

**DELAWARE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS**

**FINANCIAL STATEMENTS
(PROVIDED BY MANAGEMENT AND THE BOARD
FOR THE BENEFIT OF THE MEMBERS)
APRIL 30, 2022 AND 2021**

**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)

ASSETS		APRIL 30,	
	2022	2021	
CURRENT ASSETS			
Cash	\$ 528,064	\$ 322,949	
Accounts receivable	55	156	
Prepaid expenses		5,452	
TOTAL CURRENT ASSETS	528,119	328,557	
PROPERTY AND EQUIPMENT, at cost			
Building and improvements		212,148	
Computer and related equipment	14,969	33,913	
Furniture and fixtures	760	21,459	
Computer software and website	60,860	142,252	
	76,589	409,772	
Less accumulated depreciation	70,767	322,361	
PROPERTY AND EQUIPMENT, NET	5,822	87,411	
TOTAL ASSETS	\$ 533,941	\$ 415,968	
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$ 3,713	\$ 15,020	
Deferred revenue	4,091	32,888	
TOTAL CURRENT LIABILITIES	7,804	47,908	
LONG-TERM LIABILITIES			
Conditional grant - Paycheck Protection Program		40,330	
Conditional grant - DHSS Relief Grant	7,140	7,140	
TOTAL LONG-TERM LIABILITIES	7,140	47,470	
TOTAL LIABILITIES	14,944	95,378	
NET ASSETS			
Without donor restrictions	513,997	320,590	
With donor restrictions	5,000		
	518,997	320,590	
TOTAL LIABILITIES AND NET ASSETS	\$ 533,941	\$ 415,968	

See selected information.

DELAWARE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
STATEMENTS OF ACTIVITIES
(PROVIDED BY MANAGEMENT AND THE BOARD FOR THE BENEFIT OF THE MEMBERS)

	<u>Year ended April 30, 2022</u>			<u>Year ended April 30, 2021</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE, GAIN AND OTHER SUPPORT						
CPE program revenue	\$ 146,938	\$	\$ 146,938	\$ 222,893	\$	\$ 222,893
Membership dues	187,385		187,385	185,227		185,227
Special Events, net	250		250			-
Other income	18,409		18,409	10,056		10,056
Payroll Protection Plan grant	40,330		40,330			
Delaware Relief Grant					4,620	4,620
Student Outreach grant		5,000	5,000			
	<u>393,312</u>	<u>5,000</u>	<u>398,312</u>	<u>418,176</u>	<u>4,620</u>	<u>422,796</u>
EXPENSES						
Conferences and travel				289		289
CPE program	17,986		17,986	111,254		111,254
Depreciation	11,410		11,410	10,881		10,881
Legislative affairs	9,000		9,000	9,000		9,000
Monthly and annual meetings				145		145
Condo expenses	11,578		11,578	12,922		12,922
Office and technology	19,430		19,430	18,710		18,710
Professional fees	6,600		6,600	6,600		6,600
Salaries, taxes and benefits	245,524		245,524	238,491		238,491
Service charges	11,395		11,395	12,686		12,686
	<u>332,923</u>		<u>332,923</u>	<u>420,978</u>		<u>420,978</u>
	60,389	5,000	65,389	(2,802)	4,620	1,818
Net assets released from restrictions	-			4,620	(4,620)	
	<u>60,389</u>	<u>5,000</u>	<u>65,389</u>	<u>1,818</u>		<u>1,818</u>
Gain on sale of office condo	<u>133,018</u>		<u>133,018</u>			
CHANGE IN NET ASSETS	193,407	5,000	198,407	1,818		1,818
NET ASSETS						
Beginning of year	320,590		320,590	318,772		318,772
End of year	<u>\$ 513,997</u>	<u>\$ 5,000</u>	<u>\$ 518,997</u>	<u>\$ 320,590</u>	<u>\$</u>	<u>\$ 320,590</u>

See selected information.

