

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

**COMBINED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL SCHEDULES**

March 31, 2021 and 2020

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS  
INCORPORATED AND AFFILIATED ENTITY

COMBINED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL SCHEDULES  
March 31, 2021 and 2020

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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, 2021 and 2020, 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.

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(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, 2021 and 2020, 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.

### **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, 2021 and 2020, 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, 2021 and 2020 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

Fort Lauderdale, Florida  
July 27, 2021

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS  
 INCORPORATED AND AFFILIATED ENTITY  
 COMBINED STATEMENTS OF FINANCIAL POSITION  
 March 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,050,568	\$ 496,902
Investments, at fair value	2,010,706	1,516,595
Accounts receivable, net	62,101	15,906
Prepaid expenses and other assets	<u>15,213</u>	<u>17,430</u>
Total current assets	3,138,588	2,046,833
Security deposits	18,294	18,294
Property and equipment, net	<u>113,595</u>	<u>126,569</u>
Total assets	<u>\$ 3,270,477</u>	<u>\$ 2,191,696</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 53,866	\$ 57,262
Accrued expenses	67,452	69,195
Deferred revenue	210,964	217,031
Long-term debt, current portion	14,890	-
Deposits for conferences and meetings	24,215	14,841
Deferred rent, current	<u>122</u>	<u>-</u>
Total current liabilities	371,509	358,329
Long-term debt	208,462	-
Deferred rent, long term	<u>30,664</u>	<u>2,269</u>
Total liabilities	610,635	360,598
Net assets		
Without donor restrictions	<u>2,659,842</u>	<u>1,831,098</u>
Total net assets	<u>2,659,842</u>	<u>1,831,098</u>
Total liabilities and net assets	<u>\$ 3,270,477</u>	<u>\$ 2,191,696</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, 2021 and 2020

	2021		Total	2020
	Without Donor Restrictions	With Donor Restrictions		
Support and revenue				
Professional development and associated revenue	\$ 1,073,461	\$ -	\$ 1,073,461	\$ 1,345,888
Membership dues and fees	1,197,388	-	1,197,388	1,178,903
Peer review	185,600	-	185,600	193,025
Website and publications	69,084	-	69,084	104,338
Contributions	20,258	-	20,258	40,760
Investment income (losses), net	418,291	-	418,291	(91,149)
Other income	21,752	-	21,752	68,495
Fundraising	-	-	-	65,645
Donated services	21,118	-	21,118	23,358
Released from restriction	-	-	-	(19,500)
Total support and revenue	<u>3,006,952</u>	<u>-</u>	<u>3,006,952</u>	<u>2,909,763</u>
Expenses				
Program services				
Professional development	859,669	-	859,669	1,260,919
Membership charges	414,764	-	414,764	727,707
Peer review	155,842	-	155,842	193,968
Publications and website	187,709	-	187,709	170,071
Advocacy	148,818	-	148,818	197,196
Scholarships and awards	14,175	-	14,175	54,417
Total program services	<u>1,780,977</u>	<u>-</u>	<u>1,780,977</u>	<u>2,604,278</u>
Supporting services				
Management and general	396,293	-	396,293	373,110
Fundraising	938	-	938	41,155
Total supporting services	<u>397,231</u>	<u>-</u>	<u>397,231</u>	<u>414,265</u>
Total expenses	<u>2,178,208</u>	<u>-</u>	<u>2,178,208</u>	<u>3,018,543</u>
<b>Change in net assets</b>	828,744	-	828,744	(108,780)
Net assets, beginning of year	<u>1,831,098</u>	<u>-</u>	<u>1,831,098</u>	<u>1,939,878</u>
<b>Net assets, end of year</b>	<u>\$ 2,659,842</u>	<u>\$ -</u>	<u>\$ 2,659,842</u>	<u>\$ 1,831,098</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  
 Year Ended March 31, 2020

	2020		<u>Total</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	
<b>Support and revenue</b>			
Professional development and associated revenue	\$ 1,345,888	\$ -	\$ 1,345,888
Membership dues and fees	1,178,903	-	1,178,903
Peer review	193,025	-	193,025
Website and publications	104,338	-	104,338
Contributions	40,760	-	40,760
Investment losses, net	(91,149)	-	(91,149)
Other income	68,495	-	68,495
Fundraising	65,645	-	65,645
Donated services	23,358	-	23,358
Released from restriction	-	(19,500)	(19,500)
<b>Total support and revenue</b>	<u>2,929,263</u>	<u>(19,500)</u>	<u>2,909,763</u>
<b>Expenses</b>			
<b>Program services</b>			
Professional development	1,260,919	-	1,260,919
Membership charges	727,707	-	727,707
Peer review	193,968	-	193,968
Publications and website	170,071	-	170,071
Advocacy	197,196	-	197,196
Scholarships and awards	54,417	-	54,417
<b>Total program services</b>	<u>2,604,278</u>	<u>-</u>	<u>2,604,278</u>
<b>Supporting services</b>			
Management and general	373,110	-	373,110
Fundraising	41,155	-	41,155
<b>Total supporting services</b>	<u>414,265</u>	<u>-</u>	<u>414,265</u>
<b>Total expenses</b>	<u>3,018,543</u>	<u>-</u>	<u>3,018,543</u>
<b>Change in net assets</b>	(89,280)	(19,500)	(108,780)
Net assets, beginning of year	<u>1,920,378</u>	<u>19,500</u>	<u>1,939,878</u>
<b>Net assets, end of year</b>	<u>\$ 1,831,098</u>	<u>\$ -</u>	<u>\$ 1,831,098</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  
 Year Ended March 31, 2021

