

**SOCIETY OF FINANCIAL SERVICE
PROFESSIONALS AND AFFILIATE**

**COMBINED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Society of Financial Service Professionals
Foundation for Financial Service Professionals
Newtown Square, Pennsylvania

We have audited the accompanying combined financial statements of Society of Financial Service Professionals and Affiliate (a nonprofit organization), which comprise the combined statements of financial position as of September 30, 2015 and 2014, and the related combined statements of activities and cash flows for the years then ended and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these combined 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 audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Society of Financial Service Professionals
Foundation for Financial Service Professionals

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Society of Financial Service Professionals and Affiliate as of September 30, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
March 24, 2016

SOCIETY OF FINANCIAL SERVICE PROFESSIONALS AND AFFILIATE
COMBINED STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2015 AND 2014

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 908,469	\$ 1,123,774
Investments	1,691,160	2,519,219
Accrued Investment Income	8,415	9,955
Notes Receivable	889	250
Accounts Receivable	27,295	11,779
Current Portion of Pledges Receivable	31,702	24,249
Advances and Deposits	800	1,000
Prepaid Expenses	173,699	175,763
Total Current Assets	2,842,429	3,865,989
OTHER ASSETS		
Property and Equipment, Net of Accumulated Depreciation and Amortization of \$409,137 and \$500,340, Respectively	124,188	36,528
Pledges Receivable Due After One Year	30,893	39,834
Deferred Taxes	33,384	33,384
Cash Surrender Value, Life Insurance	260,146	242,334
Total Other Assets	448,611	352,080
Total Assets	\$ 3,291,040	\$ 4,218,069
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 35,658	\$ 56,465
Employee Withholding	13,776	3,900
Accrued Expenses	30,849	9,717
Accrued Vacation	57,553	42,868
Chapter Dues Payable	158,190	195,618
Deferred Rent	65,817	-
Deferred Income	1,381,517	1,640,281
Total Current Liabilities	1,743,360	1,948,849
NET ASSETS		
Unrestricted and Undesignated Net Assets	855,480	1,509,303
Board Designated Net Assets	257,172	287,707
Total Unrestricted Net Assets	1,112,652	1,797,010
Temporarily Restricted	235,305	272,487
Permanently Restricted	199,723	199,723
Total Net Assets	1,547,680	2,269,220
Total Liabilities and Net Assets	\$ 3,291,040	\$ 4,218,069

See accompanying Notes to Combined Financial Statements.

**SOCIETY OF FINANCIAL SERVICE PROFESSIONALS AND AFFILIATE
COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2015**

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
SUPPORT AND REVENUE				
Unrestricted Revenues and Gains:				
Dues and Member Services	\$ 3,167,755	\$ -	\$ -	\$ 3,167,755
Continuing Education	288,996	-	-	288,996
Journal	164,512	-	-	164,512
Corporate Sponsorship	176,712	-	-	176,712
Contributions	44,397	10,220	-	54,617
Investment Income	56,639	12,658	-	69,297
Net Realized and Unrealized Loss on Investments	(74,617)	(21,591)	-	(96,208)
Subtotal	<u>3,824,394</u>	<u>1,287</u>	<u>-</u>	<u>3,825,681</u>
NET ASSETS RELEASED FROM PROGRAM RESTRICTIONS				
	<u>38,469</u>	<u>(38,469)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	3,862,863	(37,182)	-	3,825,681
OPERATING EXPENSES				
Program Services:				
Member and Chapter Activities	1,477,490	-	-	1,477,490
Advertising and Public Relations Activities	450,310	-	-	450,310
Continuing Education	\$1,307,231	-	-	1,307,231
Journal	719,240	-	-	719,240
Publications	175	-	-	175
Corporate Sponsorship	411,053	-	-	411,053
Honorariums and Awards	9,750	-	-	9,750
Special Projects	67,407	-	-	67,407
Total Program Services Expenses	<u>4,442,656</u>	<u>-</u>	<u>-</u>	<u>4,442,656</u>
Supporting Services:				
Administrative and Corporate	92,463	-	-	92,463
Fundraising	12,102	-	-	12,102
Total Operating Expenses	<u>4,547,221</u>	<u>-</u>	<u>-</u>	<u>4,547,221</u>
CHANGE IN NET ASSETS	(684,358)	(37,182)	-	(721,540)
Net Assets - Beginning of Year	<u>1,797,010</u>	<u>272,487</u>	<u>199,723</u>	<u>2,269,220</u>
NET ASSETS - END OF YEAR	<u>\$ 1,112,652</u>	<u>\$ 235,305</u>	<u>\$ 199,723</u>	<u>\$ 1,547,680</u>

See accompanying Notes to Combined Financial Statements.

