

# The Trusted Professional

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## Former Comptroller General Walker Calls United States Government 'Unsustainable'

By **MELISSA HOFFMANN LAJARA**  
*Trusted Professional Staff*

NEW YORK—Change comes from the bottom up.

That's the message former U.S. Comptroller General David M. Walker brought to attendees of the FAE's Investment Companies Conference, where he called for CPAs and citizens to rise up against what he said is an unsustainable financial structure for the federal government.

As the luncheon speaker at the Nov. 13 conference, he painted a grim picture of the current crisis and the future—unless, he said, America “wakes up.”

He called on an audience of hundreds of CPAs to lead that effort, telling them to remember what the “P” in CPA stands for: public. Walker is also a CPA.

“It's a critical role to play,” he said. “We have credibility, and we should lead better, so that our collective future is better than our past.”

As a part of that, “we need to recognize reality,” Walker said, “and then we need to push the reset button on the federal government.”

Four years ago, when Walker was both



Former U.S. Comptroller General and GAO Chief David M. Walker at FAE's Investment Companies Conference on Nov. 13 in Manhattan.

comptroller general and the head of the Government Accountability Office (GAO), he saw an iceberg looming—and he tried to encourage a change of course.

He did this by stating it explicitly in a GAO audit of the federal government. More recently, he also joined forces with documentary filmmakers in the 2009 release

*I.O.U.S.A.*, in which he is followed across the country as he explains why he believes America's fiscal policies are unsustainable—as well as the national debt—to its citizens.

### Current Crisis: Not the 'Big One'

The first thing people need to realize is that the country is indeed in the midst of a recession, which will have to get worse before a recovery is possible, Walker said.

“Revenues are going to go down, unemployment is going to [go] up [and] spending will go up to deal with that,” he said.

Walker also expects to see another stimulus package approved.

“That can be acceptable if President [Barack] Obama tells the people the truth: We have been living beyond our means for far too long,” Walker said. “He must tell the American people that this is not the ‘Big One.’ We are in a recession, [but] we will get through this.”

When the nation was first established, its founding fathers gave only a limited amount of power to the federal government, with most actions left to the state and local governments, “and ultimately, the people,” Walker said. It was a time when there were

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## Taxes and Obamanomics

By **MELISSA HOFFMANN LAJARA**  
*Trusted Professional Staff*

NEW YORK—With the nation still reeling from relentless stock market dives, a staggering economy and widespread home foreclosures, some believe raising funds through taxation is necessary.

Now that Barack Obama is president-elect, that responsibility is expected to rest on the shoulders of the wealthy—via either legislation or the expiration in 2010 of a host of tax breaks installed by President George W. Bush.

The definition of “wealthy,” for Obama's purposes, is an individual making more than \$250,000 per year—and most of those individuals have CPAs managing their money.

“It will be very difficult for CPAs because CPAs will find themselves with substantially more work to be done in terms of planning and in terms of complications,” said **Alan Dlugash**, a past chair of the Taxation of Individuals Committee and a speaker at this year's Post-Election Tax Planning Conference on Dec. 8. “Complexity will come at a time where our clients will have a diminished appetite to

pay our fees.”

But there are ways a CPA can prepare and even some ways to benefit, said **Sidney Kess**, a nationally known tax expert and educator also presenting at the conference, which will be held on Dec. 8 at the FAE Conference Center in New York City.

“The CPA has to try to anticipate the changes, and may want to take certain steps because of that,” Kess said. “Stock has declined, so it may be a good time to make gifts. Make loans to family members. Take advantage of the current economic situation.”

A CPA needs to take the recession into account, as well as the possibility of tax increases in the near future, Kess said.

Planning “is more important now than ever before. It may be that capital gains will never be as low as they are right now,” he said. “There are challenges and opportunities for the CPA and his client as a result of economic and legislative uncertainty.”

Both candidates made a lot of promises during their campaigns. Among other things, Obama offered a \$4,000 tuition credit, a universal 10 percent refundable credit to offset mortgage interest payments for lower-income families and a 50 percent

health tax credit on employee premiums paid by employers—which, according to Obama's Web site, would bring down national healthcare costs by \$2,500 per family each year.

