,233
Deferred rent, current	15,213	10,373
Funds subject to donor restrictions	<u>19,500</u>	<u>1,600</u>
Total unavailable funds for general use	<u>271,688</u>	<u>245,113</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,930,123</u>	<u>\$ 1,867,058</u>

The CTCPA's liquidity management plan is to have funds available as its general expenditures, liabilities and other obligations come due. The Society invests cash in excess of daily requirements in short term treasury instruments. Although the CTCPA do not intend to spend from the investment accounts, these amounts could be made available upon Board approval.

NOTE 6 - 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 \$32,363 and \$34,235 for the years ended March 31, 2019 and 2018, 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 \$30,149 and \$31,978 was made for the years ended March 31, 2019 and 2018, respectively, and is recorded within management and general expenses on the combined statements of activities and changes in net assets.

(Continued)

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
INCORPORATED AND AFFILIATED ENTITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS
March 31, 2019 and 2018

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following as of March 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Furniture and fixtures	\$ 177,429	\$ 177,429
Leasehold improvements	124,184	124,184
Computer equipment and software	231,078	212,692
Less: accumulated depreciation	<u>(485,312)</u>	<u>(453,986)</u>
Total	<u>\$ 47,379</u>	<u>\$ 60,319</u>

NOTE 8 - 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, 2019, 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:	
2020	<u>125,853</u>
Total	<u>\$ 125,853</u>

Rent expense under leases totaled \$151,239 and \$155,351 for each of the years ended March 31, 2019 and 2018, respectively.

Deferred rent of \$16,481 and \$31,291 as of March 31, 2019 and 2018, 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 9 - 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, 2019 and 2018, respectively, the Trust was owed \$1,020 and \$3,127 from the Society, which has been eliminated in the combined financial statements.

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
INCORPORATED AND AFFILIATED ENTITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS
March 31, 2019 and 2018

NOTE 9 - RELATED PARTY TRANSACTIONS (Continued)

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 \$58,534 and \$36,703 for the years ended March 31, 2019 and 2018, respectively, and are eliminated on the combined statements of activities and changes in net assets.

NOTE 10 - LINE OF CREDIT

As of November 30, 2017, the CTCPA entered into a revolving line of credit agreement for \$100,000 with Farmington Bank, which was acquired by People's United Bank during January 2019. There were no draws or outstanding balances as of March 31, 2019 or 2018.

SUPPLEMENTAL SCHEDULES

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
 INCORPORATED AND AFFILIATED ENTITY
 COMBINING STATEMENTS OF FINANCIAL POSITION
 March 31, 2019

	<u>Society</u>	<u>Trust</u>	<u>Elimination Entries</u>	<u>Combined</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 393,288	\$ 156,013	\$ -	\$ 549,301
Investments, at fair value	898,335	710,373	-	1,608,708
Accounts receivable	43,802	-	-	43,802
Prepaid expenses and other assets	64,699	3,000	-	67,699
Due from affiliate	-	1,020	(1,020)	-
Total current assets	<u>1,400,124</u>	<u>870,406</u>	<u>(1,020)</u>	<u>2,269,510</u>
Security deposits	18,294	-	-	18,294
Property and equipment, net	<u>47,379</u>	<u>-</u>	<u>-</u>	<u>47,379</u>
Total assets	<u>\$ 1,465,797</u>	<u>\$ 870,406</u>	<u>\$ (1,020)</u>	<u>\$ 2,335,183</u>
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	\$ 46,193	\$ 19	\$ -	\$ 46,212
Accrued expenses	95,637	-	-	95,637
Deferred revenue	200,717	-	-	200,717
Deposits for conferences and meetings	36,258	-	-	36,258
Deferred rent, current	15,213	-	-	15,213
Due to affiliate	1,020	-	(1,020)	-
Total current liabilities	<u>395,038</u>	<u>19</u>	<u>(1,020)</u>	<u>394,037</u>
Deferred rent, long term	<u>1,268</u>	<u>-</u>	<u>-</u>	<u>1,268</u>
Total liabilities	<u>396,306</u>	<u>19</u>	<u>(1,020)</u>	<u>395,305</u>
Net assets				
Without donor restrictions	1,049,991	870,387	-	1,920,378
With donor restrictions	<u>19,500</u>	<u>-</u>	<u>-</u>	<u>19,500</u>
Total net assets	<u>1,069,491</u>	<u>870,387</u>	<u>-</u>	<u>1,939,878</u>
Total liabilities and net assets	<u>\$ 1,465,797</u>	<u>\$ 870,406</u>	<u>\$ (1,020)</u>	<u>\$ 2,335,183</u>

