# FINANCIAL PLANNING ASSOCIATION AND SUBSIDIARIES

Consolidated Financial Statements
With Independent Auditors' Report

December 31, 2022 and 2021

# FINANCIAL PLANNING ASSOCIATION AND SUBSIDIARIES

## Table of Contents

CAPINCROUSE LLP

**INDEPENDENT AUDITORS' REPORT**

Board of Directors
Financial Planning Association and Subsidiaries
Denver, Colorado

***Opinion***
We have audited the accompanying consolidated financial statements of Financial Planning Association and Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Financial Planning Association and Subsidiaries as of December 31, 2022 and 2021, 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 Consolidated Financial Statements* section of our report. We are required to be independent of Financial Planning Association and Subsidiaries 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 Consolidated 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Financial Planning Association and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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Board of Directors
Financial Planning Association and Subsidiaries
Denver, Colorado

***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Financial Planning Association and Subsidiaries' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Financial Planning Association and Subsidiaries' 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.

Capin Crouse LLP

Centennial, Colorado
May 11, 2023

# FINANCIAL PLANNING ASSOCIATION AND SUBSIDIARIES

## Consolidated Statements of Financial Position

| | December 31, 2022 | December 31, 2021 |
|---|---|---|
| ASSETS: | | |
| Current assets: | | |
| Cash and cash equivalents | $ 1,706,264 | $ 1,357,028 |
| Short-term investments | 768,074 | 894,518 |
| Accounts receivable–net | 331,698 | 581,385 |
| Prepaid expenses and other assets | 292,677 | 504,581 |
| | 3,098,713 | 3,337,512 |
| Property and equipment–net | 478,648 | 800,860 |
| Operating lease – right-of-use asset | 965,198 | - |
| Financing leases – right-of-use assets | 18,452 | - |
| Long-term investments | 2,096,073 | 2,501,452 |
| Total Assets | $ 6,657,084 | $ 6,639,824 |
| LIABILITIES AND NET ASSETS: | | |
| Liabilities: | | |
| Current liabilities: | | |
| Accounts payable | $ 713,845 | $ 307,411 |
| Chapter dues payable | 117,757 | 105,373 |
| Accrued expenses | 256,991 | 463,547 |
| Operating lease obligation - current portion | 298,743 | - |
| Financing lease obligations - current portion | 14,319 | - |
| Deferred revenue | 2,412,861 | 3,063,766 |
| | 3,814,516 | 3,940,097 |
| Operating lease obligation - net of current portion | 790,713 | - |
| Financing lease obligations - net of current portion | 4,310 | - |
| Total liabilities | 4,609,539 | 3,940,097 |
| Net assets: without donor restrictions | 2,047,545 | 2,699,727 |
| Total Liabilities and Net Assets | $ 6,657,084 | $ 6,639,824 |

See notes to consolidated financial statements

# FINANCIAL PLANNING ASSOCIATION AND SUBSIDIARIES

**Consolidated Statements of Activities**
(all without donor restrictions)

| | Year Ended December 31, 2022 | Year Ended December 31, 2021 |
|---|---|---|
| REVENUE AND SUPPORT: | | |
| Membership dues | $ 5,297,185 | $ 5,495,170 |
| Corporate revenue | 2,438,148 | 1,532,717 |
| Event registration | 1,035,917 | 127,141 |
| Product sales and other income | 709,178 | 402,288 |
| Investment income (loss) | (531,824) | 342,593 |
| Grant contribution | - | 792,892 |
| Loss on disposal of property and equipment | - | (113,832) |
| Total Revenue and Support | 8,948,604 | 8,578,969 |
| EXPENSES: | | |
| Program services | 7,143,552 | 5,122,631 |
| Supporting activity: general and administrative | 2,457,234 | 2,255,741 |
| Total Expenses | 9,600,786 | 7,378,372 |
| Change in Net Assets | (652,182) | 1,200,597 |
| Net Assets, Beginning of Year | 2,699,727 | 1,499,130 |
| Net Assets, End of Year | $ 2,047,545 | $ 2,699,727 |

