

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

*Consolidated Financial Statements*

*Years Ended April 30, 2017 and 2016*



**Virginia Society of  
Certified Public  
Accountants**

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

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## *Independent Auditor's Report*

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

### ***Report on the Financial Statements***

We have audited the accompanying consolidated financial statements of *The Virginia Society of Certified Public Accountants and The Virginia Society of Certified Public Accountants' Political Action Committee*, which comprise the consolidated statements of financial position as of April 30, 2017 and 2016, 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 (collectively, financial statements).

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of *The Virginia Society of Certified Public Accountants and The Virginia Society of Certified Public Accountants' Political Action Committee*, as of April 30, 2017 and 2016, and the changes in net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Mitchell, Wiggins & Company LLP*

Richmond, Virginia  
August 3, 2017

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

*Consolidated Statements of Financial Position*

April 30,	2017	2016
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,695,433	\$ 1,643,171
Trade account receivables	80,024	114,329
Investments	850,109	650,525
Prepaid expenses	276,980	258,569
<b>Total current assets</b>	<b>2,902,546</b>	<b>2,666,594</b>
Investments	946,653	602,209
Property and equipment – net	1,246,977	1,289,939
	<b>\$ 5,096,176</b>	<b>\$ 4,558,742</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 83,979	\$ 62,459
Accrued expenses	260,424	179,744
Deferred revenues	787,035	588,453
Accrued retirement	151,067	158,096
<b>Total current liabilities</b>	<b>1,282,505</b>	<b>988,752</b>
<b>Net assets</b>		
Unrestricted:		
Invested in property and equipment	1,246,977	1,289,939
Board designated for facility and technology	777,344	555,671
Board designated for operating expenses	1,043,514	1,037,627
Undesignated	660,823	604,890
	<b>3,728,658</b>	<b>3,488,127</b>
Temporarily restricted (VSCPA PAC)	85,013	81,863
<b>Total net assets</b>	<b>3,813,671</b>	<b>3,569,990</b>
	<b>\$ 5,096,176</b>	<b>\$ 4,558,742</b>

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

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

*Consolidated Statements of Activities*

<b>Years Ended April 30,</b>	<b>2017</b>	<b>2016</b>
<b>Change in unrestricted net assets</b>		
Revenue:		
Program revenue:		
Continuing education:		
Seminars	\$ 1,061,752	\$ 1,202,075
Conferences	504,719	409,619
Ethics	1,044,094	1,052,700
Online	242,581	234,349
Other CPE	19,934	20,952
<b>Total continuing education</b>	<b>2,873,080</b>	<b>2,919,695</b>
Peer Review	199,408	205,839
Leadership	1,000	-
Membership	2,310,547	2,285,928
Communications	43,079	36,243
Students & Young Professionals	77,803	92,201
Public Relations	-	25,000
Net assets released from restriction, VSCPA PAC	83,069	89,665
<b>Total program revenue</b>	<b>5,587,986</b>	<b>5,654,571</b>
Other:		
Affinity income	169,878	186,621
Investment income	24,043	13,410
Unrealized gain (loss) on investments	(5,972)	1,965
Rental income	37,618	35,017
Loss on disposal of property and equipment	(2,387)	(4,672)
Miscellaneous	118	3,685
<b>Total support and unrestricted revenues</b>	<b>5,811,284</b>	<b>5,890,597</b>
Expenses:		
Program services:		
Continuing education	2,374,535	2,456,805
Leadership	473,362	394,096
Peer review	225,195	211,921
Membership	664,322	777,426
Communications	340,808	290,908
Students & young professionals	383,230	316,686
Public relations	168,097	176,557
Legislative	184,293	217,604
VSCPA PAC	83,069	89,665
Supporting services:		
Administrative and general	673,842	626,826
<b>Total expenses</b>	<b>5,570,753</b>	<b>5,558,494</b>
<b>Change in unrestricted net assets</b>	<b>240,531</b>	<b>332,103</b>
<b>Change in temporarily restricted net assets</b>		
Contributions to the VSCPA PAC	86,219	51,376
Net assets released from restriction, VSCPA PAC	(83,069)	(89,665)
<b>Change in temporarily restricted net assets</b>	<b>3,150</b>	<b>(38,289)</b>
<b>Change in net assets</b>	<b>243,681</b>	<b>293,814</b>
<b>Net assets – beginning of year</b>	<b>3,569,990</b>	<b>3,276,176</b>
<b>Net assets – end of year</b>	<b>\$ 3,813,671</b>	<b>\$ 3,569,990</b>