**SOCIETY OF FINANCIAL SERVICE PROFESSIONALS AND AFFILIATE
COMBINED STATEMENTS OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2014**

	2014			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
SUPPORT AND REVENUE				
Unrestricted Revenues and Gains:				
Dues and Member Services	\$ 3,115,662	\$ -	\$ -	\$ 3,115,662
Continuing Education	296,465	-	-	296,465
Journal	193,833	-	-	193,833
Publications	15	-	-	15
Corporate Sponsorship	221,071	-	-	221,071
Contributions	52,681	25,675	-	78,356
Investment Income	66,907	15,641	-	82,548
Net Realized and Unrealized Gain on Investments	221,083	30,833	-	251,916
Subtotal	<u>4,167,717</u>	<u>72,149</u>	<u>-</u>	<u>4,239,866</u>
NET ASSETS RELEASED FROM PROGRAM RESTRICTIONS				
	<u>48,207</u>	<u>(48,207)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	4,215,924	23,942	-	4,239,866
OPERATING EXPENSES				
Program Services:				
Member and Chapter Activities	1,419,326	-	-	1,419,326
Advertising and Public Relations Activities	439,512	-	-	439,512
Continuing Education	1,439,841	-	-	1,439,841
Journal	684,715	-	-	684,715
Publications	171	-	-	171
Corporate Sponsorship	400,789	-	-	400,789
Honorariums and Awards	5,714	-	-	5,714
Special Projects	77,034	-	-	77,034
Total Program Services Expenses	<u>4,467,102</u>	<u>-</u>	<u>-</u>	<u>4,467,102</u>
Supporting Services:				
Administrative and Corporate	90,641	-	-	90,641
Fundraising	14,612	-	-	14,612
Total Operating Expenses	<u>4,572,355</u>	<u>-</u>	<u>-</u>	<u>4,572,355</u>
CHANGE IN NET ASSETS	(356,431)	23,942	-	(332,489)
Net Assets - Beginning of Year	<u>2,153,441</u>	<u>248,545</u>	<u>199,723</u>	<u>2,601,709</u>
NET ASSETS - END OF YEAR	<u>\$ 1,797,010</u>	<u>\$ 272,487</u>	<u>\$ 199,723</u>	<u>\$ 2,269,220</u>

See accompanying Notes to Combined Financial Statements.

SOCIETY OF FINANCIAL SERVICE PROFESSIONALS AND AFFILIATE
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ (721,540)	\$ (332,489)
Adjustments to Reconcile Changes in Net Assets to		
Net Cash Used by Operating Activities:		
Depreciation and Amortization	19,482	17,221
Realized and Unrealized (Gain) Loss on Investments	96,208	(251,916)
Loss on Disposal of Fixed Assets	14,426	-
(Increase) Decrease in:		
Accrued Investment Income	1,540	(2,406)
Note Receivable	(639)	602
Accounts Receivable	(15,516)	24,429
Pledges Receivable	1,488	2,962
Advances and Deposits	200	50
Prepaid Expenses	2,064	85,226
Cash Surrender Value	(17,812)	(17,619)
Increase (Decrease) in:		
Accounts Payable	(20,807)	(23,880)
Employee Withholding	9,876	(3,469)
Accrued Expenses	21,132	(22,621)
Accrued Vacation	14,685	(4,933)
Chapter Dues Payable	(37,428)	(32,378)
Deferred Rent	65,817	-
Deferred Income	(258,764)	(55,425)
Net Cash Used by Operating Activities	(825,588)	(616,646)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Investments	1,403,798	1,453,242
Purchases of Investments	(671,947)	(1,036,275)
Purchase of Property and Equipment	(121,568)	-
Net Cash Provided by Investing Activities	610,283	416,967
NET DECREASE IN CASH AND CASH EQUIVALENTS	(215,305)	(199,679)
Cash and Cash Equivalents - Beginning of Year	1,123,774	1,323,453
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 908,469	\$ 1,123,774

See accompanying Notes to Combined Financial Statements.