See notes to consolidated financial statements

# FINANCIAL PLANNING ASSOCIATION AND SUBSIDIARIES

## Consolidated Statements of Functional Expenses

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2022 | | | 2021 | | |
| | Program Services | Supporting activity: General and Administrative | Total 2022 Expenses | Program Services | Supporting activity: General and Administrative | Total 2021 Expenses |
| Salaries and wages | $ 2,741,106 | $ 1,045,397 | $ 3,786,503 | $ 2,179,849 | $ 1,101,878 | $ 3,281,727 |
| Conferences and meetings | 1,836,001 | 57,031 | 1,893,032 | 243,223 | 9,981 | 253,204 |
| Contract labor and professional services | 983,879 | 203,298 | 1,187,177 | 1,527,156 | 96,317 | 1,623,473 |
| Information technology | 622,991 | 41,445 | 664,436 | 725,826 | 25,613 | 751,439 |
| Office expenses and insurance | 192,012 | 312,469 | 504,481 | 214,528 | 295,235 | 509,763 |
| Travel and other expenses | 357,054 | 108,801 | 465,855 | 99,811 | 38,358 | 138,169 |
| Depreciation and amortization | 4,170 | 375,650 | 379,820 | 3,515 | 357,364 | 360,879 |
| Occupancy | - | 313,143 | 313,143 | 23,135 | 330,695 | 353,830 |
| Advertising and promotion | 283,723 | - | 283,723 | 105,588 | 300 | 105,888 |
| Grant expense due to exit of subsidiary | 122,616 | - | 122,616 | - | - | - |
| | $ 7,143,552 | $ 2,457,234 | $ 9,600,786 | $ 5,122,631 | $ 2,255,741 | $ 7,378,372 |

See notes to consolidated financial statements

# FINANCIAL PLANNING ASSOCIATION AND SUBSIDIARIES

## Consolidated Statements of Cash Flows

| | Year Ended December 31, 2022 | 2021 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | $ (652,182) | $ 1,200,597 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation and amortization | 379,820 | 360,879 |
| Loss on disposal of property and equipment | - | 113,832 |
| Net realized and unrealized (gains) losses on investments | 592,312 | (296,508) |
| Forgiveness of Payroll Protection Program loan | - | (792,892) |
| Non-cash effect of change in accounting principle | 29,146 | - |
| Non-cash lease expense | (40,018) | - |
| Change in operating assets and liabilities: | | |
| Accounts receivable–net | 249,687 | (337,942) |
| Prepaid expenses and other assets | 211,904 | (228,603) |
| Accounts payable | 406,434 | 166,518 |
| Chapter dues payable | 12,384 | (23,228) |
| Accrued expenses | (206,556) | (136,133) |
| Deferred revenue | (515,409) | (38,030) |
| Net Cash Provided (Used) by Operating Activities | 467,522 | (11,510) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Reinvested interest and dividends | (60,489) | (46,085) |
| Purchases of investments | - | (882,201) |
| Proceeds from sale of investments | - | 882,201 |
| Purchases of property and equipment | (41,028) | (223,417) |
| Net Cash Used by Investing Activities | (101,517) | (269,502) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Principal paid on finance leases | (16,769) | - |
| Proceeds from Payroll Protection Program loan | - | 792,892 |
| Net Cash Provided (Used) by Financing Activities | (16,769) | 792,892 |
| Change in Cash and Cash Equivalents | 349,236 | 511,880 |
| Cash and Cash Equivalents, Beginning of Year | 1,357,028 | 845,148 |
| Cash and Cash Equivalents, End of Year | $ 1,706,264 | $ 1,357,028 |

(continued)

See notes to consolidated financial statements

# FINANCIAL PLANNING ASSOCIATION AND SUBSIDIARIES

**Consolidated Statements of Cash Flows**
(continued)

| | Year Ended December 31, | |
|---|---|---|
| | 2022 | 2021 |
| NON-CASH TRANSACTIONS: | | |
| Recognition of the Payroll Protection Program loan | $ - | $ 792,892 |
| Operating lease–right-of-use assets obtained in exchange for operating lease obligations and deferred lease incentive | $ 1,062,687 | $ - |
| Deferred lease incentive transferred to operating lease obligation | $ 135,496 | $ - |
| Right-of-use assets obtained in exchange for financing lease obligations | $ 28,889 | $ - |