But, Kess noted, the president “can only recommend” such dramatic alterations to the current system. The actual changes would have to come from Congress. Although the Democrats gained a number of seats in the election, there is still no guarantee that Obama's proposals will see the light of day.

“He's got a split Democratic part, different members with different agendas, and then you've got the Republicans,” Kess said. “There's a long way to go before things are changed.”

Kess should know. A CPA and a member of the Society for the past 50 years, he has witnessed and worked through several presidential transitions. However, he said pointing to the current economic crisis, “we've never had anything like what we're going through right now.”

A bevy of CPAs in different areas of taxation, are all mulling the same question: What do we do now?

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# Through the Looking Glass: 'Bizarro' Economics and Paul Krugman

## Nobel Winner Says Fair Value Not to Blame for Crisis



2008 Nobel Prize winning economist and *New York Times* columnist Paul Krugman addresses reporters at a press conference in Manhattan on Nov. 14 where he provided his view on the global economic crisis.

By **MELISSA HOFFMANN LAJARA**  
*Trusted Professional Staff*

NEW YORK—Much discussion has focused on whether mark-to-market, or fair value accounting is a major contributing factor to the financial crisis gripping the United States and the global economy.

On what side does 2008 Nobel Prize-winning economist Paul Krugman stand on that argument?

"I just don't buy it," Krugman said during a recent press conference in New York City. Krugman is a professor of economics and international affairs at Princeton University, but he may be more well-known for his left-leaning *New York Times* columns on the economy. "How much of this crisis has come because financial institutions were forced to restate their books and then they lost confidence? Most of it is because financial institutions which had not yet restated their books lost confidence."

With Congress directing the Securities and Exchange Commission to complete a study on the affects of fair value accounting and a reaffirmation of the SEC's authority to suspend fair value accounting rules, the debate has intensified—and was continued at a Breakfast Briefing on mark-to-market accounting held by the NYSSCPA on Nov. 17.

At his press conference on Nov. 14, Krugman addressed that issue, while also

providing an analysis of the \$700 billion bailout of the United States financial system, a proposed bailout for the automobile industry and the problems inherent in a globalized economy.

"We are in weird times, which will not last. We are in a situation where monetary policy has completely lost traction, where there is basically nothing left except fiscal policy," he said. "And that's an 'Alice in Wonderland' universe ... a universe in which higher consumer saving is a bad thing, in which government fiscal rectitude is a bad thing, but completely wasteful government expenditure is a good thing."

"This is upside-down land," he said. "We won't be in bizarro economics forever, but we are right now."

### A Need for Regulation

Krugman said that while fair value can't be faulted for the current crisis, some of the more exotic investment vehicles—like auction-rate securities—proved to be ill-supported, and as a result, dangerously fragile.

The auction-rate securities market was "a clever scheme which seems to give something for nothing," he said. "People put their money in—it's like a bank, they thought, but with cheaper financing from the people on the other side—and of course [there were] higher returns all around because there were no capital requirements, there

were none of the things that make traditional banking safe if a little bit boring."

"And then it blew up," Krugman said, "and this had nothing to do with accounting rules."

But some of the issues stemming from such investment vehicles could potentially be mitigated through financial regulation.

"I think most of the key players adhere roughly to the view that anything that functions like a bank, and has to be rescued like a bank in a financial crisis, will in the end have to be regulated like banks," Krugman said. "It's going to be hard to work out the details, things like capital requirements will have to be extended to a lot of things. The parallel banking system, the shadow banking system ... was, before the crisis, bigger than the financial banking system."

He said such a regulatory structure should be global, so that a company can't set up a subsidiary in the Cayman Islands and "do an end-run" around regulatory efforts.

"That's a huge task, it's not the task that has to be fulfilled in the next two months," Krugman said. "The first order of business is to put a tourniquet on the rapidly bleeding casualty so that he doesn't perish on the battlefield. But afterwards, there's going to be a lot more regulation, but we will have new management of the United States by the time that does come around."

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# Fierstein Appointed to PCAOB Advisory Group

By **ALEX CHARLES**

NYSSCPA Policy Research Coordinator

**N**EW YORK—NYSSCPA President **Sharon Sabba Fierstein** has been appointed to the Public Company Accounting Oversight Board (PCAOB) 2009–2010 Standing Advisory Group.

