

Combined Financial Statements and  
Supplementary Information Together  
with Report of Independent Certified  
Public Accountants

**New Jersey Society of Certified Public  
Accountants and Affiliates**

May 31, 2024 and 2023

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Board of Trustees  
New Jersey Society of Certified Public Accountants and Affiliates

**Report on the financial statements****Opinion**

We have audited the combined financial statements of the New Jersey Society of Certified Public Accountants and Affiliates (the “Entity”) (see Note 1 to the combined financial statements), which comprise the combined statements of financial position as of May 31, 2024 and 2023, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the Entity as of May 31, 2024 and 2023, 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 of the combined financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). 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 the Entity 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 financial statements**

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity’s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the combined 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 US GAAS 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 combined financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 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 the Entity's 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's 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.

**Supplementary information**

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining schedules of financial position as of May 31, 2024 and 2023, and the related combining schedules of activities and cash flows for the years then ended are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

*Grant Thornton LLP*

Iselin, New Jersey  
September 23, 2024

**New Jersey Society of Certified Public Accountants and Affiliates**

**COMBINED STATEMENTS OF FINANCIAL POSITION**

**May 31,**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,075,008	\$ 6,491,392
Accounts receivable	223,117	136,851
Prepaid expenses	499,259	464,068
Investments	6,780,685	5,997,228
Property and equipment, net	428,625	589,293
Right-of-use asset	2,469,737	2,792,930
	\$ 17,476,431	\$ 16,471,762
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued expenses	\$ 495,887	\$ 636,923
Deferred revenue	1,923,549	1,577,297
Lease liability	2,656,481	2,993,150
	5,075,917	5,207,370
<b>Commitments</b>		
<b>Net assets</b>		
Without donor restrictions	9,771,430	8,963,583
With donor restrictions	2,629,084	2,300,809
	12,400,514	11,264,392
	\$ 17,476,431	\$ 16,471,762

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

**New Jersey Society of Certified Public Accountants and Affiliates**

**COMBINED STATEMENTS OF ACTIVITIES**

Years ended May 31,

	<b>2024</b>	<b>2023</b>
<b>Changes in net assets without donor restrictions</b>		
Revenues and other support		
Membership dues and other fees	\$ 3,699,117	\$ 3,565,015
Educational program fees	2,688,703	2,050,697
Peer review fees	319,784	327,517
Publication, directory and website advertising	166,731	210,218
Investment gain (loss)	612,425	(55,192)
Royalties and commissions	283,850	284,214
Special events	29,139	70,035
Employee retention credit	-	436,500
Other	158,650	155,748
Net assets released from restrictions	165,360	376,191
Total revenues and other support	8,123,759	7,420,943
Expenses		
Salaries, payroll taxes and employee benefits	4,034,067	3,940,566
Direct costs of educational programs	1,168,190	948,643
Rent and occupancy	440,412	460,909
Printing and distribution	89,169	111,070
Scholarship awards	218,200	308,860
Office and supplies	296,440	296,486
Professional fees	347,766	362,819
Meetings and travel	123,363	94,278
Depreciation and amortization	189,346	214,982
Special events	111,983	48,856
Other general	296,976	427,227
Total expenses	7,315,912	7,214,696
Increase in net assets without donor restrictions	807,847	206,247
<b>Changes in net assets with donor restrictions</b>		
Contributions	170,633	209,150
Investment gain (loss)	323,002	(35,893)
Net assets released from restrictions	(165,360)	(376,191)
Increase (decrease) in net assets with donor restrictions	328,275	(202,934)
<b>CHANGES IN NET ASSETS</b>	1,136,122	3,313
<b>Net assets at beginning of year</b>	11,264,392	11,261,079
<b>Net assets at end of year</b>	\$ 12,400,514	\$ 11,264,392

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

**New Jersey Society of Certified Public Accountants and Affiliates**

**COMBINED STATEMENTS OF CASH FLOWS**

Years ended May 31,

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Cash received from dues, program fees and contributions	\$ 7,776,593	\$ 7,184,644
Interest and dividends received	152,837	166,709
Cash paid to employees, vendors and others	(7,316,268)	(7,149,286)
Net cash provided by operating activities	613,162	202,067
<b>Cash flows from investing activities:</b>		
Acquisition of property and equipment	(28,678)	-
Redemption of investments	938,368	1,759,246
Purchases of investments	(939,236)	(1,902,265)
Net cash used in investing activities	(29,546)	(143,019)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	583,616	59,048
<b>Cash and cash equivalents at beginning of year</b>	6,491,392	6,432,344
<b>Cash and cash equivalents at end of year</b>	\$ 7,075,008	\$ 6,491,392
<b>Reconciliation of changes in net assets to net cash provided by operating activities:</b>		
Changes in net assets	\$ 1,136,122	\$ 3,313
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	189,346	214,982
Realized (gain) loss on sales of investments	(13,322)	95,089
Unrealized (gain) loss on investments	(769,267)	162,707
Change in right-of-use assets	(13,476)	(212,269)
Changes in cash from changes in operating assets and liabilities:		
Accounts receivable	(86,266)	(85,032)
Prepaid expenses	(35,191)	(194,446)
Accounts payable and accrued expenses	(141,036)	257,142
Deferred revenue	346,252	(39,419)
Net cash provided by operating activities	\$ 613,162	\$ 202,067

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



## New Jersey Society of Certified Public Accountants and Affiliates

### NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2024 and 2023

#### NOTE 1 - NATURE OF ORGANIZATION

New Jersey Society of Certified Public Accountants (the "NJCPA") is the professional organization of Certified Public Accountants in New Jersey. It was incorporated under New Jersey law in 1898, making it one of the oldest professional bodies of certified public accountants in the United States. Governed by a Board of Trustees of 18, the mission of the NJCPA is to serve the needs of its members. The NJCPA promotes and maintains high professional and ethical standards of the certified public accountants in the State of New Jersey, develops and improves accountancy education, and protects the interests of the public and members of the NJCPA.

