Financial Statements

Indiana CPA Society, Inc.

June 30, 2024 and 2023

INDIANA CPA SOCIETY, INC.

Financial Statements
June 30, 2024 and 2023

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Independent Auditors' Report

Board of Directors
Indiana CPA Society, Inc.
Indianapolis, Indiana

Opinion

We have audited the accompanying financial statements of Indiana CPA Society, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Indiana CPA Society, Inc. as of June 30, 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 in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Indiana CPA Society, Inc. 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 these 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the 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 Indiana CPA Society, Inc.'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 financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Indiana CPA Society, Inc.'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.

Baden, Gage & Schroeder, LLC

BADEN, GAGE & SCHROEDER, LLC

Fort Wayne, Indiana
October 28, 2024

INDIANA CPA SOCIETY, INC.

Statements of Financial Position
June 30, 2024 and 2023

		2024		2023
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$	1,643,260	$	1,721,059
Marketable securities - current		2,805,319		2,439,772
Accounts receivable		67,120		66,970
Accounts receivable - related party		120,310		59,622
Prepaid expenses		123,095		132,709
Total Current Assets		4,759,104		4,420,132
PROPERTY AND EQUIPMENT		888,664		888,664
LESS: Accumulated depreciation		(803,939)		(750,454)
Net Property and Equipment		84,725		138,210
RIGHT-OF-USE ASSETS - OPERATING LEASES		1,209,041		1,414,447
OTHER ASSETS				
Marketable securities - noncurrent		167,137		199,493
TOTAL ASSETS	$	6,220,007	$	6,172,282
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	$	141,974	$	175,785
Accounts payable - related party		19,960		8,465
Accrued expenses		2,306		3,317
Deferred membership dues, as restated		2,203,255		2,188,708
Deferred professional development revenue		179,447		168,612
Deferred other		94,964		72,462
Operating lease liabilities - current		238,185		219,850
Total Current Liabilities		2,880,091		2,837,199
NONCURRENT LIABILITIES				
Operating lease liabilities - noncurrent		1,156,377		1,394,562
Total Liabilities		4,036,468		4,231,761
NET ASSETS				
Net assets without donor restrictions		2,183,539		1,940,521
TOTAL LIABILITIES AND NET ASSETS	$	6,220,007	$	6,172,282

See Notes to Financial Statements.

INDIANA CPA SOCIETY, INC.

Statements of Activities
Years Ended June 30, 2024 and 2023

	2024	2023
REVENUE		
Membership dues and fees	$ 2,376,954	$ 2,409,603
Professional development revenue	1,278,047	1,116,509
Net investment income (loss)	279,297	(12,620)
Other income, as restated	217,855	162,168
TOTAL REVENUE	4,152,153	3,675,660
EXPENSES		
Program services	2,959,750	2,983,676
Management and general	1,045,197	877,903
TOTAL EXPENSES	4,004,947	3,861,579
INCREASE (DECREASE) IN NET ASSETS BEFORE OTHER REVENUE	147,206	(185,919)
OTHER REVENUE		
Unrealized gain on marketable securities	95,812	206,762
CHANGE IN NET ASSETS	243,018	20,843
NET ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY STATED	1,940,521	1,938,485
PRIOR PERIOD ADJUSTMENT (See Note 13)	-	(18,807)
NET ASSETS, BEGINNING OF YEAR, AS RESTATED	1,940,521	1,919,678
NET ASSETS, END OF YEAR, AS RESTATED	$ 2,183,539	$ 1,940,521

See Notes to Financial Statements.

INDIANA CPA SOCIETY, INC.

Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 243,018	$ 20,843
Adjustments to Reconcile Change in Net Assets to Net Cash Used In Operating Activities:		
Depreciation and amortization	53,486	53,487
Noncash lease income	(14,443)	(7,336)
Net realized (gain) loss on marketable securities	(187,267)	68,348
Net unrealized gain on marketable securities	(95,812)	(206,762)
(Increase) Decrease in Assets:		
Accounts receivable	(60,838)	(35,386)
Prepaid expenses	9,614	20,290
Increase (Decrease) in Liabilities:		
Accounts payable and accrued expenses	(23,327)	(12,821)
Deferred membership dues	14,547	56,682
Deferred professional development revenue	10,835	14,366
Deferred other	22,502	(2,333)
Net Cash Used In Operating Activities	(27,685)	(30,622)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of marketable securities	(1,814,808)	(1,817,853)
Proceeds from sale of marketable securities	1,764,694	1,776,919
Net Cash Used In Investing Activities	(50,114)	(40,934)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(77,799)	(71,556)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,721,059	1,792,615
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,643,260	$ 1,721,059
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 292,032	$ 284,924
Unrelated business income taxes paid	6,863	13,756

See Notes to Financial Statements.

INDIANA CPA SOCIETY, INC.

Statement of Functional Expenses
Year ended June 30, 2024

	Membership	Education	Advocacy	Collabora-tion	Diversity and Student	Total Program Services	Manage-ment and General	Total
PERSONNEL COSTS								
Salaries, wages and related benefits and taxes	$ 195,658	$ 295,697	$ 572,910	$ 71,578	$ 60,850	$ 1,196,693	$ 652,223	$ 1,848,916
OFFICE EXPENSES								
Rent expense - building	31,379	124,613	15,690	15,690	19,612	206,984	70,604	277,588
Equipment rent, software costs and maintenance fees	20,056	105,703	8,609	7,966	9,957	152,291	35,846	188,137
Office supplies	17,073	80,523	6,473	3,960	9,176	117,205	84,009	201,214
Insurance	3,539	20,307	1,769	1,769	2,212	29,596	7,962	37,558
Postage and printing	62,698	12,460	1,414	1,980	9,200	87,752	2,764	90,516
Meals and travel	5,448	5,449	13,180	1,080	7,646	32,803	38,341	71,144
Total office expenses	140,193	349,055	47,135	32,445	57,803	626,631	239,526	866,157
COURSE EXPENSE AND MEMBER EVENTS								
Meetings and events	88,247	-	1,448	67,753	15,582	173,030	26,089	199,119
Course expense	-	691,036	-	-	-	691,036	-	691,036
Total course expense and member events	88,247	691,036	1,448	67,753	15,582	864,066	26,089	890,155
PROFESSIONAL SERVICES	18,552	37,355	151,346	9,500	950	217,703	103,049	320,752
OTHER EXPENSE	-	-	-	-	11,758	11,758	13,723	25,481
EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	442,650	1,373,143	772,839	181,276	146,943	2,916,851	1,034,610	3,951,461
DEPRECIATION AND AMORTIZATION	4,616	30,782	2,308	2,308	2,885	42,899	10,587	53,486
TOTAL	$ 447,266	$ 1,403,925	$ 775,147	$ 183,584	$ 149,828	$ 2,959,750	$ 1,045,197	$ 4,004,947

See Notes to Financial Statements.

INDIANA CPA SOCIETY, INC.

Statement of Functional Expenses
Year ended June 30, 2023

	Membership	Education	Advocacy	Collabora-tion	Diversity and Student	Total Program Services	Manage-ment and General	Total
PERSONNEL COSTS								
Salaries, wages and related benefits and taxes	$ 291,834	$ 309,157	$ 559,574	$ 93,987	$ 69,818	$ 1,324,370	$ 562,581	$ 1,886,951
OFFICE EXPENSES								
Rent expense - building	39,224	132,458	15,690	15,690	19,612	222,674	54,914	277,588
Equipment rent, software costs and maintenance fees	22,905	102,739	8,807	9,400	9,387	153,238	26,284	179,522
Office supplies	12,783	74,384	6,382	4,118	8,696	106,363	73,011	179,374
Insurance	4,043	19,329	1,617	1,617	2,022	28,628	5,661	34,289
Postage and printing	48,961	26,795	4,644	1,859	4,153	86,412	2,147	88,559
Meals and travel	8,802	8,273	20,837	684	2,938	41,534	40,088	81,622
Total office expenses	136,718	363,978	57,977	33,368	46,808	638,849	202,105	840,954
COURSE EXPENSE AND MEMBER EVENTS								
Meetings and events	13,182	-	1,414	97,414	1,741	113,751	14,253	128,004
Course expense	-	612,517	-	-	-	612,517	-	612,517
Total course expense and member events	13,182	612,517	1,414	97,414	1,741	726,268	14,253	740,521
PROFESSIONAL SERVICES	32,855	26,104	165,612	19,417	2,500	246,488	77,317	323,805
OTHER EXPENSE	-	-	-	-	2,494	2,494	13,367	15,861
EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	474,589	1,311,756	784,577	244,186	123,361	2,938,469	869,623	3,808,092
DEPRECIATION AND AMORTIZATION	5,770	31,936	2,308	2,308	2,885	45,207	8,280	53,487
TOTAL	$ 480,359	$ 1,343,692	$ 786,885	$ 246,494	$ 126,246	$ 2,983,676	$ 877,903	$ 3,861,579