The advisory group includes 34 professional auditors, public company executives, investors and others from throughout the United States and advises the Board on the establishment of auditing and related professional practice standards, according to the PCAOB.

Fierstein is a partner at Marks Paneth & Shron LLP. Prior to her current position, she has been a chief financial officer for two funding companies and an auditor at a Big Four firm.

Fierstein said she's excited to be a part of the standards-setting process in today's

financial environment.

"It's a tremendously exciting opportunity to work with people around the country, both accountants and nonaccountants," she said. "I look forward to being part of the process, considering the current state of the economy. Born out of the [Enron] collapse, the PCAOB is now positioned to take a more proactive approach to respond to the current state of the economy in the country."

The PCAOB is a private, nonprofit corporation created by the Sarbanes-Oxley Act of 2002 to oversee the auditors of public companies. The board was created to protect investors and the public interest by promoting informative,

fair and independent audit reports.

Fierstein and 10 other new members were appointed by the PCAOB to two-year terms. The 11 new and three reappointed members, selected from 80 nominations received by the board, will join the 20 current members when the board convenes in January.

Fierstein said her leadership roles in various organizations, such as the AICPA and the NYSSCPA, contributed to her selection to the board.

Fierstein will join advisory group members Lynn E. Turner, a former Securities and Exchange Commission chief accountant who also served as a member of the Treasury Department's Advisory Committee on the Auditing Profession; Bernard K. Jarvis, vice presi-



Sharon Sabba Fierstein

dent for finance and administration and CFO of the Joint Center for Political and Economic Studies; Jamie S. Miller, vice president, controller and chief accounting officer for General Electric Company; and Steven B. Rafferty, a partner with BKD, LLP, among others. Thomas Ray, the PCAOB's chief auditor and director of professional standards, chairs the group.

There is no agenda yet for next year's two tentatively scheduled meetings, April 1–2 and Oct. 14–15. However, at the group's last meeting, discussion topics included the impact of the financial crisis on the auditing profession.

*Alex Charles, Policy Research Coordinator, can be reached at [acharles@nysscpa.org](mailto:acharles@nysscpa.org).*

# Turner Explains ACAP Opposition Vote at Conference

By **MELISSA HOFFMANN LAJARA**

Trusted Professional Staff

**N**EW YORK—Lynn E. Turner, a former Securities and Exchange Commission (SEC) chairman and member of the Treasury Department's Advisory Committee on the Auditing Profession, was the only committee member to vote against the committee's final draft report on Sept. 29.

The committee, chaired by former SEC Chairman Arthur Levitt Jr. and former SEC Chief Accountant Donald T. Nicolaisen, was created by the Treasury last year to study the sustainability of a "vibrant auditing profession."

Last month, it released 31 recommendations in three categories: human capital, firm structure and finances, and concentration and competition.

In his dissenting statement, Turner said he could not support an aspect of one of the recommendations in firm structure: keeping confidential the identities of large firms that submit their audited financial statements to the Public Company Accounting Oversight Board (PCAOB), starting in 2011.

"At a time when the U.S. capital markets are reeling from a lack of transparency, trust and confidence, such a recommendation will not build trust in the auditing profession, but rather raise further doubts," he said in his dissenting opinion. "Rather, I concur with the statement of the cochairs of the committee that these audited financial statements should be made publicly '... available, including to the audit committees and the investing public.'"

Turner voted no because committee members had to vote on the report in its entirety—not on its individual recommendations.

When Turner spoke at FAE's Auditing Conference on Oct. 27, he didn't come to explain his opposition to the report. Instead, he clarified his position about some of the other 30 recommendations, including those on the CPA exam and litigation reform.

## 'Critical Issues' Not Addressed

Calling it the "elephant in the room" that committee members chose to ignore, Turner said there was no discussion of conflicts and questions of independence that arise from the auditor being paid by the company they audit.

Other "critical issues," he said, were not addressed. There was no deliberation by the committee about the quality of international auditing standards, he said, nor discussion of a need for increased competition among auditing firms.

## Educating Accountants

Accounting students who are earning their licenses are ill-prepared for the new challenges inherent in the accounting and auditing fields, Turner said.

"The exam is heading in the wrong direction. It's getting awful cushy," he said. "The [National Association of State Boards of Accountancy] is discussing this now. Don't be surprised if NASBA takes over the testing function in its entirety in the next five to 10 years."