The NJCPA Education Foundation, Inc., formerly known as the NJSCPA Education Foundation, Inc. (the "Foundation") was established in 1991 to provide continuing education programs to members of the NJCPA and their staff. The Foundation is governed by a Board of Trustees of 6, all of whom serve as officers of the NJCPA.

The NJCPA Scholarship Fund, formerly known as the NJSCPA Scholarship Fund (the "Scholarship Fund"), a trust, was established in 1979 primarily to provide scholarships to eligible students for the study of accounting, auditing and related business subjects. The Scholarship Fund is governed by a Board of Trustees of 13, three of whom are officers of the NJCPA.

The accompanying combined financial statements include the accounts of the NJCPA, the Foundation, and the Scholarship Fund (the "NJCPA and Affiliates"). They also include the revenues, expenses, assets, liabilities and cash flows of the NJCPA's 11 chapters, which are not separately incorporated. All significant inter-entity transactions and balances are eliminated in combination.

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the NJCPA and Affiliates.

##### ***Basis of Presentation***

The accompanying combined financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

##### ***Net Assets***

The NJCPA and Affiliates' net assets and revenues, expenses, gains and losses are classified, based on the existence or absence of donor-imposed stipulations. Net assets without donor restrictions represent net assets that are not subject to donor-imposed stipulations and are available for the general operations of the NJCPA and Affiliates.

Net assets with donor restrictions represent net assets which are subject to donor-imposed stipulations that will be met either by actions of the NJCPA and Affiliates or the passage of time, or both. The net assets of the Scholarship Fund are considered net assets with donor restrictions in the accompanying combined financial statements and totaled approximately \$2,629,000 and \$2,301,000 as of May 31, 2024 and 2023, respectively. Expirations of the restrictions on these net assets, that is, the donor-imposed stipulated purpose has been accomplished, or the stipulated time period has elapsed, are reported as net assets released from restrictions.

In May 2017, the NJCPA Board of Trustees ("Board") approved and designated \$2,300,000 as an operating reserve from net assets without donor restrictions. In fiscal year 2024, the Education Foundation Executive Committee and the Board of Trustees approved a funding formula that will be budgeted annually and revisited triennially going forward.

**New Jersey Society of Certified Public Accountants and Affiliates**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**May 31, 2024 and 2023**

***Use of Estimates***

The preparation of combined financial statements, in conformity with U.S. GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Property and Equipment***

Property and equipment with a cost in excess of \$5,000 are capitalized and depreciated, using the straight-line method, over the estimated useful lives of 10 years for furniture and fixtures and three to seven years for office and computer equipment, including software, both purchased and internally developed. Leasehold improvements are amortized, using the straight-line method, over the lease term or the useful lives of the betterments, whichever is shorter.

***Concentrations of Market or Credit Risk***

Financial instruments, which potentially subject the NJCPA and Affiliates to concentrations of credit risk consist principally of cash and cash equivalents, investments and accounts receivable. The policy of the NJCPA and Affiliates regarding investment of excess cash provides for the strategic placement of such cash in demand accounts or certificates of deposit with high-credit quality financial institutions, or the investment of such cash in a diversified portfolio of mutual funds.

Accounts receivable are generally spread among a large number of individuals and are reflected at their net realizable value, based on a specific review of the collectability of individual accounts.

Cash and cash equivalents are concentrated in a few financial institutions resulting in balances that exceed the Federal Deposit Insurance Corporation insurance limit. The management of the NJCPA and Affiliates monitors the creditworthiness of these financial institutions to minimize the risk of credit loss. At May 31, 2024 and 2023, such excess balances totaled approximately \$5,300,000 and \$4,800,000, respectively. The management of the NJCPA and Affiliates does not anticipate nonperformance by any of these financial institutions.

***Donated Services***

Certain activities of the NJCPA and Affiliates are conducted by volunteers, many of whom are members. The accompanying combined financial statements do not reflect the value of those and certain other contributed services because they do not meet the recognition criteria of the accounting guidance governing contributions received.

***Allocation of Expenses***

Various expenses, including occupancy costs and salaries, have been allocated among the NJCPA, the Foundation and the Scholarship Fund, based upon services rendered by common personnel and usage of common facilities.

***Income Taxes***

The NJCPA is intended to be exempt from federal income tax under Internal Revenue Code Section 501(c)(6) and the Foundation and Scholarship Fund are each exempt under Section 501(c)(3). Federal income taxes apply to unrelated business income generated by the NJCPA and which is immaterial to its financial statements.

## New Jersey Society of Certified Public Accountants and Affiliates

### NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

May 31, 2024 and 2023

The NJCPA engages in lobbying activities and is, therefore, subject to certain requirements and a potential proxy tax. In lieu of paying such proxy tax, the NJCPA elects to disclose to its members the nondeductible portion of their dues related to lobbying expenditures.

Guidance in *Accounting for Uncertainty in Income Taxes* clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This standard provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The standard also provides guidance on measurement, classification, interest and penalties, and disclosure. The NJCPA and Affiliates have concluded that there are no uncertain tax positions within the accompanying combined financial statements. The NJCPA and Affiliates have processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions.

#### **Cash Equivalents**

The NJCPA and Affiliates consider all debt securities with original maturities at date of purchase of three months or less to be cash equivalents. However, money market mutual funds, held as part of the NJCPA and Affiliates' long-term investment strategy, are included in investments.

#### **Leases**

The NJCPA and Affiliates adopted Accounting Standards Update 2016-02, *Leases (Topic 842)*, as of June 1, 2022. After the adoption of this standard, the NJCPA and Affiliates determines if an arrangement contains a lease at inception based on whether there is an identified asset and whether the NJCPA and Affiliates controls the use of the identified asset throughout the period of use. The NJCPA and Affiliates assesses whether a lease is classified as an operating lease or a finance lease at lease commencement. Right-of-use ("ROU") assets are recognized at the lease commencement date and represent the NJCPA and Affiliates' right to use an underlying asset for the lease term and lease liabilities represent the NJCPA and Affiliates' obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments is discounted based a risk-free rate. Lease expense for leases determined to be operating leases are recognized on a straight-line basis, while those determined to be finance leases are recognized following a front-loaded expense pattern in which interest and amortization are presented separately in the statement of activities.

