

**DELAWARE SOCIETY
OF CERTIFIED PUBLIC ACCOUNTANTS**

**FINANCIAL STATEMENTS
(Provided by Management and the Board for the
Benefit of the Members)**

APRIL 30, 2016 AND 2015

DELAWARE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
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DELAWARE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
STATEMENTS OF FINANCIAL POSITION
(Provided by Management and the Board for the Benefit of the Members)
APRIL 30, 2016 AND 2015

ASSETS

	2016	2015
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 201,338	\$ 281,313
Prepaid Expenses	1,846	2,226
TOTAL CURRENT ASSETS	203,184	283,539
PROPERTY AND EQUIPMENT		
Building and Improvements	205,919	205,919
Computers and Related Equipment	26,467	25,000
Furniture and Fixtures	21,459	21,459
Computer Software and Website	141,392	81,392
	395,237	333,770
Less: Accumulated Depreciation and Amortization	(207,318)	(195,033)
PROPERTY AND EQUIPMENT - NET	187,919	138,737
TOTAL ASSETS	\$ 391,103	\$ 422,276
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 2,300	\$ 3,792
Payroll Liabilities Payable	4,037	3,813
Deferred Revenue	34,846	102,844
TOTAL CURRENT LIABILITIES	41,183	110,449
NET ASSETS		
Unrestricted	342,239	311,827
Restricted	7,681	-
TOTAL NET ASSETS	349,920	311,827
TOTAL LIABILITIES AND NET ASSETS	\$ 391,103	\$ 422,276

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

DELAWARE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
STATEMENTS OF ACTIVITIES
(Provided by Management and the Board for the Benefit of the Members)
YEARS ENDED APRIL 30, 2016 AND 2015

	2016	2015
UNRESTRICTED REVENUE, GAINS, AND OTHER SUPPORT		
Committee Revenue	\$ -	\$ 8,900
CPE Program Revenue	297,645	241,910
Membership Dues	163,553	158,393
Monthly and Annual Meetings	14,420	12,990
Other Income	5,893	5,170
Net Assets Released from Restriction	2,319	-
TOTAL UNRESTRICTED REVENUE, GAINS, AND OTHER SUPPORT	483,830	427,363
EXPENSES		
Bank Fees	12,051	11,928
Committees and New Programs	-	3,028
Conventions and Conferences	13,923	14,372
CPE Program	160,889	149,163
Depreciation and Amortization	12,285	12,258
Legislative Affairs	9,069	9,000
Monthly and Annual Meetings	12,761	13,203
Occupancy	12,064	13,175
Office and Technology	13,905	19,241
Printing and Postage	193	169
Professional Fees	5,850	5,850
Publications and Dues	200	81
Salaries, Taxes and Benefits	196,666	190,423
Scholarships and Awards Granted	2,000	2,250
Travel	1,562	1,893
TOTAL EXPENSES	453,418	446,034
CHANGE IN UNRESTRICTED NET ASSETS	30,412	(18,671)
RESTRICTED CONTRIBUTIONS	10,000	-
Net Assets Released from Restriction	(2,319)	-
CHANGE IN RESTRICTED NET ASSETS	7,681	-
CHANGE IN NET ASSETS	38,093	(18,671)
NET ASSETS - Beginning of Year	311,827	330,498
NET ASSETS - End of Year	\$ 349,920	\$ 311,827

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

DELAWARE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
STATEMENTS OF CASH FLOWS
(Provided by Management and the Board for the Benefit of the Members)
YEARS ENDED APRIL 30, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 38,093	\$ (18,671)
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities		
Depreciation and Amortization	12,285	12,258
Decrease (Increase) in Assets		
Prepaid Expenses	380	589
Increase (Decrease) in Liabilities		
Accounts Payable	(1,492)	3,792
Payroll Liabilities Payable	224	519
Deferred Revenue	(67,998)	58,459
	(18,508)	56,946
NET CASH FROM OPERATING ACTIVITIES	(18,508)	56,946
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(61,467)	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(79,975)	56,946
CASH AND CASH EQUIVALENTS - Beginning of Year	281,313	224,367
CASH AND CASH EQUIVALENTS - End of Year	\$ 201,338	\$ 281,313

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

DELAWARE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

(Provided by Management and the Board for the Benefit of the Members)

APRIL 30, 2016

NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - The Delaware Society of Certified Public Accountants (Society) is an active professional association working to further the well-being of its members, while upholding the public interest by enhancing quality services founded on professional competence, integrity and objectivity; serving as an advocate for, and promoting the public image of, its members; articulating positions on professional and public issues where the expertise of certified public accountants is relevant; and providing a broad spectrum of high-quality educational programs for its members.