	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	\$ 234,850	\$ 259,131	\$ 90,095	\$ 110,340	\$ 74,909	\$ -	\$ 769,325	\$ 274,711	\$ -	\$ 274,711	\$ 1,044,036
Event, educational direct expenses	493,787	9,409	-	-	-	-	503,196	8,517	-	8,517	511,713
Occupancy	52,978	56,177	20,325	24,891	16,899	-	171,270	58,575	-	58,575	229,845
Food	-	615	-	-	-	-	615	584	-	584	1,199
Consultants	14,456	15,328	27,526	6,792	46,492	-	110,594	17,387	-	17,387	127,981
Printing and postage	-	2,732	-	18,107	-	-	20,839	10,031	-	10,031	30,870
Computer	28,585	29,309	8,795	21,623	7,313	-	95,625	28,481	-	28,481	124,106
Facilities and equipment rental	-	225	-	-	-	-	225	579	-	579	804
Credit card fees	22,209	25,472	3,804	823	-	-	52,308	34	938	972	53,280
Office supplies	4,669	6,481	791	1,400	633	-	13,974	4,457	-	4,457	18,431
Travel, meals and education	189	1,150	1,458	-	37	-	2,834	866	-	866	3,700
Depreciation	6,799	7,210	2,608	3,194	2,169	-	21,980	7,708	-	7,708	29,688
Scholarships, grants and awards	-	-	-	-	-	14,175	14,175	-	-	-	14,175
Other	1,147	1,525	440	539	366	-	4,017	2,306	-	2,306	6,323
<b>Total expenses</b>	<b>\$ 859,669</b>	<b>\$ 414,764</b>	<b>\$ 155,842</b>	<b>\$ 187,709</b>	<b>\$ 148,818</b>	<b>\$ 14,175</b>	<b>\$ 1,780,977</b>	<b>\$ 414,236</b>	<b>\$ 938</b>	<b>\$ 415,174</b>	<b>\$ 2,196,151</b>
Eliminations	-	-	-	-	-	-	-	(17,943)	-	(17,943)	(17,943)
<b>Total expenses after eliminations</b>	<b>\$ 859,669</b>	<b>\$ 414,764</b>	<b>\$ 155,842</b>	<b>\$ 187,709</b>	<b>\$ 148,818</b>	<b>\$ 14,175</b>	<b>\$ 1,780,977</b>	<b>\$ 396,293</b>	<b>\$ 938</b>	<b>\$ 397,231</b>	<b>\$ 2,178,208</b>

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



THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS  
 INCORPORATED AND AFFILIATED ENTITY  
 COMBINED STATEMENTS OF FUNCTIONAL EXPENSES  
 Year Ended March 31, 2020

	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	\$ 297,960	\$ 443,843	\$ 129,547	\$ 110,115	\$ 82,910	\$ -	\$ 1,064,375	\$ 266,867	\$ -	\$ 266,867	\$ 1,331,242
Event, educational direct expenses	474,957	5,630	-	328	-	-	480,915	-	-	-	480,915
Occupancy	137,021	85,454	14,734	12,523	9,429	-	259,161	37,718	-	37,718	296,879
Food	128,411	48,447	-	-	-	1,767	178,625	-	-	-	178,625
Consultants	-	3,300	20,770	-	91,124	-	115,194	36,715	-	36,715	151,909
Printing and postage	81,248	15,356	-	30,900	-	-	127,504	7,906	-	7,906	135,410
Computer	25,481	36,561	11,079	9,417	7,090	-	89,628	22,823	1,500	24,323	113,951
Facilities and equipment rental	58,952	14,794	150	-	-	-	73,896	-	-	-	73,896
Credit card fees	27,025	26,083	3,973	1,006	-	-	58,087	885	1,289	2,174	60,261
Office supplies	16,987	16,600	1,673	1,376	1,035	-	37,671	5,080	-	5,080	42,751
Travel, meals and education	3,286	17,878	7,872	861	2,938	-	32,835	11,932	-	11,932	44,767
Depreciation	8,579	12,309	3,730	3,171	2,387	-	30,176	7,490	-	7,490	37,666
Scholarships, grants and awards	-	-	-	-	-	52,650	52,650	-	-	-	52,650
Fundraising events	-	-	-	-	-	-	-	-	38,366	38,366	38,366
Other	1,012	1,452	440	374	283	-	3,561	2,003	-	2,003	5,564
<b>Total expenses</b>	<b>\$ 1,260,919</b>	<b>\$ 727,707</b>	<b>\$ 193,968</b>	<b>\$ 170,071</b>	<b>\$ 197,196</b>	<b>\$ 54,417</b>	<b>\$ 2,604,278</b>	<b>\$ 399,419</b>	<b>\$ 41,155</b>	<b>\$ 440,574</b>	<b>\$ 3,044,852</b>
Eliminations	-	-	-	-	-	-	-	(26,309)	-	(26,309)	(26,309)
<b>Total expenses after eliminations</b>	<b>\$ 1,260,919</b>	<b>\$ 727,707</b>	<b>\$ 193,968</b>	<b>\$ 170,071</b>	<b>\$ 197,196</b>	<b>\$ 54,417</b>	<b>\$ 2,604,278</b>	<b>\$ 373,110</b>	<b>\$ 41,155</b>	<b>\$ 414,265</b>	<b>\$ 3,018,543</b>

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

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS  
 INCORPORATED AND AFFILIATED ENTITY  
 COMBINED STATEMENTS OF CASH FLOWS  
 Years Ended March 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 828,744	\$ (108,780)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	29,306	37,301
Loss on disposal of equipment	451	190
Unrealized and realized investment (gains) losses, net	(339,934)	180,155
Changes in operating assets and liabilities		
Accounts receivable	(46,195)	27,896
Prepaid expenses and other assets	2,217	50,269
Accounts payable	(3,396)	11,050
Accrued expenses	(1,743)	(26,442)
Deferred revenue	(6,067)	16,314
Deposits for conferences and meetings	9,374	(21,417)
Deferred rent	<u>28,517</u>	<u>(14,212)</u>
Net cash provided by operating activities	501,274	152,324
<b>Cash flows from investing activities</b>		
Purchases of investments	(666,803)	(222,447)
Proceeds from sales of investments	512,626	134,405
Purchases of property and equipment	<u>(16,783)</u>	<u>(116,681)</u>
Net cash used in investing activities	<u>(170,960)</u>	<u>(204,723)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of long-term debt	<u>223,352</u>	<u>-</u>
Net cash provided by financing activities	<u>223,352</u>	<u>-</u>
Net change in cash and cash equivalents	553,666	(52,399)
Cash and cash equivalents, beginning of year	<u>496,902</u>	<u>549,301</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,050,568</u>	<u>\$ 496,902</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, 2021 and 2020

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**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.