See notes to consolidated financial statements

# FINANCIAL PLANNING ASSOCIATION AND SUBSIDIARIES

**Notes to Consolidated Financial Statements**

December 31, 2022 and 2021

1. NATURE OF ORGANIZATIONS:

The Financial Planning Association (FPA) is a not-for-profit corporation formed by the merger of the Institute for Certified Financial Planners and the International Association for Financial Planning, Inc. The primary aim of FPA is to elevate the profession that transforms lives through the power of financial planning. Chapters of FPA, outside of FPA of Metro New York, are operated independently and are not included in these consolidated financial statements. During the year ending December 31, 2022, the board composition of FPA of Metro New York was changed and FPA no longer had control. As such, FPA of Metro New York was no longer included in these consolidated financial statements as of January 1, 2022.

The consolidated financial statements of FPA include its wholly-owned subsidiary, the Financial Services Information Company (FSIC). FSIC is a for-profit corporation incorporated in Georgia, which publishes the *Journal of Financial Planning.*

FPA is operated as a nonprofit organization, incorporated in the District of Columbia, exempt from federal income taxes under section 501(c)(6) of the Internal Revenue Code (the Code) and comparable state laws. However, FPA is subject to federal income tax on any unrelated business taxable income. In addition, FPA is not classified as a private foundation within the meaning of Section 509(a) of the Code. FSIC is a taxpaying entity, subject to federal and state income taxes at the applicable corporate rates. The primary source of revenue for FPA is membership fees, corporate partnerships, and registration fees. Collectively, the two entities are referred to as the Association in these consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Association maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of consolidated 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, disclosures of any contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. All significant intercompany balances and transactions have been eliminated as part of the consolidation. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of actual currency, demand deposits, checking accounts, and highly liquid investments with original maturities of three months or less. As of December 31, 2022 and 2021, the Association's cash balances exceeded federally insured limits by approximately $1,495,000 and $1,007,000, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ACCOUNTS RECEIVABLE
Accounts receivable represent amounts due from the performance of services provided to other organizations and individuals. Accounts deemed uncollectible are charged to an allowance in the year they are deemed uncollectible. Accounts receivable are considered to be past due based on contractual terms. No accounts were considered uncollectible, and therefore no allowance for doubtful accounts has been recorded as of December 31, 2022 and 2021.

INVESTMENTS
Investments consist of money market and indexed funds. Money market and indexed funds are carried at fair value based on quoted prices in active markets for identical assets, which is Level 1 of the fair value hierarchy established under the *Fair Value Topic* of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Unrealized gains or losses in fair value are recognized in the year in which they occur and are included within investment and other income on the consolidated statements of activities.

PROPERTY AND EQUIPMENT
Property and equipment are stated at cost. Purchases of long-lived assets in excess of $1,000, with a useful life in excess of one year are capitalized. Depreciation is recorded using the straight-line method over estimated useful lives of three to seven years. Leasehold improvements are amortized over the life of the lease.

NET ASSETS
The net assets of the Association have been reported as net assets without donor restrictions, which are those resources available to support the Association's operations.

REVENUE, SUPPORT, AND EXPENSES
Membership dues are included as revenue ratably over the term of membership or subscription. Event registration payments are collected in advance of each respective conference and revenue is recognized upon completion of the event. Corporate revenues are recorded when earned, which is over the term of the sponsorship agreement, upon completion of the conference, or when the advertising has been placed. All other revenue is recorded when earned, which is when the event occurs or the service or goods have been provided.

