



***MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
(A MINNESOTA NOT-FOR-PROFIT
ORGANIZATION)***

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022 AND 2021

C O N T E N T S

	Page
INDEPENDENT AUDITOR’S REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated statements of financial position	3
Consolidated statements of activities	4
Consolidated statements of functional expenses	6
Consolidated statements of cash flows	7
Notes to consolidated financial statements	8
INDEPENDENT AUDITOR’S REPORT ON SUPPLEMENTARY INFORMATION	21
SUPPLEMENTARY INFORMATION	
Consolidating statements of financial position	22
Consolidating statements of activities	24
Consolidating statements of cash flows	26

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Minnesota Society of Certified Public Accountants
Bloomington, Minnesota

Opinion

We have audited the accompanying consolidated financial statements of Minnesota Society of Certified Public Accountants (a Minnesota nonprofit Organization), which comprise the consolidated statements of financial position as of March 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Minnesota Society of Certified Public Accountants as of March 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Minnesota Society of Certified Public Accountants and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Minnesota Society of Certified Public Accountants' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Minnesota Society of Certified Public Accountants' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Minnesota Society of Certified Public Accountants' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Emphasis of Matter- Change in Accounting Principle

As discussed in Notes 1 and 12 to the financial statements, on April 1, 2021, the Society adopted new accounting guidance, FASB ASU No. 2016-02 – Leases (Topic 842). The new standard supersedes existing accounting standards for leases and requires organizations to account for leases as either finance leases or operating leases and to recognize right-of-use lease assets and corresponding lease liabilities on the balance sheet for all leases other than leases with terms of 12 months or less. Our opinion is not modified with respect to this matter.



Boyum & Barescheer, PLLP
Minneapolis, Minnesota
June 30, 2022

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

MARCH 31,	2022	2021
ASSETS		
Cash and cash equivalents	\$ 3,583,644	\$ 3,296,917
Investments - operating reserve	1,394,327	1,393,571
Investments - intermediate reserve	1,827,486	1,766,537
Investments - long-term reserve	1,736,129	1,635,900
Accounts receivable and contributions receivable, net	20,844	81,849
Prepaid expenses	206,973	84,574
Property and equipment, net	1,149,419	551,430
Right-of-use asset - operating lease	1,381,254	-
<i>Total assets</i>	\$ 11,300,076	\$ 8,810,778
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 372,369	\$ 85,178
Accrued compensation and related taxes	239,497	305,354
Accrued pension contribution	132,453	124,923
Deferred rent	-	45,636
Deferred revenues		
Membership dues	1,555,255	1,638,263
Future activities	117,391	106,054
PPP loan payable	-	479,172
Lease liability - operating lease	1,782,171	-
<i>Total liabilities</i>	4,199,136	2,784,580
NET ASSETS		
Without donor restrictions		
Board designated - long-term reserve	1,736,129	1,635,900
Undesignated	5,312,886	4,368,077
<i>Total without donor restrictions</i>	7,049,015	6,003,977
With donor restrictions	51,925	22,221
<i>Total net assets</i>	7,100,940	6,026,198
<i>Total liabilities and net assets</i>	\$ 11,300,076	\$ 8,810,778

The Notes to Consolidated Financial Statements are an integral part of these statements.

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEAR ENDED MARCH 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND GAINS			
Contributions	\$ -	\$ 35,000	\$ 35,000
Education programs	2,795,072	-	2,795,072
Membership dues	2,177,064	-	2,177,064
Membership programs	63,703	-	63,703
Publication sales and advertising	141,536	-	141,536
Professional standards	203,780	-	203,780
Investment income, net	162,867	-	162,867
Pandemic relief tax credits	403,444	-	403,444
Forgiveness of PPP loan and interest	483,110	-	483,110
Other	11,486	-	11,486
Net assets released from restrictions	5,296	(5,296)	-
<i>Total revenue and gains</i>	6,447,358	29,704	6,477,062
EXPENSES AND LOSSES			
Program expenses			
Education programs	2,326,366	-	2,326,366
Membership services	874,959	-	874,959
Communications	489,439	-	489,439
Government relations	260,076	-	260,076
Professional standards	174,798	-	174,798
<i>Total program expenses</i>	4,125,638	-	4,125,638
Supporting services			
Management and general	1,271,528	-	1,271,528
<i>Total expenses</i>	5,397,166	-	5,397,166
Loss from disposal of property and equipment	5,154	-	5,154
<i>Total expenses and losses</i>	5,402,320	-	5,402,320
<i>Change in net assets</i>	1,045,038	29,704	1,074,742
Net assets, beginning of year	6,003,977	22,221	6,026,198
<i>Net assets, end of year</i>	\$ 7,049,015	\$ 51,925	\$ 7,100,940

The Notes to Consolidated Financial Statements are an integral part of these statements.