"I just don't think [the exam] is getting the job done," he said.

Turner characterized the report's recommendations that "real world changes" and "current market developments" be incorporated into accounting education as akin to "motherhood and apple pie," and said they "raise a serious question as to the current quality of accounting education."

In his written opinion on the report,

Turner said he believes accounting education must "fundamentally change" to include the completion of a post-graduate program.

"Educators are being forced to compact too much education into too short a time period today," he said. "As a result, students

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# Not Ready for Primetime Standards?

## GAAP v. IFRS: FAE Conference Details the Differences

By **MELISSA HOFFMANN LAJARA**  
Trusted Professional Staff

**W**hether or not you like it—or are ready for it—come 2015, you will most likely be preparing financial statements using International Financial Reporting Standards (IFRS).

That harsh reality brought more than 200 CPAs and other financial professionals to FAE's first all-day IFRS Conference at the Marriott Marquis in Times Square on Oct. 29, where a series of experts hashed out the differences between IFRS and U.S. Generally Accepted Accounting Principles (GAAP) and explained the Securities and Exchange Commission's (SEC) anticipated convergence plans.

"It really is a pretty daunting challenge, even though there is time," said speaker Tom Omberg, a partner in Deloitte & Touche's regulatory and capital markets consulting practice in New York City. "There are some convergence efforts that still need to happen."

IFRS, used today in more than 100 countries and mandated for companies in the European Union, Brazil, Canada and India, is "generally more focused on objectives and principles and less reliant on detailed rules and interpretations than U.S. GAAP," Omberg said.

But that's just the beginning. Over the course of the day, conference attendees got a close look at the many areas where IFRS and GAAP diverge.

### Major Differences

**Sharif Sakr**, a senior manager in the complex accounting and valuation group of Deloitte & Touche's regulatory and capital markets consulting practice, detailed nine areas in which IFRS differs substantially from U.S. GAAP:

- **Consolidation:** GAAP uses a bipolar consolidation model, which distinguishes between a variable interest model and a voting interest model. Under IFRS, consolidation is based on control, which is assumed to exist when a parent company owns more than half of an entity's voting power, or has legal rights.

- **Securitized Entities Using Qualifying Special Purpose Entity (QSPE):** Under GAAP, the derecognition test focuses on the transfer of control and legal isolation. Under IFRS, there is no QSPE concept, and the derecognition test focuses primarily on risks and rewards.

- **Derivatives:** In order to meet the definition of a derivative under GAAP, a contract would require a net settlement. There is no net settlement requirement under IFRS.

- **Equity Instruments:** Under GAAP, investments in unlisted equity instruments are measured at cost, minus any "other than temporary impairment," unless the fair value option is being used. IFRS requires equity instruments be measured at fair value, if reliably measurable. Otherwise

they would be measured at cost.

- **Debt Instruments:** Even if not quoted, debt securities must be classified as trading, available-for-sale or held-to-maturity under GAAP. Under IFRS, certain debt securities not quoted in an active market can be classified as "loans and receivables." This category is not measured at fair value and does not require the intent to hold the loan to maturity.

- **Fair Value Measurements:** Under GAAP, fair value is the exit price, and Financial Accounting Standards Board Statement No. 157 establishes the framework for mark-to-market accounting. Under IFRS, fair value is entry price, unless there are observable market prices.

- **Inventory Valuation:** The cost of inventory cannot be measured using the last-in, first-out method in IFRS, but it is permitted under GAAP.

- **Inventory Write-downs:** Under GAAP, reversal of any write-down is prohibited. IFRS requires any write-downs which have been recognized in previous years to be reversed through the income statement in the period in which the reversal occurs.

- **Revenue Recognition:** Generally, under GAAP, delivery is required to have occurred to provide sufficient evidence that risks and rewards of ownership have passed. IFRS accepts that delivery is not always necessary for revenue to be recognized, because the risks and rewards of ownership may be transferred to the buyer even though the goods have not yet been delivered.

### The Road to Convergence

By 2011, Omberg said, it is anticipated that "all major countries will have adopted IFRS to some extent, with China and Japan 'substantially converged.'"

In the United States, it will take until 2014 or 2015 to implement, he said.