During the year ended December 31, 2021, the Association received a Paycheck Protection Program loan for $792,892 that was eligible for forgiveness based on the Association incurring various qualified expenses such as normal payroll costs and utilities. The Association has adopted the provision that states conditional grants which are restricted by donors are reported as an increase in net assets without donor restrictions, if the condition is met in the same year in which the support is recognized. Management has made the determination that the Association has met all barriers, including the determination of qualified expenses, to recognize the support as of December 31, 2021, and is presented as grant contribution on the consolidated statements of activities. During the year ended December 31, 2022, the Association received forgiveness of this loan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

REVENUE, SUPPORT, AND EXPENSES, continued

The Association recognizes rent expense on office space using a straight-line method over the term of the lease. Differences between expense for financial reporting purposes and payments under the terms of the lease are recorded as deferred rent credits and are included in accrued expenses on the consolidated statements of financial position. Other expenses are recognized as incurred.

*Functional allocation of expenses*

The consolidated statements of activities and functional expenses report certain categories of expenses that are attributable to program services or support activities of the Association. These expenses include depreciation and facilities and maintenance which are allocated based on square footage of occupancy. Costs of other categories were allocated on estimates of time and effort. The major program activities of the Association consist of Association management activities and conferences.

RECENTLY ADOPTED ACCOUNTING STANDARDS

In 2016, FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842 of the ASC). The amendments in this update require organizations that lease assets to recognize on the consolidated statements of financial position the assets and liabilities for the rights and obligations created by the leases. A lessee is required to recognize assets and liabilities for leases with terms of more than 12 months. The amendments are effective for fiscal years beginning after December 15, 2021. The Association adopted this update for the year ended December 31, 2022. Some of the Association's contracts contain the right to control the use of property or assets and are therefore considered leases. The Association elected to adopt the transition relief provisions from ASU 2018-11, *Leases* (Topic 842)*: Targeted Improvements* and recorded the impact of adoption as of January 1, 2022, without restating any prior-year amounts. The Association also elected to bifurcate the lease and nonlease components. The additional lease disclosures can be found in Notes 6 and 7. The effect of the adjustment to the opening balance of net assets totaled $29,146,. As it was deemed immaterial, the net asset difference was adjusted through occupancy on the consolidated statements of activities and functional expenses. This amount is reported as a non-cash effect of change in accounting principle on the consolidated statements of cash flows.

3. LIQUIDITY AND FUNDS AVAILABLE:

The Association has approximately $4,897,000 and $5,200,000, of financial assets available within one year of the consolidated statements of financial position date as of December 31, 2022 and 2021, respectively. This amount consists of cash and cash equivalents, accounts receivable, and investments. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the consolidated statements of financial position date.

The Association structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management monitors cash flows closely through detailed financial analysis and reporting to the finance committee.

4. INVESTMENTS:

Investments consists of:

| | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Short-term investments–money market funds | $ 768,074 | $ 894,518 |
| Long-term investments–equity and fixed income blended indexed fund | 2,096,073 | 2,501,452 |
| | $ 2,864,147 | $ 3,395,970 |

Net investment income (loss) was ($531,824) and $342,593 for the years ended December 31, 2022 and 2021, respectively, and is reported in investment income (loss) on the consolidated statements of activities.

5. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consists of:

| | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Software and website development costs | $ 1,367,095 | $ 1,336,436 |
| Office furniture and equipment | 691,274 | 678,323 |
| Leasehold improvements | 59,083 | 59,083 |
| | 2,117,452 | 2,073,842 |
| Less accumulated depreciation and amortization | (1,654,668) | (1,291,428) |
| | 462,784 | 782,414 |
| Projects in process | 15,864 | 18,446 |
| | $ 478,648 | $ 800,860 |

6. OPERATING LEASE–RIGHT-OF-USE ASSET AND OBLIGATION:

Prior to the adoption of ASUs 2016-02 and 2018-11 under Topic 842 as described in Note 2, the Association was applying Topic 840 in relation to operating leases. During the year ended December 31, 2019, the Association entered into a lease agreement with an unrelated third party vendor for use of office space. Per the agreement, the Association was entitled to six months of free rent. This was considered a lease incentive of $135,496 which was recorded as a deferred lease incentive liability. The deferred lease incentive was amortized at a rate of $1,788 per month over the life of the lease as an offset against rent expense. As of December 31, 2021, the deferred lease incentive was stated net of amortization of $124,258. Total expenses incurred under the operating lease for the year ended December 31, 2021 was $271,001. During the year ended December 31, 2022, the lease incentive was transferred to the operating lease obligation with the adoption of ASU No. 2016-02 Leases.