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEAR ENDED MARCH 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND GAINS			
Contributions	\$ 50	\$ -	\$ 50
Education programs	2,763,599	-	2,763,599
Membership dues	2,224,924	-	2,224,924
Membership programs	43,369	-	43,369
Publication sales and advertising	135,948	-	135,948
Professional standards	195,245	-	195,245
Investment income, net	719,488	-	719,488
Pandemic relief tax credits	341,454	-	341,454
Other	19,969	-	19,969
Net assets released from restrictions	6,108	(6,108)	-
<i>Total revenue and gains</i>	6,450,154	(6,108)	6,444,046
EXPENSES			
Program expenses			
Education programs	2,272,886	-	2,272,886
Membership services	867,624	-	867,624
Communications	467,661	-	467,661
Government relations	261,764	-	261,764
Professional standards	161,333	-	161,333
<i>Total program expenses</i>	4,031,268	-	4,031,268
Supporting services			
Management and general	1,218,015	-	1,218,015
<i>Total expenses</i>	5,249,283	-	5,249,283
<i>Change in net assets</i>	1,200,871	(6,108)	1,194,763
Net assets, beginning of year	4,803,106	28,329	4,831,435
<i>Net assets, end of year</i>	\$ 6,003,977	\$ 22,221	\$ 6,026,198

The Notes to Consolidated Financial Statements are an integral part of these statements.

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED MARCH 31, 2022

	Program Services					Total	Supporting	Total	March 31, 2021 Total
	Education Programs	Membership Services	Communications	Government Relations	Professional Standards		Management and General		
Expenses									
Personnel	\$ 790,321	\$ 519,545	\$ 269,885	\$ 174,788	\$ 70,660	\$ 1,825,199	\$ 993,477	\$ 2,818,676	\$ 2,753,132
CPE program production	1,214,585	-	-	-	-	1,214,585	-	1,214,585	1,211,611
Events and programs	5,193	66,933	-	50,507	82,125	204,758	-	204,758	175,174
Publications and promotions	-	46,312	128,269	-	-	174,581	-	174,581	158,348
Scholarships and contributions	20,500	27,500	-	-	-	48,000	-	48,000	46,500
Rent	74,954	50,495	24,709	8,976	6,578	165,712	58,025	223,737	232,484
Office	95,056	64,954	47,557	18,787	7,897	234,251	69,749	304,000	267,245
General operating	60,992	63,254	1,452	636	2,808	129,142	106,026	235,168	233,455
Depreciation and amortization	64,765	35,966	17,567	6,382	4,730	129,410	41,087	170,497	170,559
Interest	-	-	-	-	-	-	3,164	3,164	775
Total expenses	\$ 2,326,366	\$ 874,959	\$ 489,439	\$ 260,076	\$ 174,798	\$ 4,125,638	\$ 1,271,528	\$ 5,397,166	\$ 5,249,283

YEAR ENDED MARCH 31, 2021

	Program Services					Total	Supporting	Total
	Education Programs	Membership Services	Communications	Government Relations	Professional Standards		Management and General	
Expenses								
Personnel	\$ 753,683	\$ 513,126	\$ 273,315	\$ 184,850	\$ 61,508	\$ 1,786,482	\$ 966,650	\$ 2,753,132
CPE program production	1,211,611	-	-	-	-	1,211,611	-	1,211,611
Events and programs	6,008	45,848	-	42,339	80,979	175,174	-	175,174
Publications and promotions	-	48,284	110,064	-	-	158,348	-	158,348
Scholarships and contributions	19,000	27,500	-	-	-	46,500	-	46,500
Rent	76,537	51,124	26,388	10,988	6,120	171,157	61,327	232,484
Office	84,923	57,092	39,077	16,109	6,314	203,515	63,730	267,245
General operating	56,255	90,065	985	2	2,284	149,591	83,864	233,455
Depreciation and amortization	64,869	34,585	17,832	7,476	4,128	128,890	41,669	170,559
Interest	-	-	-	-	-	-	775	775
Total expenses	\$ 2,272,886	\$ 867,624	\$ 467,661	\$ 261,764	\$ 161,333	\$ 4,031,268	\$ 1,218,015	\$ 5,249,283

The Notes to Consolidated Financial Statements are an integral part of these statements.

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED MARCH 31,	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,074,742	\$ 1,194,763
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	170,497	170,559
Noncash lease expense	47,743	-
Loss on disposal of property and equipment	5,154	-
Net unrealized (gain) loss on investments	(69,867)	(648,283)
Forgiveness of PPP loan	(479,172)	-
Changes in operating assets and liabilities:		
Accounts receivable and contribution receivable	61,005	(45,120)
Prepaid expenses	(122,399)	114,168
Accounts payable	(6,791)	(10,142)
Accrued expenses	(58,327)	(44,977)
Deferred rent	-	(39,220)
Deferred revenue	(71,671)	1,363,140
<i>Net cash provided by operating activities</i>	550,914	2,054,888
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(588,489)	(4,541,697)
Sale or maturity of investments	496,424	4,466,150
Tenant improvement allowance received	102,512	-
Purchase of property and equipment	(277,729)	(19,955)
Proceeds from sale of equipment	3,095	-
<i>Net cash used by investing activities</i>	(264,187)	(95,502)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program	-	479,172
<i>Net cash provided by financing activities</i>	-	479,172
<i>Net increase in cash</i>	286,727	2,438,558
Cash and cash equivalents, beginning of year	3,296,917	858,359
<i>Cash and cash equivalents, end of year</i>	\$ 3,583,644	\$ 3,296,917
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for income taxes	\$ 2,246	\$ 594
<u>Non-cash activities:</u>		
Leasehold improvements paid by landlord	\$ 205,024	\$ -
Capitalized right-of-use asset and lease liability	\$ 1,775,508	\$ -
Property and equipment purchase accrued at year end	\$ 293,982	\$ -

The Notes to Consolidated Financial Statements are an integral part of these statements.

