



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

***CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2023 AND 2022***

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## **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, 2023 and 2022, 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, 2023 and 2022, 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 audits 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 Consolidated 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 audits. 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.

A handwritten signature in cursive script that reads "Boyum & Barescheer PLLP".

Boyum & Barescheer, PLLP  
Minneapolis, Minnesota  
June 27, 2023

**MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

MARCH 31,	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,166,613	\$ 3,583,644
Investments - short-term reserve	1,401,602	1,394,327
Investments - intermediate reserve	1,728,734	1,827,486
Investments - long-term reserve	1,608,391	1,736,129
Accounts receivable and contributions receivable, net	31,111	20,844
Prepaid expenses	164,350	206,973
Property and equipment, net	1,270,656	1,149,419
Right-of-use asset - operating lease	1,203,539	1,381,254
<b>Total assets</b>	<b>\$ 10,574,996</b>	<b>\$ 11,300,076</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 72,039	\$ 372,369
Accrued compensation and related taxes	221,449	239,497
Accrued pension contribution	141,159	132,453
Deferred revenues		
Membership dues	1,687,359	1,555,255
Future activities	123,036	117,391
Lease liability - operating lease	1,693,614	1,782,171
<b>Total liabilities</b>	<b>3,938,656</b>	<b>4,199,136</b>
<b>NET ASSETS</b>		
Without donor restrictions		
Board designated - long-term reserve	1,608,391	1,736,129
Undesignated	4,969,193	5,312,886
<b>Total without donor restrictions</b>	<b>6,577,584</b>	<b>7,049,015</b>
With donor restrictions	58,756	51,925
<b>Total net assets</b>	<b>6,636,340</b>	<b>7,100,940</b>
<b>Total liabilities and net assets</b>	<b>\$ 10,574,996</b>	<b>\$ 11,300,076</b>

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, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND GAINS</b>			
Contributions	\$ 250	\$ 30,000	\$ 30,250
Education programs	3,031,704	-	3,031,704
Membership dues	2,231,067	-	2,231,067
Membership programs	82,520	-	82,520
Publication sales and advertising	118,336	-	118,336
Professional standards	183,890	-	183,890
Investment income, net	(187,238)	-	(187,238)
Other	24,954	-	24,954
Net assets released from restrictions	23,169	(23,169)	-
<b>Total revenue and gains</b>	<b>5,508,652</b>	<b>6,831</b>	<b>5,515,483</b>
<b>EXPENSES AND LOSSES</b>			
Program expenses			
Education programs	2,829,495	-	2,829,495
Membership services	968,885	-	968,885
Communications	426,801	-	426,801
Government relations	317,194	-	317,194
Professional standards	157,599	-	157,599
<b>Total program expenses</b>	<b>4,699,974</b>	<b>-</b>	<b>4,699,974</b>
Supporting services			
Management and general	1,279,593	-	1,279,593
<b>Total expenses</b>	<b>5,979,567</b>	<b>-</b>	<b>5,979,567</b>
Loss from disposal of property and equipment	516	-	516
<b>Total expenses and losses</b>	<b>5,980,083</b>	<b>-</b>	<b>5,980,083</b>
<b>Change in net assets</b>	<b>(471,431)</b>	<b>6,831</b>	<b>(464,600)</b>
<b>Net assets, beginning of year</b>	<b>7,049,015</b>	<b>51,925</b>	<b>7,100,940</b>
<b>Net assets, end of year</b>	<b>\$ 6,577,584</b>	<b>\$ 58,756</b>	<b>\$ 6,636,340</b>