"Hopefully, in the next three to six months," the SEC will finalize the road map, Omberg said. The SEC is expected to decide before the end of 2008 whether to issue the proposed plans and final rules.

Convergence with international accounting standards is a gradual transition, but one several years in the making. It was set in motion by the Norwalk Agreement of 2002, a deal between the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) to formally undertake efforts to converge the two sets of reporting standards.

Three years after that accord, SEC Chief Accountant Donald T. Nicolaisen developed the U.S. plans toward convergence with IFRS. Since then, the SEC has eliminated the requirement for foreign private issuers to reconcile to GAAP and has proposed allowing U.S. issuers a choice between the two methods.

The proposed road map sets seven milestones that, if achieved, could lead to an SEC decision for mandatory use of IFRS for



Margaret Ann Wood, a vice president of the NYSSCPA Board of Directors, discusses equity method accounting and joint ventures at the International Financial Reporting Standards Conference Oct. 29.

fiscal years ending on or after Dec. 15, 2014. In 2011, Omberg said, it will be evident whether "IFRS is ready for prime time."

Milestones one through four focus on issues that need to be addressed prior to mandatory IFRS implementation, including necessary improvements in current accounting standards, funding for the International Accounting Standards Committee Foundation, improvement in the ability to use interactive data and proper education and training on IFRS in the United States.

EXtensible Business Reporting Language (XBRL), intended to create interactive data for use in financial statements, has stalled somewhat, Omberg said, but "maybe IFRS can be the stick to move that along."

The CPA exam needs to move to "IFRS mode," he said, and accounting courses should be updated to prepare American accountants for the transition. He noted that a need for training will be extensive, as firms will have to "turn [their] GAAP experts into IFRS experts."

Milestones five through seven discuss the transition plan for mandatory IFRS usage. Those goals include giving certain U.S. issues the option of using IFRS for fiscal years ending on or after Dec. 15, 2009, addressing the anticipated timing of future rule-making by the SEC and finally, potential implementation and mandatory use.

### Silver Linings

Much of the interest in IFRS is driven by its possibilities, Omberg said, especially "as you start to think about the competitive landscape." As a centralized and standardized set of processes, it would streamline and provide greater consistency in financial reporting. It is also expected to reduce costs through greater efficiency and provide better information.

"With one single accounting platform the

efficiencies and synergies you can get ... would be huge," Omberg said.

Sharif agreed. Negative aspects of the transition are balanced by benefits that IFRS will bring to American companies, he said.

"I think everyone sitting in the room here knows more about IFRS than you think you do," he said. Although substantive differences will require some adjustment, he said some aspects of IFRS—such as concepts and principles—are very similar to GAAP, as is the conceptual framework. And like GAAP, IFRS is investor-oriented.

### Other Conference Highlights

The conference, held on Oct. 29, offered a look at IFRS that included the basics as well as a more granular look at the standards and transition. **William M. Stocker III**, a member of the NYSSCPA's International Accounting and Auditing Committee, led the day's events with a detailed introduction to IFRS and the various committees responsible for setting the rules and facilitating the transition.

"The sessions were eye openers for many conference attendees," said conference Chair **Kenneth W. Bosin**. "They learned that consolidation under IFRS ... versus U.S. GAAP ... can result in a different conclusion. Indeed, equity method accounting under IFRS versus U.S. GAAP can also cause different treatment."

**George Victor**, a member of the Society's International Accounting and Auditing Committee and SEC Practice Committee, reviewed changes in the area of revenue recognition.

"One of the most interesting things about revenue recognition and comparing GAAP to IFRS is that under GAAP, there's a multitude of standards applicable to revenue recognition, however, they are very industry-specific and arrangement-specific," he said. "In its IFRS counterpart, there is one

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## Not Ready for Primetime Standards?

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standard for revenue recognition.”

The more principles-based IFRS has the potential to either simplify or complicate accounting procedures, Victor said, because while it reduces the number of places to look for rules, “there’s more room for judgment and interpretation under IFRS, which is not limited to revenue recognition.”

Other sessions reviewed how IFRS would impact other specific areas. Financial instrument recognition and measurement, as well as derivatives and hedging, were covered by KPMG partner Michael H. Hall, while financial asset derecognition was explained by Naveed Rafique, an IFRS specialist at PricewaterhouseCoopers. Chad C.

