

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS  
AND RELATED ORGANIZATIONS

FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION  
FOR THE YEARS ENDED APRIL 30, 2011 AND 2010

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS  
AND RELATED ORGANIZATIONS

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## INDEPENDENT AUDITOR'S REPORT

June 1, 2011

To the Board of Directors and  
Members of the Society of Louisiana Certified  
Public Accountants and Related Organizations  
Kenner, Louisiana

We have audited the accompanying combined statements of financial position of the Society of Louisiana Certified Public Accountants and Related Organizations as of April 30, 2011 and 2010 and the related combined statements of activities 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of the Society of Louisiana Certified Public Accountants and Related Organizations as of April 30, 2011 and 2010, and the results of their activities and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information on pages 16 and 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS  
AND RELATED ORGANIZATIONS  
COMBINED STATEMENTS OF FINANCIAL POSITION  
APRIL 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 464,632	\$ 800,753
Accounts receivable (net of allowance of \$6,985 in 2011 and 2010, respectively)	29,251	55,200
Prepaid expenses	<u>81,690</u>	<u>83,835</u>
	<u>575,573</u>	<u>939,788</u>
Investments, at fair value:		
Society	888,065	586,688
Insurance Trust	57,173	50,855
Education Foundation	<u>272,294</u>	<u>271,159</u>
	<u>1,217,532</u>	<u>908,702</u>
Property and equipment:		
Leasehold improvements	6,832	5,922
Office furniture and equipment	1,015,241	1,054,534
Less accumulated depreciation and amortization	<u>(865,035)</u>	<u>(933,676)</u>
Property and equipment - net	<u>157,038</u>	<u>126,780</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>1,950,143</u></b>	<b>\$ <u>1,975,270</u></b>
<b>LIABILITIES:</b>		
Accounts payable and accrued liabilities	\$ 285,172	\$ 196,191
Deferred revenue	<u>362,442</u>	<u>456,597</u>
Total liabilities	<u>647,614</u>	<u>652,788</u>
<b>NET ASSETS:</b>		
Unrestricted net assets	957,171	995,626
Temporarily restricted	217,845	199,343
Permanently restricted	<u>127,513</u>	<u>127,513</u>
Total net assets	<u>1,302,529</u>	<u>1,322,482</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>1,950,143</u></b>	<b>\$ <u>1,975,270</u></b>

See accompanying notes.

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS  
AND RELATED ORGANIZATIONS  
COMBINED STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED APRIL 30, 2011 WITH  
COMPARATIVE TOTALS FOR 2010

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Eliminations</u>	2011 <u>Total</u>	2010 <u>Total</u>
Support and Revenues:						
Continuing professional education	\$ 2,049,981	\$ -	\$ -	\$ -	\$ 2,049,981	\$ 3,167,214
Member dues	1,171,672	-	-	-	1,171,672	1,131,615
Peer review firm fees and CART fees	278,433	-	-	-	278,433	291,004
Income from investments	105,054	26,957	-	-	132,011	132,344
In-house CPE courses	109,877	-	-	-	109,877	177,287
Royalty income	34,727	-	-	-	34,727	34,162
Media relations assessment	75,964	-	-	-	75,964	58,330
Reimbursements from chapters	10,278	-	-	-	10,278	15,010
Lagniappe ad sales	32,390	-	-	-	32,390	31,203
Education contributions	-	9,545	-	-	9,545	14,785
Miscellaneous	20,590	-	-	-	20,590	15,222
Application and late fees	9,225	-	-	-	9,225	11,505
Sale of publications	5,361	-	-	-	5,361	7,065
CPE marketing income - net	13,836	-	-	-	13,836	21,890
Advertising income	1,750	-	-	-	1,750	1,766
Commission income	-	44,131	-	(44,131)	-	-
Net assets released from restrictions	62,131	(62,131)	-	-	-	-
Total support and revenue	<u>3,981,269</u>	<u>18,502</u>	<u>-</u>	<u>(44,131)</u>	<u>3,955,640</u>	<u>5,110,402</u>
Expenses:						
Program services:						
Continuing professional education	2,329,240	-	-	-	2,329,240	2,786,608
Member services	1,134,897	-	-	-	1,134,897	1,129,822
Peer review costs	321,923	-	-	-	321,923	327,656
Scholarships	17,500	-	-	-	17,500	18,750
Insurance trust expense	44,631	-	-	(44,131)	500	500
Supporting services:						
Administrative and general	171,533	-	-	-	171,533	167,205
Total expenses	<u>4,019,724</u>	<u>-</u>	<u>-</u>	<u>(44,131)</u>	<u>3,975,593</u>	<u>4,430,541</u>
Change in net assets	(38,455)	18,502	-	-	(19,953)	679,861
Net assets at beginning of year	<u>995,626</u>	<u>199,343</u>	<u>127,513</u>	<u>-</u>	<u>1,322,482</u>	<u>642,621</u>
NET ASSETS AT END OF YEAR	<u>\$ 957,171</u>	<u>\$ 217,845</u>	<u>\$ 127,513</u>	<u>\$ -</u>	<u>\$ 1,302,529</u>	<u>\$ 1,322,482</u>