Recent Accounting Guidance: During January 2016, the FASB issued Accounting Standard Update 2016-01, *"Recognition and Measurement of Financial Assets and Financial Liabilities"* (ASU 2016-01). Upon adoption of ASU 2016-01 on April 1, 2019, the CTCPA was required to measure its equity investments at fair value with changes in fair value recognized in total support and revenue. The adoption of ASU 2016-01 did not have a significant impact on the CTCPA's combined financial statements.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)* to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Specifically, this update is to assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or exchange (reciprocal) transactions, as well as determining whether a contribution is conditional.

The Society and Trust adopted ASU 2018-08 with a date of the initial application of April 1, 2019. The adoption of ASU 2018-08 did not have a significant impact on the CTCPA's combined financial statements.

In May 2014, the FASB issued Accounting Standards Update 2014-09, *"Revenue from Contracts with Customers"* (Topic 606, ASU 2014-09). The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity is expected to be entitled for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process than required under existing GAAP, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each performance obligation. Revenue from contributions and investment income are not impacted by this new standard.

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(Continued)

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS  
INCORPORATED AND AFFILIATED ENTITY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
March 31, 2021 and 2020

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

The Society and Trust adopted ASU 2014-09 with a date of initial application of April 1, 2020, using the modified retrospective method. Analysis of various provisions of this standard resulted in no significant changes in the way the Society and Trust recognize revenue, and therefore, there was no cumulative effect adjustment as of April 1, 2020. The presentation and disclosures of revenue have been enhanced in accordance with the standard. Additionally, there were no significant changes in the way the Society and Trust incur related expenses.

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. There were no net assets with donor restrictions as of March 31, 2021 or 2020.

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.

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, 2021 and 2020 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 promised, 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. During the years ended March 31, 2021 and 2020, there were no contributions received with donor restrictions.

Fundraising: The Trust's revenue is generally derived from contributions and fundraising. Fundraising is considered an exchange transaction, and such revenues are recognized when the event occurs.

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(Continued)

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS  
INCORPORATED AND AFFILIATED ENTITY  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
March 31, 2021 and 2020

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Peer Review: The CTCPA administers the AICPA Peer Review Program for the state of Connecticut. The CTCPA's Peer Review Program follows the AICPA's calendar-year schedule. Peer review registration fees are billed mid-way through the year and are recognized upon receipt since the fees are non-refundable. Peer review processing and review fees are recognized when review engagements are completed.

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, 2021 and 2020, donated services consisted primarily 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's investments in equity securities were previously accounted for under FASB ASC 320; however, effective April 1, 2019, CTCPA adopted ASU 2016-01, "*Recognition and Measurement of Financial Assets and Financial Liabilities*". The CTCPA now accounts for its mutual funds in accordance with FASB ASC 321, "*Investment - Equity Securities*" (FASB ASC 321). Investments in equity securities with readily determinable fair values are measured at fair value in the combined statements of financial position. The adoption of ASU 2016-01 had no impact on the CTCPA as the mutual funds were already carried at fair value while investment income or loss (including realized and unrealized gains and losses on investments in equity securities determined on a specific identification basis, as well as interest and dividends) is included within the statements of activities and changes in net assets.

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, 2021 and 2020, the Company had not recorded an allowance for doubtful accounts as management believes all amounts are fully collectible.

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.

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(Continued)

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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 years ended March 31, 2021, and 2020 federal NOL carryforward was \$123,499 and \$106,998 and the state NOL carryforward was \$123,499 and \$106,998, respectively. Such NOL carryforwards generally expire from 2033 to 2037. However, certain changes under the Tax Cuts and Jobs Act of 2017 allows for indefinite carryforward of net operating losses incurred for tax years beginning after December 31, 2017. As of March 31, 2021 and 2020, management recorded a valuation allowance against the entire net deferred tax asset as management believes it is more likely than not that the net deferred tax asset will not be realized.

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, 2021 and 2020. As of March 31, 2021 and 2020, 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, 2018 and subsequent are open with the Internal Revenue Service and subject to review.

Subsequent Events: Subsequent events have been evaluated through July 27, 2021, which is the date the financial statements were available to be issued.

**NOTE 3 - INVESTMENTS**

Investments carried at fair value as of March 31, 2021 and 2020, are as follows:

	<u>2021</u>	<u>2020</u>
Mutual funds	\$ <u>2,010,706</u>	\$ <u>1,516,595</u>

Investment income is comprised of the following for the years ended March 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Net realized (losses) gains on securities	\$ (4,711)	\$ 450
Net holding gains (losses) on securities	344,645	(180,605)
Interest and dividends	<u>78,357</u>	<u>89,006</u>
Total investment income (losses), net	\$ <u>418,291</u>	\$ <u>(91,149)</u>

(Continued)

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**NOTE 4 - FAIR VALUE MEASUREMENTS**

The CTCPA reports fair values in accordance with FASB ASC 820, “Fair Value Measurement and Disclosures.” FASB ASC 820 provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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

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

*Level 2* - Inputs to the valuation methodology include:

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

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

The CTCPA reports its investments at fair value in accordance with FASB ASC 820 as of March 31, 2021 and 2020 as follows:

	Level 1	
	<u>2021</u>	<u>2020</u>
Mutual funds		
Short term bonds	\$ 523,667	\$ 388,654
Large growth value funds	271,016	338,262
Intermediate term bonds	189,966	226,943
Moderate allocation funds	190,968	134,120
Mid-cap growth funds	126,640	123,108
Market neutral funds	179,314	81,635
Foreign funds	213,765	75,930
Small value growth funds	288,504	60,032
Multi sector bonds	-	37,916
Global bond fund	-	31,599
Conservative allocation fund	<u>26,866</u>	<u>18,396</u>
	<u>\$ 2,010,706</u>	<u>\$ 1,516,595</u>

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**NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)**

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, 2021 and 2020.