The NJCPA and Affiliates' ROU assets are initially measured based on the corresponding lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs incurred and (iii) lease incentives under the lease. Options to renew or terminate the lease are recognized as part of their ROU assets and lease liabilities when it is reasonably certain the options will be exercised. ROU assets are also assessed for impairment consistent with long-lived asset guidance.

The NJCPA and Affiliates does not allocate consideration between lease and non-lease components, such as operating costs, as the NJCPA and Affiliates has elected to not separate lease and non-lease components for any leases within its existing classes of assets. Operating lease expense for fixed lease payments is recognized on a straight-line basis over the lease term. Variable lease payments for usage-based fees are not included in the measurement of the ROU assets or lease liabilities and are expensed as incurred.

For existing leases, the NJCPA and Affiliates did not elect the use of hindsight and did not reassess the lease term upon adoption.

**New Jersey Society of Certified Public Accountants and Affiliates**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**May 31, 2024 and 2023**

Operating leases are presented separately as ROU assets and lease liabilities in the accompanying combined statements of financial position.

***Revenue Recognition***

The NJCPA and Affiliates recognize revenue when control of the promised goods or services are transferred to outside parties in an amount that reflects the consideration it expects to be entitled to in exchange for those goods or services.

***Scholarship Awards***

Scholarship awards are reviewed annually and recorded as a scholarship award expense in the year of approval.

***Subsequent Events***

The NJCPA and Affiliates evaluated subsequent events through September 23, 2024, the date the combined financial statements were available to be issued and are not aware of any subsequent events which would require recognition or disclosure in the accompanying combined financial statements.

**NOTE 3 - REVENUE RECOGNITION**

***Membership Dues and Other Fees***

The NJCPA and Affiliates offer membership for a one-year term, where they satisfy their performance obligation and recognize revenue evenly over the membership term as their members simultaneously receive and consume the benefits over that same timeframe. Generally, membership doesn't commence until after the NJCPA and Affiliates receive payment.

Payments received for membership dues in advance of the NJCPA and Affiliates satisfying their performance obligation are recorded within deferred revenue in the accompanying combined statements of financial position. The changes in deferred revenue related to memberships dues were caused by normal timing differences between the satisfaction of performance obligations and member payments.

For the fiscal years ended May 31, 2024 and 2023, the NJCPA and Affiliates recognized membership dues revenue of approximately \$906,000 and \$1,024,000, respectively, from amounts that were included in deferred revenue at the beginning of the year of \$906,000 and \$1,024,000, respectively.

At May 31, 2024, deferred revenue related to membership dues totaled approximately \$1,248,000, which will all be recognized as revenue during the fiscal year ending May 31, 2025.

***Educational Program Fees***

Educational program fees are comprised mainly of fees from members and non-members for continuing professional education classes. Revenue for classes, which are held either in a classroom setting or online, is typically collected in advance and is recognized when the instruction is provided.

For the fiscal years ended May 31, 2024 and 2023, the NJCPA and Affiliates recognized educational program fees revenue of approximately \$644,000 and \$567,000, respectively, from amounts that were included in deferred revenue at the beginning of the year of \$644,000 and \$567,000, respectively.

At May 31, 2024, deferred revenue related to educational program fees totaled approximately \$616,000, which will all be recognized as revenue during the fiscal year ending May 31, 2025.

**New Jersey Society of Certified Public Accountants and Affiliates**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**May 31, 2024 and 2023**

Management has elected the practical expedient permitted under ASC 606 not to disclose information about remaining performance obligations surrounding program income as the contracts either have original terms that are one year or less or variable consideration allocated entirely to a wholly unsatisfied promise to transfer a distinct good or service that is part of a series.

***Peer Review Fees***

The NJCPA and Affiliates earn fees for the administration of the New Jersey peer review program. Participating firms, which are required to receive a formal peer review every three years, pay an annual fee for participation in the program for administrative services that are provided within the same fiscal year.

***Publications, Directory and Website Advertising***

The NJCPA and Affiliates sells advertising space in its print publication, the revenue from which is recognized in the applicable months of each publication's issue date. The NJCPA and Affiliates also sell advertising space on their website and in other e-channels. Digital advertising revenue is recognized in the period of digital presentation.

Disaggregated publications revenue is as follows:

	2024	2023
Print media	\$ 52,392	\$ 93,250
Digital media	114,339	116,968
	<u>\$ 166,731</u>	<u>\$ 210,218</u>

Management has elected the practical expedient permitted under ASC 606 not to disclose information about remaining performance obligations as these contracts have original terms that are one year or less.

***Royalties and Commissions***

Royalties are received from the NJCPA and Affiliates' third-party providers of member benefit programs, in return for the rights to use NJCPA and Affiliates intellectual property (including name, logo and membership information) in offering programs. For royalty agreements that include fixed fee consideration, revenue is recognized periodically over the term of the agreement. For royalty agreements that include variable consideration, revenue is recognized per the agreements once a member purchases a good or service from an NJCPA and Affiliates third-party provider.

Disaggregated royalty revenue is as follows:

	2024	2023
Educational products and services	\$ 133,818	\$ 115,193
Financial products and services	116,774	111,102
Other products and services	33,258	57,919
	<u>\$ 283,850</u>	<u>\$ 284,214</u>

For royalty agreements that include variable consideration, management has elected the practical expedient permitted under ASC 606 not to disclose information about remaining performance obligations.