SOCIETY OF FINANCIAL SERVICE PROFESSIONALS AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Society of Financial Service Professionals (Society) is a national network of over 9,000 members who are credentialed professionals working in diverse financial disciplines. The Society's core values are Education, Ethics and Relationships. Society's mission is to promote professionalism among its members by establishing and rewarding the highest standards of ethical conduct, by cultivating mutually beneficial relationships among credentialed financial service professionals and by delivering top-quality continuing education programming for the industry.

The Foundation for Financial Service Professionals (Foundation) is the charitable arm of the Society of Financial Service Professionals. The Foundation's mission is to foster research, education and ethical practices among financial service professionals in order to benefit the public. In fulfillment of this mission, the Foundation has several key initiatives, including Paul S. Mills Scholarships to provide needs-based support to students pursuing degrees in financial services; the Journal of Financial Service Professionals Author Award to advance scholarly research and writing in financial services; Financial Education Partners (FEP), to provide pro bono financial guidance to individuals in need; and the American Business Ethics Award (ABEA) to recognize U.S. companies that demonstrate a deep commitment to the highest standards of ethics.

Principles of Combination

The accompanying financial statements reflect the combined financial statements of the Society and its affiliate, the Foundation. The individual entities are under common management. The Foundation's Board of Directors is comprised of members of the Society's Board of Directors. All significant inter-organization transactions and balances have been eliminated.

Differences in Accounting Period

The combined financial statements include the financial position and the activities of both the Society and the Foundation for the September 30th fiscal year.

During 2015, the Foundation changed its fiscal year end from December 31 to September 30.

Income Taxes

The Society is exempt from Federal taxation under Section 501(c)(6) of the Internal Revenue Code. The Society collects advertising income which is subject to unrelated business income tax (UBIT). As of September 30, 2015 and 2014, the Society has no UBIT tax obligations since net advertising income was offset by excess readership costs.

The Foundation is exempt from Federal taxation under Section 501(c)(3) of the Internal Revenue Code.

The Society and its affiliate follow the income tax standard for uncertain tax positions.

SOCIETY OF FINANCIAL SERVICE PROFESSIONALS AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (continued)

The application of the standard had no effect on the net assets of the Organizations as they are not aware of any uncertain tax positions.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

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 certain reported amounts of assets and liabilities and disclosures 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.

Financial Statement Presentation

The Society and its affiliate are 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.

Unrestricted net assets are not subject to donor-imposed stipulations. The Society and its affiliate, at the discretion of the Board of Directors, may designate such funds for a particular project. These funds are classified as Board designated unrestricted net assets.

Temporarily restricted net assets are for activities which contain a restriction (time or purpose) as stipulated by the donor. Restriction on these net assets are for pledges and scholarships.

Permanently restricted net assets are those that the donor stipulates must be maintained by the donee in perpetuity.

Accounts Receivable

The Society and its affiliate provide an allowance for bad debts using the allowance method, which is based on management judgment considering historical information. In addition, an allowance is provided for other accounts when a significant pattern of uncollectibility has occurred. When collection efforts have been exhausted, the accounts are written off against the related allowance. At September 30, 2015 and 2014, an allowance was not warranted.

Pledges and Contributions Received

Pledges (unconditional promises to give) whose receipt depends only on the passage of time are recognized in the period the promise is made. Pledges are recorded as temporarily restricted until due. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

SOCIETY OF FINANCIAL SERVICE PROFESSIONALS AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation

Investments in marketable equity securities and debt securities are stated at fair value as determined by quoted market prices. Temporarily invested cash is stated at cost which approximates fair value. Investment income restricted by donors is reported as an increase in temporarily restricted net assets.

Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of investments in the near-term could materially affect the amounts reported in the statement of financial position.

Property and Equipment

Property and Equipment consists of furniture, equipment and expenditures for leasehold improvements and are carried at cost. Capitalization of Property and Equipment occurs when expenditures are for \$1,000 or more. Depreciation and amortization is computed on the straight-line method over the estimated useful lives of the assets, which range from three to seven years.