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
<b>REVENUE AND GAINS</b>			
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)	-
<b>Total revenue and gains</b>	<b>6,447,358</b>	<b>29,704</b>	<b>6,477,062</b>
<b>EXPENSES AND LOSSES</b>			
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
<b>Total program expenses</b>	<b>4,125,638</b>	<b>-</b>	<b>4,125,638</b>
Supporting services			
Management and general	1,271,528	-	1,271,528
<b>Total expenses</b>	<b>5,397,166</b>	<b>-</b>	<b>5,397,166</b>
Loss from disposal of property and equipment	5,154	-	5,154
<b>Total expenses and losses</b>	<b>5,402,320</b>	<b>-</b>	<b>5,402,320</b>
<b>Change in net assets</b>	<b>1,045,038</b>	<b>29,704</b>	<b>1,074,742</b>
Net assets, beginning of year	6,003,977	22,221	6,026,198
<b>Net assets, end of year</b>	<b>\$ 7,049,015</b>	<b>\$ 51,925</b>	<b>\$ 7,100,940</b>

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, 2023**

	Program Services					Total	Supporting Services		March 31, 2022 Total
	Education Programs	Membership Services	Communications	Government Relations	Professional Standards		Management and General	Total	
Personnel	\$ 846,880	\$ 582,904	\$ 258,319	\$ 195,650	\$ 64,200	\$ 1,947,953	\$ 1,020,860	\$ 2,968,813	\$ 2,818,676
CPE program production	1,581,809	-	-	-	-	1,581,809	-	1,581,809	1,214,585
Events and programs	22,744	92,622	-	80,694	73,222	269,282	-	269,282	204,758
Publications and promotions	-	47,465	79,845	-	-	127,310	-	127,310	174,581
Scholarships and contributions	20,500	15,000	-	-	-	35,500	-	35,500	48,000
Rent	64,362	45,490	20,835	9,501	5,122	145,310	50,718	196,028	223,737
Office	110,530	78,072	49,993	22,750	8,122	269,467	82,418	351,885	304,000
General operating	66,464	71,569	1,291	1,020	2,866	143,210	85,357	228,567	235,168
Depreciation and amortization	116,206	35,763	16,518	7,579	4,067	180,133	40,240	220,373	170,497
Interest	-	-	-	-	-	-	-	-	3,164
<b>Total expenses</b>	<b>\$ 2,829,495</b>	<b>\$ 968,885</b>	<b>\$ 426,801</b>	<b>\$ 317,194</b>	<b>\$ 157,599</b>	<b>\$ 4,699,974</b>	<b>\$ 1,279,593</b>	<b>\$ 5,979,567</b>	<b>\$ 5,397,166</b>

**YEAR ENDED MARCH 31, 2022**

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

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,	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (464,600)	\$ 1,074,742
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	220,373	170,497
Noncash lease expense	89,158	47,743
Loss on disposal of property and equipment	516	5,154
Net unrealized (gain) loss on investments	304,272	(69,867)
Forgiveness of PPP loan	-	(479,172)
Changes in operating assets and liabilities:		
Accounts receivable and contribution receivable	(10,267)	61,005
Prepaid expenses	42,623	(122,399)
Accounts payable	(6,348)	(6,791)
Accrued expenses	(9,342)	(58,327)
Deferred revenue	137,749	(71,671)
<b><i>Net cash provided by operating activities</i></b>	<b>304,134</b>	<b>550,914</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(1,966,743)	(588,489)
Sale or maturity of investments	1,881,686	496,424
Tenant improvement allowance received	-	102,512
Purchase of property and equipment	(636,283)	(277,729)
Proceeds from sale of equipment	175	3,095
<b><i>Net cash used by investing activities</i></b>	<b>(721,165)</b>	<b>(264,187)</b>
<b><i>Net change in cash and cash equivalents</i></b>	<b>(417,031)</b>	<b>286,727</b>
Cash and cash equivalents, beginning of year	<b>3,583,644</b>	<b>3,296,917</b>
<b><i>Cash and cash equivalents, end of year</i></b>	<b>\$ 3,166,613</b>	<b>\$ 3,583,644</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid for income taxes	\$ 3,436	\$ 2,246
<b>Non-cash investing and financing activities:</b>		
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**

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**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.

***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 include 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, 2023 and 2022). Interrelated receivables, payables, revenues and expenses have been eliminated.

**MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 1. (CONTINUED)**

***Basis of consolidation (continued)***

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 one year or less, excluding investments held as part of reserves. Cash is stated at cost and cash equivalents are stated at fair value.

***Investments***

Investments (other than cash and cash equivalents in investments) 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. Realized gains and losses are determined using the specific identification method.

***Accounts receivable and allowance for doubtful accounts***

Accounts receivable consist of receivables from ongoing operations, which are substantially from Society members and 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, 2023 and 2022, 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, 2023. Contributions receivable totaling \$7,500, 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	7.5 years

**MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 1. (CONTINUED)**

***Property and equipment (continued)***

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.

***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 as contributions if the services (a) create or enhance nonfinancial assets or (b) 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 \$30,234 and \$21,413 for the years ended March 31, 2023 and 2022 respectively and is eliminated in consolidation. 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**

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**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 or liabilities that we can assess at the measurement date.;

***Level 2:*** Inputs other than quoted prices included within level 1 that are observable either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs; 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, 2023 and 2022 was \$4,831 and \$785 respectively. During the years ending March 31, 2023 and 2022, the Society incurred advertising costs totaling \$118,034 and \$105,560, respectively. These expenses were incurred for marketing of continuing professional education programs, and for promotion of the CPA profession.

***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 \$1,118 and \$3,246 for the years ended March 31, 2023 and 2022, respectively.

**MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1. (CONTINUED)**

*Tax status (Continued)*

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 27, 2023, the date on which the consolidated financial statements were available to be issued.

**NOTE 2. REVENUE FROM CONTRACTS WITH CUSTOMERS**

The Society's disaggregated revenue streams subject to Topic 606 for the years ended March 31, 2023 and 2022 are:

	<b>2023</b>		<b>2022</b>	
	<b>Amount of revenue</b>	<b>Percentage of total revenue</b>	<b>Amount of revenue</b>	<b>Percentage of total revenue</b>
Dues	\$ 2,231,067	39%	\$ 2,177,064	40%
<b><i>Total revenue recognized over time</i></b>	<b>2,231,067</b>	<b>39%</b>	<b>2,177,064</b>	<b>40%</b>
Education programs	3,031,704	53%	2,795,072	52%
Other activities subject to 606	409,700	7%	420,505	8%
<b><i>Total revenue recognized at a point in time</i></b>	<b>3,441,404</b>	<b>61%</b>	<b>3,215,577</b>	<b>60%</b>
<b><i>Total revenue subject to 606</i></b>	<b>\$ 5,672,471</b>	<b>100%</b>	<b>\$ 5,392,641</b>	<b>100%</b>
Revenue not subject to 606	(156,988)		1,084,421	
<b><i>Total revenue and gains</i></b>	<b>\$ 5,515,483</b>		<b>\$ 6,477,062</b>	

**MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 3. LIQUIDITY AND AVAILABILITY**

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:

<b>MARCH 31,</b>	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$ 3,166,613	\$ 3,583,644
Accounts receivable	31,111	20,844
<b><i>Total financial assets</i></b>	<b>\$ 3,197,724</b>	<b>\$ 3,604,488</b>

In addition, the Society has available a short-term reserve as disclosed in Note 4, with a value of \$1,401,602 and \$1,394,327 at March 31, 2023 and 2022, respectively. All investments held in the short-term reserve have maturity dates within the next 20 months.