**New Jersey Society of Certified Public Accountants and Affiliates**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**May 31, 2024 and 2023**

**Contributions**

The NJCPA and Affiliates recognize individual and/or entity-level contributions to the NJCPA Scholarship Fund as contributions and net assets with donor restrictions until such time that the restriction has been satisfied, at which point the restriction is removed.

**NOTE 4 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the combined statement of financial position date, consist of the following:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 7,075,008	\$ 6,491,392
Accounts receivable	223,117	136,851
Investments	<u>6,780,685</u>	<u>5,997,228</u>
Financial assets, at year end	14,078,810	12,625,471
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions	(2,699,751)	(2,473,745)
Board designations:		
Amounts set aside for operating reserve	(2,300,000)	(2,300,000)
Amount set aside for office relocation and or renovation	-	(8,677)
Amount set aside for scholarship awards and chapter operations	<u>(1,094,992)</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,984,067</u>	<u>\$ 7,843,049</u>

As part of its liquidity management plan, NJCPA and Affiliates invest excess cash in short-term investments, which can include money market funds and mutual funds.

**NOTE 5 - INVESTMENTS**

The NJCPA and Affiliates follow the accounting guidance governing *Fair Value Measurements*, which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. The standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements, based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1 - Quoted prices are available in active markets for identical investments as of the measurement date;

**New Jersey Society of Certified Public Accountants and Affiliates**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**May 31, 2024 and 2023**

Level 2 - Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the measurement date, and fair value is determined through the use of models or other valuation methodologies; and

Level 3 - Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

The NJCPA and Affiliates held only Level 1 investments, consisting principally of open-end mutual funds and exchange-traded funds, as of May 31, 2024 and 2023. Investments at fair value consist of the following:

	<u>2024</u>	<u>2023</u>
U.S. equity funds	\$ 2,724,023	\$ 2,200,319
International equity funds	1,580,340	1,357,749
Fixed income mutual funds	2,149,530	1,998,399
Money market funds	-	150,000
Mutual funds:		
Real estate	229,889	212,969
Cash and cash equivalents	<u>96,903</u>	<u>77,792</u>
 Total fair value	 <u>\$ 6,780,685</u>	 <u>\$ 5,997,228</u>

Investment gain (loss) consists of the following:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 193,881	\$ 203,591
Realized gains (losses)	13,322	(95,089)
Unrealized gains (losses)	769,267	(162,707)
Investment fees	<u>(41,043)</u>	<u>(36,880)</u>
	 <u>\$ 935,427</u>	 <u>\$ (91,085)</u>

Investment gain (loss) is included in the combined financial statements as follows:

	<u>2024</u>	<u>2023</u>
Without donor restrictions	\$ 612,425	\$ (55,192)
With donor restrictions	<u>323,002</u>	<u>(35,893)</u>
	 <u>\$ 935,427</u>	 <u>\$ (91,085)</u>

New Jersey Society of Certified Public Accountants and Affiliates

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

May 31, 2024 and 2023

**NOTE 6 - PROPERTY AND EQUIPMENT, NET**

Property and equipment, net, consists of the following:

	<u>2024</u>	<u>2023</u>
Furniture and fixtures	\$ 592,039	\$ 592,039
Office equipment	294,197	294,197
Leasehold improvements	392,573	392,573
Computer equipment	<u>1,303,325</u>	<u>1,280,000</u>
	2,582,134	2,558,809
Less: accumulated depreciation and amortization	<u>(2,153,509)</u>	<u>(1,969,516)</u>
	<u>\$ 428,625</u>	<u>\$ 589,293</u>



**New Jersey Society of Certified Public Accountants and Affiliates**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**May 31, 2024 and 2023**

**NOTE 7 - FUNCTIONAL EXPENSES**

The combined expenses of the NJCPA, the Foundation and the Scholarship Fund are summarized below by each major functional area. The combined statements of activities contain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated on a basis of square footage include occupancy, depreciation and amortization, technology and property insurance. Expenses that are allocated based on estimates of personnel time incurred and applicability include office expenses, other insurance and salaries, payroll taxes and employee benefits.