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
 INCORPORATED AND AFFILIATED ENTITY
 COMBINING STATEMENTS OF FINANCIAL POSITION
 March 31, 2018

	<u>Society</u>	<u>Trust</u>	<u>Elimination Entries</u>	<u>Combined</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 264,018	\$ 81,027	\$ -	\$ 345,045
Investments, at fair value	1,000,100	754,198	-	1,754,298
Accounts receivable	12,828	-	-	12,828
Prepaid expenses and other assets	55,429	-	-	55,429
Due from affiliate	-	3,127	(3,127)	-
Total current assets	<u>1,332,375</u>	<u>838,352</u>	<u>(3,127)</u>	<u>2,167,600</u>
Security deposits	18,294	-	-	18,294
Property and equipment, net	<u>60,319</u>	<u>-</u>	<u>-</u>	<u>60,319</u>
Total assets	<u>\$ 1,410,988</u>	<u>\$ 838,352</u>	<u>\$ (3,127)</u>	<u>\$ 2,246,213</u>
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	\$ 33,956	\$ 12	\$ -	\$ 33,968
Accrued expenses	111,800	-	-	111,800
Deferred revenue	196,657	250	-	196,907
Deposits for conferences and meetings	36,233	-	-	36,233
Deferred rent, current	10,373	-	-	10,373
Due to affiliate	3,127	-	(3,127)	-
Total current liabilities	<u>392,146</u>	<u>262</u>	<u>(3,127)</u>	<u>389,281</u>
Deferred rent, long term	<u>20,918</u>	<u>-</u>	<u>-</u>	<u>20,918</u>
Total liabilities	413,064	262	(3,127)	410,199
Net assets				
Without donor restrictions	997,924	836,490	-	1,834,414
With donor restrictions	-	1,600	-	1,600
Total net assets	<u>997,924</u>	<u>838,090</u>	<u>-</u>	<u>1,836,014</u>
Total liabilities and net assets	<u>\$ 1,410,988</u>	<u>\$ 838,352</u>	<u>\$ (3,127)</u>	<u>\$ 2,246,213</u>

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
 INCORPORATED AND AFFILIATED ENTITY
 COMBINING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
 Year Ended March 31, 2019

	Society		Trust		Elimination Entries	Combined
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
Support and revenue						
Professional development and associated revenue	\$ 1,524,513	\$ -	\$ -	\$ -	\$ -	\$ 1,524,513
Membership dues and fees	1,139,272	-	-	-	-	1,139,272
Peer review	134,221	-	-	-	-	134,221
Website and publications	91,374	-	-	-	-	91,374
Contributions	20,000	19,500	27,173	-	-	66,673
Investment income, net	47,481	-	28,397	-	-	75,878
Other income	12,978	-	-	-	-	12,978
Fundraising	-	-	46,770	-	-	46,770
Donated services	20,002	-	58,534	-	(58,534)	20,002
Released from restriction	-	-	1,600	(1,600)	-	-
Total support and revenues	<u>2,989,841</u>	<u>19,500</u>	<u>162,474</u>	<u>(1,600)</u>	<u>(58,534)</u>	<u>3,111,681</u>
Expenses						
Program services						
Professional development	1,294,742	-	-	-	-	1,294,742
Membership charges	596,305	-	26	-	-	596,331
Peer review	222,796	-	-	-	-	222,796
Publications and website	172,601	-	-	-	-	172,601
Advocacy	186,184	-	-	-	-	186,184
Scholarships and awards	-	-	50,449	-	-	50,449
Total program services	<u>2,472,628</u>	<u>-</u>	<u>50,475</u>	<u>-</u>	<u>-</u>	<u>2,523,103</u>
Supporting services						
Management and general	465,146	-	57,666	-	(58,534)	464,278
Fundraising	-	-	20,436	-	-	20,436
Total supporting services	<u>465,146</u>	<u>-</u>	<u>78,102</u>	<u>-</u>	<u>(58,534)</u>	<u>484,714</u>
Total expenses	<u>2,937,774</u>	<u>-</u>	<u>128,577</u>	<u>-</u>	<u>(58,534)</u>	<u>3,007,817</u>
Change in net assets	52,067	19,500	33,897	(1,600)	-	103,864
Net assets, beginning of year	<u>997,924</u>	<u>-</u>	<u>836,490</u>	<u>1,600</u>	<u>-</u>	<u>1,836,014</u>
Net assets, end of year	<u>\$ 1,049,991</u>	<u>\$ 19,500</u>	<u>\$ 870,387</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,939,878</u>