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

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

**NOTE 5 - 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>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 1,050,568	\$ 496,902
Investments, at fair value	2,010,706	1,516,595
Accounts receivable, net	<u>62,101</u>	<u>15,906</u>
Total financial assets	3,123,375	2,029,403
Less those unavailable for general expenditure within one year due to:		
Deposits for conferences and meetings	24,215	14,841
Long-term debt, current portion	14,890	-
Deferred rent, current	<u>122</u>	<u>-</u>
Total unavailable funds for general use	<u>39,227</u>	<u>14,841</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,084,148</u>	<u>\$ 2,014,562</u>

The CTCPA's liquidity management plan is to have funds available as its general expenditures, liabilities and other obligations come due. Although the CTCPA do not intend to spend from the investment accounts, these amounts could be made available if needed.

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(Continued)



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**NOTE 6 - RETIREMENT PLAN**

The CTCPA maintains a defined contribution retirement plan, which is available to all employees over the age of 21. Employees can make elective deferrals up to Internal Revenue Code limitations. The CTCPA contributes a safe harbor amount equal to 3% of participating employees' compensation, which was \$26,199 and \$33,625 for the years ended March 31, 2021 and 2020, respectively.

Employees who are employed at year end, 21 years of age or older, 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 \$51,323 was made for the year ended March 31, 2021 and is recorded within management and general expenses on the combined statements of activities and changes in net assets. There was no discretionary employer matching contribution made during the year ended March 31, 2020.

**NOTE 7 - PROPERTY AND EQUIPMENT**

Property and equipment is comprised of the following as of March 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Furniture and fixtures	\$ 177,429	\$ 177,429
Leasehold improvements	124,184	124,184
Computer equipment and software	227,780	314,455
Less: accumulated depreciation	<u>(415,798)</u>	<u>(489,499)</u>
Total	<u>\$ 113,595</u>	<u>\$ 126,569</u>

**NOTE 8 - RISKS AND UNCERTAINTIES**

Beginning in December 2019 a highly infectious coronavirus (COVID-19) began to spread, was designated a Public Health Emergency of International Concern in January 2020, and subsequently recognized as a pandemic, resulting in business and social disruption. The operations and business results of the Company could be materially adversely affected. The extent to which COVID-19 may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new evidence which may emerge concerning the severity of the COVID-19 and the actions required to contain the COVID-19 or treat its impacts, which are also uncertain.

As a result of the economic uncertainty stemming from the impact of the COVID-19 pandemic, during January 2021, the CTCPA applied for and received a Paycheck Protection Program (PPP) loan in the principal amount of \$223,352 from the US Small Business Administration (SBA) (Refer to Note 9). In addition, management approached its landlord for certain accommodations to defer payment of its rent obligation (Refer to Note 10).

Furthermore, the CTCPA has applied for Employee Retention Credit, which is a refundable credit against certain employment taxes equal to 50% of the qualified wages an eligible employer pays to employees after March 12, 2020, and before January 1, 2021. As of March 31, 2021, the CTCPA has recorded a receivable of \$55,948 for this refundable credit.

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**NOTE 9 - LONG-TERM DEBT**

**PPP Loan:** The PPP loan has a stated interest rate of 1% per annum and no payments of principal or interest are required until the end of a statutorily provided deferral period, which is 10 months after the effective date of the loan. The CTCPA is then required to pay principal and interest beginning in the 11<sup>th</sup> month. The loan matures on January 29, 2026. As such, \$14,890 has been classified as a current liability and \$208,462 has been classified as long-term debt on the combined balance sheet as of March 31, 2021.

Under the terms of the Paycheck Protection Program, a PPP loan provides for conditional forgiveness if the CTCPA utilizes the loan proceeds on admissible expenses, including qualifying payroll, rent, and utility expenses, and maintains employment and compensation levels for a specified period of time. Although the Organization believes the conditions for full forgiveness of the PPP loan will be met, ultimate forgiveness is conditioned upon the SBA concurring with the CTCPA's good-faith assessment that the current economic uncertainty made the loan request necessary to support ongoing operations and the loan proceeds were used for admissible expenses. If the CTCPA is later determined to have violated the provisions of the Payroll Protection Program, the CTCPA may be required to repay the PPP loan in its entirety and/or be subject to additional penalties.

The CTCPA has elected to account for the loan proceeds as debt under Topic ASC 470. The CTCPA has recognized a liability for the full amount of the proceeds received. Any amount forgiven would be treated as a gain on loan extinguishment in future periods. As of March 31, 2021 or subsequent to year-end, no amounts have been forgiven.

**NOTE 10 - 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 December 2019, the CTCPA renewed the Rocky Hill lease used for office and training space for 64 months. Payments related to the renewal of the lease began on January 1, 2020 and extend into April 2025. In May 2019, the CTCPA entered into a 60 month lease agreement for office equipment. Payments related to the lease began on June 2019 and extend into June of 2024.