	2024										
	Program Services					Support Services					
	Memberships	Communications and Public Relations	Educational Activities	Peer Review	Career Development	Total	Membership Development	Fundraising	Management and General	Total	2024 Total
Salaries, payroll taxes and employee benefits	\$ 788,660	\$ 539,758	\$ 821,740	\$ 273,107	\$ 99,238	\$ 2,522,503	\$ 235,186	\$ 2,420	\$ 1,273,958	\$ 1,511,564	\$ 4,034,067
Direct program cost	-	-	1,153,023	-	15,167	1,168,190	-	-	-	-	1,168,190
Rent and occupancy	170,880	51,088	88,963	17,176	17,176	345,283	17,176	-	77,953	95,129	440,412
Printing and distribution	298	58,234	86	1,226	1,169	61,013	21,967	-	6,189	28,156	89,169
Scholarship awards	-	-	-	-	218,200	218,200	-	-	-	-	218,200
Office and supplies	89,159	45,160	41,792	8,969	8,194	193,274	8,169	-	94,997	103,166	296,440
Professional fees	122,403	13,576	1,817	50,968	20,527	209,291	227	-	138,248	138,475	347,766
Meetings and travel	31,228	7,887	77	1,416	10,986	51,594	2,131	-	69,638	71,769	123,363
Depreciation and amortization	53,901	16,115	73,446	5,418	5,418	154,298	5,418	-	29,630	35,048	189,346
Special events	32,460	-	-	-	-	32,460	-	-	79,523	79,523	111,983
Other general	28,000	46,788	2,308	398	438	77,932	1,680	-	217,364	219,044	296,976
<b>Total functional expenses</b>	<b>\$ 1,316,989</b>	<b>\$ 778,606</b>	<b>\$ 2,183,252</b>	<b>\$ 358,678</b>	<b>\$ 396,513</b>	<b>\$ 5,034,038</b>	<b>\$ 291,954</b>	<b>\$ 2,420</b>	<b>\$ 1,987,500</b>	<b>\$ 2,281,874</b>	<b>\$ 7,315,912</b>
	2023										
	Program Services					Support Services					
	Memberships	Communications and Public Relations	Educational Activities	Peer Review	Career Development	Total	Membership Development	Fundraising	Management and General	Total	2023 Total
Salaries, payroll taxes and employee benefits	\$ 770,381	\$ 527,248	\$ 802,693	\$ 266,776	\$ 96,938	\$ 2,464,036	\$ 229,735	\$ 2,364	\$ 1,244,431	\$ 1,476,530	\$ 3,940,566
Direct program cost	-	-	940,373	-	8,270	948,643	-	-	-	-	948,643
Rent and occupancy	178,834	53,465	93,104	17,975	17,975	361,353	17,975	-	81,581	99,556	460,909
Printing and distribution	315	92,912	-	1,551	638	95,416	15,014	640	-	15,654	111,070
Scholarship awards	-	-	-	-	308,860	308,860	-	-	-	-	308,860
Office and supplies	94,643	41,227	44,383	9,963	9,297	199,513	8,692	-	88,281	96,973	296,486
Professional fees	121,314	24,534	8,025	59,381	132	213,386	132	-	149,301	149,433	362,819
Meetings and travel	26,627	2,165	61	126	-	28,979	588	-	64,711	65,299	94,278
Depreciation and amortization	63,394	18,953	79,440	6,372	6,372	174,531	6,372	-	34,079	40,451	214,982
Special events	9,298	-	-	-	-	9,298	-	-	39,558	39,558	48,856
Other general	22,477	34,544	2,264	390	429	60,104	1,167	-	365,956	367,123	427,227
<b>Total functional expenses</b>	<b>\$ 1,287,283</b>	<b>\$ 795,048</b>	<b>\$ 1,970,343</b>	<b>\$ 362,534</b>	<b>\$ 448,911</b>	<b>\$ 4,864,119</b>	<b>\$ 279,675</b>	<b>\$ 3,004</b>	<b>\$ 2,067,898</b>	<b>\$ 2,350,577</b>	<b>\$ 7,214,696</b>

**New Jersey Society of Certified Public Accountants and Affiliates**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**May 31, 2024 and 2023**

**NOTE 8 - LEASES**

On January 30, 2019, the NJCPA and Affiliates signed a lease for new office space consisting of approximately 17,200 square feet in Roseland, New Jersey, that began on July 1, 2019. The NJCPA and Affiliates lease office space under this non-cancelable lease agreement, for which an ROU asset and lease liability are recorded in the accompanying 2023 combined statements of financial position. The lease agreement expires in fiscal 2031 and is subject to escalation for real estate taxes and other building operating expenses, as defined in the related lease agreement. The NJCPA and Affiliates' lease payments are based on fixed payments. The lease contains no termination options or residual value guarantee.

The NJCPA and Affiliates adjusted the opening operating ROU asset balance based on its remaining deferred rent liabilities. On June 1, 2022, the NJCPA and Affiliates recorded \$3,106,249 in operating lease ROU assets and \$3,318,518 in operating lease liabilities.

The components of lease cost for the year ended May 31, 2024 are as follows:

Operating lease cost	<u>\$ 406,771</u>
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The components of lease cost for the year ended May 31, 2023 are as follows:

Operating lease cost	<u>\$ 406,771</u>
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Supplemental cash flow information related to operating leases for the year ended May 31, 2024 is as follows:

Operating cash flows from operating leases	<u>\$ 420,249</u>
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Supplemental cash flow information related to operating leases for the year ended May 31, 2023 is as follows:

Operating cash flows from operating leases	<u>\$ 418,819</u>
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The following table represents the weighted-average remaining lease term and discount rate as of May 31, 2024:

Weighted-average remaining lease term	6.75 years
Weighted-average discount rate	2.98%

The following table represents the weighted-average remaining lease term and discount rate as of May 31, 2023:

Weighted-average remaining lease term	7.75 years
Weighted-average discount rate	2.98%

**New Jersey Society of Certified Public Accountants and Affiliates**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**May 31, 2024 and 2023**

Future undiscounted lease payments for the NJCPA and Affiliates' operating lease liabilities are as follows as of May 31, 2024:

2025	\$ 420,249
2026	420,249
2027	435,972
2028	437,402
2029	437,402
Thereafter	<u>781,176</u>
Total lease obligation, gross	<u>2,932,450</u>
Less: imputed interest	<u>(275,969)</u>
Total lease liability	<u>\$ 2,656,481</u>

The NJCPA and Affiliates elected the following practical expedients:

- Package of practical expedients which eliminates the need to reassess (1) whether any expired or existing contracts are or contain leases; (2) the lease classification for any expired or existing leases; and (3) the initial direct costs for any existing leases.
- The practical expedient whereby the lease and non-lease components will not be separated for all classes of assets.
- Not to recognize ROU assets and corresponding lease liabilities with a lease term of 12 months or less from the lease commencement date.

**NOTE 9 - RETIREMENT PLAN**

The NJCPA sponsors a defined contribution plan (the "Plan") covering all employees who have attained the age of 20. The Plan permits elective deferrals pursuant to Internal Revenue Code Section 401(k) with matching contributions by the NJCPA to a maximum of 3% of compensation which vests over 5 years. Roth elective deferrals are also permitted. Effective January 1, 2015, the Plan provides for a safe harbor nonelective contribution of 3% of compensation. In addition, the Plan provides for annual discretionary contributions by the NJCPA for all participants who are employed on December 31 and complete 1,000 hours of service. The NJCPA's contributions to the Plan for the years ended May 31, 2024 and 2023 totaled approximately \$184,400 and \$172,500, respectively.

