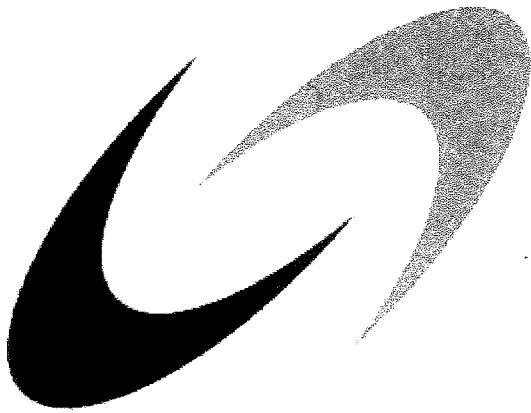


*The Virginia Society of Certified  
Public Accountants and  
Certified Public Accountants'  
Political Action Committee of Virginia*

*Consolidated Financial Statements*

*Years Ended April 30, 2010 and 2009*



Virginia Society  
of Certified  
Public Accountants

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***The Virginia Society of Certified Public Accountants and  
Certified Public Accountants' Political Action Committee of Virginia***

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## ***Independent Auditors' Report***

Board of Directors  
***The Virginia Society of Certified Public Accountants***  
Glen Allen, Virginia

We have audited the accompanying consolidated statements of financial position of ***The Virginia Society of Certified Public Accountants and Certified Public Accountants' Political Action Committee of Virginia*** as of April 30, 2010 and 2009, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ***The Virginia Society of Certified Public Accountants and Certified Public Accountants' Political Action Committee of Virginia*** as of April 30, 2010 and 2009, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Mitchell, Wiggins & Company LLP*

Richmond, Virginia  
July 8, 2010

*The Virginia Society of Certified Public Accountants and  
 Certified Public Accountants' Political Action Committee of Virginia*

*Consolidated Statements of Financial Position*

<u>April 30,</u>	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,345,356	\$ 1,111,905
Trade accounts receivable	51,999	95,395
Due from VSCPA Educational Foundation	12,000	-
Pledges receivable	-	7,875
Investments	169,557	129,826
Prepaid expenses	157,699	425,774
<b>Total current assets</b>	<u>1,736,611</u>	<u>1,770,775</u>
<b>Property and equipment - net</b>	<u>1,377,033</u>	<u>1,400,095</u>
	<u>\$ 3,113,644</u>	<u>\$ 3,170,870</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 35,415	\$ 116,877
Accrued expenses	65,346	78,579
Pledges payable	3,000	3,000
Deferred revenues	258,871	457,298
Accrued retirement	127,235	122,052
<b>Total current liabilities</b>	<u>489,867</u>	<u>777,806</u>
<b>Long-term liabilities</b>		
Pledges payable	<u>9,000</u>	<u>12,000</u>
<b>Total liabilities</b>	<u>498,867</u>	<u>789,806</u>
<b>Net assets</b>		
Unrestricted:		
Invested in property and equipment	1,377,033	1,400,095
Board designated for facility and technology	520,213	224,219
Board designated for operating expenses	418,846	316,174
Undesignated	238,103	392,657
	<u>2,554,195</u>	<u>2,333,145</u>
Temporarily restricted (CPA PAC)	60,582	47,919
<b>Total net assets</b>	<u>2,614,777</u>	<u>2,381,064</u>
	<u>\$ 3,113,644</u>	<u>\$ 3,170,870</u>

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

*The Virginia Society of Certified Public Accountants and  
 Certified Public Accountants' Political Action Committee of Virginia*