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and nature of activities:

Minnesota Society of Certified Public Accountants

The Minnesota Society of Certified Public Accountants (the Society) was incorporated in 1904 under the laws of the State of Minnesota. The purpose of the Society is to elevate members' impact by fostering integrity, professional growth, and connection, while advocating for the profession.

The Society's operations include educational programs, membership services, communications, government relations, and professional standards.

The Society provides educational programs for the benefit of both certified public accountants (CPAs) and the general public. These programs meet continuing professional education (CPE) requirements established by the State of Minnesota in order to hold an active CPA certificate.

Educational programs include live seminars, conferences, and webinars; self-study products; and custom education programs.

Membership services reach, assist, and involve all segments of the membership, from new CPAs to those in public accounting, industry, government and education. Membership services provide professional resources, products, and services to Society members.

Communications programs use a variety of avenues to advocate for the profession and provide information about the profession to Society membership and the general public. The Society's primary publications are the Footnote magazine and numerous e-newsletters.

Government relations activities foster working relationships with regulatory bodies, legislators and the public, providing advocacy for the certified public accounting profession in Minnesota and for state tax policy issues.

Professional standards activities provide administration of peer reviews for CPA firms and professional ethics oversight of members to maintain the highest possible self-regulating quality standards.

MNCPA Foundation

MNCPA Foundation (the Foundation) was incorporated in March 2018 as a not-for-profit corporation with the Society as its sole member. The Foundation's mission is to develop educational and charitable programs to support accounting careers and diversity and inclusion within the accounting profession.

The Foundation's primary program is a diversity and inclusion program for high school students from minority populations, to provide exposure to the accounting profession as well as mentoring and support for enrollment in higher education.

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Basis of accounting:

The consolidated financial statements of the Society have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of consolidation:

The consolidated financial statements included the combined operations of the Society, the Foundation, and all related entities in which the Society has an economic interest and control. Those related entities include five regional chapters of the Society (two of which are dormant as of March 31, 2022 and 2021). Interrelated receivables, payables, revenues and expenses have been eliminated.

A separate organization, the Minnesota Society of Certified Public Accountants Public Affairs Committee (PAC) is not included in these consolidated financial statements because the Society does not have control with respect to the PAC.

Use of estimates:

The preparation of consolidated statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and cash equivalents:

Cash and cash equivalents consist of highly liquid investments with an initial maturity of three months or less, excluding investments held as part of reserves. Cash and cash equivalents are stated at cost.

Investments:

Investments (other than cash and cash equivalents in investments and certificates of deposit) are recorded at fair value in the consolidated statements of financial position using quoted market prices. Net realized and unrealized gains and losses, as well as investment revenue from dividends and interest, are reflected in the consolidated statements of activities as changes in net assets without donor restrictions. Certificates of deposit are state at cost, which approximates fair value. Realized gains and losses are determined using the specific identification method.

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Accounts receivable and allowance for doubtful accounts:

Accounts receivable consist of employee retention tax credits receivable (see Note 10) and receivables from ongoing operations, which are substantially from Society members. All accounts receivable are unsecured.

The Society's policy is to present accounts receivable in the consolidated statements of financial position net of estimated uncollectible amounts. The estimated uncollectible amount was \$6,000 at March 31, 2022 and 2021, based on management's judgment about the likelihood of collection of individual receivables. Receivables are considered past due after 60 days and are written off after all collection efforts have been exhausted.

Contributions receivable:

Contributions receivable are unsecured and are from organizations actively involved in the Foundation's diversity and inclusion initiative. There were no contributions receivable at March 31, 2021. Contributions receivable at March 31, 2022 were all collected within one year.

Property and equipment:

Property and equipment are recorded at cost and are depreciated or amortized using the straight-line method based on estimated useful lives as follows:

Leasehold improvements	Lesser of estimated useful life or remaining term of related lease.
Office furniture and equipment	3 to 10 years
Website redesign	5 years
Software for internal use	5 years

The Society follows the practice of capitalizing all expenditures for property and equipment in excess of \$2,000. Software for internal use is capitalized or expensed in accordance with U.S. GAAP related to internal-use software. Repairs and maintenance are charged to expense as incurred. Renewals and improvements which extend the useful life of assets are capitalized and depreciated over future periods.

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Net assets:

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – resources over which the Board of Directors (the Board) has discretionary control. Designated amounts represent revenue which the Board has set aside for a particular purpose.

Net assets with donor restriction – resources subject to donor-imposed restrictions, which will be satisfied by the actions of the Foundation or passage of time.

Contributions received are recorded as an increase in support with donor restrictions or without donor restrictions, depending on the existence and nature of any donor restrictions. When a donor restriction expires, restricted net assets are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Revenue recognition:

Continuing professional education (CPE) course fees and meeting and conference admission charges are recognized as revenue in the period in which the event occurs. Membership dues are recognized as revenue ratably over the annual membership period, which corresponds to the Society's fiscal year. Advertising revenue is recognized when the ad is published. Peer review evaluation fees are recognized when the review is presented to a report acceptance body. Revenue from other activities is recognized at the time of sale as the earnings process has been completed. Membership dues and other revenues paid in advance are deferred to the period to which they relate.