**NOTE 10 - RELATED PARTY**

Certain NJCPA staff members perform services on behalf of a related entity, the New Jersey CPA Political Action Committee (the "Committee"), including fundraising and administrative services. The value of services provided for each of the years ended May 31, 2024 and 2023 totaled approximately \$11,300 and \$9,600, respectively, and of these amounts, approximately \$7,000 was deemed a contribution each year, as permissible under NJ Election Law, with the balance reimbursed by the Committee.

**New Jersey Society of Certified Public Accountants and Affiliates**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**May 31, 2024 and 2023**

**NOTE 11 - EMPLOYEE RETENTION CREDIT**

The CARES Act provides an employee retention credit, a refundable tax credit against employment taxes of up to \$5,000 per employee for eligible employers. The tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages through December 31, 2020. Additional relief provisions were passed by the United States government, which extended and expanded the wage caps on these credits through December 31, 2021. Based on these additional provisions, the tax credit was increased to 70% of qualified wages paid to employees per quarter. The NJCPA submitted an application for tax credits related to wages incurred during the second and third quarters of 2021. Management asserts that their application sufficiently met the criteria to receive the credit from the Internal Revenue Service and payment was received in May 2023, therefore, the full amount of the credit totaling \$436,500 has been reported as employee retention credit in the accompanying combined statement of activities for the year ended May 31, 2023.

SUPPLEMENTARY INFORMATION

New Jersey Society of Certified Public Accountants and Affiliates

COMBINING SCHEDULE OF FINANCIAL POSITION

May 31, 2024

	NJCPA	Foundation	Scholarship Fund	Eliminations	Combined
<b>ASSETS</b>					
Cash and cash equivalents	\$ 5,459,522	\$ 1,278,605	\$ 336,881	\$ -	\$ 7,075,008
Accounts receivable	185,418	37,699	-	-	223,117
Prepaid expenses	273,466	223,793	2,000	-	499,259
Investments	2,815,070	1,602,745	2,362,870	-	6,780,685
Property and equipment, net	359,688	68,937	-	-	428,625
Right-of-use asset	2,469,737	-	-	-	2,469,737
Total assets	<u>\$ 11,562,901</u>	<u>\$ 3,211,779</u>	<u>\$ 2,701,751</u>	<u>\$ -</u>	<u>\$ 17,476,431</u>
<b>LIABILITIES AND NET ASSETS</b>					
Accounts payable and accrued expenses	\$ 269,261	\$ 30,920	\$ 195,706	\$ -	\$ 495,887
Deferred revenue	1,307,556	615,993	-	-	1,923,549
Lease liability	2,656,481	-	-	-	2,656,481
Due (from) to affiliated entity	(150,903)	273,942	(123,039)	-	-
Total liabilities	<u>4,082,395</u>	<u>920,855</u>	<u>72,667</u>	<u>-</u>	<u>5,075,917</u>
<b>Commitments</b>					
<b>Net assets</b>					
Without donor restrictions	7,480,506	2,290,924	-	-	9,771,430
With donor restrictions	-	-	2,629,084	-	2,629,084
Total net assets	<u>7,480,506</u>	<u>2,290,924</u>	<u>2,629,084</u>	<u>-</u>	<u>12,400,514</u>
Total liabilities and net assets	<u>\$ 11,562,901</u>	<u>\$ 3,211,779</u>	<u>\$ 2,701,751</u>	<u>\$ -</u>	<u>\$ 17,476,431</u>

This schedule should be read in conjunction with the accompanying combined financial statements and notes thereto and report of independent certified public accountants.

New Jersey Society of Certified Public Accountants and Affiliates

COMBINING SCHEDULE OF ACTIVITIES

Year ended May 31, 2024

	NJCPA	Foundation	Scholarship Fund	Eliminations	Combined
<b>Changes net assets without donor restrictions</b>					
Revenues and other support					
Membership dues and other fees	\$ 3,699,117	\$ -	\$ -	\$ -	\$ 3,699,117
Educational program fees	-	2,688,703	-	-	2,688,703
Peer review fees	319,784	-	-	-	319,784
Publication, directory and website advertising	166,731	-	-	-	166,731
Investment income	391,652	220,773	-	-	612,425
Royalties and commissions	150,032	133,818	-	-	283,850
Special events	29,139	-	-	-	29,139
Other	158,650	-	-	-	158,650
Net assets released from restrictions	-	-	321,579	(156,219)	165,360
Total revenues and other support	<u>4,915,105</u>	<u>3,043,294</u>	<u>321,579</u>	<u>(156,219)</u>	<u>8,123,759</u>
Expenses					
Salaries, payroll taxes and employee benefits	2,951,233	1,021,520	61,314	-	4,034,067
Direct costs of educational programs	-	1,191,479	15,167	(38,456)	1,168,190
Rent and occupancy	339,126	95,553	5,733	-	440,412
Printing and distribution	83,205	4,638	1,326	-	89,169
Scholarship awards	-	117,763	218,200	(117,763)	218,200
Office and supplies	227,040	65,587	3,813	-	296,440
Professional fees	347,126	640	-	-	347,766
Meetings and travel	113,225	302	9,836	-	123,363
Depreciation and amortization	132,118	54,677	2,551	-	189,346
Special events	111,983	-	-	-	111,983
Other general	214,586	78,751	3,639	-	296,976
Total expenses	<u>4,519,642</u>	<u>2,630,910</u>	<u>321,579</u>	<u>(156,219)</u>	<u>7,315,912</u>
Increase in net assets without donor restrictions	<u>395,463</u>	<u>412,384</u>	<u>-</u>	<u>-</u>	<u>807,847</u>
<b>Changes in net assets with donor restrictions</b>					
Contributions	-	-	326,852	(156,219)	170,633
Investment loss	-	-	323,002	-	323,002
Net assets released from restrictions	-	-	(321,579)	156,219	(165,360)
Increase in net assets with donor restrictions	<u>-</u>	<u>-</u>	<u>328,275</u>	<u>-</u>	<u>328,275</u>
<b>CHANGES IN NET ASSETS</b>	<u>395,463</u>	<u>412,384</u>	<u>328,275</u>	<u>-</u>	<u>1,136,122</u>
<b>Net assets at beginning of year</b>	<u>7,085,043</u>	<u>1,878,540</u>	<u>2,300,809</u>	<u>-</u>	<u>11,264,392</u>
<b>Net assets at end of year</b>	<u>\$ 7,480,506</u>	<u>\$ 2,290,924</u>	<u>\$ 2,629,084</u>	<u>\$ -</u>	<u>\$ 12,400,514</u>

This schedule should be read in conjunction with the accompanying combined financial statements and notes thereto and report of independent certified public accountants.