*Consolidated Statements of Activities*

Years Ended April 30,	2010	2009
<b>Change in unrestricted net assets</b>		
Revenue:		
Program:		
Continuing education:		
Seminars	\$ 1,369,514	\$ 1,554,339
Conferences	465,456	441,696
Ethics	431,160	399,925
In-house	129,195	171,705
Peer review	156,295	152,395
Membership	2,054,007	1,917,287
Public relations	2,999	11,796
Student and educator outreach	81,718	30,465
Net assets released from restriction, CPA PAC	29,989	47,567
	<u>4,720,333</u>	<u>4,727,175</u>
Other:		
Royalties	173,500	173,500
Investment income	11,318	29,149
Realized gain on investments	3,326	-
Unrealized gain (loss) on investments	34,575	(22,092)
Rental income	75,437	65,659
Miscellaneous	1,815	-
<b>Total support and unrestricted revenues</b>	<u>5,020,304</u>	<u>4,973,391</u>
Expenses:		
Program services:		
Continuing education	1,967,600	2,047,400
Leadership	246,662	280,186
Peer review	177,971	163,453
Membership	985,745	679,597
Student and educator outreach	186,616	80,139
Public relations	223,557	229,890
Legislative	160,143	112,474
CPA PAC	29,989	47,567
Supporting services:		
Administrative and general	820,971	1,019,133
<b>Total expenses</b>	<u>4,799,254</u>	<u>4,659,839</u>
<b>Change in unrestricted net assets</b>	<u>221,050</u>	<u>313,552</u>
<b>Change in temporarily restricted net assets</b>		
Investment income	-	145
Contributions to the CPA PAC	42,652	39,441
Net assets released from restriction, CPA PAC	(29,989)	(47,567)
<b>Change in temporarily restricted net assets</b>	<u>12,663</u>	<u>(7,981)</u>
<b>Change in net assets</b>	<u>233,713</u>	<u>305,571</u>
<b>Net assets - beginning of year</b>	<u>2,381,064</u>	<u>2,075,493</u>
<b>Net assets - end of year</b>	<u>\$ 2,614,777</u>	<u>\$ 2,381,064</u>

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

*The Virginia Society of Certified Public Accountants and  
 Certified Public Accountants' Political Action Committee of Virginia  
 Consolidated Statement of Functional Expenses*

Year Ended April 30, 2010

	Continuing Education	Leadership	Peer Review	Membership	Student & Educator Outreach	Public Relations	Legislative	CPA PAC	Total Program Services	Total Administrative and General	Total
Leadership	\$ -	\$ 40,079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,079	\$ -	\$ 40,079
Peer review administration	-	-	72,030	-	-	-	-	-	72,030	-	72,030
Public/member services	-	-	-	458,692	67,432	72,592	-	-	598,716	-	598,716
Legislative	-	-	-	-	-	-	67,445	-	67,445	-	67,445
Continuing education:											
Seminars	917,648	-	-	-	-	-	-	-	917,648	-	917,648
Conferences	288,296	-	-	-	-	-	-	-	288,296	-	288,296
Ethics	87,389	-	-	-	-	-	-	-	87,389	-	87,389
In-house	41,274	-	-	-	-	-	-	-	41,274	-	41,274
Rental expenses	-	-	-	-	-	-	-	-	-	7,873	7,873
Salaries	404,495	132,011	67,698	336,797	76,160	96,470	59,236	-	1,172,867	519,582	1,692,449
Employee benefit/payroll costs	108,746	35,490	18,200	90,546	20,475	25,935	15,925	-	315,317	139,689	455,006
Office supplies and postage	5,464	1,783	915	4,550	1,029	1,303	800	7,528	23,372	7,019	30,391
Equipment expense	37,962	12,389	6,353	31,608	7,148	9,054	5,559	-	110,073	48,763	158,836
Bank/credit card fees	9,356	3,053	1,566	7,790	1,762	2,231	1,370	-	27,128	12,018	39,146
Occupancy expense	49,076	16,017	8,214	40,863	9,240	11,704	7,187	35	142,336	63,039	205,375
Professional fees	11,353	3,705	1,900	9,453	2,138	2,708	1,663	-	32,920	14,583	47,503
Other administration	6,541	2,135	1,095	5,446	1,232	1,560	958	1,776	20,743	8,405	29,148
Political contributions	-	-	-	-	-	-	-	20,650	20,650	-	20,650
	\$ 1,967,600	\$ 246,662	\$ 177,971	\$ 985,745	\$ 186,616	\$ 223,557	\$ 160,143	\$ 29,989	\$ 3,978,283	\$ 820,971	\$ 4,799,254