Deferred Income

Membership dues and subscriptions are deferred at the time the payment is received. Deferred income from dues and subscriptions is included in income on a monthly basis over the enrollment period.

Expense Allocation

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

Statement of Cash Flows

For purpose of reporting cash flows, all cash and money market accounts are considered cash and cash equivalents, since they are readily convertible to cash.

Concentration of Credit Risk

At times, cash in bank may exceed FDIC insurable limits.

Fair Value Measurements

Society and its affiliate measure fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

SOCIETY OF FINANCIAL SERVICE PROFESSIONALS AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (continued)

The objective of a fair value measurement is to determine 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 (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Society and its affiliate may use valuation techniques consistent with the market, income and cost approaches to measure fair value.

The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that Society and its affiliate has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. The Society and its affiliate do not have any securities that are valued using Level 2 inputs.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity’s own assumptions, as there is little, if any, related market activity. Society and its affiliate do not have any securities that are valued using Level 3 inputs.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table represents the fair value hierarchy for those investments measured at fair value on a recurring basis at September 30, 2015:

	2015			Total
	Level 1	Level 2	Level 3	
Corporate Bonds	\$ 522,004	\$ -	\$ -	\$ 522,004
Government Bonds	65,471	-	-	65,471
Common Stocks	1,060,970	-	-	1,060,970
Mutual Funds	42,715	-	-	42,715
Total Investments	<u>\$ 1,691,160</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,691,160</u>

**SOCIETY OF FINANCIAL SERVICE PROFESSIONALS AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (continued)

The following table represents the fair value hierarchy for those investments measured at fair value on a recurring basis at September 30, 2014:

	2014			Total
	Level 1	Level 2	Level 3	
Corporate Bonds	\$ 821,757	\$ -	\$ -	\$ 821,757
Government Bonds	98,965	-	-	98,965
Common Stocks	1,598,497	-	-	1,598,497
Total Investments	<u>\$ 2,519,219</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,519,219</u>

Subsequent Events

In preparing these financial statements, the Society and its affiliate have evaluated events through March 24, 2016, the date the financial statements were available to be issued.

NOTE 2 INVESTMENTS

Investments consisted of the following as of September 30, 2015 and 2014:

	2015		2014	
	Cost	Fair Value	Cost	Fair Value
Society:				
Corporate Bonds	\$ 393,246	\$ 406,735	\$ 664,525	\$ 688,132
Government Bonds	51,081	50,922	82,051	85,770
Marketable Equity Securities	816,872	850,686	1,110,482	1,354,598
Mutual Funds	43,876	42,715	-	-
Total Society	<u>1,305,075</u>	<u>1,351,058</u>	<u>1,857,058</u>	<u>2,128,500</u>
Foundation:				
Corporate Bonds	115,828	115,269	131,608	133,625
Government Bonds	14,595	14,549	12,623	13,195
Marketable Equity Securities	199,969	210,284	200,478	243,899
Total Foundation	<u>330,392</u>	<u>340,102</u>	<u>344,709</u>	<u>390,719</u>
Total Combined	<u>\$ 1,635,467</u>	<u>\$ 1,691,160</u>	<u>\$ 2,201,767</u>	<u>\$ 2,519,219</u>

SOCIETY OF FINANCIAL SERVICE PROFESSIONALS AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

NOTE 3 PLEDGES RECEIVABLE

The composition of pledges receivable at September 30, 2015 and 2014 is summarized as follows:

	<u>2015</u>	<u>2014</u>
Total Pledges Receivable Outstanding	\$ 62,595	\$ 64,083
Less: Current Portion of Pledges Receivable	<u>(31,702)</u>	<u>(24,249)</u>
Noncurrent Portion of Pledges Receivable	<u>\$ 30,893</u>	<u>\$ 39,834</u>

Pledges receivable are due to be collected over the next five years subsequent to September 30, 2015 as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2016	\$ 34,452
2017	15,203
2018	12,315
2019	3,175
2020	<u>200</u>
Total	65,345
Less: Allowance for Doubtful Accounts, Current Portion	(2,750)
Less: Current Portion	<u>(31,702)</u>
Noncurrent Portion	<u>\$ 30,893</u>