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
 INCORPORATED AND AFFILIATED ENTITY
 COMBINING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
 Year Ended March 31, 2018

	Society	Trust		Elimination Entries	Combined
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
Support and revenue					
Professional development and associated revenue	\$ 1,482,196	\$ -	\$ -	\$ -	\$ 1,482,196
Membership dues and fees	1,181,201	-	-	-	1,181,201
Peer review	146,179	-	-	-	146,179
Website and publications	106,789	-	-	-	106,789
Contributions	-	26,087	1,600	-	27,687
Investment income, net	67,765	67,262	-	-	135,027
Other income	18,077	650	-	-	18,727
Fundraising	-	51,364	-	-	51,364
Rental income	62,436	-	-	-	62,436
Donated services	24,013	36,703	-	(36,703)	24,013
Released from restriction	-	2,500	(2,500)	-	-
Total support and revenues	<u>3,088,656</u>	<u>184,566</u>	<u>(900)</u>	<u>(36,703)</u>	<u>3,235,619</u>
Expenses					
Program services					
Professional development	1,264,531	-	-	-	1,264,531
Membership charges	707,756	23	-	-	707,779
Peer review	126,459	-	-	-	126,459
Publications and website	191,464	-	-	-	191,464
Advocacy	209,327	-	-	-	209,327
Scholarships and awards	-	48,978	-	-	48,978
Total program services	<u>2,499,537</u>	<u>49,001</u>	<u>-</u>	<u>-</u>	<u>2,548,538</u>
Management and general	513,915	35,526	-	(36,703)	512,738
Fundraising	-	23,310	-	-	23,310
Total supporting services	<u>513,915</u>	<u>58,836</u>	<u>-</u>	<u>(36,703)</u>	<u>536,048</u>
Total expenses	<u>3,013,452</u>	<u>107,837</u>	<u>-</u>	<u>(36,703)</u>	<u>3,084,586</u>
Change in net assets	75,204	76,729	(900)	-	151,033
Net assets, beginning of year	<u>922,720</u>	<u>759,761</u>	<u>2,500</u>	<u>-</u>	<u>1,684,981</u>
Net assets, end of year	<u>\$ 997,924</u>	<u>\$ 836,490</u>	<u>\$ 1,600</u>	<u>\$ -</u>	<u>\$ 1,836,014</u>

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
 INCORPORATED AND AFFILIATED ENTITY
 COMBINING STATEMENTS OF FUNCTIONAL EXPENSES
 Year Ended March 31, 2019