Contributed services:

Contributions of services are recognized for services that create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would ordinarily be purchased if not provided by donation. Contributed services, including promises to give, that do not meet these criteria are not recognized. The Society provides support to the Foundation through the use of Society staff and office resources for program and governance activities. The Society's support was valued at \$21,413 and \$11,464 for the years ended March 31, 2022 and 2021 respectively. The Society receives a substantial amount of services donated by volunteers. The value of this donated time has not been reflected in the consolidated financial statements since it does not meet the standards of recording.

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Fair value measurements:

ASC 820 (“Fair Value Measurements”) establishes 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 quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobserved inputs (level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1: Observable inputs such as quoted prices in active markets for identical assets;

Level 2: Inputs other than quoted prices in active markets that are observable either directly or indirectly; and,

Level 3: Unobservable inputs where there is little or no market data which require the reporting entity to develop its own assumption.

The Society uses observable market data, when available, in making fair value measurements. Fair value measurements are classified according to the lowest level input that is significant to the valuation.

The Society holds certain assets that are required to be measured at fair value on a recurring basis as displayed in Note 5.

Functional allocation of expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited, primarily on time expended by employees.

Advertising:

The Society’s policy is to expense advertising costs as they are incurred, except for event related advertising, which is expensed in the period in which the event takes place. Advertising capitalized at March 31, 2022 and 2021 was \$785 and \$4,694 respectively. During the years ending March 31, 2022 and 2021, the Society incurred advertising costs totaling \$105,560 and \$98,823, respectively. These expenses were incurred for marketing of continuing professional education programs, and for promotion of the CPA profession.

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Tax status:

The Society is exempt from income taxes under Section of 501(c)(6) of the Internal Revenue Code. The Society also qualifies as a tax-exempt organization under applicable statutes of the State of Minnesota.

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation also qualifies as a tax-exempt organization under applicable statutes of the State of Minnesota.

The Society generates unrelated business income from its monthly publication and other advertising, and from subrental of training space within its facility. Income tax expense was \$3,246 and \$2,581 for 2022 and 2021, respectively.

The Society reviews income tax positions taken or expected to be taken in income tax returns to determine if there are any income tax uncertainties. This includes positions that the entity is exempt from income taxes or not subject to income taxes on unrelated business income. The Society recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by taxing authorities. The Society has identified no significant income tax uncertainties.

Recently adopted accounting pronouncements:

Leases

Effective April 1, 2021, the Society early adopted Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). The standard requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The right-of-use asset is reduced by lease incentives, including rent abatement and tenant improvement allowance, amortized on a straight-line basis over the term of the lease. The adoption of the new standard was done using the effective date method. The Society elected to use a risk-free rate compatible with that of the lease term as the discount rate to compute the lease liability and right-of-use asset.

Subsequent events:

The Society has evaluated subsequent events through June 30, 2022, the date on which the consolidated financial statements were available to be issued.

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Society's disaggregated revenue streams subject to Topic 606 for the years ended March 31, 2022 and 2021 are:

	2022		2021	
	Amount of revenue	Percentage of total revenue	Amount of revenue	Percentage of total revenue
Dues	\$ 2,177,064	40%	\$ 2,224,924	41%
<i>Total revenue recognized over time</i>	2,177,064	40%	2,224,924	41%
Education programs	2,795,072	52%	2,763,599	51%
Other activities subject to 606	420,505	8%	394,531	7%
<i>Total revenue recognized at a point in time</i>	3,215,577	60%	3,158,130	59%
<i>Total revenue subject to 606</i>	\$ 5,392,641	100%	\$ 5,383,054	100%
Revenue not subject to 606	1,084,421		1,060,992	
<i>Total revenue and gains</i>	\$ 6,477,062		\$ 6,444,046	

NOTE 3. LIQUIDITY

The Society's primary sources of support are program fees and member dues. The Society anticipates collecting sufficient revenue through program fees to cover the costs of its education and professional standards programs. The majority of its remaining expenses are funded by dues.

The Foundation funds the direct costs of its programs through donor contributions, and as explained in Note 1, receives contributed staff and office expenses from the Society. The Foundation uses the amount of contributions and pledges received to adjust the scale of its program activities each year. Chapter expenses cannot exceed the amount of cash available in chapter bank accounts.

Financial assets at year end that are available for general expenditure within one year:

MARCH 31,	2022	2021
Cash and cash equivalents	\$ 3,583,644	\$ 3,296,917
Accounts receivable	20,844	81,849
<i>Total financial assets</i>	\$ 3,604,488	\$ 3,378,766

In addition, the Society has available an operating reserve as disclosed in Note 4, with a value of \$1,394,327 and \$1,393,571 at March 31, 2022 and 2021, respectively. All investments held in the operating reserve have maturity dates within the next 12 months.