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

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

*Consolidated Statement of Functional Expenses*

Year Ended April 30, 2017

	Continuing Education	Leadership	Peer Review	Membership	Communications	Students & Young Professionals	Public Relations	Legislative	VSCPA PAC	Total Program Services	Total Administrative and General	Total
Leadership	\$ -	\$ 92,555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,555	\$ -	\$ 92,555
Peer review administration	-	-	103,450	-	-	-	-	-	-	103,450	-	103,450
Public/member services	-	-	-	134,165	-	54,447	48,120	-	-	236,732	-	236,732
Communications	-	-	-	-	203,137	-	-	-	-	203,137	-	203,137
Legislative	-	-	-	-	-	-	-	60,070	-	60,070	-	60,070
Continuing education:												
Seminars	721,328	-	-	-	-	-	-	-	-	721,328	-	721,328
Conferences	253,696	-	-	-	-	-	-	-	-	253,696	-	253,696
Ethics	110,320	-	-	-	-	-	-	-	-	110,320	-	110,320
Online	90,387	-	-	-	-	-	-	-	-	90,387	-	90,387
Other CPE	76,911	-	-	-	-	-	-	-	-	76,911	-	76,911
Salaries	685,613	232,719	74,401	323,990	84,134	200,926	73,320	75,915	-	1,751,018	411,800	2,162,818
Employee benefit/payroll costs	183,453	62,270	19,908	86,692	22,512	53,763	19,619	20,313	-	468,530	110,187	578,717
Office supplies and postage	4,334	1,471	470	2,048	532	1,270	463	480	3,408	14,476	2,604	17,080
Equipment expense	115,416	39,176	12,525	54,540	14,163	33,824	12,343	12,779	-	294,766	69,322	364,088
Bank/credit card fees	40,226	13,654	4,365	19,009	4,936	11,789	4,302	4,454	-	102,735	24,161	126,896
Occupancy expense	75,335	25,571	8,175	35,600	9,245	22,078	8,056	8,342	-	192,402	45,249	237,651
Professional fees	8,299	2,817	901	3,922	1,018	2,432	888	919	-	21,196	4,984	26,180
Other administration	9,217	3,129	1,000	4,356	1,131	2,701	986	1,021	23,911	47,452	5,535	52,987
Political contributions	-	-	-	-	-	-	-	-	55,750	55,750	-	55,750
	\$ 2,374,535	473,362	225,195	664,322	340,808	383,230	168,097	184,293	83,069	4,896,911	\$ 673,842	\$ 5,570,753