Accounting Basis - The financial statements of the Society have been prepared on the accrual basis in conformity with accounting principles generally accepted in the United States of America for nonprofit organizations.

All revenue received and expenditures incurred prior to the end of the fiscal year that relates to the following fiscal year are recorded and reflected as deferred revenue and prepaid expenses, respectively.

The financial statements have been prepared by members of the board of directors

Cash and Cash Equivalents - For the statements of cash flows, the Society considers cash on deposit, cash on hand, money market funds and certificates of deposit with original maturities of less than three months to be cash equivalents.

Property and Equipment - Property and equipment with an estimated useful life in excess of one year are capitalized at cost if purchased and at fair market value if donated. Management only capitalizes the cost of property and equipment that exceeds \$500. Amounts below this threshold are charged to operations.

Depreciation of property and equipment is provided using the straight line method over the useful lives of the assets as follows:

Building	40 years
Furniture and fixtures	5 to 7 years
Computers and related equipment	3 to 10 years
Computer software and website	3 to 5 years

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When assets are disposed of, the related cost and accumulated depreciation thereon are removed from the accounts, and any resulting gain or loss is included as a component of change in net assets.

DELAWARE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
(Provided by Management and the Board for the Benefit of the Members)
APRIL 30, 2016

NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property and Equipment - continued -

In accordance with ASC 350-40, *Internal Use Software*, computer software that is developed or obtained for internal use in excess of the Society's capitalization policy of \$500 is capitalized. Website revisions are accounted for in accordance with ASC 350-50, *Website Development Costs*. Amortization of capitalized computer software costs, including capitalized website revisions, was \$0 and \$0 for the years ended April 30, 2016 and 2015, respectively.

Depreciation expense for other property and equipment was \$12,285 and \$12,258, respectively, for the years ended April 30, 2016 and 2015.

Revenue Recognition - Revenue is recognized when earned. Membership dues, CPE program fees, and meeting fees received in advance of the fiscal year to which they relate are deferred.

Contributions - In accordance with ASC-958, *Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions are recognized as revenue in the period when the contributions (including promises to give) are received. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending upon the nature of the restriction. When the terms of a restriction are met, temporarily restricted net assets are reclassified to unrestricted net assets.

As of April 30, 2016 and 2015, net assets consisted of \$342,239 unrestricted and \$7,681 restricted and \$311,827 unrestricted and \$0 restricted respectively. The restricted assets represent the remaining funds received from The Accountants Coalition (TAC) to be used to support the Delaware State Boards legislation efforts.

Donated Services - A significant portion of the Society's functions, including member services, committees, and operational activities, are conducted by unpaid officers and volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria necessary for recognition.

Compensated Absences - The Society has no formal policy for compensated absences. As a result, no accrual has been established as of April 30, 2016 and 2015.

DELAWARE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
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APRIL 30, 2016

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

DELAWARE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
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APRIL 30, 2016

NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Income Taxes - The Society is exempt from federal income taxes under Section 501(c)6 of the Internal Revenue Code. The Society is subject to tax on income not related to the exempt purpose of the Society.

Effective January 1, 2009, the Society adopted ASC 740-10, *Income Taxes*, as it relates to uncertain tax positions. Management has reviewed its current and past federal and state income tax positions and has determined, based on clear and unambiguous tax law and regulations, that the tax positions taken are certain and that there is no likelihood that a material tax assessment would be made if a respective government agency examined tax returns subject to audit. Accordingly, no provision for the effects of uncertain tax positions has been recorded.

Currently, the 2013, 2014, and 2015 tax years are open and subject to examination by the Internal Revenue Service. However, the Society is not currently under audit nor has the Society been contacted by this jurisdiction. Any interest and penalties related to income taxes are included in income tax expense.

Subsequent Events - The Society has evaluated events through July 12, 2016, which is the date the financial statements were available to the membership.

NOTE 2: CONCENTRATION OF RISK

The Society's cash balances are located in various banking institutions. At times, balances may exceed federally insured limits. Management believes the risk of loss is remote.

NOTE 3: RETIREMENT PLAN

The Society maintains a non-contributory SEP retirement plan covering all employees who meet the prescribed service and earnings requirements. The amount of the contribution is discretionary and is determined annually by the board of directors of the Society. Contributions to the plan totaled \$9,567 and \$9,294 for the years ended April 30, 2016 and 2015, respectively.