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4. INVESTMENTS

Investments are classified in the consolidated statements of financial position as follows:

Operating reserve	2022	2021
Cash and cash equivalents, at cost	\$ 1,394,327	\$ 1,393,571
<i>Total operating reserve</i>	\$ 1,394,327	\$ 1,393,571
Intermediate reserve		
Cash and cash equivalents, at cost	\$ 5,610	\$ 8,384
Equity mutual funds	312,615	353,483
Exchange traded funds	926,942	707,926
Bond mutual funds	291,072	256,588
Corporate bonds	291,247	440,156
<i>Total intermediate reserve</i>	\$ 1,827,486	\$ 1,766,537
Long-term reserve		
Cash and cash equivalents, at cost	\$ 5,680	\$ 10,406
Equity mutual funds	282,431	267,999
Exchange traded fund	1,234,159	1,146,153
Bond mutual funds	213,859	211,342
<i>Total long-term reserve</i>	\$ 1,736,129	\$ 1,635,900
	2022	2022
Cash and cash equivalents, at cost	\$ 1,405,617	\$ 1,412,361
Investments at fair value	3,552,325	3,383,647
<i>Total investments</i>	\$ 4,957,942	\$ 4,796,008

Investment income consisted of the following:

	2022	2022
Interest and dividends	\$ 108,665	\$ 85,642
Unrealized gains	69,867	648,283
Investment fees	(15,665)	(14,437)
<i>Net investment income</i>	\$ 162,867	\$ 719,488

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5. FAIR VALUE MEASUREMENTS

Following is a description of the valuation methodologies used for assets measured at fair value. There were no changes in the valuation techniques during the current year.

Mutual Funds and Exchange Traded Funds – The fair value of mutual funds and exchange traded funds is based on quoted market prices.

Bonds – The fair value of bonds were obtained from independent quotation services whose appraisals are based on closing prices, bid-ask quotations or other factors.

Fair values of assets measured on a recurring basis are as follows:

Assets at Fair Value as of March 31, 2022

	Level 1	Level 2	Level 3	Total
Mutual funds and exchange traded funds	\$ 3,261,078	\$ -	\$ -	\$ 3,261,078
Bonds	291,247	-	-	291,247
<i>Total investments</i>	\$ 3,552,325	\$ -	\$ -	\$ 3,552,325

Assets at Fair Value as of March 31, 2021

	Level 1	Level 2	Level 3	Total
Mutual funds and exchange traded funds	\$ 2,943,490	\$ -	\$ -	\$ 2,943,490
Bonds	440,157	-	-	440,157
<i>Total investments</i>	\$ 3,383,647	\$ -	\$ -	\$ 3,383,647

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

MARCH 31,	2022	2021
Office equipment	\$ 467,934	\$ 403,227
Furniture and fixtures	65,616	241,375
Leasehold improvements	34,598	396,642
Website redesign	69,139	69,139
Internal use software	529,454	503,574
Construction in progress	538,184	-
<i>Total property and equipment, at cost</i>	1,704,925	1,613,957
Less accumulated depreciation	(555,506)	(1,062,527)
<i>Property and equipment, net</i>	\$ 1,149,419	\$ 551,430

Depreciation expense for the years ended March 31, 2022 and 2021 was \$170,497 and \$170,559, respectively.

NOTE 7. PAYCHECK PROTECTION PROGRAM LOAN ADVANCE AND FORGIVENESS

On Feb. 1, 2021, the Society received loan proceeds in the amount of \$479,172 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides loans to qualifying businesses and nonprofits for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business or nonprofit. The loans and accrued interest are forgivable after the borrower uses the loan proceeds for eligible costs during their covered period. Eligible costs include payroll, benefits, rent, utilities, and certain other covered expenses. The covered period begins on the date the loan was funded and extends for up to 24 weeks.

The Society applied for forgiveness of the loan and accrued interest based on incurring eligible costs during the covered period. On November 30, 2021, the Small Business Administration (SBA) granted forgiveness of the loan proceeds of \$479,172 and accrued interest in the amount of \$3,938.

In accordance with ASC 470 (Debt), the Society has recorded forgiveness of the loan and accrued interest as income without donor restrictions in the accompanying consolidated statement of activities.

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8. BOARD-DESIGNATED NET ASSETS

Long-Term Reserves

The Society's Board has designated certain portions of its investment portfolios as displayed in Note 4 for long-term strategic initiatives of the Society.

NOTE 9. DONOR RESTRICTED NET ASSETS

MARCH 31,	2022	2021
Donor restricted for purpose		
MNCPA Scholars program	\$ 51,925	\$ 22,221
<i>Total net assets with donor restrictions</i>	\$ 51,925	\$ 22,221

Net assets released from restrictions for the MNCPA Scholars program was \$5,296 and \$6,108 for 2022 and 2021, respectively.

NOTE 10. PANDEMIC RELIEF TAX CREDITS

The CARES Act, as amended by the Taxpayer Certainty and Disaster Relief Act of 2020 (Relief Act) and American Rescue Plan Act of 2021 (ARP) allows a credit against applicable employment taxes for eligible employers that pay qualified wages, including certain health plan expenses, to some or all employees after March 12, 2020 and before October 1, 2021. Qualifying wages were reported by the Society on its federal employment tax returns for the years ended March 31, 2022 and 2021, and the Society qualified for employee retention credits in the amount of \$403,444 and \$340,457, respectively.

Under the Families First Coronavirus Response Act (FFCRA) certain employers were required to provide their employees with paid sick leave or expanded family and medical leave for specified reasons related to COVID-19. The FFCRA also provided for dollar-for-dollar reimbursement to covered employers through tax credits for all qualifying wages paid under the FFCRA. The Society received tax credits totaling \$997 under the FFCRA for the year ended March 31, 2021.

Tax credits received from the employee retention credit and the FFCRA are reported as pandemic relief tax credits in the Consolidated Statement of Activities.

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11. RETIREMENT PLAN

The Society has a defined contribution retirement plan covering all employees who meet certain minimum eligibility requirements.