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

*The Virginia Society of Certified Public Accountants and  
 Certified Public Accountants' Political Action Committee of Virginia  
 Consolidated Statement of Functional Expenses*

Year Ended April 30, 2009

	Continuing Education	Leadership	Peer Review	Membership	Student & Educator Outreach	Public Relations	Legislative	CPA PAC	Total Program Services	Total Administrative and General	Total
Leadership	\$ -	\$ 107,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107,611	\$ -	\$ 107,611
Peer review administration	-	-	69,619	-	-	-	-	-	69,619	-	69,619
Public/member services	-	-	-	263,005	26,555	110,648	-	-	400,208	-	400,208
Legislative	-	-	-	-	-	-	38,010	-	38,010	-	38,010
Continuing education:											
Seminars	1,024,385	-	-	-	-	-	-	-	1,024,385	-	1,024,385
Conferences	289,648	-	-	-	-	-	-	-	289,648	-	289,648
Ethics	124,538	-	-	-	-	-	-	-	124,538	-	124,538
In-house	30,228	-	-	-	-	-	-	-	30,228	-	30,228
Rental expenses	-	-	-	-	-	-	-	-	-	12,370	12,370
Salaries	360,565	107,543	58,475	259,607	33,392	74,308	46,404	-	940,294	627,382	1,567,676
Employee benefit/payroll costs	103,728	30,938	16,822	74,684	9,606	21,377	13,349	-	270,504	180,487	450,991
Office supplies and postage	6,735	2,009	1,092	4,849	624	1,388	867	9,497	27,061	11,718	38,779
Equipment expense	31,578	9,419	5,121	22,736	2,924	6,508	4,064	-	82,350	54,946	137,296
Bank/credit card fees	8,812	2,628	1,429	6,345	816	1,816	1,134	-	22,980	15,333	38,313
Occupancy expense	40,965	12,218	6,643	29,495	3,794	8,442	5,272	21	106,850	71,279	178,129
Professional fees	14,820	4,420	2,403	10,670	1,372	3,054	1,907	4,755	43,401	25,786	69,187
Other administration	7,731	2,306	1,254	5,566	716	1,593	995	1,363	21,524	13,452	34,976
Contingency	3,667	1,094	595	2,640	340	756	472	-	9,564	6,380	15,944
Political contributions	-	-	-	-	-	-	-	31,931	31,931	-	31,931
	\$ 2,047,400	\$ 280,186	\$ 163,453	\$ 679,597	\$ 80,139	\$ 229,890	\$ 112,474	\$ 47,567	\$ 3,640,706	\$ 1,019,133	\$ 4,659,839

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



*The Virginia Society of Certified Public Accountants and  
Certified Public Accountants' Political Action Committee of Virginia*

*Consolidated Statements of Cash Flows*

<b>Years Ended April 30,</b>	<b>2010</b>	<b>2009</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 233,713	\$ 305,571
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation	119,168	106,914
Unrealized (gain) loss on investments	(34,575)	22,092
Realized gain on investments	(3,326)	-
Reinvestment of mutual fund dividends	(3,856)	(3,905)
Change in:		
Trade accounts receivable	43,396	29,502
Due from VSCPA Educational Foundation	(12,000)	-
Pledges receivable	7,875	15,495
Prepaid expenses	268,075	(264,994)
Other assets	-	5,000
Accounts payable	(81,462)	71,641
Accrued expenses	(13,233)	(96,638)
Pledges payable	(3,000)	15,000
Deferred revenues	(198,427)	215,313
Accrued retirement	5,183	14,738
<b>Net cash provided by operating activities</b>	<b>327,531</b>	<b>435,729</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(96,106)	(169,323)
Purchase of investment securities	(63,250)	(27,957)
Proceeds from sale of investments	65,276	-
<b>Net cash used in investing activities</b>	<b>(94,080)</b>	<b>(197,280)</b>
<b>Change in cash and cash equivalents</b>	<b>233,451</b>	<b>238,449</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>1,111,905</b>	<b>873,456</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 1,345,356</b>	<b>\$ 1,111,905</b>