See Notes to Financial Statements.

Note 1. Significant Accounting Policies

Organization and Nature of Business:

Indiana CPA Society, Inc. (Organization) was incorporated in 1915 as a not-for-profit professional organization. The Organization's mission is to enhance the professional success of its members while respecting the public interest, to encourage and facilitate the adherence to high ethical and professional standards, to facilitate relationships that will benefit its members, to promote a better understanding of the services rendered by CPA's and to represent the accounting profession.

A major portion of the Organization's funding is from collections of dues from individuals and from revenues received for providing professional education to its members and other professionals. The Organization provides continuing professional education to its members through courses developed or sponsored by other organizations including the American Institute of Certified Public Accountants (AICPA). The Organization also develops courses with the assistance of college professors and other professionals. The Organization, in addition, holds various events and meetings within the State of Indiana for its members to network, to be informed about current events and issues, and to provide guidance and input to the Organization's objectives. The Organization also hosts various events to inform non-members and promote the profession.

The Organization serves as its members' voice in legislative and regulatory affairs and engages in media, public relations, and lobbying activities for the benefit of its members and the profession.

Basis of Accounting:

The financial statements of Indiana CPA Society, Inc. have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis of Presentation:

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions: Net assets without donor restrictions include expendable resources over which the Organization's Board of Directors has discretionary control and are used to carry out the Organization's operations in accordance with its bylaws.

Nets Assets With Donor Restrictions: Net assets with donor restrictions include resources expendable only for those purposes specified by the donor or grantor. The restrictions are satisfied either by the passage of time or by actions of the Organization. Other restrictions on net assets include those subject to stipulations that they be maintained in perpetuity by the Organization.

Note 1. Significant Accounting Policies (Continued)

Use of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Areas where significant estimates, that are sensitive to changes in the near term, are used in the accompanying financial statements, include revenue recognition of deferred revenue and the allocation of expenses into their functional categories. Actual results could differ from those estimates.

Cash and Cash Equivalents:

The Organization maintains its cash in bank deposit accounts which, at various times throughout the years ended June 30, 2024 and 2023, may exceed federally insured limits.

For purposes of the statements of cash flows, the Organization considers all investments with original maturities of three months or less to be cash equivalents.

Marketable Securities:

Marketable securities are stated at fair value as a current asset in the statements of financial position, unless it has a fixed maturity date more than one year from the date of the financial statements, in which case, the noncurrent fair value is reported as an other asset. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements. Net realized gains and losses on marketable securities are reflected in the statements of activities as revenue. Net unrealized gains and losses on marketable securities are reflected in the statements of activities as other revenue (expense).

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Accounts Receivable:

At each statement of financial position date, the Organization recognizes an expected allowance for credit losses. This estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. The allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's portfolio has remained relatively constant. The Organization writes off receivables when there is information that indicates the customer is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be offset to credit loss expense in the year of recovery. There was no allowance for credit loss at June 30, 2024, 2023, and 2022.

Note 1. Significant Accounting Policies (Continued)

Property and Equipment:

Property and equipment is recorded at cost or, if received by donation, at fair value at the date of the gift. The Organization capitalizes items with a cost or value of $5,000 or more and a useful life of one year or more. Additions and improvements that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method based on estimated useful lives of the related assets. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restriction. On an ongoing basis, the Organization reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying amounts may be overstated. As of June 30, 2024 and 2023, management believes that no impairment existed.