Eligible employees are allowed to make deferral contributions. In addition, the Plan allows for discretionary employer contributions, both matching and profit-sharing. For 2022 and 2021, the Society made total contributions of \$196,285 and \$186,970, respectively. For 2022, the contribution consisted of matching contributions of \$62,896 calculated as 50% of employee contributions up to 6% of eligible compensation and profit-sharing contributions of \$133,389, based on 7% of eligible compensation. For 2021, the contribution consisted of matching contributions of \$62,233 calculated as 50% of employee contributions up to 6% of eligible compensation and profit-sharing contributions of \$145,839 based on 7% of eligible compensation, net of forfeitures applied of \$21,102.

NOTE 12. LEASE COMMITMENT

The Society leases its office and classroom space in Bloomington, Minnesota. On April 1, 2021, the Society early adopted ASU 2016-02 Leases to account for the lease as described in Note 1 using the effective date transition method which applies the standard on a prospective basis. Consequently, leases for reporting periods beginning after April 1, 2021 are presented under Topic 842, while prior period amounts are not adjusted and continue to be reported in accordance with Topic 840.

The Society's lease was extended through a 127-month lease amendment commencing January, 1, 2022. Lease terms include rent abatement through July 31, 2022, and minimum monthly payments commencing August 1, 2022 of \$14,416, increasing annually on August 1 by approximately 2.5%, escalating to \$18,003 at maturity on July 31, 2032. In addition to base rent, the Society is required to pay its pro-rata share of operating expenses of the building. The lease grants one five-year option to extend the lease term.

In addition to abating base and operating rent costs for seven months, the lease provided for a tenant improvement allowance of \$307,536. Total lease incentives were valued at \$426,920 and are being amortized over the term of the lease. The right-of-use asset on the accompanying consolidated statement of financial position is reported net of amortized lease incentives.

As allowed under ASU 2021-09 – Leases: Discount Rate for Lessees that are not Public Business Entities, the Society elected to use a risk-free rate – the 10-year Treasury bond rate at the commencement of the lease – as the discount rate to compute the lease liability and right-of-use asset.

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12. (CONTINUED)

Lease related assets and liabilities recorded on the consolidated statement of financial position are as follows:

MARCH 31,	2022	2021
Assets:		
Right of use asset - operating lease	\$ 1,383,942	\$ -
Liabilities:		
Operating lease liability	\$ 1,782,171	\$ -

Minimum monthly payments under the lease commitments are scheduled to be as follows:

YEARS ENDING MARCH 31,		
2023	\$	115,326
2024		175,872
2025		180,269
2026		184,776
2027		189,395
2028 and thereafter		1,092,424
Total lease payments		1,938,062
Less imputed interest		(155,891)
Total lease obligation	\$	1,782,171

Rent expense for 2022 and 2021 totaled \$359,162 and \$370,779, respectively, including rent allocated directly to education programs in the amount of \$135,424 and \$138,295.

NOTE 13. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Society to concentrations of credit risk consist principally of cash, short-term investments, marketable securities and other investments. Some of the Society's cash and cash equivalents used in operations are placed with a high-quality financial institution where balances periodically exceed federally insured limits. The remainder of the Society's cash and cash equivalents used in operations as well as cash and cash equivalents in short-term reserves are held in insured cash sweep accounts, where the amounts placed with any one financial institution do not exceed federally insured limits.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
Minnesota Society of Certified Public Accountants
Bloomington, Minnesota

We have audited the consolidated financial statements of Minnesota Society of Certified Public Accountants as of and for the year ended March 31, 2022, and our report thereon dated June 30, 2022, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position as of March 31, 2022 and 2021, and consolidating statements of activities and cash flows for the years ended March 31, 2022 and 2021, are presented for the purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepared the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Boyum & Barenscheer PLLP

Boyum & Barenscheer PLLP
Minneapolis, Minnesota
June 30, 2022

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

**CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2022**

	Society	Chapters	Foundation	Eliminations	Total
Assets					
Cash and cash equivalents	\$ 3,499,098	\$ 39,475	\$ 45,071	\$ -	\$ 3,583,644
Investments - short-term reserve	1,394,327	-	-	-	1,394,327
Investments - intermediate reserve	1,827,486	-	-	-	1,827,486
Investments - long-term reserve	1,736,129	-	-	-	1,736,129
Accounts and contributions receivable, net	13,518	-	7,500	(174)	20,844
Prepaid expenses	206,973	-	-	-	206,973
Property and equipment, net	1,149,419	-	-	-	1,149,419
Right-of-use asset - operating lease	1,381,254	-	-	-	1,381,254
Total assets	\$ 11,208,204	\$ 39,475	\$ 52,571	\$ (174)	\$ 11,300,076
Liabilities and Net Assets					
Liabilities					
Accounts payable	\$ 370,352	\$ 2,000	\$ 191	\$ (174)	\$ 372,369
Accrued compensation and related taxes	239,497	-	-	-	239,497
Accrued retirement contribution	132,453	-	-	-	132,453
Deferred revenue					
Membership dues	1,555,255	-	-	-	1,555,255
Future activities	117,391	-	-	-	117,391
Lease liability - operating lease	1,782,171	-	-	-	1,782,171
Total liabilities	4,197,119	2,000	191	(174)	4,199,136
Net assets					
Without donor restrictions					
Board designated - long-term reserve	1,736,129	-	-	-	1,736,129
Undesignated	5,274,956	37,475	455	-	5,312,886
With donor restriction	-	-	51,925	-	51,925
Total net assets	7,011,085	37,475	52,380	-	7,100,940
Total liabilities and net assets	\$ 11,208,204	\$ 39,475	\$ 52,571	\$ (174)	\$ 11,300,076