<u>Society</u>	<u>Program Services</u>						<u>Supporting Services</u>			<u>Total Expenses</u>	
	<u>Professional Development</u>	<u>Membership</u>	<u>Peer Review</u>	<u>Website and Publications</u>	<u>Advocacy</u>	<u>Scholarships & Awards</u>	<u>Program Subtotal</u>	<u>Management and General</u>	<u>Fundraising</u>		<u>Supporting Subtotal</u>
Salary, benefits and taxes	\$ 250,018	\$ 389,315	\$ 144,777	\$ 108,713	\$ 97,602	\$ -	\$ 990,425	\$ 338,416	\$ -	\$ 338,416	\$ 1,328,841
Event, educational direct expenses	564,584	6,229	-	328	-	-	571,141	-	-	-	571,141
Occupancy	135,307	42,169	16,167	12,136	10,617	-	216,396	36,918	-	36,918	253,314
Food	146,053	35,249	-	-	-	-	181,302	-	-	-	181,302
Printing and postage	61,939	8,056	950	35,245	619	-	106,809	2,153	-	2,153	108,962
Facilities and equipment rental	63,193	15,048	-	-	-	-	78,241	-	-	-	78,241
Credit card fees	32,074	25,612	2,873	1,286	-	-	61,845	1,116	-	1,116	62,961
Travel, meals and education	5,751	17,020	9,594	831	7,787	-	40,983	10,785	-	10,785	51,768
Depreciation	7,275	12,820	4,915	3,689	3,228	-	31,927	11,223	-	11,223	43,150
Office supplies	11,702	10,356	2,217	1,755	1,456	-	27,486	6,355	-	6,355	33,841
Consultants	-	2,200	29,151	-	56,865	-	88,216	17,124	-	17,124	105,340
Computer	16,520	29,112	11,161	8,378	7,329	-	72,500	29,299	-	29,299	101,799
Other	326	3,119	991	240	681	-	5,357	11,757	-	11,757	17,114
Total expenses	\$ 1,294,742	\$ 596,305	\$ 222,796	\$ 172,601	\$ 186,184	\$ -	\$ 2,472,628	\$ 465,146	\$ -	\$ 465,146	\$ 2,937,774

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
 INCORPORATED AND AFFILIATED ENTITY
 COMBINING STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
 Year Ended March 31, 2019

Trust	Program Services						Supporting Services			Total Expenses	
	Professional Development	Membership	Peer Review	Website and Publications	Advocacy	Scholarships & Awards	Program Subtotal	Management and General	Fundraising		Supporting Subtotal
Salary, benefits and taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,387	\$ -	\$ 46,387	\$ 46,387
Occupancy	-	-	-	-	-	-	-	4,883	-	4,883	4,883
Food	-	26	-	-	-	2,352	2,378	-	-	-	2,378
Printing and postage	-	-	-	-	-	-	-	285	13	298	298
Scholarships, grants and awards	-	-	-	-	-	47,375	47,375	-	-	-	47,375
Credit card fees	-	-	-	-	-	558	558	-	558	558	1,116
Travel, meals and education	-	-	-	-	-	-	-	177	201	378	378
Depreciation	-	-	-	-	-	-	-	1,484	-	1,484	1,484
Office supplies	-	-	-	-	-	164	164	841	-	841	1,005
Fundraising	-	-	-	-	-	-	-	-	19,664	19,664	19,664
Computer	-	-	-	-	-	-	-	3,371	-	3,371	3,371
Other	-	-	-	-	-	-	-	238	-	238	238
Total expenses	<u>\$ -</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,449</u>	<u>\$ 50,475</u>	<u>\$ 57,666</u>	<u>\$ 20,436</u>	<u>\$ 78,102</u>	<u>\$ 128,577</u>
Combined totals before eliminations	\$ 1,294,742	\$ 596,331	\$ 222,796	\$ 172,601	\$ 186,184	\$ 50,449	\$ 2,523,103	\$ 522,812	\$ 20,436	\$ 543,248	\$ 3,066,351
Eliminations	-	-	-	-	-	-	-	(58,534)	-	(58,534)	(58,534)
Combined totals after eliminations	<u>\$ 1,294,742</u>	<u>\$ 596,331</u>	<u>\$ 222,796</u>	<u>\$ 172,601</u>	<u>\$ 186,184</u>	<u>\$ 50,449</u>	<u>\$ 2,523,103</u>	<u>\$ 464,278</u>	<u>\$ 20,436</u>	<u>\$ 484,714</u>	<u>\$ 3,007,817</u>

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
 INCORPORATED AND AFFILIATED ENTITY
 COMBINING STATEMENTS OF FUNCTIONAL EXPENSES
 Year Ended March 31, 2018