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment and accumulated depreciation and amortization as of September 30, 2015 and 2014 consist of:

	<u>2015</u>	<u>2014</u>
Furniture and Fixtures	\$ 96,018	\$ 91,056
Equipment and Software	404,714	433,368
Leasehold Improvements	<u>32,593</u>	<u>12,444</u>
Total	533,325	536,868
Less: Accumulated Depreciation and Amortization	<u>409,137</u>	<u>500,340</u>
Total Property and Equipment, Net	<u>\$ 124,188</u>	<u>\$ 36,528</u>

Depreciation and amortization expense totaled \$19,482 and \$17,221 for 2015 and 2014, respectively.

**SOCIETY OF FINANCIAL SERVICE PROFESSIONALS AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014**

NOTE 5 CASH SURRENDER VALUE, LIFE INSURANCE

The Society maintains key person and split dollar life insurance policies on the lives of certain personnel of the Society. These insurance policies have face values totaling \$590,000 as of September 30, 2015 and 2014, respectively.

For the years ended September 30, 2015 and 2014 reserves of \$34,144 and \$29,272 respectively, have been recorded on the books. The reserves represent the difference between the cash surrender value and the aggregate premiums paid for certain split dollar life insurance policies.

The policies had cash surrender values net of reserves of \$260,146 and \$242,334 as of September 30, 2015 and 2014, respectively.

As of September 30, 2015 and 2014, the Society maintains a one million dollar, term life insurance policy on the life of the Chief Executive Officer for the benefit of the Society.

NOTE 6 CHANGES IN NET ASSETS

The following illustrates changes in net assets by fund for the year ended September 30, 2015:

	Society	Foundation Funds			Total
		General	Paul S. Mills	Journal Authors	
NET ASSETS					
Unrestricted:					
Balance - October 1, 2014	\$ 1,976,882	\$ (179,872)	\$ -	\$ -	\$ 1,797,010
Increase	-	48,663	45,425	10,406	104,494
Decrease	(651,697)	(81,324)	(45,425)	(10,406)	(788,852)
Balance - September 30, 2015	1,325,185	(212,533)	-	-	1,112,652
Temporarily Restricted:					
Balance - October 1, 2014	-	69,724	202,283	480	272,487
Increase	-	10,220	10,326	2,332	22,878
Decrease	-	(4,229)	(45,425)	(10,406)	(60,060)
Balance - September 30, 2015	-	75,715	167,184	(7,594)	235,305
Permanently Restricted					
Balance - October 1, 2014	-	-	126,207	73,516	199,723
Increase	-	-	-	-	-
Balance - September 30, 2015	-	-	126,207	73,516	199,723
Total Net Assets September 30, 2015	\$ 1,325,185	\$ (136,818)	\$ 293,391	\$ 65,922	\$ 1,547,680

**SOCIETY OF FINANCIAL SERVICE PROFESSIONALS AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014**

NOTE 6 CHANGES IN NET ASSETS (CONTINUED)

The following illustrates changes in net assets by fund for the year ended September 30, 2014:

	Society	Foundation Funds			Total
	General	Paul S. Mills	Journal Authors		
NET ASSETS					
Unrestricted:					
Balance - October 1, 2013	\$ 2,321,747	\$ (168,306)	\$ -	\$ -	\$ 2,153,441
Increase	-	77,280	18,385	5,285	100,950
Decrease	(344,865)	(88,846)	(18,385)	(5,285)	(457,381)
Balance - September 30, 2014	1,976,882	(179,872)	-	-	1,797,010
Temporarily Restricted:					
Balance - October 1, 2013	-	68,586	182,750	(2,791)	248,545
Increase	-	25,675	37,918	8,556	72,149
Decrease	-	(24,537)	(18,385)	(5,285)	(48,207)
Balance - September 30, 2014	-	69,724	202,283	480	272,487
Permanently Restricted					
Balance - October 1, 2013	-	-	126,207	73,516	199,723
Increase	-	-	-	-	-
Balance - September 30, 2014	-	-	126,207	73,516	199,723
Total Net Assets September 30, 2014	\$ 1,976,882	\$ (110,148)	\$ 328,490	\$ 73,996	\$ 2,269,220

SOCIETY OF FINANCIAL SERVICE PROFESSIONALS AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

NOTE 7 RETIREMENT SAVINGS PLAN

The Society has a deferred compensation plan under IRS Code Section 401(k) covering all employees who meet prescribed eligibility requirements. Under the plan, the Society may contribute up to six percent (6%) of the eligible employee compensation based on years of service. The participants are eligible to make voluntary contributions up to statutory limitations.