6. OPERATING LEASE–RIGHT-OF-USE ASSET AND OBLIGATION, continued:

The Association leases office space under a noncancelable operating lease expiring in 2026. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term on the inception date of the lease. The lease require monthly payments of $22,583. The discount rate on the lease is 1.37%.

| | December 31, 2022 |
|---|---|
| Operating lease right-of-use asset | $ 965,198 |
| Operating lease liability | $ 1,089,456 |
| Operating lease costs | $ 271,001 |
| Weighted-average discount rate | 1.37% |
| Weighted-average remaining lease term in years | 3.57 |

Future minimum lease payments required under the operating lease that has an initial or remaining non-cancelable lease term in excess of one year are as follows:

| Year Ending December 31, | |
|---|---|
| 2023 | $ 298,743 |
| 2024 | 303,460 |
| 2025 | 308,177 |
| 2026 | 207,549 |
| | 1,117,929 |
| Less imputed interest | (28,473) |
| | $ 1,089,456 |

7. FINANCING LEASES–RIGHT-OF-USE ASSETS AND OBLIGATIONS:

The Association leases equipment under two noncancelable financing leases expiring in 2024. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term on the inception date of the lease. One leases require quarterly payments of $838, while the other requires monthly payments of $914. The discount rate on these leases is 1.37%.

| | | December 31, 2022 |
|---|---|---|
| Financing lease right-of-use assets | $ | 18,452 |
| Financing lease liabilities | $ | 18,629 |
| | | |
| Financing lease costs: | | |
| Amortization of assets | $ | 10,437 |
| Interest on liabilities | $ | 254 |
| | | |
| Weighted-average discount rate | | 1.37% |
| Weighted-average remaining lease term in years | | 1.30 |

Future minimum lease payments required under the finance leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

| Year Ending December 31, | | |
|---|---|---|
| 2023 | $ | 14,319 |
| 2024 | | 4,494 |
| | | 18,813 |
| Less imputed interest | | (184) |
| | $ | 18,629 |

8. LINE OF CREDIT

During the year ended December 31, 2022, the Association opened a revolving line of credit, maturing December 2027, in the amount of $500,000. The line of credit has an interest rate of .40% above the prime rate. The Association did not make any draws during the year ended December 31, 2022.

9. DEFERRED REVENUE:

Deferred revenue consists of:

| | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Unearned membership dues | $ 2,337,418 | $ 2,526,197 |
| Unearned exhibitor, sponsor, and registration fees | 75,443 | 537,569 |
| Deferred lease incentive | - | 147,283 |
| | $ 2,412,861 | $ 3,063,766 |

10. RETIREMENT PLAN:

The Association has adopted a tax deferred employee profit sharing plan under the provisions of the Code Section 401(k). Eligible employees may elect to defer compensation up to the statutory limit. The Association matches 50% of employee contributions on behalf of each participant, contributing up to 6% of employee compensation. For the years ended December 31, 2022 and 2021, employer matches totaled $132,287 and $108,036, respectively.

11. EXIT OF SUBSIDIARY:

On January 1, 2022, the operations of FPA of Metro New York became deconsolidated from the consolidated financial statements of FPA due to a change in FPA of Metro New York's board structure and bylaws, which no longer gives FPA control over FPA of Metro New York. As a result, the consolidated statements of financial position as of December 31, 2022 no longer consolidate the assets, liabilities, or net assets of FPA of Metro New York, and the consolidated statement of activities include activity through January 1, 2022. Cash and other assets totaling $126,058 and accounts payable and other liabilities of $3,442 were granted at the date of deconsolidation, resulting in grant expense on exit of subsidiary totaling $122,616 in the consolidated statements of activities for the year ended December 31, 2022.

12. RELATED PARTY TRANSACTIONS:

The Association paid $1,561,590 and $1,637,984, of chapter membership dues to local chapters during the years ended December 31, 2022 and 2021, respectively. These amounts meet the criteria for and are considered agency transactions. As such, they are not reported in the consolidated statements of activities for the years ended December 31, 2022 and 2021.