Due to COVID-19, management of the CTCPA approached its landlord for certain accommodations to defer payment of a certain amount of its rent obligation. As a result, the landlord and CTCPA entered into an amendment of the lease agreement during August 2020, which provided forgiveness of this obligation for the months of April 2020 through July 2020 which was \$24,205 in exchange for the landlord having no obligation to provide certain building improvements. The CTCPA has elected to treat the reduced rent payment as a variable lease payment and not apply the lease modification guidance in ASC 840 Leases as the lease concession did not result in a substantive increase in the rights of the lessor or the obligations of the lessee.

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**NOTE 10 - OPERATING LEASES (Continued)**

As of March 31, 2021, 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:	
2022	\$ 109,249
2023	114,090
2024	118,930
2025	117,103
2026	<u>9,681</u>
Total	<u>\$ 459,372</u>

Rent expense under leases totaled \$166,127 and \$160,155 for each of the years ended March 31, 2021 and 2020, respectively.

Deferred rent of \$30,786 and \$2,269 as of March 31, 2021 and 2020, 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 11 - 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, 2021, the Society was owed \$25 from the Trust and as of March 31, 2020, the Trust was owed \$14,474 from the Society, which has been eliminated in the combined financial statements.

The Society donates services to the Trust based on the actual time of various employees and actual expenses incurred. The donated services from the Society to the Trust amounted to \$17,943 and \$26,309 for the years ended March 31, 2021 and 2020, respectively, and are eliminated on the combined statements of activities and changes in net assets.

**NOTE 12 - CONCENTRATIONS**

The Organization has one continuing education vendor whose program accounted for approximately \$312,259 and \$335,412 of seminar sales for the years ended March 31, 2021 and March 31, 2020, respectively. These classes represented 67% and 39% of overall seminar sales for the years ended March 31, 2021 and March 31, 2020, respectively.

**SUPPLEMENTAL SCHEDULES**

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS  
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 March 31, 2021

	<u>Society</u>	<u>Trust</u>	<u>Elimination Entries</u>	<u>Combined</u>
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 943,127	\$ 107,441	\$ -	\$ 1,050,568
Investments, at fair value	1,104,448	906,258	-	2,010,706
Accounts receivable, net	62,101	-	-	62,101
Prepaid expenses and other assets	13,213	2,000	-	15,213
Due from affiliate	25	-	(25)	-
Total current assets	<u>2,122,914</u>	<u>1,015,699</u>	<u>(25)</u>	<u>3,138,588</u>
Security deposits	18,294	-	-	18,294
Property and equipment, net	<u>113,595</u>	<u>-</u>	<u>-</u>	<u>113,595</u>
Total assets	<u>\$ 2,254,803</u>	<u>\$ 1,015,699</u>	<u>\$ (25)</u>	<u>\$ 3,270,477</u>
<b>LIABILITIES AND NET ASSETS</b>				
Current liabilities				
Accounts payable	\$ 53,866	\$ -	\$ -	\$ 53,866
Accrued expenses	67,452	-	-	67,452
Deferred revenue	209,039	1,925	-	210,964
Long-term debt, current portion	14,890	-	-	14,890
Deposits for conferences and meetings	24,215	-	-	24,215
Deferred rent, current	122	-	-	122
Due to affiliate	-	25	(25)	-
Total current liabilities	<u>369,584</u>	<u>1,950</u>	<u>(25)</u>	<u>371,509</u>
Long-term debt	208,462	-	-	208,462
Deferred rent, long term	<u>30,664</u>	<u>-</u>	<u>-</u>	<u>30,664</u>
Total liabilities	608,710	1,950	(25)	610,635
Net assets				
Without donor restrictions	<u>1,646,093</u>	<u>1,013,749</u>	<u>-</u>	<u>2,659,842</u>
Total net assets	<u>1,646,093</u>	<u>1,013,749</u>	<u>-</u>	<u>2,659,842</u>
Total liabilities and net assets	<u>\$ 2,254,803</u>	<u>\$ 1,015,699</u>	<u>\$ (25)</u>	<u>\$ 3,270,477</u>

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS  
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 March 31, 2020

	<u>Society</u>	<u>Trust</u>	<u>Elimination Entries</u>	<u>Combined</u>
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 358,204	\$ 138,698	\$ -	\$ 496,902
Investments, at fair value	863,152	653,443	-	1,516,595
Accounts receivable, net	13,906	2,000	-	15,906
Prepaid expenses and other assets	15,430	2,000	-	17,430
Due from affiliate	-	14,874	(14,874)	-
Total current assets	<u>1,250,692</u>	<u>811,015</u>	<u>(14,874)</u>	<u>2,046,833</u>
Security deposits	18,294	-	-	18,294
Property and equipment, net	<u>126,569</u>	<u>-</u>	<u>-</u>	<u>126,569</u>
Total assets	<u>\$ 1,395,555</u>	<u>\$ 811,015</u>	<u>\$ (14,874)</u>	<u>\$ 2,191,696</u>
<b>LIABILITIES AND NET ASSETS</b>				
Current liabilities				
Accounts payable	\$ 57,262	\$ -	\$ -	\$ 57,262
Accrued expenses	69,195	-	-	69,195
Deferred revenue	211,280	5,751	-	217,031
Deposits for conferences and meetings	14,841	-	-	14,841
Deferred rent, current	-	-	-	-
Due to affiliate	14,874	-	(14,874)	-
Total current liabilities	<u>367,452</u>	<u>5,751</u>	<u>(14,874)</u>	<u>358,329</u>
Deferred rent, long term	<u>2,269</u>	<u>-</u>	<u>-</u>	<u>2,269</u>
Total liabilities	369,721	5,751	(14,874)	360,598
Net assets				
Without donor restrictions	<u>1,025,834</u>	<u>805,264</u>	<u>-</u>	<u>1,831,098</u>
Total net assets	<u>1,025,834</u>	<u>805,264</u>	<u>-</u>	<u>1,831,098</u>
Total liabilities and net assets	<u>\$ 1,395,555</u>	<u>\$ 811,015</u>	<u>\$ (14,874)</u>	<u>\$ 2,191,696</u>