New Jersey Society of Certified Public Accountants and Affiliates

COMBINING SCHEDULE OF CASH FLOWS

Year ended May 31, 2024

	NJCPA	Foundation	Scholarship Fund	Eliminations	Combined
<b>Cash flows from operating activities:</b>					
Cash received from dues, program fees and contributions	\$ 4,831,493	\$ 2,774,466	\$ 326,853	\$ (156,219)	\$ 7,776,593
Interest and dividends received	63,990	35,714	53,133	-	152,837
Cash paid to employees, vendors and others	(4,846,947)	(2,201,691)	(423,849)	156,219	(7,316,268)
Net cash provided by (used in) operating activities	<u>48,536</u>	<u>608,489</u>	<u>(43,863)</u>	<u>-</u>	<u>613,162</u>
<b>Cash flows from investing activities:</b>					
Acquisition of property and equipment	(28,678)	-	-	-	(28,678)
Redemption of investments	315,909	202,060	420,399	-	938,368
Purchases of investments	(378,085)	(237,662)	(323,489)	-	(939,236)
Net cash used in (provided by) investing activities	<u>(90,854)</u>	<u>(35,602)</u>	<u>96,910</u>	<u>-</u>	<u>(29,546)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>					
	(42,318)	572,887	53,047	-	583,616
<b>Cash and cash equivalents at beginning of year</b>	<u>5,501,840</u>	<u>705,718</u>	<u>283,834</u>	<u>-</u>	<u>6,491,392</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 5,459,522</u>	<u>\$ 1,278,605</u>	<u>\$ 336,881</u>	<u>\$ -</u>	<u>\$ 7,075,008</u>
<b>Reconciliation of changes in net assets to net cash provided by (used in) operating activities:</b>					
Changes in net assets	\$ 395,463	\$ 412,384	\$ 328,275	\$ -	\$ 1,136,122
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:					
Depreciation and amortization	132,118	54,677	2,551	-	189,346
Realized gains on sales of investments	(4,058)	(6,431)	(2,833)	-	(13,322)
Unrealized gains on investments	(323,604)	(178,628)	(267,035)	-	(769,267)
Change in right-of-use assets	(13,476)	-	-	-	(13,476)
Changes in cash from changes in operating assets and liabilities:					
Accounts receivable	(66,292)	(19,974)	-	-	(86,266)
Prepaid expenses	(117,520)	83,329	(1,000)	-	(35,191)
Due (to) from affiliated entity, net	(213,381)	287,158	(73,777)	-	-
Accounts payable and accrued expenses	(115,047)	4,055	(30,044)	-	(141,036)
Deferred revenue	374,333	(28,081)	-	-	346,252
Net cash provided by (used in) operating activities	<u>\$ 48,536</u>	<u>\$ 608,489</u>	<u>\$ (43,863)</u>	<u>\$ -</u>	<u>\$ 613,162</u>

This schedule should be read in conjunction with the accompanying combined financial statements and notes thereto and report of independent certified public accountants.



New Jersey Society of Certified Public Accountants and Affiliates

COMBINING SCHEDULE OF FINANCIAL POSITION

May 31, 2023

	NJCPA	Foundation	Scholarship Fund	Eliminations	Combined
<b>ASSETS</b>					
Cash and cash equivalents	\$ 5,501,840	\$ 705,718	\$ 283,834	\$ -	\$ 6,491,392
Accounts receivable	119,126	17,725	-	-	136,851
Prepaid expenses	155,946	307,122	1,000	-	464,068
Investments	2,425,233	1,382,084	2,189,911	-	5,997,228
Property and equipment, net	469,928	119,365	-	-	589,293
Right-of-use asset	2,792,930	-	-	-	2,792,930
Total assets	<u>\$ 11,465,003</u>	<u>\$ 2,532,014</u>	<u>\$ 2,474,745</u>	<u>\$ -</u>	<u>\$ 16,471,762</u>
<b>LIABILITIES AND NET ASSETS</b>					
Accounts payable and accrued expenses	\$ 384,306	\$ 26,868	\$ 225,749	\$ -	\$ 636,923
Deferred revenue	933,224	644,073	-	-	1,577,297
Deferred rent	-	-	-	-	-
Lease liability	2,993,150	-	-	-	2,993,150
Due (from) to affiliated entity	69,280	(17,467)	(51,813)	-	-
Total liabilities	<u>4,379,960</u>	<u>653,474</u>	<u>173,936</u>	<u>-</u>	<u>5,207,370</u>
<b>Commitments</b>					
<b>Net assets</b>					
Without donor restrictions	7,085,043	1,878,540	-	-	8,963,583
With donor restrictions	-	-	2,300,809	-	2,300,809
Total net assets	<u>7,085,043</u>	<u>1,878,540</u>	<u>2,300,809</u>	<u>-</u>	<u>11,264,392</u>
Total liabilities and net assets	<u>\$ 11,465,003</u>	<u>\$ 2,532,014</u>	<u>\$ 2,474,745</u>	<u>\$ -</u>	<u>\$ 16,471,762</u>

This schedule should be read in conjunction with the accompanying combined financial statements and notes thereto and report of independent certified public accountants.