<u>Society</u>	<u>Program Services</u>						<u>Supporting Services</u>			<u>Total Expenses</u>	
	<u>Professional Development</u>	<u>Membership</u>	<u>Peer Review</u>	<u>Website and Publications</u>	<u>Advocacy</u>	<u>Scholarship and Awards</u>	<u>Program Subtotal</u>	<u>Management and General</u>	<u>Fundraising</u>		<u>Supporting Subtotal</u>
Salary, benefits and taxes	\$ 236,414	\$ 454,782	\$ 76,734	\$ 104,075	\$ 107,572	\$ -	\$ 979,577	\$ 355,693	\$ -	\$ 355,693	\$ 1,335,270
Event, educational direct expenses	619,437	9,549	169	-	-	-	629,155	-	-	-	629,155
Occupancy	44,423	83,063	14,015	19,008	19,647	-	180,156	64,989	-	64,989	245,145
Food	149,874	26,480	-	-	-	-	176,354	1,877	-	1,877	178,231
Printing and postage	73,549	7,789	-	48,051	6,937	-	136,326	-	-	-	136,326
Facilities and equipment rental	58,172	15,098	-	-	-	-	73,270	-	-	-	73,270
Credit card fees	31,743	25,111	3,049	2,227	-	-	62,130	1,228	-	1,228	63,358
Travel, meals and education	8,601	16,545	3,033	3,820	3,914	-	35,913	12,941	-	12,941	48,854
Depreciation	7,325	14,092	2,378	3,225	3,333	-	30,353	11,021	-	11,021	41,374
Office supplies	13,042	10,019	982	1,394	1,697	-	27,134	4,554	-	4,554	31,688
Consultants	-	3,000	18,975	-	56,239	-	78,214	18,586	-	18,586	96,800
Computer	21,079	40,550	6,842	9,280	9,591	-	87,342	31,715	-	31,715	119,057
Other	872	1,678	282	384	397	-	3,613	11,311	-	11,311	14,924
Total expenses	<u>\$ 1,264,531</u>	<u>\$ 707,756</u>	<u>\$ 126,459</u>	<u>\$ 191,464</u>	<u>\$ 209,327</u>	<u>\$ -</u>	<u>\$ 2,499,537</u>	<u>\$ 513,915</u>	<u>\$ -</u>	<u>\$ 513,915</u>	<u>\$ 3,013,452</u>

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
 INCORPORATED AND AFFILIATED ENTITY
 COMBINING STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
 Year Ended March 31, 2018

Trust	Program Services						Supporting Services			Total Expenses	
	Professional Development	Membership	Peer Review	Website and Publications	Advocacy	Scholarship and Awards	Program Subtotal	Management and General	Fundraising		Supporting Subtotal
Salary, benefits and taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,884	\$ -	\$ 25,884	\$ 25,884
Event, educational direct expenses	-	-	-	-	-	1,840	1,840	-	-	-	1,840
Occupancy	-	23	-	-	-	-	23	4,752	-	4,752	4,775
Printing and postage	-	-	-	-	-	24	24	-	10	10	34
Scholarships, grants and awards	-	-	-	-	-	46,500	46,500	-	-	-	46,500
Credit card fees	-	-	-	-	-	614	614	-	920	920	1,534
Travel, meals and education	-	-	-	-	-	-	-	942	146	1,088	1,088
Depreciation	-	-	-	-	-	-	-	802	-	802	802
Office supplies	-	-	-	-	-	-	-	331	-	331	331
Fundraising	-	-	-	-	-	-	-	-	22,234	22,234	22,234
Consultants	-	-	-	-	-	-	-	360	-	360	360
Computer	-	-	-	-	-	-	-	2,308	-	2,308	2,308
Other	-	-	-	-	-	-	-	147	-	147	147
Total expenses	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,978</u>	<u>\$ 49,001</u>	<u>\$ 35,526</u>	<u>\$ 23,310</u>	<u>\$ 58,836</u>	<u>\$ 107,837</u>
Combined totals before eliminations	\$ 1,264,531	\$ 707,779	\$ 126,459	\$ 191,464	\$ 209,327	\$ 48,978	\$ 2,548,538	\$ 549,441	\$ 23,310	\$ 572,751	\$ 3,121,289
Eliminations	-	-	-	-	-	-	-	(36,703)	-	(36,703)	(36,703)
Combined totals after eliminations	<u>\$ 1,264,531</u>	<u>\$ 707,779</u>	<u>\$ 126,459</u>	<u>\$ 191,464</u>	<u>\$ 209,327</u>	<u>\$ 48,978</u>	<u>\$ 2,548,538</u>	<u>\$ 512,738</u>	<u>\$ 23,310</u>	<u>\$ 536,048</u>	<u>\$ 3,084,586</u>