13. SUBSEQUENT EVENTS:

Subsequent events were evaluated through May 11, 2023, which is the date the consolidated financial statements were available to be issued.

# SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION**

Board of Directors
Financial Planning Association and Subsidiaries
Denver, Colorado

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary schedules on pages 16-19 are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 aspects in relation to the consolidated financial statements as a whole.

Capin Crouse LLP

Centennial, Colorado
May 11, 2023

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# FINANCIAL PLANNING ASSOCIATION AND SUBSIDIARIES

## Consolidating Statement of Financial Position

December 31, 2022

| | Financial Planning Association | Financial Services Information Company | FPA Metro New York | Eliminations | Total |
|---|---|---|---|---|---|
| ASSETS: | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | $ 1,701,357 | $ 4,907 | $ - | $ - | $ 1,706,264 |
| Short-term investments | 768,074 | - | - | - | 768,074 |
| Accounts receivable–net | 331,698 | - | - | - | 331,698 |
| Intercompany receivables | - | 47,464 | - | (47,464) | - |
| Prepaid expenses and other assets | 279,843 | 12,834 | - | - | 292,677 |
| | 3,080,972 | 65,205 | - | (47,464) | 3,098,713 |
| Property and equipment–net | 473,001 | 5,647 | - | - | 478,648 |
| Operating lease – right-of-use asset | 965,198 | - | - | - | 965,198 |
| Financing leases – right-of-use assets | 18,452 | - | - | - | 18,452 |
| Long-term investments | 2,096,073 | - | - | - | 2,096,073 |
| Total Assets | $ 6,633,696 | $ 70,852 | $ - | $ (47,464) | $ 6,657,084 |
| LIABILITIES AND NET ASSETS: | | | | | |
| Liabilities: | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | $ 713,845 | $ - | $ - | $ - | $ 713,845 |
| Chapter dues payable | 117,757 | - | - | - | 117,757 |
| Accrued expenses | 246,991 | 10,000 | - | - | 256,991 |
| Intercompany payables | 47,464 | - | - | (47,464) | - |
| Operating lease obligation, current | 298,743 | - | - | - | 298,743 |
| Financing lease obligations, current | 14,319 | - | - | - | 14,319 |
| Deferred revenue | 2,412,861 | - | - | - | 2,412,861 |
| Operating lease obligation, net of current portion | 790,713 | - | - | - | 790,713 |
| Financing lease obligations, net of current portion | 4,310 | - | - | - | 4,310 |
| Total liabilities | 4,647,003 | 10,000 | - | (47,464) | 4,609,539 |
| Net assets: without donor restrictions | 1,986,693 | 60,852 | - | - | 2,047,545 |
| Total Liabilities and Net Assets | $ 6,633,696 | $ 70,852 | $ - | $ (47,464) | $ 6,657,084 |

# FINANCIAL PLANNING ASSOCIATION AND SUBSIDIARIES

## Consolidating Statement of Financial Position

December 31, 2021

| | Financial Planning Association | Financial Services Information Company | FPA Metro New York | Eliminations | Total |
|---|---|---|---|---|---|
| ASSETS: | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | $ 1,229,242 | $ 4,907 | $ 122,879 | $ - | $ 1,357,028 |
| Short-term investments | 894,518 | - | - | - | 894,518 |
| Accounts receivable–net | 581,385 | - | - | - | 581,385 |
| Intercompany receivables | - | 100,575 | - | (100,575) | - |
| Prepaid expenses and other assets | 485,651 | 15,751 | 3,179 | - | 504,581 |
| | 3,190,796 | 121,233 | 126,058 | (100,575) | 3,337,512 |
| Property and equipment–net | 791,043 | 9,817 | - | - | 800,860 |
| Long-term investments | 2,501,452 | - | - | - | 2,501,452 |
| Total Assets | $ 6,483,291 | $ 131,050 | $ 126,058 | $ (100,575) | $ 6,639,824 |
| LIABILITIES AND NET ASSETS: | | | | | |
| Liabilities: | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | $ 306,791 | $ - | $ 620 | $ - | $ 307,411 |
| Chapter dues payable | 105,373 | - | - | - | 105,373 |
| Accrued expenses | 462,725 | - | 822 | - | 463,547 |
| Intercompany payables | 100,575 | - | - | (100,575) | - |
| Deferred revenue | 3,061,766 | - | 2,000 | - | 3,063,766 |
| Total liabilities | 4,037,230 | - | 3,442 | (100,575) | 3,940,097 |
| Net assets: | | | | | |
| Without donor restrictions | 2,446,061 | 131,050 | 122,616 | - | 2,699,727 |
| Total Liabilities and Net Assets | $ 6,483,291 | $ 131,050 | $ 126,058 | $ (100,575) | $ 6,639,824 |