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS  
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 COMBINING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
 Year Ended March 31, 2021

	Society		Trust		Elimination Entries	Combined
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
<b>Support and revenue</b>						
Professional development and associated revenue	\$ 1,073,461	\$ -	\$ -	\$ -	\$ -	\$ 1,073,461
Membership dues and fees	1,197,388	-	-	-	-	1,197,388
Peer review	185,600	-	-	-	-	185,600
Website and publications	69,084	-	-	-	-	69,084
Contributions	-	-	20,258	-	-	20,258
Investment income, net	214,579	-	203,712	-	-	418,291
Other income	21,752	-	-	-	-	21,752
Donated services	21,118	-	17,943	-	(17,943)	21,118
<b>Total support and revenues</b>	<b>2,782,982</b>	<b>-</b>	<b>241,913</b>	<b>-</b>	<b>(17,943)</b>	<b>3,006,952</b>
<b>Expenses</b>						
<b>Program services</b>						
Professional development	859,669	-	-	-	-	859,669
Membership charges	414,764	-	-	-	-	414,764
Peer review	155,842	-	-	-	-	155,842
Publications and website	187,709	-	-	-	-	187,709
Advocacy	148,818	-	-	-	-	148,818
Scholarships and awards	-	-	14,175	-	-	14,175
<b>Total program services</b>	<b>1,766,802</b>	<b>-</b>	<b>14,175</b>	<b>-</b>	<b>-</b>	<b>1,780,977</b>
<b>Supporting services</b>						
Management and general	395,921	-	18,315	-	(17,943)	396,293
Fundraising	-	-	938	-	-	938
<b>Total supporting services</b>	<b>395,921</b>	<b>-</b>	<b>19,253</b>	<b>-</b>	<b>(17,943)</b>	<b>397,231</b>
<b>Total expenses</b>	<b>2,162,723</b>	<b>-</b>	<b>33,428</b>	<b>-</b>	<b>(17,943)</b>	<b>2,178,208</b>
Change in net assets	620,259	-	208,485	-	-	828,744
Net assets, beginning of year	1,025,834	-	805,264	-	-	1,831,098
Net assets, end of year	<u>\$ 1,646,093</u>	<u>\$ -</u>	<u>\$ 1,013,749</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,659,842</u>

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS  
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 COMBINING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
 Year Ended March 31, 2020

	Society		Trust		Elimination Entries	Combined
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
<b>Support and revenue</b>						
Professional development and associated revenue	\$ 1,345,888	\$ -	\$ -	\$ -	\$ -	\$ 1,345,888
Membership dues and fees	1,178,903	-	-	-	-	1,178,903
Peer review	193,025	-	-	-	-	193,025
Website and publications	104,338	-	-	-	-	104,338
Contributions	19,500	-	21,260	-	-	40,760
Investment losses, net	(34,823)	-	(56,326)	-	-	(91,149)
Other income	68,495	-	-	-	-	68,495
Fundraising	-	-	65,645	-	-	65,645
Donated services	23,358	-	26,309	-	(26,309)	23,358
Released from restriction	-	(19,500)	-	-	-	(19,500)
<b>Total support and revenues</b>	<b>2,898,684</b>	<b>(19,500)</b>	<b>56,888</b>	<b>-</b>	<b>(26,309)</b>	<b>2,909,763</b>
<b>Expenses</b>						
<b>Program services</b>						
Professional development	1,260,919	-	-	-	-	1,260,919
Membership charges	727,707	-	-	-	-	727,707
Peer review	193,968	-	-	-	-	193,968
Publications and website	170,071	-	-	-	-	170,071
Advocacy	197,196	-	-	-	-	197,196
Scholarships and awards	-	-	54,417	-	-	54,417
<b>Total program services</b>	<b>2,549,861</b>	<b>-</b>	<b>54,417</b>	<b>-</b>	<b>-</b>	<b>2,604,278</b>
<b>Supporting services</b>						
Management and general	372,980	-	26,439	-	(26,309)	373,110
Fundraising	-	-	41,155	-	-	41,155
<b>Total supporting services</b>	<b>372,980</b>	<b>-</b>	<b>67,594</b>	<b>-</b>	<b>(26,309)</b>	<b>414,265</b>
<b>Total expenses</b>	<b>2,922,841</b>	<b>-</b>	<b>122,011</b>	<b>-</b>	<b>(26,309)</b>	<b>3,018,543</b>
Change in net assets	(24,157)	(19,500)	(65,123)	-	-	(108,780)
Net assets, beginning of year	1,049,991	19,500	870,387	-	-	1,939,878
Net assets, end of year	<u>\$ 1,025,834</u>	<u>\$ -</u>	<u>\$ 805,264</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,831,098</u>



THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS  
 INCORPORATED AND AFFILIATED ENTITY  
 COMBINING STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)  
 Year Ended March 31, 2021