New Jersey Society of Certified Public Accountants and Affiliates

COMBINING SCHEDULE OF ACTIVITIES

Year ended May 31, 2023

	NJCPA	Foundation	Scholarship Fund	Eliminations	Combined
<b>Changes net assets without donor restrictions</b>					
Revenues and other support					
Memberships dues and other fees	\$ 3,565,015	\$ -	\$ -	\$ -	\$ 3,565,015
Educational program fees	-	2,050,697	-	-	2,050,697
Peer review fees	327,517	-	-	-	327,517
Publication, directory and website advertising	210,218	-	-	-	210,218
Investment income	(27,640)	(27,552)	-	-	(55,192)
Royalties and commissions	169,021	115,193	-	-	284,214
Special events	70,035	-	-	-	70,035
Employee retention credit	436,500	-	-	-	436,500
Other	155,748	-	-	-	155,748
Net assets released from restrictions	-	-	393,831	(17,640)	376,191
Total revenues and other support	<u>4,906,414</u>	<u>2,138,338</u>	<u>393,831</u>	<u>(17,640)</u>	<u>7,420,943</u>
Expenses					
Salaries, payroll taxes and employee benefits	2,868,566	1,012,000	60,000	-	3,940,566
Direct costs of educational programs	-	958,013	8,270	(17,640)	948,643
Rent and occupancy	354,909	100,000	6,000	-	460,909
Printing and distribution	105,029	4,053	1,988	-	111,070
Scholarship awards	(400)	-	309,260	-	308,860
Office and supplies	225,362	67,124	4,000	-	296,486
Professional fees	355,479	7,340	-	-	362,819
Meetings and travel	92,471	1,807	-	-	94,278
Depreciation and amortization	155,388	56,594	3,000	-	214,982
Special events	48,856	-	-	-	48,856
Other general	352,633	73,281	1,313	-	427,227
Total expenses	<u>4,558,293</u>	<u>2,280,212</u>	<u>393,831</u>	<u>(17,640)</u>	<u>7,214,696</u>
Increase (decrease) in net assets without donor restrictions	<u>348,121</u>	<u>(141,874)</u>	<u>-</u>	<u>-</u>	<u>206,247</u>
<b>Changes in net assets with donor restrictions</b>					
Contributions	-	-	226,790	(17,640)	209,150
Investment loss	-	-	(35,893)	-	(35,893)
Net assets released from restrictions	-	-	(393,831)	17,640	(376,191)
Decrease in net assets with donor restrictions	<u>-</u>	<u>-</u>	<u>(202,934)</u>	<u>-</u>	<u>(202,934)</u>
<b>CHANGES IN NET ASSETS</b>	<u>348,121</u>	<u>(141,874)</u>	<u>(202,934)</u>	<u>-</u>	<u>3,313</u>
<b>Net assets at beginning of year</b>	<u>6,736,922</u>	<u>2,020,414</u>	<u>2,503,743</u>	<u>-</u>	<u>11,261,079</u>
<b>Net assets at end of year</b>	<u>\$ 7,085,043</u>	<u>\$ 1,878,540</u>	<u>\$ 2,300,809</u>	<u>\$ -</u>	<u>\$ 11,264,392</u>

This schedule should be read in conjunction with the accompanying combined financial statements and notes thereto and report of independent certified public accountants.

New Jersey Society of Certified Public Accountants and Affiliates

COMBINING SCHEDULE OF CASH FLOWS

Year ended May 31, 2023

	NJCPA	Foundation	Scholarship Fund	Eliminations	Combined
<b>Cash flows from operating activities:</b>					
Cash received from dues, program fees and contributions	\$ 4,712,128	\$ 2,263,368	\$ 226,788	\$ (17,640)	\$ 7,184,644
Interest and dividends received	81,059	32,892	52,758	-	166,709
Cash paid to employees, vendors and others	(4,113,948)	(2,589,523)	(463,455)	17,640	(7,149,286)
Net cash provided by (used in) operating activities	<u>679,239</u>	<u>(293,263)</u>	<u>(183,909)</u>	<u>-</u>	<u>202,067</u>
<b>Cash flows from investing activities:</b>					
Redemption of investments	398,331	257,481	1,103,434	-	1,759,246
Purchases of investments	(455,991)	(290,107)	(1,156,167)	-	(1,902,265)
Net cash used in investing activities	<u>(57,660)</u>	<u>(32,626)</u>	<u>(52,733)</u>	<u>-</u>	<u>(143,019)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	621,579	(325,889)	(236,642)	-	59,048
<b>Cash and cash equivalents at beginning of year</b>	<u>4,880,261</u>	<u>1,031,607</u>	<u>520,476</u>	<u>-</u>	<u>6,432,344</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>\$ 5,501,840</u></u>	<u><u>\$ 705,718</u></u>	<u><u>\$ 283,834</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,491,392</u></u>
<b>Reconciliation of changes in net assets to net cash provided by (used in) operating activities:</b>					
Changes in net assets	\$ 348,121	\$ (141,874)	\$ (202,934)	\$ -	\$ 3,313
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:					
Depreciation and amortization	155,388	56,594	3,000	-	214,982
Realized losses on sales of investments	16,520	10,731	67,838	-	95,089
Unrealized losses on investments	92,179	49,714	20,814	-	162,707
Changes in cash from changes in operating assets and liabilities:					
Accounts receivable	(105,814)	20,782	-	-	(85,032)
Prepaid expenses	(13,035)	(180,411)	(1,000)	-	(194,446)
Due (to) from affiliated entity, net	222,585	(160,243)	(62,342)	-	-
Accounts payable and accrued expenses	291,679	(25,252)	(9,285)	-	257,142
Deferred revenue	(116,115)	76,696	-	-	(39,419)
Deferred rent	(212,269)	-	-	-	(212,269)
Net cash provided by (used in) operating activities	<u><u>\$ 679,239</u></u>	<u><u>\$ (293,263)</u></u>	<u><u>\$ (183,909)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 202,067</u></u>

This schedule should be read in conjunction with the accompanying combined financial statements and notes thereto and report of independent certified public accountants.