See accompanying notes.

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS  
AND RELATED ORGANIZATIONS  
COMBINED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED APRIL 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (19,953)	\$ 679,861
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	72,033	67,805
Bad debt expense	7,257	7,126
Unrealized gain on investments	(99,001)	(105,380)
Loss on disposal of equipment	3,313	-
Change in assets and liabilities:		
Accounts receivable	18,692	60,243
Prepaid expenses	2,145	(27,335)
Accounts payable and accrued liabilities	88,981	(12,758)
Deferred revenue	(94,155)	(112,778)
Net cash provided (used) by operating activities	<u>(20,688)</u>	<u>556,784</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	(237,725)	(31,665)
Proceeds from redemption of investments	27,896	28,712
Payments for the purchase of equipment	<u>(105,604)</u>	<u>(44,990)</u>
Net cash used in investing activities	<u>(315,433)</u>	<u>(47,943)</u>
Net change in cash and cash equivalents	(336,121)	508,841
Cash and cash equivalents at beginning of year	<u>800,753</u>	<u>291,912</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 464,632</u></b>	<b><u>\$ 800,753</u></b>
<b>SUPPLEMENTAL DISCLOSURE:</b>		
Interest paid	<u>\$ 94</u>	<u>\$ 573</u>

See accompanying notes.

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS  
AND RELATED ORGANIZATIONS  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
APRIL 30, 2011 AND 2010

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Society of Louisiana Certified Public Accountants (the Society) was incorporated in 1911 and is located in Kenner, Louisiana. The mission of the organization is to serve the common needs of its members and to enhance the professional environment in which they work. The membership includes approximately 6,325 Certified Public Accountants (CPAs) primarily in Louisiana working in public practice, industry, government and education.

The Society, through its Insurance Committee, maintains a trust to fund various types of group insurance and benefits for the Society's members who elect to participate, their employees and such employees' dependents. The Insurance Trust has a reporting period as of December 31.

The Society also operates, through its Executive Committee, an Education Foundation. The Education Foundation has a reporting period of April 30. The current activity of the Foundation is to fund college scholarships for accounting students. The Insurance Trust reimburses the Society for administrative services provided to members. The total amount reimbursed to the Society during the years ended April 30, 2011 and 2010 amounted to \$44,131 and \$57,129, respectively.

Principles of Combination

The financial statements include the accounts of the following related organizations: the Society of Louisiana Certified Public Accountants Insurance Trust ("Trust") and the Louisiana Certified Public Accountants Education Foundation, Inc. ("Foundation"), which have been combined in accordance with FASB ASC 958-810-50.

Basis of Presentation

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. In addition, the Society is required to present a statement of cash flows.

Concentrations of Credit Risk

The Society maintained cash accounts at a local bank during 2011 and 2010. The Federal Deposit Insurance Corporation (FDIC) provides insurance coverage only up to \$250,000 in the aggregate; in the event of a failure of the bank, the FDIC is not obligated to pay uninsured deposits. In 2011 and 2010, the Society regularly had funds on deposit at a local bank which were in excess of the insured amount. As of April 30, 2011 and 2010, the Society had bank balances in excess of insurance coverage of \$154,172 and \$561,795, respectively.