Leases:

The Organization leases certain buildings and equipment. The determination of whether an arrangement is a lease is made at the inception of each contract. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Management has elected not to record leases with an initial term of 12 months or less on the statement of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term.

Right-of-use (“ROU”) assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term.

Since most of the Organization’s leases do not provide an implicit rate, to determine the present value of lease payments, management uses the Organization's incremental borrowing rate based on the information available at lease commencement.

Lease ROU assets include any upfront lease payments made and exclude any lease incentives. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term and reflected in the statements of functional expenses as rent expense. The Organization’s lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised.

Note 1. Significant Accounting Policies (Continued)

Leases (continued):

Building lease agreements include variable payments for common area maintenance which are not determinable at lease commencement and are not included in the measurement of the lease asset and liabilities. Variable payments are expensed during the period incurred. Lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Deferred Membership Dues:

The Organization invoices its members for their annual dues each year in May. As the Organization receives membership dues, it records the payment as deferred dues.

Deferred Professional Development Revenue and Other:

Throughout the year, the Organization develops and offers various professional development courses, seminars and conferences to its members. The Organization typically receives payments from its members in advance of these events. As the members enroll in the events, the Organization records these receipts as deferred professional development revenue. The Organization also hosts other events and publishes materials in which sponsorship or other payments are collected in advance.

Revenue Recognition:

Revenue is recognized under Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), when performance obligations under the terms of a contract with the member, sponsor or customer have been satisfied and control has transferred to the individual or business. Revenue is measured based on the consideration specified in each contract.

Membership dues, which are nonrefundable, are deferred and recognized as revenue over time on a straight-line basis, amortized over the applicable membership period, 12 months or less. The membership year coincides with the Organization's fiscal year. The Organization does not have any significant financing components.

Professional development course, conference, seminar fees and other are recognized as revenue when the events occur or publications are issued. Cash is generally collected in advance and recorded as deferred revenue until the date of the event or issue. Any event sponsorship revenue included in other income is considered an exchange transaction with no contribution component.

Note 1. Significant Accounting Policies (Continued)

Revenue Recognition (continued):

In the following table, revenue is disaggregated by timing of satisfaction of performance obligations for the years ended June 30:

	2024	2023
Performance obligations satisfied at a point in time	$ 1,495,902	$ 1,278,677
Performance obligations satisfied over time	2,376,954	2,409,603
Total revenue from contracts with customers	3,872,856	3,688,280
Revenue from other sources	279,297	(12,620)
Total revenue	$ 4,152,153	$ 3,675,660

Contract assets consist of accounts receivable and contract liabilities consist of deferred revenue related to membership dues and fees, professional development revenue and other at June 30, 2024 and 2023. See Note 5.

Advertising Expense:

The Organization expenses advertising costs as incurred. Total advertising expense for the years ended June 30, 2024 and 2023, was $16,024 and $12,488, respectively.

Functional Allocation of Expenses:

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries and employee benefits are allocated based on estimates of actual time spent on each program or supporting function. The expenses associated with occupancy costs, office expenses and depreciation are allocated based on the square footage of space occupied by each program and supporting function. Other expenses are allocated based on estimates of actual usage.

Note 1. Significant Accounting Policies (Continued)

Income Taxes:

The Organization is a tax-exempt not-for-profit organization under Section 501(c)(6) of the Internal Revenue Code. Accordingly, no provision for income taxes has been provided in the accompanying financial statements. For the years ended June 30, 2024 and 2023, unrelated business income tax expense was $6,863 and $13,756, respectively. The accounting standard that provides guidance on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business income.

The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the years ended June 30, 2024 and 2023. The Organization files Form 990 in the U.S. federal jurisdiction and Form NP-20R in the State of Indiana. The Organization is generally no longer subject to examination by the Internal Revenue Service for years prior to 2021.