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

**CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2021**

	Society	Chapters	Foundation	Total
Assets				
Cash and cash equivalents	\$ 3,216,012	\$ 58,229	\$ 22,676	\$ 3,296,917
Investments - short-term reserve	1,393,571	-	-	1,393,571
Investments - intermediate reserve	1,766,537	-	-	1,766,537
Investments - long-term reserve	1,635,900	-	-	1,635,900
Accounts and contributions receivable, net	81,849	-	-	81,849
Prepaid expenses	84,574	-	-	84,574
Property and equipment, net	551,430	-	-	551,430
Total assets	\$ 8,729,873	\$ 58,229	\$ 22,676	\$ 8,810,778
Liabilities and Net Assets				
Liabilities				
Accounts payable	\$ 67,678	\$ 17,500	\$ -	\$ 85,178
Accrued compensation and related taxes	305,354	-	-	305,354
Accrued retirement contribution	124,923	-	-	124,923
Deferred rent	45,636	-	-	45,636
Deferred revenue				
Membership dues	1,638,263	-	-	1,638,263
Future activities	106,054	-	-	106,054
Paycheck Protection Program loan payable	479,172	-	-	479,172
Total liabilities	2,767,080	17,500	-	2,784,580
Net assets				
Without donor restrictions				
Board designated - long-term reserve	1,635,900	-	-	1,635,900
Undesignated	4,326,893	40,729	455	4,368,077
With donor restriction	-	-	22,221	22,221
Total net assets	5,962,793	40,729	22,676	6,026,198
Total liabilities and net assets	\$ 8,729,873	\$ 58,229	\$ 22,676	\$ 8,810,778

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

**CONSOLIDATING STATEMENTS OF ACTIVITIES
YEAR ENDED MARCH 31, 2022**

	Society	Chapters	Foundation		Eliminations	Total
			Without Donor Restrictions	With Donor Restrictions		
Revenue and Gains						
Contributions	\$ -	\$ -	\$ 21,413	\$ 35,000	\$ (21,413)	\$ 35,000
Education programs	2,795,072	-	-	-	-	2,795,072
Membership dues	2,177,064	20,145	-	-	(20,145)	2,177,064
Membership programs	60,028	3,675	-	-	-	63,703
Publication sales and advertising	141,536	-	-	-	-	141,536
Professional standards	203,780	-	-	-	-	203,780
Investment income (loss)	162,859	8	-	-	-	162,867
Pandemic relief tax credits	403,444	-	-	-	-	403,444
Forgiveness of PPP loan and interest	483,110	-	-	-	-	483,110
Other	11,486	-	-	-	-	11,486
Net assets released from restriction	-	-	5,296	(5,296)	-	-
Total revenue and gains	6,438,379	23,828	26,709	29,704	(41,558)	6,477,062
Expenses and losses						
Program expenses						
Education programs	2,300,673	20,500	23,916	-	(18,723)	2,326,366
Membership services	889,150	5,954	-	-	(20,145)	874,959
Communications	489,439	-	-	-	-	489,439
Government relations	260,076	-	-	-	-	260,076
Professional standards	174,798	-	-	-	-	174,798
Total program expenses	4,114,136	26,454	23,916	-	(38,868)	4,125,638
Supporting services						
Management and general	1,270,797	628	2,793	-	(2,690)	1,271,528
Total expenses	5,384,933	27,082	26,709	-	(41,558)	5,397,166
Loss from disposal of property and equipment	5,154	-	-	-	-	5,154
Total expenses and losses	5,390,087	27,082	26,709	-	(41,558)	5,402,320
Change in net assets	1,048,292	(3,254)	-	29,704	-	1,074,742
Net assets - beginning of year	5,962,793	40,729	455	22,221	-	6,026,198
Net assets - end of year	\$ 7,011,085	\$ 37,475	\$ 455	\$ 51,925	\$ -	\$ 7,100,940

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

**CONSOLIDATING STATEMENTS OF ACTIVITIES
YEAR ENDED MARCH 31, 2021**

	Society	Chapters	Foundation		Eliminations	Total
			Without Donor Restrictions	With Donor Restrictions		
Revenue and Gains						
Contributions	\$ -	\$ -	\$ 11,513	\$ -	\$ (11,463)	\$ 50
Education programs	2,763,599	-	-	-	-	2,763,599
Membership dues	2,224,924	19,800	-	-	(19,800)	2,224,924
Membership programs	43,369	-	-	-	-	43,369
Publication sales and advertising	135,948	-	-	-	-	135,948
Professional standards	195,245	-	-	-	-	195,245
Investment income (loss)	719,418	70	-	-	-	719,488
Pandemic relief tax credits	341,454	-	-	-	-	341,454
Other	19,969	-	-	-	-	19,969
Net assets released from restriction	-	-	6,108	(6,108)	-	-
Total revenue and gains	6,443,926	19,870	17,621	(6,108)	(31,263)	6,444,046
Expenses						
Program expenses						
Education programs	2,247,878	19,000	14,681	-	(8,673)	2,272,886
Membership services	886,477	947	-	-	(19,800)	867,624
Communications	467,661	-	-	-	-	467,661
Government relations	261,764	-	-	-	-	261,764
Professional standards	161,333	-	-	-	-	161,333
Total program expenses	4,025,113	19,947	14,681	-	(28,473)	4,031,268
Supporting services						
Management and general	1,217,299	616	2,890	-	(2,790)	1,218,015
Total expenses	5,242,412	20,563	17,571	-	(31,263)	5,249,283
Change in net assets	1,201,514	(693)	50	(6,108)	-	1,194,763
Net assets - beginning of year	4,761,279	41,422	405	28,329	-	4,831,435
Net assets - end of year	\$ 5,962,793	\$ 40,729	\$ 455	\$ 22,221	\$ -	\$ 6,026,198