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

***The Virginia Society of Certified Public Accountants and  
Certified Public Accountants Political Action Committee of Virginia***

***Notes to Consolidated Financial Statements***

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**April 30, 2010 and 2009**

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**1. Organization and Nature of Activities**

*The Virginia Society of Certified Public Accountants* (Society) is the registered trade name of The Virginia Society of Public Accountants, Incorporated, a nonprofit organization formed in Virginia in 1909 to unite Certified Public Accountants and members of their respective staffs practicing in Virginia, promote and maintain high professional standards of practice, assist in the maintenance of standards for entry to the profession, promote the interests of CPAs, develop and improve accounting education, and promote the continuing education of its members. The Society is primarily supported through membership dues and continuing education program fees.

The Society has a political action committee called *Certified Public Accountants' Political Action Committee of Virginia* (CPA PAC), which has been consolidated in these financial statements. There were no significant transactions between the Society and the CPA PAC. The purpose of the CPA PAC is to promote the accounting profession in Virginia. To assist in such an effort, CPA PAC provides direct financial contributions to candidates for public office who are believed by the Board of Directors to be in general agreement with their objectives; however, CPA PAC is not affiliated with any specific political party and shall not engage in any lobbying activities.

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

The consolidated financial statements are presented on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses are recorded when the obligation is incurred.

**Basis of Presentation**

Under current accounting standards generally accepted in the United States of America, the Society is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The financial statements report amounts separately by class of assets as follows:

**Unrestricted** amounts are those net assets including both board designated and other unrestricted funds. They include revenue and expenses used currently for the general operations of the Society. General contributions that are restricted by the donor are reported as increases in unrestricted net assets if the donor restrictions expire in the fiscal year in which the contributions are recognized.

**Temporarily restricted** amounts are those which include contributions restricted by donor designation and are reported as increases in temporarily restricted net assets. When a donor restriction expires either with the passage of time or by actions of the Society, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Temporarily restricted net assets are comprised of political action committee funds.

## *Notes to Consolidated Financial Statements (continued)*

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### **Basis of Presentation (continued)**

**Permanently restricted** amounts include contributions subject to donor imposed stipulations that they be maintained permanently by the Society, the income from which is expendable in accordance with the conditions of each specific donation. Currently, the Society has no permanently restricted net assets.

### **Concentration of Credit Risk**

The Society's financial assets potentially subject to credit risk include cash and cash equivalents, investments and trade receivables. At times, the Society may have cash and cash equivalents at a financial institution in excess of insured limits. The Society places its cash and cash equivalents with a financial institution whose credit rating is monitored by management to minimize the concentration of credit risk. Management periodically evaluates the Society's investments. Receivables are due from business entities and individuals and are not concentrated in any one group or geographic location.

### **Cash and Cash Equivalents**

The Society considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Society, at times, may have cash in excess of insured limits. As of April 30, 2010 and 2009, cash of \$58,034 and \$38,884 is temporarily restricted for the CPA PAC.

### **Trade Receivables**

The Society extends unsecured credit to its customers in the ordinary course of business but mitigates the associated credit risk by performing credit checks and actively pursuing past due accounts. Trade accounts receivable are due 30 days after the issuance of the invoice. Trade receivables are charged off to bad debts using the direct write-off method when the accounts are considered uncollectible. If the reserve method of accounting for uncollectible accounts was used, it would not have a materially different effect on the financial statements.