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
 INCORPORATED AND AFFILIATED ENTITY
 COMBINING STATEMENTS OF CASH FLOWS
 Year Ended March 31, 2019

	<u>Society</u>	<u>Trust</u>	<u>Elimination Entries</u>	<u>Combined</u>
Cash flows from operating activities				
Change in net assets	\$ 71,567	\$ 32,297	\$ -	\$ 103,864
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation expense	43,150	-	-	43,150
Unrealized and realized investment gains, net	10,589	24,011	-	34,600
Changes in operating assets and liabilities				
Accounts receivable	(30,974)	-	-	(30,974)
Prepaid expenses and other assets	(9,270)	(3,000)	-	(12,270)
Accounts payable	12,237	7	-	12,244
Accrued expenses	(16,163)	-	-	(16,163)
Deferred revenue	4,060	(250)	-	3,810
Deposits for conferences and meetings	25	-	-	25
Deferred rent	(14,810)	-	-	(14,810)
Due from/to affiliate	(2,107)	2,107	-	-
Net cash provided by operating activities	<u>68,304</u>	<u>55,172</u>	<u>-</u>	<u>123,476</u>
Cash flows from investing activities				
Purchases of investments	(56,914)	(80,133)	-	(137,047)
Proceeds from sales of investments	148,090	99,947	-	248,037
Purchases of property and equipment	(30,210)	-	-	(30,210)
Net cash provided by investing activities	<u>60,966</u>	<u>19,814</u>	<u>-</u>	<u>80,780</u>
Net change in cash and cash equivalents	129,270	74,986	-	204,256
Cash and cash equivalents, beginning of year	<u>264,018</u>	<u>81,027</u>	<u>-</u>	<u>345,045</u>
Cash and cash equivalents, end of year	<u>\$ 393,288</u>	<u>\$ 156,013</u>	<u>\$ -</u>	<u>\$ 549,301</u>

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
 INCORPORATED AND AFFILIATED ENTITY
 COMBINING STATEMENTS OF CASH FLOWS
 Year Ended March 31, 2018

	<u>Society</u>	<u>Trust</u>	<u>Elimination Entries</u>	<u>Combined</u>
Cash flows from operating activities				
Change in net assets	\$ 75,204	\$ 75,829	\$ -	\$ 151,033
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation expense	41,372	-	-	41,372
Unrealized and realized investment gains, net	(17,005)	(28,412)	-	(45,417)
Changes in operating assets and liabilities				
Accounts receivable	3,767	-	-	3,767
Prepaid expenses and other assets	(9,198)	-	-	(9,198)
Accounts payable	25,356	12	-	25,368
Accrued expenses	(14,213)	-	-	(14,213)
Deferred revenue	(6,694)	250	-	(6,444)
Deposits for conferences and meetings	2,890	-	-	2,890
Deferred rent	(10,372)	-	-	(10,372)
Due from/to affiliate	<u>3,127</u>	<u>(3,127)</u>	<u>-</u>	<u>-</u>
Net cash provided by operating activities	94,234	44,552	-	138,786
Cash flows from investing activities				
Purchases of investments	(50,348)	(38,729)	-	(89,077)
Proceeds from sales of investments	46	37,578	-	37,624
Purchases of property and equipment	<u>(5,547)</u>	<u>-</u>	<u>-</u>	<u>(5,547)</u>
Net cash used in investing activities	<u>(55,849)</u>	<u>(1,151)</u>	<u>-</u>	<u>(57,000)</u>
Net change in cash and cash equivalents	38,385	43,401	-	81,786
Cash and cash equivalents, beginning of year	<u>225,633</u>	<u>37,626</u>	<u>-</u>	<u>263,259</u>
Cash and cash equivalents, end of year	<u>\$ 264,018</u>	<u>\$ 81,027</u>	<u>\$ -</u>	<u>\$ 345,045</u>