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS  
AND RELATED ORGANIZATIONS  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
APRIL 30, 2011 AND 2010

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Concentrations of Credit Risk (Continued)

Concentrations of credit risk with respect to accounts receivable are limited due to the large number of members comprising the membership base and their dispersion across different industries and geographic areas. Investments represent a significant portion of total assets. Such investments are subject to interest rate and other risks including the possible loss of principal as reflected in the statement of financial position. Future changes in the financial markets could affect the future earnings from these investments. There is no collateral for these investments.

Advertising and Media Relations Expense

The Society records the costs of all advertising and media relations expense in the periods in which the advertising or media relations occurs. Such costs amounted to \$75,054 and \$63,965 in 2011 and 2010, respectively.

Accounts Receivable

Accounts receivable are stated at cost less an allowance for doubtful accounts. Accounts are considered delinquent when 30 days past due (based on days since last payment). The allowance account consists of an estimate of uncollectible specifically identified accounts and a general reserve. Management's evaluation of the adequacy of the allowance is based on a continuing review of all accounts and includes a consideration of past member history, any adverse situations that might affect the member's ability to repay and current economic conditions. The need for an adjustment to the allowance is considered at year end. Amounts charged-off that are subsequently recovered are recorded as income.

Property and Equipment

Property and equipment are recorded at cost. The policy of the Society is to capitalize assets with a value greater than \$500 and an economic life greater than one year. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the respective assets, generally ten years for office equipment, five years for leasehold improvements and automobiles, and three years for computer equipment and related software. Depreciation and amortization expense totaled \$72,033 and \$67,805 in 2011 and 2010, respectively.

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS  
AND RELATED ORGANIZATIONS  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
APRIL 30, 2011 AND 2010

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Deferred Revenue

Deferred revenue consists primarily of billings and payments received from annual membership dues, the peer review program, registrants for continuing education seminars and for the annual convention to be held in the following fiscal year. The peer review program is billed on a calendar year basis with income recognized systematically over the same period. The deferred revenues and any related expenses from continuing education seminars and the annual convention are recognized as the seminars and meetings are held. Annual membership dues are recognized systematically over a twelve-month period.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values (based on quoted market prices) in the statement of financial position. These investment values fall under Level 1 of the fair value hierarchy as defined by FASB ASC 820-10-05. Other investments include securities of a nonsubsidiary corporation for which there is no readily determinable fair market value. This investment has been carried at cost written down to \$100 based on management's estimate of it having minimal or no value. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Income Taxes

The Society and Foundation are exempt from income taxes as entities described in Section 501(c)(6) and Section 501(c)(3), respectively, of the Internal Revenue Code. The Trust has no income subject to taxation. Therefore, no provision for income taxes has been made in the financial statements.

Unrelated business taxable income (UBTI) is derived from any activity that constitutes a trade or business that is regularly carried on and is not substantially related to the organization's tax-exempt purposes. During 2011 and 2010, the Society did not incur any income tax from UBTI.

Contributed Services

During 2011 and 2010, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the organization.

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS  
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NOTES TO THE COMBINED FINANCIAL STATEMENTS  
APRIL 30, 2011 AND 2010

1. NATURE OF ORGANIZATION AND SUMMARY OF 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. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the statement of cash flows, the Society considers cash on deposit, cash on hand and money market funds with original maturities less than three months to be cash equivalents.

2010 Financial Information:

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended April 30, 2010, from which the summarized information was derived.

2. ACCOUNTS RECEIVABLE:

Accounts receivable include the following:

	<u>April 30,</u>	
	<u>2011</u>	<u>2010</u>
CPE, Peer Review, CART, etc.	\$ 23,817	\$ 51,408
Other	<u>5,434</u>	<u>3,792</u>
	<u>\$ 29,251</u>	<u>\$ 55,200</u>

During the years ended April 30, 2011 and 2010, the Society recorded income of \$3,204 and \$1,822 from the recovery of bad debts written off in prior years, and bad debt expense of \$7,257 and \$7,126, respectively.