Recently Adopted Accounting Standards:

Adopted Pronouncements:

On July 1, 2023, the Organization adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, using the modified retrospective approach, which permits organizations to recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption without adjusting the comparative periods prior to adoption. The new guidance replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The CECL model is applicable to the measurement of credit losses on financial assets measured at amortized cost, including trade receivables. CECL requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The adoption of this standard did not have a material impact on the financial statements.

Subsequent Events:

The Organization has evaluated events and transactions for possible recognition or disclosure through October 28, 2024, the date the financial statements were available to be issued.

Note 2. Marketable Securities

The amortized cost of securities and their approximate fair values are as follows:

	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Estimated Fair Value
June 30, 2024:				
Managed cash funds	$ 49,116	$ -	$ -	$ 49,116
Corporate bonds	687,201	3,965	5,162	686,004
Exchange traded funds	397,684	73,416	-	471,100
Mutual funds	1,461,531	306,783	2,078	1,766,236
	$ 2,595,532	$ 384,164	$ 7,240	$ 2,972,456
June 30, 2023:				
Managed cash funds	$ 86,278	$ -	$ -	$ 86,278
Certificates of deposit	15,253	-	423	14,830
Corporate bonds	624,214	723	10,698	614,239
U.S. Treasury notes	49,926	-	1,522	48,404
Common stocks	197,823	178,094	8,037	367,880
Mutual funds	1,384,905	139,488	16,759	1,507,634
	$ 2,358,399	$ 318,305	$ 37,439	$ 2,639,265

The following schedule summarizes the investment return that is reported as investment income (loss) in the statements of activities for the years ended June 30:

	2024	2023
Interest and dividend income	$ 115,279	$ 76,872
Investment fees	(23,249)	(21,144)
Realized gain (loss) on marketable securities	187,267	(68,348)
Total Investment Income (Loss)	$ 279,297	$ (12,620)

Note 3. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting guidance establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the instrument's fair value measurement.

Note 3. Fair Value Measurements (Continued)

The three levels of the fair value hierarchy are as follows:

Level 1: Fair value is based on quoted prices in active markets for identical assets or liabilities.

Level 2: Fair value is based on quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, and inputs that are observable in the market for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Fair value is based on prices or valuation techniques that require inputs that are both significant and unobservable in the market. Unobservable inputs reflect the Organization's own assumptions about what market participants would use to price the asset or liability. Techniques may include internally developed pricing models, discounted cash flow methodologies, and may require significant management judgment.

Following is a description of the valuation techniques and inputs used for each major class of assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024 and 2023.

Managed cash funds: Valued at amortized cost, which approximates fair value.

Certificates of deposit: Valued based on yields currently available on comparable certificates of deposit.

Corporate bonds: Valued based on yields currently available on comparable securities of issuers with similar credit ratings.

U.S. Treasury notes: Valued by pricing service using observable market data such as reported sales of similar securities, broker quotes, yields, bids, offers and other reference data.

Common stocks: Valued at the closing price reported in the active market in which the individual securities are traded.

E*xchange traded funds and mutual funds:* Valued at the quoted market prices, which represent the net asset value (NAV) of shares held at year end.

Note 3. Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value on a recurring basis as of June 30, 2024.

	Assets at Fair Value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
Managed cash funds	$ 49,116	$ -	$ -	$ 49,116
Corporate bonds	-	686,004	-	686,004
Exchange traded funds				
Large-cap growth	292,576	-	-	292,576
Small blend	178,524	-	-	178,524
Total exchange traded funds	471,100	-	-	471,100
Mutual funds				
Foreign large blend	161,490	-	-	161,490
Foreign small blend	69,965	-	-	69,965
Intermediate term bond	183,769	-	-	183,769
Large blend	122,044	-	-	122,044
Large growth	204,083	-	-	204,083
Large value	197,104	-	-	197,104
Large-cap blend	56,667	-	-	56,667
Large-cap growth	211,381	-	-	211,381
Mid-cap blend	242,025	-	-	242,025
Short-term bond	231,656	-	-	231,656
Small-cap	86,052	-	-	86,052
Total mutual funds	1,766,236	-	-	1,766,236
Total assets at fair value	$ 2,286,452	$ 686,004	$ -	$ 2,972,456

Note 3. Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value on a recurring basis as of June 30, 2023.