**NOTE 4. INVESTMENTS**

Investments are classified in the consolidated statements of financial position as follows at March 31:

<b>Short-term reserve</b>	<b>2023</b>	<b>2022</b>
Cash and cash equivalents, at cost	\$ 7,598	\$ 1,394,327
Treasury securities	54,829	-
Certificates of deposit	1,339,175	-
<b><i>Total short-term reserve</i></b>	<b>\$ 1,401,602</b>	<b>\$ 1,394,327</b>

<b>Intermediate reserve</b>	<b>2023</b>	<b>2022</b>
Cash and cash equivalents, at cost	\$ 7,165	\$ 5,610
Equity mutual funds	106,203	312,615
Exchange traded funds	1,094,856	926,942
Bond mutual funds	316,679	291,072
Corporate bonds	203,831	291,247
<b><i>Total intermediate reserve</i></b>	<b>\$ 1,728,734</b>	<b>\$ 1,827,486</b>

<b>Long-term reserve</b>	<b>2023</b>	<b>2022</b>
Cash and cash equivalents, at cost	\$ 6,322	\$ 5,680
Equity mutual funds	158,895	282,431
Exchange traded fund	1,306,916	1,234,159
Bond mutual funds	136,258	213,859
<b><i>Total long-term reserve</i></b>	<b>\$ 1,608,391</b>	<b>\$ 1,736,129</b>

**MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 4. (CONTINUED)**

	<b>2023</b>	<b>2022</b>
Cash and cash equivalents, at cost	\$ 21,085	\$ 1,405,617
Investments at fair value	4,717,642	3,552,325
<b><i>Total investments</i></b>	<b>\$ 4,738,727</b>	<b>\$ 4,957,942</b>

Investment income consisted of the following for the years ended March 31:

	<b>2023</b>	<b>2022</b>
Interest and dividends	\$ 133,395	\$ 108,665
Unrealized gain (loss)	(304,272)	69,867
Investment fees	(16,361)	(15,665)
<b><i>Net investment income</i></b>	<b>\$ (187,238)</b>	<b>\$ 162,867</b>

**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.

Treasury securities, mutual funds and exchange traded funds –Fair value is based on quoted market prices.

Certificates of Deposit and Bonds – The fair value is 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, 2023**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Treasury securities	\$ 54,829	\$ -	\$ -	54,829
Certificates of deposit	1,339,176	-	-	1,339,176
Mutual funds and exchange traded funds	3,119,807	-	-	3,119,807
Bonds	203,830	-	-	203,830
<b><i>Total investments</i></b>	<b>\$ 4,717,642</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,717,642</b>

**Assets at Fair Value as of March 31, 2022**

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



**MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 6. PROPERTY AND EQUIPMENT**

Property and equipment consists of the following:

<b>MARCH 31,</b>	<b>2023</b>	<b>2022</b>
Office equipment	\$ 573,730	\$ 467,934
Furniture and fixtures	229,724	65,616
Leasehold improvements	606,885	34,598
Website redesign	69,139	69,139
Internal use software	536,054	529,454
Construction in progress	-	538,184
<b>Total property and equipment, at cost</b>	<b>2,015,532</b>	<b>1,704,925</b>
Less accumulated depreciation	(744,876)	(555,506)
<b>Property and equipment, net</b>	<b>\$ 1,270,656</b>	<b>\$ 1,149,419</b>

Depreciation expense for the years ended March 31, 2023 and 2022 was \$220,373 and \$170,497, 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”), provided 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 were forgivable after the borrower used the loan proceeds for eligible costs during their covered period. Eligible costs included payroll, benefits, rent, utilities, and certain other covered expenses. The covered period began on the date the loan was funded and extended 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.

**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**

<b>MARCH 31,</b>	<b>2023</b>	<b>2022</b>
Donor restricted for purpose		
MNCPA Scholars program	\$ 58,756	\$ 51,925
<b>Total net assets with donor restrictions</b>	<b>\$ 58,756</b>	<b>\$ 51,925</b>

Net assets released from restrictions for the MNCPA Scholars program was \$23,169 and \$5,296 for 2023 and 2022, respectively.

**MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**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 year ended March 31, 2022, and the Society qualified for employee retention credits in the amount of \$403,444.

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

**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 the years ended March 31, 2023 and 2022, the Society made total contributions of \$201,325 and \$196,285, respectively. For the year ended March 31, 2023, the contribution consisted of matching contributions of \$60,950 calculated as 50% of employee contributions up to 6% of eligible compensation and profit-sharing contributions of \$143,284, based on 7% of eligible compensation, net of forfeitures applied of \$2,909. For the year ended March 31, 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.