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS  
AND RELATED ORGANIZATIONS  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
APRIL 30, 2011 AND 2010

3. INVESTMENTS:

Investment information as of April 30, 2011 and 2010 is as follows:

	April 30, 2011								
	Fair Value				Cost				Unrealized Appreciation (Depreciation)
	Cash and CD's	Marketable Securities	Other	Total	Cash and CD's	Marketable Securities	Other	Total	
Society	\$ --	\$ 887,965	\$ 100	\$ 888,065	\$ --	\$ 706,444	\$ 20,343	\$ 726,787	
Trust	5,030	52,143	--	57,173	4,868	49,003	--	53,871	3,302
Foundation	--	<u>272,294</u>	--	<u>272,294</u>	--	<u>251,485</u>	--	<u>251,485</u>	<u>20,809</u>
	<u>\$ 5,030</u>	<u>\$ 1,212,402</u>	<u>\$ 100</u>	<u>\$ 1,217,532</u>	<u>\$ 4,868</u>	<u>\$ 1,006,932</u>	<u>\$ 20,343</u>	<u>\$ 1,032,143</u>	<u>\$ 185,389</u>

  

	April 30, 2010								
	Fair Value				Cost				Unrealized Appreciation (Depreciation)
	Cash and CD's	Marketable Securities	Other	Total	Cash and CD's	Marketable Securities	Other	Total	
Society	\$ --	\$ 586,588	\$ 100	\$ 586,688	\$ --	\$ 485,332	\$ 20,343	\$ 505,675	
Trust	5,600	45,255	--	50,855	5,438	47,854	--	53,292	(2,437)
Foundation	--	<u>271,159</u>	--	<u>271,159</u>	--	<u>263,348</u>	--	<u>263,348</u>	<u>7,811</u>
	<u>\$ 5,600</u>	<u>\$ 903,002</u>	<u>\$ 100</u>	<u>\$ 908,702</u>	<u>\$ 5,438</u>	<u>\$ 796,534</u>	<u>\$ 20,343</u>	<u>\$ 822,315</u>	<u>\$ 86,387</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended:

	April 30, 2011			April 30, 2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Interest and dividend income	\$ 22,938	\$ 7,414	\$ 30,352	\$ 18,229	\$ 8,327	\$ 26,556
Net realized and unrealized gains	<u>82,116</u>	<u>19,543</u>	<u>101,659</u>	<u>58,292</u>	<u>47,496</u>	<u>105,788</u>
Total investment return	<u>\$ 105,054</u>	<u>\$ 26,957</u>	<u>\$ 132,011</u>	<u>\$ 76,521</u>	<u>\$ 55,823</u>	<u>\$ 132,344</u>

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS  
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NOTES TO THE COMBINED FINANCIAL STATEMENTS  
APRIL 30, 2011 AND 2010

4. PENSION PLAN:

Substantially all Society employees meeting certain minimum service and age requirements are covered by a defined contribution plan and are 100% vested upon entrance into the plan after these eligibility requirements are met. The Society's contribution to the plan is calculated as 10% of the eligible employee's compensation. The eligible employees are also allowed to make contributions to the plan up to a maximum of 15% of their compensation. Plan funding is made in accordance with the provisions of the plan. The Society contributed \$107,303 and \$103,985 in 2011 and 2010, respectively.

5. LEASE COMMITMENTS:

The total future minimum lease rentals relating to the Society's noncancelable leases are as follows:

Year Ending <u>April 30,</u>	<u>Amount</u>
2012	\$ 366,603
2013	255,125
2014	8,931
2015	<u>1,488</u>
	<u>\$ 632,147</u>

The Kenner, Louisiana, office is leased through April 30, 2013, and the lease contains a provision for the escalation of the minimum lease rentals based on increases in operating expenses. The total rental expense associated with the lease for the years 2011 and 2010 was \$223,898 and \$223,898, respectively.