	Assets at Fair Value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Managed cash funds	$ 86,278	$ -	$ -	$ 86,278
Certificates of deposit	-	14,830	-	14,830
Corporate bonds	-	614,239	-	614,239
U.S. Treasury notes		48,404		48,404
Common stocks				
Automotive	9,553	-	-	9,553
Consumer goods	65,931	-	-	65,931
Energy	31,374	-	-	31,374
Financial	46,309	-	-	46,309
Health care	47,467	-	-	47,467
Industrial goods	40,266	-	-	40,266
Information technology	106,215	-	-	106,215
Manufacturing	8,311	-	-	8,311
Telecommunication	3,719	-	-	3,719
Utilities	3,017	-	-	3,017
Other	5,718	-	-	5,718
Total common stocks	367,880	-	-	367,880
Mutual funds				
Foreign large blend	29,074	-	-	29,074
Foreign small blend	44,230	-	-	44,230
Intermediate term bond	382,778	-	-	382,778
Large blend	88,144	-	-	88,144
Large growth	172,879	-	-	172,879
Short-term bond	142,767	-	-	142,767
Small growth	93,916	-	-	93,916
Total mutual funds	1,507,634	-	-	1,507,634
Total assets at fair value	$ 1,961,792	$ 677,473	$ -	$ 2,639,265

Note 4. Property and Equipment

Property and equipment consists of the following at June 30:

	Useful Lives	2024	2023
Computer equipment	3 years	$ 357,031	$ 357,031
Furniture and equipment	3-10 years	436,521	436,521
Intangible assets	2-15 years	51,089	51,089
Leasehold improvements	7-11 years	44,023	44,023
		888,664	888,664
Less: Accumulated depreciation and amortization		(803,939)	(750,454)
		$ 84,725	$ 138,210

Depreciation and amortization expense totaled $53,486 and $53,487 for the years ended June 30, 2024 and 2023, respectively.

Note 5. Contract Balances

The timing of revenue recognition as described in Note 1 for cash collections of membership dues and professional development result in accounts receivable (contract assets) and deferred revenue (contract liabilities) on the statements of financial position.

The contract balances are as follows as of June 30:

	2024	2023	2022
Contract Assets:			
Accounts receivable	$ 67,120	$ 66,970	$ 62,833
Contract Liabilities:			
Deferred membership dues, as restated	2,203,255	2,188,708	2,132,028
Deferred professional development revenue	179,447	168,612	154,246
Deferred other	94,964	72,462	74,795

Note 6. Line of Credit

The Organization has a $200,000 unsecured line of credit. The line is renewable annually and matures on November 28, 2024. Interest is payable monthly at the bank's prime rate less 0.5% (8.00% at June 30, 2024). There were no amounts outstanding at June 30, 2024 and 2023.

Note 7. Liquidity and Availability of Resources

The Organization's financial assets available for general expenditures, that is, without donor or other restrictions limiting use, within one year of the statements of financial position date, comprise the following:

	2024	2023
Financial assets at year end:		
Cash and cash equivalents	$ 1,643,260	$ 1,721,059
Marketable securities - current and noncurrent	2,972,456	2,639,265
Accounts receivable	67,120	66,970
Accounts receivable - related party	120,310	59,622
Total financial assets	4,803,146	4,486,916
Less: Financial assets not available to be used within one year:		
Marketable securities - noncurrent	167,137	199,493
Total financial assets available for general expenditures within one year	$ 4,636,009	$ 4,287,423

The Organization's policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of the liquidity management plan, cash in excess of necessary and prudent savings requirements is invested in marketable securities. To help manage unanticipated liquidity needs, the Organization has a line of credit in the amount of $200,000 upon which the Organization can draw.