**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.

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:

<b>MARCH 31,</b>	<b>2023</b>	<b>2022</b>
<b>Assets:</b>		
Right of use asset - operating lease	\$ 1,203,539	\$ 1,381,254
<b>Liabilities:</b>		
Operating lease liability	\$ 1,693,614	\$ 1,782,171

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

<b>YEARS ENDING MARCH 31,</b>		
2024	\$	175,872
2025		180,269
2026		184,776
2027		189,395
2028		194,130
2028 and thereafter		898,294
<b>Total lease payments</b>		<b>1,822,736</b>
Less imputed interest		(129,122)
<b>Total lease obligation</b>		<b>\$ 1,693,614</b>

Rent expense for the years ended March 31, 2023 and 2022 totaled \$326,914 and \$359,162, respectively, including rent allocated directly to education programs in the amount of \$130,886 and \$135,424, respectively.

**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, Treasury bills or Treasury notes. Funds in insured cash sweep accounts are placed with multiple financial institutions in amounts that 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 years ended March 31, 2023 and 2022, and our report thereon dated June 27, 2023, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audits were 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, 2023 and 2022, and consolidating statements of activities and cash flows for the years ended March 31, 2023 and 2022, 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 27, 2023

**MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**CONSOLIDATING STATEMENTS OF FINANCIAL POSITION  
AS OF MARCH 31, 2023**

	Society	Chapters	Foundation	Eliminations	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 3,071,211	\$ 35,766	\$ 59,636	\$ -	\$ 3,166,613
Investments - short-term reserve	1,401,602	-	-	-	1,401,602
Investments - intermediate reserve	1,728,734	-	-	-	1,728,734
Investments - long-term reserve	1,608,391	-	-	-	1,608,391
Accounts and contributions receivable, net	31,258	-	-	(147)	31,111
Prepaid expenses	164,350	-	-	-	164,350
Property and equipment, net	1,270,656	-	-	-	1,270,656
Right-of-use asset - operating lease	1,203,539	-	-	-	1,203,539
<b>Total assets</b>	<b>\$ 10,479,741</b>	<b>\$ 35,766</b>	<b>\$ 59,636</b>	<b>\$ (147)</b>	<b>\$ 10,574,996</b>
<b>Liabilities and Net Assets</b>					
<b>Liabilities</b>					
Accounts payable	\$ 70,039	\$ 2,000	\$ 147	\$ (147)	\$ 72,039
Accrued compensation and related taxes	221,449	-	-	-	221,449
Accrued retirement contribution	141,159	-	-	-	141,159
Deferred revenue					
Membership dues	1,687,359	-	-	-	1,687,359
Future activities	123,036	-	-	-	123,036
Lease liability - operating lease	1,693,614	-	-	-	1,693,614
<b>Total liabilities</b>	<b>3,936,656</b>	<b>2,000</b>	<b>147</b>	<b>(147)</b>	<b>3,938,656</b>
<b>Net assets</b>					
Without donor restrictions					
Board designated - long-term reserve	1,608,391	-	-	-	1,608,391
Undesignated	4,934,694	33,766	733	-	4,969,193
With donor restriction	-	-	58,756	-	58,756
<b>Total net assets</b>	<b>6,543,085</b>	<b>33,766</b>	<b>59,489</b>	<b>-</b>	<b>6,636,340</b>
<b>Total liabilities and net assets</b>	<b>\$ 10,479,741</b>	<b>\$ 35,766</b>	<b>\$ 59,636</b>	<b>\$ (147)</b>	<b>\$ 10,574,996</b>

**MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

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

	Society	Chapters	Foundation	Eliminations	Total
<b>Assets</b>					
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
<b>Total assets</b>	<b>\$ 11,208,204</b>	<b>\$ 39,475</b>	<b>\$ 52,571</b>	<b>\$ (174)</b>	<b>\$ 11,300,076</b>
<b>Liabilities and net assets</b>					
<b>Liabilities</b>					
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
<b>Total liabilities</b>	<b>4,197,119</b>	<b>2,000</b>	<b>191</b>	<b>(174)</b>	<b>4,199,136</b>
<b>Net assets</b>					
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
<b>Total net assets</b>	<b>7,011,085</b>	<b>37,475</b>	<b>52,380</b>	<b>-</b>	<b>7,100,940</b>
<b>Total liabilities and net assets</b>	<b>\$ 11,208,204</b>	<b>\$ 39,475</b>	<b>\$ 52,571</b>		<b>\$ 11,300,076</b>

**MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**CONSOLIDATING STATEMENTS OF ACTIVITIES  
YEAR ENDED MARCH 31, 2023**

	Society	Chapters	Foundation		Eliminations	Total
			Without Donor Restrictions	With Donor Restrictions		
<b>Revenue and gains</b>						
Contributions	\$ -	\$ -	\$ 30,484	\$ 30,000	\$ (30,234)	\$ 30,250
Education programs	3,031,704	-	-	-	-	3,031,704
Membership dues	2,231,067	19,455	-	-	(19,455)	2,231,067
Membership programs	77,520	5,000	-	-	-	82,520
Publication sales and advertising	118,336	-	-	-	-	118,336
Professional standards	183,890	-	-	-	-	183,890
Investment income (loss)	(187,313)	47	28	-	-	(187,238)
Other	24,954	-	-	-	-	24,954
Net assets released from restriction	-	-	23,169	(23,169)	-	-
<b>Total revenue and gains</b>	<b>5,480,158</b>	<b>24,502</b>	<b>53,681</b>	<b>6,831</b>	<b>(49,689)</b>	<b>5,515,483</b>
<b>Expenses and losses</b>						
Program expenses						
Education programs	2,786,250	20,500	48,982	-	(26,237)	2,829,495
Membership services	981,647	6,693	-	-	(19,455)	968,885
Communications	426,801	-	-	-	-	426,801
Government relations	317,194	-	-	-	-	317,194
Professional standards	157,599	-	-	-	-	157,599
Total program expenses	4,669,491	27,193	48,982	-	(45,692)	4,699,974
Supporting services						
Management and general	1,278,151	1,018	4,421	-	(3,997)	1,279,593
<b>Total expenses</b>	<b>5,947,642</b>	<b>28,211</b>	<b>53,403</b>	<b>-</b>	<b>(49,689)</b>	<b>5,979,567</b>
Loss from disposal of property and equipment	516	-	-	-	-	516
<b>Total expenses and losses</b>	<b>5,948,158</b>	<b>28,211</b>	<b>53,403</b>	<b>-</b>	<b>(49,689)</b>	<b>5,980,083</b>
<b>Change in net assets</b>	<b>(468,000)</b>	<b>(3,709)</b>	<b>278</b>	<b>6,831</b>	<b>-</b>	<b>(464,600)</b>
Net assets - beginning of year	7,011,085	37,475	455	51,925	-	7,100,940
<b>Net assets - end of year</b>	<b>\$ 6,543,085</b>	<b>\$ 33,766</b>	<b>\$ 733</b>	<b>\$ 58,756</b>	<b>\$ -</b>	<b>\$ 6,636,340</b>