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

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

Consolidated Statement of Functional Expenses

Year Ended April 30, 2016

	Continuing Education	Leadership	Peer Review	Membership	Communications	Students & Young Professionals	Public Relations	Legislative	VSCPA PAC	Total Program Services	Total Administrative and General	Total
Leadership	\$ -	\$ 83,543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,543	\$ -	\$ 83,543
Peer review administration	-	-	91,131	-	-	-	-	-	-	91,131	-	91,131
Public/member services	-	-	-	142,189	-	58,958	60,815	-	-	261,962	-	261,962
Communications	-	-	-	-	161,708	-	-	-	-	161,708	-	161,708
Legislative	-	-	-	-	-	-	-	67,206	-	67,206	-	67,206
Continuing education:												
Seminars	858,775	-	-	-	-	-	-	-	-	858,775	-	858,775
Conferences	223,857	-	-	-	-	-	-	-	-	223,857	-	223,857
Ethics	212,793	-	-	-	-	-	-	-	-	212,793	-	212,793
Online	75,007	-	-	-	-	-	-	-	-	75,007	-	75,007
Other CPE	68,243	-	-	-	-	-	-	-	-	68,243	-	68,243
Salaries	626,533	191,107	74,331	390,910	79,507	158,600	71,225	92,551	-	1,684,764	385,745	2,070,509
Employee benefit/payroll costs	163,734	49,943	19,425	102,158	20,778	41,447	18,613	24,187	-	440,285	100,795	541,080
Office supplies and postage	4,627	1,411	549	2,887	587	1,171	526	683	1,072	13,513	2,849	16,362
Equipment expense	97,479	29,733	11,565	60,819	12,370	24,676	11,082	14,400	-	262,124	60,013	322,137
Bank/credit card fees	35,614	10,863	4,225	22,220	4,519	9,015	4,049	5,261	-	95,766	21,926	117,692
Occupancy expense	73,619	22,455	8,734	45,933	9,342	18,636	8,369	10,875	-	197,963	45,325	243,288
Professional fees	6,362	1,941	755	3,970	807	1,611	723	940	-	17,109	3,916	21,025
Other administration	10,162	3,100	1,206	6,340	1,290	2,572	1,155	1,501	19,993	47,319	6,257	53,576
Political contributions	-	-	-	-	-	-	-	-	68,600	68,600	-	68,600
	\$ 2,456,805	\$ 394,096	\$ 211,921	\$ 777,426	\$ 290,908	\$ 316,686	\$ 176,557	\$ 217,604	\$ 89,665	\$ 4,931,668	\$ 626,826	\$ 5,558,494

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



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

*Consolidated Statements of Cash Flows*

<b>Years Ended April 30,</b>	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 243,681	\$ 293,814
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation	219,249	192,287
Unrealized (gain)/loss on investments	5,972	(1,965)
Loss on disposal of property and equipment	2,387	4,672
Change in:		
Trade account receivables	34,305	(18,747)
Prepaid expenses	(18,411)	(32,113)
Accounts payable	21,520	9,215
Accrued expenses	80,680	44,056
Deferred revenues	198,582	11,525
Accrued retirement	(7,029)	9,297
<b>Net cash provided by operating activities</b>	<b>780,936</b>	<b>512,041</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(178,839)	(242,088)
Proceeds from sale of property and equipment	165	60
Purchase of investments	(1,700,000)	(1,325,000)
Proceeds from sale of investments	1,150,000	1,361,292
<b>Net cash used in investing activities</b>	<b>(728,674)</b>	<b>(205,736)</b>
<b>Change in cash and cash equivalents</b>	<b>52,262</b>	<b>306,305</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>1,643,171</b>	<b>1,336,866</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 1,695,433</b>	<b>\$ 1,643,171</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, 2017 and 2016

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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 enhance the success of Certified Public Accountants (CPAs) and their profession by communicating information and vision, promoting professionalism, and advocating members' interests. The VSCPA membership consists of more than 12,000 individual CPAs and accounting professionals who actively work in public accounting, private industry, government agencies, or at educational institutions. The Society is primarily supported through membership dues and continuing education program fees.

The Society has a political action committee called *The Virginia Society of Certified Public Accountants' Political Action Committee* (VSCPA PAC), which has been consolidated in these financial statements. There were no significant transactions between the Society and the VSCPA PAC. The purpose of the VSCPA PAC is to advocate for the CPA profession in Virginia by providing direct financial contributions to candidates and legislators who support CPA interests. The VSCPA 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. The board approved a transfer of funds of \$218,000 from undesignated net assets to net assets designated for facility and technology in May 2016.

**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

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

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

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.

**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. As of April 30, 2017 and 2016, cash of \$82,257 and \$78,495 is temporarily restricted for the VSCPA 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 were used, it would not have a materially different effect on the financial statements.

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

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### **Property and Equipment**

Property and equipment are recorded at cost. All items costing \$1,000 and above are capitalized. Depreciation is based on estimated useful service lives and is computed on the straight-line method. Estimated useful lives for real property are forty to forty-five years; all other asset lives range from two to fifteen years. Maintenance and repairs are charged to expense in the period in which they occur, but renewals and betterments are capitalized.

### **Investments**

Investments consist of brokered certificates of deposit and are stated at market value. The Society considers unrealized gains and losses on investments to be part of its operating activities.