Note 8. Related Parties

The Organization has two affiliates, the Indiana CPA Educational Foundation (Foundation) and the Indiana CPA Political Action Committee (PAC). The Organization receives contributions for these affiliates through the membership dues renewal process and special donations, and remits the contributions to the entities on a monthly basis. The Organization does not record these contributions in its statement of activities. In addition, the Organization may advance funds to the affiliates, as needed. The balances with the affiliates consist of the following as of June 30:

	2024	2023
Foundation accounts receivable	$ 119,117	$ 59,622
PAC accounts receivable	1,194	-
Foundation accounts payable	15,510	626
PAC accounts payable	4,195	4,116

Note 8. Related Parties (Continued)

The Organization provides personnel to carry out the activities of the Foundation. For the years ended June 30, 2024 and 2023, $140,641 and $75,382, respectively, of the Organization's personnel costs were utilized by the Foundation. A related party account receivable has been recorded for the amount that the Foundation is compensating the Organization for use of these resources. The remaining amounts for the years ended June 30, 2024 and 2023, of $25,481 and $15,861 have been recorded as other expense and represent an in-kind contribution to the Foundation. In addition, the Organization had accounts payable due to employees and Board Members in the amount of $255 and $3,723 as of June 30, 2024 and 2023, respectively.

Note 9. Leases

The Organization entered into a ten year lease agreement for office space which was effective September 1, 2018. This lease requires varying monthly payments commencing May 1, 2019, adjustable annually on September 1, ranging from $21,592 to $27,647 through maturity on June 30, 2029. The agreement includes a five-year renewal option following the initial maturity. In addition, the lessor may impose an annual charge for the Organization's pro-rata share of certain increases in the lessor's operating expenses. The Organization also leased certain office equipment under a month to month agreement.

The following is a summary of the lease expense:

	2024	2023
Operating lease costs (included in office expenses):		
Operating lease expense	$ 277,588	$ 289,460
Short-term lease cost	2,040	2,040
Variable lease payments	36,661	32,552
	$ 316,289	$ 324,052

The following is a summary of the maturities of lease liabilities:

	Operating
2025	$ 299,337
2026	306,858
2027	314,505
2028	322,351
2029	330,412
Total lease payments	1,573,463
Less: interest	178,901
Present value of lease liabilities	1,394,562
Less: current obligations	238,185
Long-term lease obligations	$ 1,156,377

Note 9. Leases (Continued)

The following summarizes the weighted average remaining lease term and discount rate:

	2024	**2023**
Weighted average remaining lease term	5 years	6 years
Weighted average discount rate	4.75%	4.75%

Note 10. Retirement Plans

The Organization maintains a defined contribution employee profit sharing plan under Section 401(k) of the Internal Revenue Code. Employees are eligible to participate in the qualified non-elective and profit-sharing contributions if they are at least twenty-one years of age and have completed one year of service. For the years ended June 30, 2024 and 2023, the Organization's profit sharing expense was $103,704 and $106,550, respectively.

Note 11. Credit Risk

Marketable securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of marketable securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

The Organization has significant investments in common stocks, bonds, notes, exchange traded funds, and mutual funds and is, therefore, subject to credit risk. Investments are managed by investment advisors engaged by the Organization. Although the fair value of investments is subject to fluctuation on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of the Organization.

Note 12. Contingencies

The Organization leases its facility as discussed in Note 9. In conjunction with this lease, the Organization is obligated to reimburse the lessor for unamortized leasehold improvement costs in the event of an early termination of the lease. The lessor's total leasehold improvement costs were approximately $540,000 and are being amortized over a ten year period as rent payments are made. As of June 30, 2024, the amount that the Organization would need to refund the lessor if termination were to occur, is approximately $225,000.

The Organization received income of approximately $323,000 during the year ended June 30, 2021 as part of federal COVID-19 relief packages. The IRS has been granted up to five years to audit these claims for program eligibility and compliance.

Note 13. Prior Period Adjustment

During the year ended June 30, 2024, it was discovered that membership dues collected from members through installment payments had not been recorded correctly in fiscal years 2020-2023. The following restatements were made in the fiscal year 2023 financial statements:

	As Previously Stated	Prior Period Adjustment	As Restated
Deferred membership dues	$ 2,166,469	$ 22,239	$ 2,188,708
Net assets, beginning of year	1,938,485	(18,807)	1,919,678
Other income	165,600	(3,432)	162,168