Society	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	\$ 234,850	\$ 259,131	\$ 90,095	\$ 110,340	\$ 74,909	\$ -	\$ 769,325	\$ 261,551	\$ -	\$ 261,551	\$ 1,030,876
Event, educational direct expenses	493,787	9,409	-	-	-	-	503,196	8,517	-	8,517	511,713
Occupancy	52,978	56,177	20,325	24,891	16,899	-	171,270	57,091	-	57,091	228,361
Food	-	615	-	-	-	-	615	584	-	584	1,199
Consultants	14,456	15,328	27,526	6,792	46,492	-	110,594	15,577	-	15,577	126,171
Printing and postage	-	2,732	-	18,107	-	-	20,839	9,920	-	9,920	30,759
Computer	28,585	29,309	8,795	21,623	7,313	-	95,625	27,225	-	27,225	122,850
Facilities and equipment rental	-	225	-	-	-	-	225	579	-	579	804
Credit card fees	22,209	25,472	3,804	823	-	-	52,308	34	-	34	52,342
Office supplies	4,669	6,481	791	1,400	633	-	13,974	4,457	-	4,457	18,431
Travel, meals and education	189	1,150	1,458	-	37	-	2,834	866	-	866	3,700
Depreciation	6,799	7,210	2,608	3,194	2,169	-	21,980	7,327	-	7,327	29,307
Other	1,147	1,525	440	539	366	-	4,017	2,193	-	2,193	6,210
Total expenses	<u>\$ 859,669</u>	<u>\$ 414,764</u>	<u>\$ 155,842</u>	<u>\$ 187,709</u>	<u>\$ 148,818</u>	<u>\$ -</u>	<u>\$ 1,766,802</u>	<u>\$ 395,921</u>	<u>\$ -</u>	<u>\$ 395,921</u>	<u>\$ 2,162,723</u>

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS  
 INCORPORATED AND AFFILIATED ENTITY  
 COMBINING STATEMENTS OF FUNCTIONAL EXPENSES  
 Year Ended March 31, 2021

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,160	\$ -	\$ 13,160	\$ 13,160
Occupancy	-	-	-	-	-	-	-	1,484	-	1,484	1,484
Food	-	-	-	-	-	-	-	-	-	-	-
Consultants	-	-	-	-	-	-	-	1,810	-	1,810	1,810
Printing and postage	-	-	-	-	-	-	-	111	-	111	111
Computer	-	-	-	-	-	-	-	1,256	-	1,256	1,256
Credit card fees	-	-	-	-	-	-	-	-	938	938	938
Office supplies	-	-	-	-	-	-	-	-	-	-	-
Travel, meals and education	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	381	-	381	381
Scholarships, grants and awards	-	-	-	-	-	14,175	14,175	-	-	-	14,175
Other	-	-	-	-	-	-	-	113	-	113	113
Total expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,175</u>	<u>\$ 14,175</u>	<u>\$ 18,315</u>	<u>\$ 938</u>	<u>\$ 19,253</u>	<u>\$ 33,428</u>
Combined totals before eliminations	\$ 859,669	\$ 414,764	\$ 155,842	\$ 187,709	\$ 148,818	\$ 14,175	\$ 1,780,977	\$ 414,236	\$ 938	\$ 415,174	\$ 2,196,151
Eliminations	-	-	-	-	-	-	-	(17,943)	-	(17,943)	(17,943)
Combined totals after eliminations	<u>\$ 859,669</u>	<u>\$ 414,764</u>	<u>\$ 155,842</u>	<u>\$ 187,709</u>	<u>\$ 148,818</u>	<u>\$ 14,175</u>	<u>\$ 1,780,977</u>	<u>\$ 396,293</u>	<u>\$ 938</u>	<u>\$ 397,231</u>	<u>\$ 2,178,208</u>

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS  
 INCORPORATED AND AFFILIATED ENTITY  
 COMBINING STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)  
 Year Ended March 31, 2020

Society	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	\$ 297,960	\$ 443,843	\$ 129,547	\$ 110,115	\$ 82,910	\$ -	\$ 1,064,375	\$ 247,435	\$ -	\$ 247,435	\$ 1,311,810
Event, educational direct expenses	474,957	5,630	-	328	-	-	480,915	-	-	-	480,915
Occupancy	137,021	85,454	14,734	12,523	9,429	-	259,161	35,508	-	35,508	294,669
Food	128,411	48,447	-	-	-	-	176,858	-	-	-	176,858
Consultants	-	3,300	20,770	-	91,124	-	115,194	35,623	-	35,623	150,817
Printing and postage	81,248	15,356	-	30,900	-	-	127,504	7,337	-	7,337	134,841
Computer	25,481	36,561	11,079	9,417	7,090	-	89,628	21,161	-	21,161	110,789
Facilities and equipment rental	58,952	14,794	150	-	-	-	73,896	-	-	-	73,896
Credit card fees	27,025	26,083	3,973	1,006	-	-	58,087	885	-	885	58,972
Office supplies	16,987	16,600	1,673	1,376	1,035	-	37,671	4,716	-	4,716	42,387
Travel, meals and education	3,286	17,878	7,872	861	2,938	-	32,835	11,271	-	11,271	44,106
Depreciation	8,579	12,309	3,730	3,171	2,387	-	30,176	7,125	-	7,125	37,301
Other	1,012	1,452	440	374	283	-	3,561	1,919	-	1,919	5,480
Total expenses	<u>\$ 1,260,919</u>	<u>\$ 727,707</u>	<u>\$ 193,968</u>	<u>\$ 170,071</u>	<u>\$ 197,196</u>	<u>\$ -</u>	<u>\$ 2,549,861</u>	<u>\$ 372,980</u>	<u>\$ -</u>	<u>\$ 372,980</u>	<u>\$ 2,922,841</u>

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS  
 INCORPORATED AND AFFILIATED ENTITY  
 COMBINING STATEMENTS OF FUNCTIONAL EXPENSES  
 Year Ended March 31, 2020