The Society has entered into leases for copy machines which expire in years through June 2014. Total rent expense including maintenance for 2011 and 2010 was \$149,710 and \$147,679, respectively.

6. RESTRICTED NET ASSETS:

Temporarily restricted net assets are summarized as follows for the years ended April 30:

	<u>2011</u>	<u>2010</u>
Insurance Trust	\$ 56,673	\$ 50,355
Education Foundation	<u>161,172</u>	<u>148,988</u>
	<u>\$ 217,845</u>	<u>\$ 199,343</u>

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS  
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NOTES TO THE COMBINED FINANCIAL STATEMENTS  
APRIL 30, 2011 AND 2010

6. RESTRICTED NET ASSETS: (Continued)

Trust Fund:

All Insurance Trust monies received by the Trustees under any provision of the Trust, including all payments made to the Trust by members, policy dividends or reserves, and any other money received by the Trust in connection with the administration of the policies, plans and the Trust are held by the Trust.

Endowments:

The Foundation was established for the awarding of scholarships in Louisiana. Students are selected based on academic merit and achievement; and an essay. They must be at least a fifth semester student enrolled in an accounting program in a Louisiana four-year college or university. The objective of the Foundation is to promote accounting education and accounting careers to prospective CPAs, the public and university faculty. Permanently restricted net assets related to this purpose amounted to \$127,513 in 2011 and 2010.

Interpretation of Relevant Law:

The Board of Trustees of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditures by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the organization
- 7) The investment policies of the Foundation

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS  
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NOTES TO THE COMBINED FINANCIAL STATEMENTS  
APRIL 30, 2011 AND 2010

6. RESTRICTED NET ASSETS: (Continued)

Financial Summary:

The following summarizes the financial activity for the Foundation for 2011 and 2010:

2011:

Changes in Foundation Endowment Net Assets  
for the Fiscal Year Ended April 30, 2011

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ <u>    --</u>	\$ <u>148,988</u>	\$ <u>127,513</u>	\$ <u>276,501</u>
Investment return:				
Investment income	--	7,142	--	7,142
Net appreciation (realized and unrealized)	<u>    --</u>	<u>12,997</u>	<u>    --</u>	<u>12,997</u>
Total investment return	--	20,139	--	20,139
Contributions	--	9,545	--	9,545
Appropriation of endowment assets for scholarships	<u>    --</u>	<u>(17,500)</u>	<u>    --</u>	<u>(17,500)</u>
Endowment net assets, end of year	\$ <u>    --</u>	\$ <u>161,172</u>	\$ <u>127,513</u>	\$ <u>288,685</u>

Endowment Net Asset Composition by Type of Fund  
as of April 30, 2011

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$	\$ 161,172	\$ 127,513	\$ 288,685
Board-designated endowment funds	<u>    --</u>	<u>    --</u>	<u>    --</u>	<u>    --</u>
Endowment net assets, end of year	\$ <u>    --</u>	\$ <u>161,172</u>	\$ <u>127,513</u>	\$ <u>288,685</u>

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS  
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6. RESTRICTED NET ASSETS: (Continued)Financial Summary: (Continued)2010:

Changes in Foundation Endowment Net Assets  
for the Fiscal Year Ended April 30, 2010

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ <u>    --</u>	\$ <u>112,697</u>	\$ <u>127,513</u>	\$ <u>240,210</u>
Investment return:				
Investment income	--	7,272	--	7,272
Net appreciation (realized and unrealized)	<u>    --</u>	<u>32,984</u>	<u>    --</u>	<u>32,984</u>
Total investment return	--	40,256	--	40,256
Contributions	--	14,785	--	14,785
Appropriation of endowment assets for scholarships	<u>    --</u>	<u>(18,750)</u>	<u>    --</u>	<u>(18,750)</u>
Endowment net assets, end of year	\$ <u>    --</u>	\$ <u>148,988</u>	\$ <u>127,513</u>	\$ <u>276,501</u>