### **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 VSCPA 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 \$31,600 and \$26,376 for years ended April 30, 2017 and 2016, respectively.

## Notes to Consolidated Financial Statements (continued)

### 3. Investments

Cost and approximate market value of investment securities at April 30, 2017 and 2016, are as follows:

	2017			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Market Value
<b>Brokered Certificates of Deposit</b>	\$ 1,800,000	\$ -	\$ 3,238	\$ 1,796,762
	\$ 1,800,000	\$ -	\$ 3,238	\$ 1,796,762
	2016			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Market Value
<b>Brokered Certificates of Deposit</b>	\$ 1,250,000	\$ 2,734	\$ -	\$ 1,252,734
	\$ 1,250,000	\$ 2,734	\$ -	\$ 1,252,734

The Society incurred \$5,972 in unrealized losses and \$1,965 in unrealized gains for the years ended April 30, 2017 and 2016, respectively.

### 4. Property and Equipment

Property and equipment consisted of the following at April 30:

	2017	2016
Land	\$ 268,561	\$ 268,561
Building and improvements	1,844,820	1,841,203
Furniture and equipment	336,481	316,303
Computer hardware	388,057	345,308
Computer software	234,924	219,096
	3,072,843	2,990,471
Less - accumulated depreciation and amortization	(1,825,866)	(1,700,532)
	\$ 1,246,977	\$ 1,289,939

## Notes to Consolidated Financial Statements (continued)

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### 5. Lease and Lease Commitments

The Society has operating leases for equipment that expire in 2020 and 2022. Estimated future minimum lease payments for the equipment for fiscal years ended April 30, are as follows:

2018	\$ 29,760
2019	29,760
2020	29,760
2021	23,091
2022	19,129
	<u>\$ 131,500</u>

Total rental expense for the years ended April 30, 2017 and 2016, was \$33,944 and \$34,880, respectively.

### 6. Retirement Benefits and Deferred Compensation

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 were \$151,067 and \$158,096 for the years ended April 30, 2017 and 2016, respectively. Additionally, the Society awarded \$50,000 and \$10,000 of deferred compensation to a key employee for the years ended April 30, 2017 and 2016, respectively.

### 7. 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 \$41,675 and \$47,943 for the years ended April 30, 2017 and 2016, 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, 2017 and 2016, the Society charged the Foundation \$10,000 each year for the cost of these services. As of April 30, 2017 and 2016, the in-kind contribution totaled approximately \$20,790 and \$38,450, respectively.

The Society accepted on behalf of The Virginia Society of Certified Public Accountants' Political Action Committee of Virginia (VSCPA PAC) and distributed to the VSCPA PAC contributions of \$26,314 and \$26,895 for the years ended April 30, 2017 and 2016, respectively.

## Notes to Consolidated Financial Statements (continued)

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### 8. 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; and
- 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.

The 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, 2017 and 2016.

*Brokered certificates of deposit:* Valued at the closing price reported on an active market on which similar securities are traded.

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, 2017 and 2016:

	April 30, 2017			
	Level 1	Level 2	Level 3	Total
Brokered Certificates of Deposit	\$ -	\$ 1,796,762	\$ -	\$ 1,796,762
Total assets at fair value	\$ -	\$ 1,796,762	\$ -	\$ 1,796,762

  

	April 30, 2016			
	Level 1	Level 2	Level 3	Total
Brokered Certificates of Deposit	\$ -	\$ 1,252,734	\$ -	\$ 1,252,734
Total assets at fair value	\$ -	\$ 1,252,734	\$ -	\$ 1,252,734

### 9. Accounting for Uncertain Tax Positions

The Financial Accounting Standards Board issued guidance on accounting for uncertainty in income taxes. Management evaluated the Society's tax positions and concluded that the Society had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. With few exceptions, the Society is no longer subject to income tax examinations by the taxing authorities for years ending before April 30, 2014.

The Society includes penalties and interest assessed by income taxing authorities in administrative and general expenses. The Society did not have penalties and interest relating to income taxes for the years ended April 30, 2017 and 2016.

### 10. Subsequent Events

Management has evaluated subsequent events through August 3, 2017, the date which the financial statements were available for issue.