### **Pledge Receivables**

Pledges are recognized when the donor makes a promise to give to the CPA PAC that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. Pledges receivable are expected to be collected within one year or less.

### **Property and Equipment**

Property and equipment are recorded at cost. All items costing \$500 and above are capitalized. Depreciation is based on estimated useful service lives and is computed on the straight-line and declining balance methods. Estimated useful lives for real property are forty to forty-five years; all other asset lives range from three to fifteen years. Maintenance and repairs are charged to expense in the period in which they occur, but renewals and betterments are capitalized.

## *Notes to Consolidated Financial Statements (continued)*

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### **Investments**

Investments consist of marketable equity securities and are stated at market value. The Society considers unrealized gains and losses on securities to be part of its operating activities.

### **Pledges Payable**

In October 2008, the Society promised to give \$15,000 to the AICPA Academic Doctorial Scholarship. The promise to give is payable over a five year period. During the year ended April 30, 2010, the VSCPA remitted \$15,000 to the VSCPA Educational Foundation to pay the pledge on their behalf over the five year period. As the pledge payments are made on behalf of the VSCPA by the VSCPA Educational Foundation, the pledge payable and a corresponding related party receivable from the VSCPA Educational Foundation will be reduced. As of April 30, 2010, the VSCPA Educational Foundation has remitted on behalf of the VSCPA \$3,000 to the AICPA in connection with the pledge.

### **Income Taxes**

The Society is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code. The Society is subject to tax on any unrelated business income that it may generate. The CPA PAC is subject to tax on investment earnings.

### **Deferred Revenue**

Deferred revenue consists primarily of continuing education fees collected in advance of the course. Deferred revenue also consists of membership dues paid in advance and member overpayments or course cancellations to be applied to future courses.

### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

### **Functional Allocation of Expenses**

The cost of providing various programs and other activities has been summarized on a functional basis in the statements of activities and statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### **Advertising**

Advertising costs, which are expensed as incurred, were \$43,491 and \$71,250 for years ended April 30, 2010 and 2009, respectively.

### **Reclassification**

Certain reclassifications of prior year revenues and functional expense amounts have been made to conform to current year classifications.

*Notes to Consolidated Financial Statements (continued)*

**3. Investments**

Cost and approximate market value of investment securities at April 30, 2010 and 2009, are as follows:

	2010			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Market Value
Vanguard 500 Index Fund	\$ 57,758	\$ 1,318	-	\$ 59,076
Vanguard REIT Index Fund	7,667	1,886	-	9,553
Vanguard Small-Cap Index Fund	15,834	2,965	-	18,799
Vanguard Total Intl Stock Index Fund	34,315	222	-	34,537
Vanguard Mid-Cap Index Fund	41,273	6,319	-	47,592
	<b>\$ 156,847</b>	<b>\$ 12,710</b>	<b>\$ -</b>	<b>\$ 169,557</b>

	2009			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Market Value
Vanguard 500 Index Fund	\$ 50,441	\$ -	\$ (12,773)	\$ 37,668
Vanguard Total Bond Market Index Fund	59,607	1,547	-	61,154
Vanguard Small-Cap Index Fund	7,425	-	(1,763)	5,662
Vanguard Total Intl Stock Index Fund	18,308	-	(4,246)	14,062
Vanguard Mid-Cap Index Fund	14,825	-	(3,545)	11,280
	<b>\$ 150,606</b>	<b>\$ 1,547</b>	<b>\$ (22,327)</b>	<b>\$ 129,826</b>

The Society incurred \$34,575 and \$(22,092) in unrealized gains (losses) for the years ended April 30, 2010 and 2009, respectively.