DELAWARE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
STATEMENTS OF CASH FLOWS
(PROVIDED BY MANAGEMENT AND THE BOARD FOR THE BENEFIT OF THE MEMBERS)

	Year ended April 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from members, vendors and customers	\$ 324,286	\$ 426,128
Cash received from grantors	5,000	11,760
Cash paid to suppliers and employees	(327,368)	(398,483)
Net cash provided by operating activities	1,918	39,405
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(1,652)	(3,698)
Proceeds from sale of office condo	204,849	
Net cash provided (used) by investing activities	203,197	(3,698)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	-	40,330
Net cash provided by financing activities	-	40,330
NET INCREASE IN CASH	205,115	76,037
CASH		
Beginning of year	322,949	246,912
End of year	<u>\$ 528,064</u>	<u>\$ 322,949</u>

See selected information.

**DELAWARE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
SELECTED INFORMATION**

YEARS ENDED APRIL 30, 2022 AND 2021

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.

Basis of Accounting - The financial statements of the Society have been prepared on the accrual basis of accounting 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 the board of directors and management.

Property and Equipment - Property and equipment with an estimated useful life in excess of one year are capitalized at cost. Management capitalizes the cost of property and equipment that exceeds \$500.

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

Building and Equipment	40 Years
Computers and Related Equipment	3-10 Years
Furniture and Fixtures	5-7 Years
Computer Software and Website	3-5 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 are removed from the accounts, and any resulting gain or loss is included as a component of change in net assets.

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*.

**DELAWARE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
SELECTED INFORMATION**

YEARS ENDED APRIL 30, 2022 AND 2021

(Continued)

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

Property and Equipment - Continued

Depreciation was \$11,410 and \$10,881 for the years ended April 30, 2022 and 2021, respectively.

Financial Statement Presentation - The Society reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

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 - Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of beneficial interest is received. Contributions received are recorded as support with restrictions or without restrictions depending on the existence and/or nature of any donor restrictions. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

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 because 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, 2022 and 2021.

Management Estimates - The preparation of financial statements 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
SELECTED INFORMATION**

YEARS ENDED APRIL 30, 2022 AND 2021

(Continued)

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.

The Society follows 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.

The federal information returns of the Society are subject to examination by the Internal Revenue Service, generally for three years after they are filed. 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's policy is to evaluate events and transactions subsequent to its year end for potential recognition in the financial statements or disclosure in the notes to the financial statements. Management has evaluated events and transaction through the date the financial statements were available to the membership.

NOTE 2: CONCENTRATION OF RISKS

Financial instruments that potentially subject the Society to significant concentrations of risk are principally cash balances.

The Society, in the ordinary course of business, maintains cash balances a single financial institution. The balances were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The balances in all accounts held at the financial institution are added together and any amounts over the limit is considered uninsured. At times, balances may exceed insured limits; however, management does not feel it is exposed to any significant credit risk with respect to uninsured balances maintained at the financial institution.

NOTE 3: RETIREMENT PLAN

The Society established a 401(k) profit sharing plan which covers all employees who meet the prescribed service and earnings requirements. The amount of the contribution under the 401(k) plan is a match of up to 6% of the employees' wages. Contributions totaled \$11,940 and \$11,594 and for the years ended April 30, 2022 and 2021, respectively.

DELAWARE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
SELECTED INFORMATION

YEARS ENDED APRIL 30, 2022 AND 2021

(Continued)

NOTE 4: CONDITIONAL GRANT – PAYCHECK PROTECTION PROGRAM LOAN

In response to the coronavirus outbreak, Congress passed the *Coronavirus Aid, Relief, and Economic Stability Act* (CARES Act) which contains changes to Small Business Administration (SBA) lending programs, including forgivable loans administered through the Paycheck Protection Program (PPP). In February 2021, DSCPA received PPP loan proceeds from TD Bank in the amount of \$40,330. The PPP loan were recorded as a conditional grant liability on the statement of financial position as of April 30, 2021. In the year ended April 30, 2022, DSCPA applied for and received loan forgiveness, and recognized the conditional grant as revenue.

NOTE 5: GLOBAL PANDEMIC

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption on global supply chains and adversely impacting many industries. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown, The rapid development and fluidity of the situation precludes any prediction as to the ultimate adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Society, its performance, and its financial results.