Since 1998, the Board of Directors had designated the net reversionary amount from the termination of the Society's pension plan, to offset, annually, up to fifty percent (50%) of the Society's 401(k) employer contribution (i.e. 3%). As of February 28, 2009, the Society terminated its fifty percent (50%) matching contribution (i.e. 3%) to the 401(k) plan. The remaining 3% matching contribution from the reversionary interest will continue. As of September 30, 2015 and 2014, the 401(k) matching contributions were as follows:

	2015	2014
Reversionary Interest 3% Contribution	\$ 59,143	\$ 57,867

There were no forfeitures during fiscal years 2015 and 2014.

The reversionary interest balances which are board designated net assets as of September 30, 2015 and 2014 were \$257,172 and \$287,707, respectively.

NOTE 8 OPERATING LEASE

The Society has an operating lease for office space in Newtown Square, Pennsylvania. The lease term for the facility is seven (7) years, and was originally signed in July 2014 following the termination of the Society's previous office space lease. The effective date of the new lease is May 2015 and expires in 2022. The Society also leases equipment under various operating leases in effect as of September 30, 2015. Rental expense for office and equipment operating leases was \$220,722 and \$337,093 for the years ended September 30, 2015 and 2014, respectively.

The minimum future rental payments under noncancellable operating leases having original terms in excess of one year as of September 30, 2015 are approximately:

<u>Year Ending September 30,</u>	<u>Amount</u>
2016	\$ 175,038
2017	173,190
2018	170,115
2019	170,729
2020	174,050
Thereafter	281,965
Total	\$ 1,145,087

**SOCIETY OF FINANCIAL SERVICE PROFESSIONALS AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014**

NOTE 9 INCOME TAXES

Unrelated Business Loss Carryforward

The Society has available for federal tax purposes at September 30, 2015, unused unrelated business loss carryforwards totaling \$201,603, that may be applied against future taxable unrelated business income and expire as follows:

Fiscal Year Ended	Unrelated Business Loss	Amount Utilized	Unrelated Business Loss Carryforward	Year of Expiration
9/30/2007	\$ 103,519	\$ 2,542	\$ 100,977	2027
9/30/2008	2,777	-	2,777	2028
9/30/2009	97,849	-	97,849	2029
	<u>\$ 204,145</u>	<u>\$ 2,542</u>	<u>\$ 201,603</u>	

Deferred Taxes

As of September 30, 2015 and 2014, a deferred tax asset of \$33,384 arose from unused unrelated business losses for fiscal years 2006 through 2008.

NOTE 10 COMMITMENTS

Agreements

The Society has one signed contract for hotel and meeting space as of year end. The outstanding commitment as of September 30, 2015 was approximately \$56,000.

**INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTARY INFORMATION**

Board of Directors
Society of Financial Service Professionals
Foundation for Financial Service Professionals
Newtown Square, Pennsylvania

We have audited the combined financial statements of Society of Financial Service Professionals and Affiliate as of and for the years ended September 30, 2015 and 2014 and our report thereon dated March 24, 2016, which expressed an unmodified opinion on those combined financial statements, appears on page one. Our audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The 2015 and 2014 combining statements of financial position and activities are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. Such information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
March 24, 2016