**4. Property and Equipment**

Property and equipment consisted of the following at April 30:

	2010	2009
Land	\$ 268,561	\$ 268,561
Building and improvements	1,674,092	1,667,742
Furniture and equipment	245,714	351,026
Computer hardware	206,689	207,727
Computer software	238,133	210,710
	<b>2,633,189</b>	<b>2,705,766</b>
Less - accumulated depreciation and amortization	<b>(1,256,156)</b>	<b>(1,305,671)</b>
	<b>\$ 1,377,033</b>	<b>\$ 1,400,095</b>

## Notes to Consolidated Financial Statements (continued)

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### 5. Line of Credit

For the year ended April 30, 2009 and through October 2009, The Society had a line of credit with a financial institution in the amount of \$200,000. During the years ended April 30, 2010 and 2009, no advances were made on the line of credit. The line of credit was unsecured and expired in October 2009.

### 6. Lease and Lease Commitments

The Society has operating leases for equipment that expire between 2011 and 2013. Estimated future minimum lease payments for the equipment for years ending April 30, are as follows:

2011	\$ 30,828
2012	25,986
2013	17,620
	<u>\$ 74,434</u>

Total rental expense for the years ended April 30, 2010 and 2009, was \$30,828 and \$36,328, respectively.

### 7. Retirement Benefits

The Society has a salary deferral plan under Section 401(k) of the Internal Revenue Code for eligible employees. Under the plan, a participant's entry date will be the earlier of May 1 or the date six months thereafter, coincident with or next following the satisfaction of eligibility requirements. Elective deferrals are limited to those established annually by the federal government. The Society has the option under the plan to provide matching contributions and/or non-elective discretionary contributions. The Society's discretionary contributions to the plan for the years ended April 30, 2010 and 2009, were \$127,235 and \$122,052, respectively.

### 8. Related Party Transactions

The Society is affiliated with the VSCPA Educational Foundation, Inc. (Foundation), a Code Section 501 (c)(3) entity. The Society accepted on behalf of and distributed to the Foundation contributions of \$51,348 and \$40,882 for the years ended April 30, 2010 and 2009, respectively. The Society provides personnel, facilities and other services to the Foundation, a portion of which is recorded as an in-kind contribution from the Society to the Foundation. The in-kind contribution is measured based on the total hours dedicated to the Foundation by Society personnel. During the years ended April 30, 2010 and 2009, the Society charged the Foundation \$32,208 and \$25,000, respectively, for the cost of these services. As of April 30, 2010 and 2009, the in-kind contribution totaled approximately \$55,000 and \$110,000, respectively.

The Society accepted on behalf of the Certified Public Accountants' Political Action Committee of Virginia (CPA-PAC) and distributed to CPA-PAC contributions of \$22,974 and \$23,765 for the years ended April 30, 2010 and 2009, respectively.

## *Notes to Consolidated Financial Statements (continued)*

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### **9. Fair Value Measurements**

Financial accounting standards for fair value measurements define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Current accounting standards establish 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 unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value are described below:

**Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Society has the ability to access.

**Level 2** Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at April 30, 2010 and 2009.

*Investments in marketable equity securities:* Valued at the net asset value of shares held at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Society believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

## Notes to Consolidated Financial Statements (continued)

The following table sets forth by level, within the fair value hierarchy, the Society's assets at fair value as of April 30, 2010 and 2009:

	April 30, 2010			
	Level 1	Level 2	Level 3	Total
Marketable equity securities	\$ 169,557	\$ -	\$ -	\$ 169,557
Total assets at fair value	\$ 169,557	\$ -	\$ -	\$ 169,557

	April 30, 2009			
	Level 1	Level 2	Level 3	Total
Marketable equity securities	\$ 129,826	\$ -	\$ -	\$ 129,826
Total assets at fair value	\$ 129,826	\$ -	\$ -	\$ 129,826

### 10. Accounting for Uncertain Tax Positions

Effective May 1, 2009, the Society adopted the accounting standard "Accounting for Uncertain Tax Positions." This accounting standard provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in the Society's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. The adoption of this standard had no material effect on the Society's financial position, results of operations, or cash flows. The tax years of April 30, 2007 through April 30, 2010, remain subject to examination by the taxing authorities.