Endowment Net Asset Composition by Type of Fund  
as of April 30, 2010

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ --	\$ 148,988	\$ 127,513	\$ 276,501
Board-designated endowment funds	<u>    --</u>	<u>    --</u>	<u>    --</u>	<u>    --</u>
Endowment net assets, end of year	\$ <u>    --</u>	\$ <u>148,988</u>	\$ <u>127,513</u>	\$ <u>276,501</u>

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS  
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6. RESTRICTED NET ASSETS: (Continued)

Interpretation of Relevant Law: (Continued)

Funds with Deficiencies:

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. These deficiencies may result from unfavorable market fluctuations occurring after the investment of new permanently restricted contributions and continued appropriation for scholarships that was deemed prudent by the Board of Trustees. There were no such deficiencies as of April 30, 2011 or 2010.

Return Objectives and Risk Parameters:

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to scholarships supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets may include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to preserve the principal of the endowment assets.

Strategies Employed for Achieving Objectives:

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on fixed-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy:

The Foundation has a policy of appropriating for distribution each year the members' contribution and the investment earnings for the year. Accordingly, over the long-term, the Foundation expects the current spending policy to allow for preservation of the principal.

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7. NET ASSETS RELEASED FROM RESTRICTIONS:

For the Trust, net assets totaling \$44,631 and \$57,629 in 2011 and 2010, respectively, were released from temporary restrictions by incurring expenses satisfying the restricted purpose.

For the Foundation, net assets totaling \$17,500 and \$18,750 in 2011 and 2010, respectively, were released from temporary restrictions by awarding scholarships satisfying the restricted purposes.

8. DATE OF MANAGEMENT'S REVIEW:

The date to which events occurring after April 30, 2011, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is June 1, 2011, which is the date on which the financial statements were available to be issued. There were no significant subsequent events found as a result of the evaluation.

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	2011									2010 Total
	Society									
	Member Services	Continuing Professional Education	Peer Review	Administrative and General	Total	Insurance Trust	Education Foundation	Eliminations	Total	
Support and revenues:										
Continuing professional education	\$ -	\$ 2,049,981	\$ -	\$ -	\$ 2,049,981	\$ -	\$ -	\$ -	\$ 2,049,981	\$ 3,167,214
Member dues	1,171,672	-	-	-	1,171,672	-	-	-	1,171,672	1,131,615
Peer review firm fees and CART fees	-	-	278,433	-	278,433	-	-	-	278,433	291,004
Unrealized gain on investments	34,514	45,752	-	-	80,266	5,668	12,997	-	98,931	105,486
In-house CPE courses	-	109,877	-	-	109,877	-	-	-	109,877	177,287
Royalty income	34,727	-	-	-	34,727	-	-	-	34,727	34,162
Media relations assessment	75,964	-	-	-	75,964	-	-	-	75,964	58,330
Income from investments	8,948	14,247	1,593	-	24,788	1,150	7,142	-	33,080	26,858
Reimbursements from chapters	7,468	2,810	-	-	10,278	-	-	-	10,278	15,010
Lagniappe ad sales	32,390	-	-	-	32,390	-	-	-	32,390	31,203
Education contributions	-	-	-	-	-	-	9,545	-	9,545	14,785
Miscellaneous	8,781	11,809	-	-	20,590	-	-	-	20,590	15,222
Application and late fees	9,225	-	-	-	9,225	-	-	-	9,225	11,505
Sale of publications	5,361	-	-	-	5,361	-	-	-	5,361	7,065
CPE marketing income - net	-	13,836	-	-	13,836	-	-	-	13,836	21,890
Advertising income	-	1,750	-	-	1,750	-	-	-	1,750	1,766
Commission income	-	-	-	-	-	44,131	-	(44,131)	-	-
Total support and revenues	1,389,050	2,250,062	280,026	-	3,919,138	50,949	29,684	(44,131)	3,955,640	5,110,402

(Continued)