**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		
<b>Revenue and gains</b>						
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)	-	-
<b>Total revenue and gains</b>	<b>6,438,379</b>	<b>23,828</b>	<b>26,709</b>	<b>29,704</b>	<b>(41,558)</b>	<b>6,477,062</b>
<b>Expenses and losses</b>						
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
<b>Total expenses</b>	<b>5,384,933</b>	<b>27,082</b>	<b>26,709</b>	<b>-</b>	<b>(41,558)</b>	<b>5,397,166</b>
Loss from disposal of property and equipment	5,154	-	-	-	-	5,154
<b>Total expenses and losses</b>	<b>5,390,087</b>	<b>27,082</b>	<b>26,709</b>	<b>-</b>	<b>(41,558)</b>	<b>5,402,320</b>
<b>Change in net assets</b>	<b>1,048,292</b>	<b>(3,254)</b>	<b>-</b>	<b>29,704</b>	<b>-</b>	<b>1,074,742</b>
Net assets - beginning of year	5,962,793	40,729	455	22,221	-	6,026,198
<b>Net assets - end of year</b>	<b>\$ 7,011,085</b>	<b>\$ 37,475</b>	<b>\$ 455</b>	<b>\$ 51,925</b>	<b>\$ -</b>	<b>\$ 7,100,940</b>



**MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**CONSOLIDATING STATEMENTS OF CASH FLOWS  
YEAR ENDED MARCH 31, 2023**

**STATEMENT OF CASH FLOWS**

	2023				
	Society	Chapters	Foundation	Eliminations	Total
<b>Cash flows from operating activities</b>					
Change in net assets	\$ (468,000)	\$ (3,709)	\$ 7,109	\$ -	\$ (464,600)
Adjustments to reconcile change in net assets to cash flows - operating activities:					
Depreciation	220,373	-	-	-	220,373
Noncash lease expense	89,158	-	-	-	89,158
Loss on disposal of property and equipment	516	-	-	-	516
Loss on fair value of investments	304,272	-	-	-	304,272
Change in operations assets and liabilities:					
Accounts receivable	(17,740)	-	7,500	(27)	(10,267)
Prepaid expenses	42,623	-	-	-	42,623
Accounts payable	(6,331)	-	(44)	27	(6,348)
Accrued expenses	(9,342)	-	-	-	(9,342)
Deferred revenue	137,749	-	-	-	137,749
Total adjustments	761,278	-	7,456	-	768,734
<i>Net cash flows - operating activities</i>	<b>293,278</b>	<b>(3,709)</b>	<b>14,565</b>	<b>-</b>	<b>304,134</b>
<b>Cash flows from investing activities</b>					
Purchase of investments	(1,966,743)	-	-	-	(1,966,743)
Sale or maturity of investments	1,881,686	-	-	-	1,881,686
Purchase of property and equipment	(636,283)	-	-	-	(636,283)
Proceeds from sale of equipment	175	-	-	-	175
<i>Net cash flows - investing activities</i>	<b>(721,165)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(721,165)</b>
<i>Net increase in cash and cash equivalents</i>	<b>(427,887)</b>	<b>(3,709)</b>	<b>14,565</b>	<b>-</b>	<b>(417,031)</b>
Cash and cash equivalents - beginning of year	3,499,098	39,475	45,071	-	3,583,644
<i>Cash and cash equivalents - end of year</i>	<b>\$ 3,071,211</b>	<b>\$ 35,766</b>	<b>\$ 59,636</b>	<b>\$ -</b>	<b>\$ 3,166,613</b>
Cash paid for income taxes	\$ 3,436	\$ -	\$ -	\$ -	\$ 3,436

**MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

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

	2022				
	Society	Chapters	Foundation	Eliminations	Total
<b>Cash flows from operating activities</b>					
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>	<b>547,273</b>	<b>(18,754)</b>	<b>22,395</b>	<b>-</b>	<b>550,914</b>
<b>Cash flows from investing activities</b>					
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>	<b>(264,187)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(264,187)</b>
<i>Net increase in cash and cash equivalents</i>	<b>283,086</b>	<b>(18,754)</b>	<b>22,395</b>	<b>-</b>	<b>286,727</b>
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>	<b>\$ 3,499,098</b>	<b>\$ 39,475</b>	<b>\$ 45,071</b>	<b>\$ -</b>	<b>\$ 3,583,644</b>
Cash paid for income taxes	\$ 2,246	\$ -	\$ -	\$ -	\$ 2,246
<b>Non-cash investing and financing activities:</b>					
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