The Society includes penalties and interest assessed by income taxing authorities in administrative and general expenses. The Society did not have penalties and interest assessed by taxing authorities during the years ended April 30, 2010 and 2009.

### 11. Subsequent Events

Management has evaluated subsequent events through July 8, 2010, the date which the financial statements were available for issue.



***Independent Auditors' Report on Supplementary Information***

Board of Directors  
***The Virginia Society of Certified Public Accountants***  
Glen Allen, Virginia

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplementary information for 2010 noted as "Actual" is presented for the purpose of additional analysis and is not a required part of the basic consolidated financial statements. This supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

The supplementary information noted as "Budget" is also presented for the purpose of additional analysis and is not a required part of the basic consolidated financial statements. This supplementary information has not been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, accordingly, we express no opinion or other assurance on it.

*Mitchell, Wiggins & Company LLP*

Richmond, Virginia  
July 8, 2010

*The Virginia Society of Certified Public Accountants and  
 Certified Public Accountants' Political Action Committee of Virginia*

*Schedule of Activities Detail, Actual-to-Budget Analysis*

**Year Ended April 30, 2010**

	Actual	Budget	Over (Under) Budget
<b>Revenues:</b>			
<b>Program:</b>			
Continuing education	\$ 2,395,325	\$ 2,848,984	\$ (453,659)
Peer review	156,295	152,004	4,291
Membership	2,054,007	2,074,265	(20,258)
Public relations	2,999	7,000	(4,001)
Student and educator outreach	81,718	96,358	(14,640)
CPA PAC	42,652	83,150	(40,498)
	<u>4,732,996</u>	<u>5,261,761</u>	<u>(528,765)</u>
<b>Other:</b>			
Royalties	173,500	173,500	-
Investment income	11,318	25,100	(13,782)
Realized gain on investments	3,326	-	3,326
Unrealized gain on investments	34,575	-	34,575
Rental income	75,437	63,600	11,837
Miscellaneous	1,815	-	1,815
<b>Total support and revenues</b>	<u>5,032,967</u>	<u>5,523,961</u>	<u>(490,994)</u>
<b>Expenses:</b>			
<b>Program:</b>			
Continuing education	1,967,600	2,303,217	(335,617)
Leadership	246,662	257,513	(10,851)
Peer review	177,971	191,468	(13,497)
Membership	985,745	1,058,864	(73,119)
Student and educator outreach	186,616	200,031	(13,415)
Public relations	223,557	248,344	(24,787)
Legislative	160,143	143,323	16,820
CPA PAC	29,989	58,150	(28,161)
	<u>3,978,283</u>	<u>4,460,910</u>	<u>(482,627)</u>

*See report of independent auditors on the supplementary information.*

*The Virginia Society of Certified Public Accountants and  
 Certified Public Accountants' Political Action Committee of Virginia*

*Schedule of Activities Detail, Actual-to-Budget Analysis (continued)*

**Year Ended April 30, 2010**

	Actual	Budget	Over (Under) Budget
<b>Expenses (continued):</b>			
<b>Administrative and general:</b>			
Rental expenses	7,873	12,350	(4,477)
Salary and related expenses	519,582	515,599	3,983
Employee benefit/payroll costs	139,689	153,477	(13,788)
Office supplies and postage	7,019	9,241	(2,222)
Equipment expense	48,763	46,959	1,804
Bank/credit card fees	12,018	20,149	(8,131)
Occupancy	63,039	62,533	506
Professional fees	14,583	10,008	4,575
Other administrative and general	8,405	9,775	(1,370)
Contingency	-	24,960	(24,960)
	<u>820,971</u>	<u>865,051</u>	<u>(44,080)</u>
<b>Total expenses</b>	<u>4,799,254</u>	<u>5,325,961</u>	<u>(526,707)</u>
<b>Excess of revenue over expenses</b>	<u>\$ 233,713</u>	<u>\$ 198,000</u>	<u>\$ 35,713</u>

*See report of independent auditors on the supplementary information.*