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

**CONSOLIDATING STATEMENTS OF CASH FLOWS
YEAR ENDED MARCH 31, 2022**

	2022				
	Society	Chapters	Foundation	Eliminations	Total
Cash flows from operating activities					
Change in net assets	\$ 1,048,292	\$ (3,254)	\$ 29,704	\$ -	\$ 1,074,742
Adjustments to reconcile change in net assets to cash flows - operating activities:					
Depreciation	170,497	-	-	-	170,497
Noncash lease expense	47,743	-	-	-	47,743
Loss on disposal of property and equipment	5,154	-	-	-	5,154
Gain in fair value of investments	(69,867)	-	-	-	(69,867)
Forgiveness of PPP loan	(479,172)	-	-	-	(479,172)
Change in operations assets and liabilities:					
Accounts receivable	68,331	-	(7,500)	174	61,005
Prepaid expenses	(122,399)	-	-	-	(122,399)
Accounts payable	8,692	(15,500)	191	(174)	(6,791)
Accrued expenses	(58,327)	-	-	-	(58,327)
Deferred rent	-	-	-	-	-
Deferred revenue	(71,671)	-	-	-	(71,671)
Total adjustments	(501,019)	(15,500)	(7,309)	-	(523,828)
<i>Net cash flows - operating activities</i>	547,273	(18,754)	22,395	-	550,914
Cash flows from investing activities					
Purchase of investments	(588,489)	-	-	-	(588,489)
Sale or maturity of investments	496,424	-	-	-	496,424
Tenant improvement allowance received	102,512	-	-	-	102,512
Purchase of property and equipment	(277,729)	-	-	-	(277,729)
Proceeds from sale of equipment	3,095	-	-	-	3,095
<i>Net cash flows - investing activities</i>	(264,187)	-	-	-	(264,187)
<i>Net increase in cash and cash equivalents</i>	283,086	(18,754)	22,395	22,395	286,727
Cash and cash equivalents - beginning of year	3,216,012	58,229	22,676	-	3,296,917
<i>Cash and cash equivalents - end of year</i>	\$ 3,499,098	\$ 39,475	\$ 45,071	\$ 22,395	\$ 3,583,644
Cash paid for income taxes	\$ 2,246	\$ -	\$ -	\$ -	\$ 2,246
<u>Non-cash activities:</u>					
Leasehold improvements paid by landlord	\$ 205,024	\$ -	\$ -	\$ -	\$ 205,024
Capitalized right-of-use asset and lease liability	\$ 1,775,508	\$ -	\$ -	\$ -	\$ 1,775,508
Property and equipment purchase accrued at year end	\$ 293,982	\$ -	\$ -	\$ -	\$ 293,982

MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

**CONSOLIDATING STATEMENTS OF CASH FLOWS
YEAR ENDED MARCH 31, 2021**

	Society	Chapters	Foundation	Total
Cash flows from operating activities				
Change in net assets	\$ 1,201,514	\$ (693)	\$ (6,058)	\$ 1,194,763
Adjustments to reconcile change in net assets to cash flows - operating activities:				
Depreciation	170,559	-	-	170,559
Gain in fair value of investments	(648,283)	-	-	(648,283)
Change in operations assets and liabilities:				-
Accounts receivable	(52,620)	-	7,500	(45,120)
Prepaid expenses	114,168	-	-	114,168
Accounts payable	(25,146)	15,500	(496)	(10,142)
Accrued expenses	(44,977)	-	-	(44,977)
Deferred rent	(39,220)	-	-	(39,220)
Deferred revenue	1,363,140	-	-	1,363,140
Total adjustments	837,621	15,500	7,004	860,125
<i>Net cash flows - operating activities</i>	2,039,135	14,807	946	2,054,888
Cash flows from investing activities				
Purchase of investments	(4,541,697)	-	-	(4,541,697)
Sale or maturity of investments	4,466,150	-	-	4,466,150
Purchase of property and equipment	(19,955)	-	-	(19,955)
<i>Net cash flows - investing activities</i>	(95,502)	-	-	(95,502)
Cash flows from financing activities				
Proceeds from Paycheck Protection Program	479,172	-	-	479,172
<i>Net cash flows - financing activities</i>	479,172	-	-	479,172
<i>Net increase in cash and cash equivalents</i>	2,422,805	14,807	946	2,438,558
Cash and cash equivalents - beginning of year	793,207	43,422	21,730	858,359
<i>Cash and cash equivalents - end of year</i>	\$ 3,216,012	\$ 58,229	\$ 22,676	\$ 3,296,917
Cash paid for income taxes	\$ 594	\$ -	\$ -	\$ 594