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	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ 19,432	\$ -	\$ 19,432	\$ 19,432
Occupancy	-	-	-	-	-	-	-	2,210	-	2,210	2,210
Food	-	-	-	-	-	1,767	1,767	-	-	-	1,767
Consultants	-	-	-	-	-	-	-	1,092	-	1,092	1,092
Printing and postage	-	-	-	-	-	-	-	569	-	569	569
Computer	-	-	-	-	-	-	-	1,662	1,500	3,162	3,162
Credit card fees	-	-	-	-	-	-	-	-	1,289	1,289	1,289
Office supplies	-	-	-	-	-	-	-	364	-	364	364
Travel, meals and education	-	-	-	-	-	-	-	661	-	661	661
Depreciation	-	-	-	-	-	-	-	365	-	365	365
Scholarships, grants and awards	-	-	-	-	-	52,650	52,650	-	-	-	52,650
Fundraising events	-	-	-	-	-	-	-	-	38,366	38,366	38,366
Other	-	-	-	-	-	-	-	84	-	84	84
Total expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,417</u>	<u>\$ 54,417</u>	<u>\$ 26,439</u>	<u>\$ 41,155</u>	<u>\$ 67,594</u>	<u>\$ 122,011</u>
Combined totals before eliminations	\$ 1,260,919	\$ 727,707	\$ 193,968	\$ 170,071	\$ 197,196	\$ 54,417	\$ 2,604,278	\$ 399,419	\$ 41,155	\$ 440,574	\$ 3,044,852
Eliminations	-	-	-	-	-	-	-	(26,309)	-	(26,309)	(26,309)
Combined totals after eliminations	<u>\$ 1,260,919</u>	<u>\$ 727,707</u>	<u>\$ 193,968</u>	<u>\$ 170,071</u>	<u>\$ 197,196</u>	<u>\$ 54,417</u>	<u>\$ 2,604,278</u>	<u>\$ 373,110</u>	<u>\$ 41,155</u>	<u>\$ 414,265</u>	<u>\$ 3,018,543</u>

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS  
 INCORPORATED AND AFFILIATED ENTITY  
 COMBINING STATEMENTS OF CASH FLOWS  
 Year Ended March 31, 2021

	<u>Society</u>	<u>Trust</u>	<u>Elimination Entries</u>	<u>Combined</u>
Cash flows from operating activities				
Change in net assets	\$ 620,259	\$ 208,485	\$ -	\$ 828,744
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation expense	29,306	-	-	29,306
Loss on disposal of equipment	451	-	-	451
Unrealized and realized investment gains, net	(169,617)	(170,317)	-	(339,934)
Changes in operating assets and liabilities				
Accounts receivable	(48,195)	2,000	-	(46,195)
Prepaid expenses and other assets	2,217	-	-	2,217
Accounts payable	(3,396)	-	-	(3,396)
Accrued expenses	(1,743)	-	-	(1,743)
Deferred revenue	(2,241)	(3,826)	-	(6,067)
Deposits for conferences and meetings	9,374	-	-	9,374
Deferred rent	28,517	-	-	28,517
Due from/to affiliate	(14,899)	14,899	-	-
Net cash provided by operating activities	<u>450,033</u>	<u>51,241</u>	<u>-</u>	<u>501,274</u>
Cash flows from investing activities				
Purchases of investments	(398,374)	(268,429)	-	(666,803)
Proceeds from sales of investments	326,695	185,931	-	512,626
Purchases of property and equipment	(16,783)	-	-	(16,783)
Net cash used in investing activities	<u>(88,462)</u>	<u>(82,498)</u>	<u>-</u>	<u>(170,960)</u>
Cash flows from financing activities				
Proceeds from PPP loan	<u>223,352</u>	<u>-</u>	<u>-</u>	<u>223,352</u>
Net cash provided by financing activities	<u>223,352</u>	<u>-</u>	<u>-</u>	<u>223,352</u>
Net change in cash and cash equivalents	584,923	(31,257)	-	553,666
Cash and cash equivalents, beginning of year	<u>358,204</u>	<u>138,698</u>	<u>-</u>	<u>496,902</u>
Cash and cash equivalents, end of year	<u>\$ 943,127</u>	<u>\$ 107,441</u>	<u>\$ -</u>	<u>\$ 1,050,568</u>

THE CONNECTICUT SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS  
 INCORPORATED AND AFFILIATED ENTITY  
 COMBINING STATEMENTS OF CASH FLOWS  
 Year Ended March 31, 2020

	<u>Society</u>	<u>Trust</u>	<u>Elimination Entries</u>	<u>Combined</u>
Cash flows from operating activities				
Change in net assets	\$ (43,657)	\$ (65,123)	\$ -	\$ (108,780)
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation expense	37,301	-	-	37,301
Loss on disposal of equipment	190	-	-	190
Unrealized and realized investment losses, net	88,526	91,629	-	180,155
Changes in operating assets and liabilities				
Accounts receivable	29,896	(2,000)	-	27,896
Prepaid expenses and other assets	49,269	1,000	-	50,269
Accounts payable	11,069	(19)	-	11,050
Accrued expenses	(26,442)	-	-	(26,442)
Deferred revenue	10,563	5,751	-	16,314
Deposits for conferences and meetings	(21,417)	-	-	(21,417)
Deferred rent	(14,212)	-	-	(14,212)
Due from/to affiliate	13,854	(13,854)	-	-
Net cash provided by operating activities	<u>134,940</u>	<u>17,384</u>	-	<u>152,324</u>
Cash flows from investing activities				
Purchases of investments	(187,748)	(34,699)	-	(222,447)
Proceeds from sales of investments	134,405	-	-	134,405
Purchases of property and equipment	<u>(116,681)</u>	<u>-</u>	<u>-</u>	<u>(116,681)</u>
Net cash used in investing activities	<u>(170,024)</u>	<u>(34,699)</u>	<u>-</u>	<u>(204,723)</u>
Net change in cash and cash equivalents	(35,084)	(17,315)	-	(52,399)
Cash and cash equivalents, beginning of year	<u>393,288</u>	<u>156,013</u>	<u>-</u>	<u>549,301</u>
Cash and cash equivalents, end of year	<u>\$ 358,204</u>	<u>\$ 138,698</u>	<u>\$ -</u>	<u>\$ 496,902</u>