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS  
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COMBINED STATEMENTS OF ACTIVITIES  
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	2011									
	Society									
	Member Services	Continuing Professional Education	Peer Review	Administrative and General	Total	Insurance Trust	Education Foundation	Eliminations	Total	2010 Total
Expenses:										
Continuing professional education	\$ -	\$ 1,167,171	\$ -	\$ -	\$ 1,167,171	\$ -	\$ -	\$ -	\$ 1,167,171	\$ 1,634,413
Salaries	428,215	482,646	131,744	81,251	1,123,856	-	-	-	1,123,856	1,111,852
Rent - office space	57,407	131,003	10,277	25,211	223,898	-	-	-	223,898	223,898
Employee benefits	88,770	102,033	27,217	13,681	231,701	-	-	-	231,701	228,336
Travel and meeting	133,314	69,263	13,691	10,038	226,306	-	-	-	226,306	210,078
Postage and freight	32,721	44,542	2,761	1,246	81,270	-	-	-	81,270	114,258
Professional fees	72,847	6,171	758	-	79,776	500	-	-	80,276	95,935
Peer review CART expenses	-	-	105,463	-	105,463	-	-	-	105,463	112,209
Media relations	75,054	-	-	-	75,054	-	-	-	75,054	63,965
Payroll taxes	30,883	39,322	9,488	4,715	84,408	-	-	-	84,408	82,679
Office supplies	27,239	31,558	153	10,933	69,883	-	-	-	69,883	40,630
Miscellaneous	14,833	21,400	2,109	4,412	42,754	-	-	-	42,754	49,124
Service charges	989	39,879	188	-	41,056	-	-	-	41,056	42,392
Publications expense	1,815	22,977	-	-	24,792	-	-	-	24,792	29,869
Lagniappe publication expense	44,356	-	-	-	44,356	-	-	-	44,356	47,252
Telephone	18,546	16,239	4,226	2,200	41,211	-	-	-	41,211	35,827
Rentals and maintenance of equipment	13,377	9,726	-	-	23,103	-	-	-	23,103	11,332
Chapter function expenses	6,092	-	-	-	6,092	-	-	-	6,092	7,282
In-house CPE courses	-	58,451	-	-	58,451	-	-	-	58,451	56,982
Dues - Chapters' portion	26,850	-	-	-	26,850	-	-	-	26,850	26,279
Insurance	6,480	9,137	1,773	810	18,200	-	-	-	18,200	19,577
Scholarships	-	-	-	-	-	-	17,500	-	17,500	18,750
Computer services	26,435	34,181	8,628	3,556	72,800	-	-	-	72,800	89,205
Dues to associations	4,102	1,207	140	545	5,994	-	-	-	5,994	5,354
Awards	2,776	133	-	4,799	7,708	-	-	-	7,708	4,685
Overhead reimbursement	-	-	-	-	-	44,131	-	(44,131)	-	-
Loss on sale of assets	3,313	-	-	-	3,313	-	-	-	3,313	-
Interest expense	14	55	-	25	94	-	-	-	94	573
Total expenses before depreciation and amortization	1,116,428	2,287,094	318,616	163,422	3,885,560	44,631	17,500	(44,131)	3,903,560	4,362,736

(Continued)

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	2011									2010 <u>Total</u>
	Society								<u>Total</u>	
	<u>Member Services</u>	Continuing <u>Professional Education</u>	<u>Peer Review</u>	<u>Administrative and General</u>	<u>Total</u>	<u>Insurance Trust</u>	<u>Education Foundation</u>	<u>Eliminations</u>		
Expenses: (Continued)										
Depreciation and amortization	18,469	42,146	3,307	8,111	72,033	-	-	-	72,033	67,805
Total expenses	<u>1,134,897</u>	<u>2,329,240</u>	<u>321,923</u>	<u>171,533</u>	<u>3,957,593</u>	<u>44,631</u>	<u>17,500</u>	<u>(44,131)</u>	<u>3,975,593</u>	<u>4,430,541</u>
 TOTAL CHANGE IN NET ASSETS	 <u>\$ 254,153</u>	 <u>\$ (79,178)</u>	 <u>\$ (41,897)</u>	 <u>\$ (171,533)</u>	 <u>\$ (38,455)</u>	 <u>\$ 6,318</u>	 <u>\$ 12,184</u>	 <u>\$ -</u>	 <u>\$ (19,953)</u>	 <u>\$ 679,861</u>