SOCIETY OF FINANCIAL SERVICE PROFESSIONALS AND AFFILIATE
COMBINING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2015
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS	<u>Society</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Combined</u>
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 889,103	\$ 19,366	\$ -	\$ 908,469
Investments	1,351,058	340,102	-	1,691,160
Accrued Investment Income	8,415	-	-	8,415
Notes Receivable	889	-	-	889
Accounts Receivable	226,863	1,439	(201,007)	27,295
Current Portion of Pledges Receivable	-	31,702	-	31,702
Advances and Deposits	800	-	-	800
Prepaid Expenses	173,699	-	-	173,699
Total Current Assets	<u>2,650,827</u>	<u>392,609</u>	<u>(201,007)</u>	<u>2,842,429</u>
OTHER ASSETS				
Fixed Assets, at Cost, Net of Accumulated Depreciation of \$409,137	124,188	-	-	124,188
Pledges Receivable Due After One Year	-	30,893	-	30,893
Deferred Taxes	33,384	-	-	33,384
Cash Surrender Value, Life Insurance	260,146	-	-	260,146
Total Other Assets	<u>417,718</u>	<u>30,893</u>	<u>-</u>	<u>448,611</u>
Total Assets	<u>\$ 3,068,545</u>	<u>\$ 423,502</u>	<u>\$ (201,007)</u>	<u>\$ 3,291,040</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable	\$ 35,658	\$ 201,007	\$ (201,007)	\$ 35,658
Employee Withholding	13,776	-	-	13,776
Accrued Expenses	30,849	-	-	30,849
Accrued Vacation	57,553	-	-	57,553
Chapter Dues Payable	158,190	-	-	158,190
Deferred Rent	65,817	-	-	65,817
Deferred Income	1,381,517	-	-	1,381,517
Total Current Liabilities	<u>1,743,360</u>	<u>201,007</u>	<u>(201,007)</u>	<u>1,743,360</u>
NET ASSETS				
Unrestricted and Undesignated Net Assets	1,068,013	(212,533)	-	855,480
Board Designated Net Assets	257,172	-	-	257,172
Total Unrestricted Net Assets	<u>1,325,185</u>	<u>(212,533)</u>	<u>-</u>	<u>1,112,652</u>
Temporarily Restricted	-	235,305	-	235,305
Permanently Restricted	-	199,723	-	199,723
Total Net Assets	<u>1,325,185</u>	<u>222,495</u>	<u>-</u>	<u>1,547,680</u>
Total Liabilities and Net Assets	<u>\$ 3,068,545</u>	<u>\$ 423,502</u>	<u>\$ (201,007)</u>	<u>\$ 3,291,040</u>

SOCIETY OF FINANCIAL SERVICE PROFESSIONALS AND AFFILIATE
COMBINING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2014
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS	<u>Society</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Combined</u>
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 1,107,509	\$ 16,265	\$ -	\$ 1,123,774
Investments	2,128,500	390,719	-	2,519,219
Accrued Investment Income	9,955	-	-	9,955
Notes Receivable	250	-	-	250
Accounts Receivable	190,508	1,563	(180,292)	11,779
Current Portion of Pledges Receivable	-	24,249	-	24,249
Advances and Deposits	1,000	-	-	1,000
Prepaid Expenses	175,763	-	-	175,763
Total Current Assets	<u>3,613,485</u>	<u>432,796</u>	<u>(180,292)</u>	<u>3,865,989</u>
OTHER ASSETS				
Fixed Assets, at Cost, Net of Accumulated Depreciation of \$500,340	36,528	-	-	36,528
Pledges Receivable Due After One Year	-	39,834	-	39,834
Deferred Taxes	33,384	-	-	33,384
Cash Surrender Value, Life Insurance	242,334	-	-	242,334
Total Other Assets	<u>312,246</u>	<u>39,834</u>	<u>-</u>	<u>352,080</u>
Total Assets	<u>\$ 3,925,731</u>	<u>\$ 472,630</u>	<u>\$ (180,292)</u>	<u>\$ 4,218,069</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable	\$ 56,465	\$ 180,292	\$ (180,292)	\$ 56,465
Employee Withholding	3,900	-	-	3,900
Accrued Expenses	9,717	-	-	9,717
Accrued Vacation	42,868	-	-	42,868
Chapter Dues Payable	195,618	-	-	195,618
Deferred Income	1,640,281	-	-	1,640,281
Total Current Liabilities	<u>1,948,849</u>	<u>180,292</u>	<u>(180,292)</u>	<u>1,948,849</u>
NET ASSETS				
Unrestricted	1,689,175	(179,872)	-	1,509,303
Board Designated Net Assets	287,707	-	-	287,707
Total Unrestricted Net Assets	<u>1,976,882</u>	<u>(179,872)</u>	<u>-</u>	<u>1,797,010</u>
Temporarily Restricted	-	272,487	-	272,487
Permanently Restricted	-	199,723	-	199,723
Total Net Assets	<u>1,976,882</u>	<u>292,338</u>	<u>-</u>	<u>2,269,220</u>
Total Liabilities and Net Assets	<u>\$ 3,925,731</u>	<u>\$ 472,630</u>	<u>\$ (180,292)</u>	<u>\$ 4,218,069</u>