# FINANCIAL PLANNING ASSOCIATION AND SUBSIDIARIES

## Consolidating Statement of Activities

Year Ended December 31, 2022
(all without donor restrictions)

| | Financial Planning Association | Financial Services Information Company | FPA Metro New York | Total |
|---|---|---|---|---|
| REVENUE AND SUPPORT: | | | | |
| Membership dues | $ 5,297,185 | $ - | $ - | $ 5,297,185 |
| Corporate revenue | 2,038,345 | 399,803 | - | 2,438,148 |
| Event registration | 1,035,917 | - | - | 1,035,917 |
| Product sales and other | 689,978 | 19,200 | - | 709,178 |
| Investment loss | (531,824) | - | - | (531,824) |
| Grant contribution | - | - | - | - |
| Loss on disposal of property | | | | - |
| and equipment | - | - | - | - |
| Total Revenue and Support | 8,529,601 | 419,003 | - | 8,948,604 |
| EXPENSES: | | | | |
| Program services | 6,531,735 | 489,201 | 122,616 | 7,143,552 |
| Supporting activity: | | | | |
| General and administrative | 2,457,234 | - | - | 2,457,234 |
| Total Expenses | 8,988,969 | 489,201 | 122,616 | 9,600,786 |
| Change in Net Assets | (459,368) | (70,198) | (122,616) | (652,182) |
| Net Assets, Beginning of Year | 2,446,061 | 131,050 | 122,616 | 2,699,727 |
| Net Assets, End of Year | $ 1,986,693 | $ 60,852 | $ - | $ 2,047,545 |

# FINANCIAL PLANNING ASSOCIATION AND SUBSIDIARIES

## Consolidating Statement of Activities

Year Ended December 31, 2021
(all without donor restrictions)

| | Financial Planning Association | Financial Services Information Company | FPA Metro New York | Total |
|---|---|---|---|---|
| REVENUE AND SUPPORT: | | | | |
| Membership dues | $ 5,450,153 | $ - | $ 45,017 | $ 5,495,170 |
| Corporate revenue | 844,028 | 650,189 | 38,500 | 1,532,717 |
| Event registration | 111,429 | - | 15,712 | 127,141 |
| Product sales and other | 376,233 | 21,054 | 5,001 | 402,288 |
| Investment income | 342,593 | - | - | 342,593 |
| Grant contribution | 792,892 | - | - | 792,892 |
| Loss on disposal of property and equipment | (113,832) | - | - | (113,832) |
| Total Revenue and Support | 7,803,496 | 671,243 | 104,230 | 8,578,969 |
| EXPENSES: | | | | |
| Program services | 4,785,735 | 277,452 | 59,444 | 5,122,631 |
| Supporting activity: | | | | |
| General and administrative | 2,224,726 | - | 31,015 | 2,255,741 |
| Total Expenses | 7,010,461 | 277,452 | 90,459 | 7,378,372 |
| Change in Net Assets | 793,035 | 393,791 | 13,771 | 1,200,597 |
| Net Assets, Beginning of Year | 1,653,026 | (262,741) | 108,845 | 1,499,130 |
| Net Assets, End of Year | $ 2,446,061 | $ 131,050 | $ 122,616 | $ 2,699,727 |