SOCIETY OF FINANCIAL SERVICE PROFESSIONALS AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2015
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	Society	Foundation	Eliminations	Total
SUPPORT AND PROGRAM REVENUE				
Support and Program Revenue	\$ 3,797,975	\$ 44,397	\$ -	\$ 3,842,372
Net Assets Released from Restrictions	-	38,469	-	38,469
Total Support and Revenue	<u>3,797,975</u>	<u>82,866</u>	-	<u>3,880,841</u>
OPERATING EXPENSES	4,431,657	115,564	-	4,547,221
OTHER REVENUE				
Interest and Dividend Income	56,602	37	-	56,639
Net Realized and Unrealized Loss on Investments	(74,617)	-	-	(74,617)
Total Other Income	<u>(18,015)</u>	<u>37</u>	-	<u>(17,978)</u>
CHANGE IN UNRESTRICTED NET ASSETS	(651,697)	(32,661)	-	(684,358)
TEMPORARILY RESTRICTED NET ASSETS				
Interest and Dividend Income	-	12,658	-	12,658
Net Realized and Unrealized Loss on Investments	-	(21,591)	-	(21,591)
Contributions	-	10,220	-	10,220
Net Assets Released from Restrictions	-	(38,469)	-	(38,469)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	-	(37,182)	-	(37,182)
PERMANENTLY RESTRICTED NET ASSETS				
Contributions	-	-	-	-
CHANGE IN PERMANENTLY RESTRICTED NET ASSETS	-	-	-	-
CHANGE IN NET ASSETS	(651,697)	(69,843)	-	(721,540)
Net Assets - Beginning of Year	<u>1,976,882</u>	<u>292,338</u>	-	<u>2,269,220</u>
NET ASSETS - END OF YEAR	<u>\$ 1,325,185</u>	<u>\$ 222,495</u>	<u>\$ -</u>	<u>\$ 1,547,680</u>

SOCIETY OF FINANCIAL SERVICE PROFESSIONALS AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2014
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	Society	Foundation	Eliminations	Total
SUPPORT AND PROGRAM REVENUE				
Support and Program Revenue	\$ 3,827,046	\$ 52,681	\$ -	\$ 3,879,727
Net Assets Released from Restrictions	-	48,207	-	48,207
Total Support and Revenue	<u>3,827,046</u>	<u>100,888</u>	<u>-</u>	<u>3,927,934</u>
OPERATING EXPENSES	4,459,842	112,513	-	4,572,355
OTHER REVENUE				
Interest and Dividend Income	66,848	59	-	66,907
Net Realized and Unrealized Gain on Investments	221,083	-	-	221,083
Total Other Income	<u>287,931</u>	<u>59</u>	<u>-</u>	<u>287,990</u>
CHANGE IN UNRESTRICTED NET ASSETS	(344,865)	(11,566)	-	(356,431)
TEMPORARILY RESTRICTED NET ASSETS				
Interest and Dividend Income	-	15,641	-	15,641
Net Realized and Unrealized Gain on Investments	-	30,833	-	30,833
Contributions	-	25,675	-	25,675
Net Assets Released from Restrictions	-	(48,207)	-	(48,207)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	-	23,942	-	23,942
PERMANENTLY RESTRICTED NET ASSETS				
Contributions	-	-	-	-
CHANGE IN PERMANENTLY RESTRICTED NET ASSETS	-	-	-	-
CHANGE IN NET ASSETS	(344,865)	12,376	-	(332,489)
Net Assets - Beginning of Year	<u>2,321,747</u>	<u>279,962</u>	<u>-</u>	<u>2,601,709</u>
NET ASSETS - END OF YEAR	<u>\$ 1,976,882</u>	<u>\$ 292,338</u>	<u>\$ -</u>	<u>\$ 2,269,220</u>