Soares, a partner at PricewaterhouseCoopers, discussed consolidation under IFRS, and Deloitte & Touche partner Kathie Bugg covered income tax considerations.

**Margaret “Peggy” Wood**, a vice president of the NYSSCPA’s Board of Directors, detailed the major differences between IFRS and GAAP for equity method accounting and joint ventures.

*Melissa Hoffmann Lajara, Associate Editor, can be reached at [mlajara@nysscpa.org](mailto:mlajara@nysscpa.org).*

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## Turner Explains ACAP Opposition Vote at Conference

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are being shortchanged and graduating without sufficient knowledge in such areas as derivatives and finance, management information systems, distribution channels and marketing, and production and outsourcing management."

There is also insufficient ethics training for students, Turner said, noting that new students are also being asked to be proficient in both U.S. Generally Accepted Accounting Principles and International Financial Reporting Standards, "a significant issue involving a serious lack of available resources and funding the committee did not address."

### Litigation Reform: 'A Snowball's Chance'

The committee was unable to decide whether liability limits for auditors would be beneficial or harmful to the capital markets and to investors "or, for that matter, whether such limits are necessary to sustain the auditing profession," the report said.

Instead of providing a recommendation, the committee detailed both sides of that discussion.

Thanks to the report, Turner said, litigation reform now has "a snowball's chance in hell."

"For the first time ever, in a United States Treasury Department report, we have the investors' view documented," Turner

said. "I don't see any chance for litigation reform, after what happened with this group, for the foreseeable future."

"It was an extremely foolish decision on the part of the profession."

Some of the committee members, according to the report, argued in favor of auditor liability caps because they believe the profession faces "catastrophic litigation risk different from that of other businesses," in that they are potentially liable for the entire drop in market capitalization of their public company audit clients.

They claimed that no less than the entire U.S. economy is at stake if one of the larger firms fails.

Others on the committee believe the liability laws are fine in their current form, that audit firm sustainability rests on the audit firms' conduct, and said that the risk of catastrophic litigation losses was exaggerated.

These committee members argued that auditing firms "can best protect themselves from catastrophic liability by performing high-quality and informative audits in compliance with existing professional standards," according to the report.

In his presentation at the Society, Turner also discussed the January Supreme Court decision in the case of *Stoneridge Investment Partners, LLS vs. Scientific-*



Former SEC Chairman Lynn E. Turner, a member of the Treasury Department's Advisory Committee on the Auditing Profession, discusses the committee's report and why he voted against it at the FAE's Auditing Conference Oct. 27.

*Atlanta, Inc.*, in which the judges decided that investors cannot sue third-party businesses, including auditors, banks and attorneys, for their role in deceptive inflation of stock prices by public companies.

"If someone assists someone else in the

PCAOB Deputy Chief Auditor Greg Scates.

The afternoon featured more discussions of specific technical issues by several Society members. John F. Raspante, national account advisor for CAMICO Mutual Insurance Company, reviewed

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**"For the first time ever in a United States Treasury Department report, we have the investors' view documented. I don't see any chance of litigation reform ... for the foreseeable future. It was an extremely foolish decision on the part of the profession."**

—Lynn E. Turner, member of the Treasury Department's Advisory Committee on the Auditing Profession.

commission of a fraud, you can't sue them. That's not sitting well in the halls of Congress right now," Turner said. "It's a very bad decision for the auditors."

### Other Conference Highlights

The conference also featured two auditing panels and regulators.

Turner's discussion immediately followed that of James L. Gunn, deputy director of the International Auditing and Assurance Standards Board of the International Federation of Accountants, and came just before a presentation from

accountant malpractice, and **Richard T. Van Osten** gave a presentation on income tax filing. Computer-assisted auditing techniques were explained by **Andrew E. Carroll** and **Michael A. Pinna**.

*Melissa Hoffmann Lajara, Associate Editor, can be reached at [mlajara@nysscpa.org](mailto:mlajara@nysscpa.org).*



# Put It in Writing

## IRS Managers Address Correspondence Audits at Society Panel Discussion

By **ANTHONY SARMIENTO**  
CPA Journal Associate Editor

NEW YORK —Working with the IRS can be difficult for taxpayers and experienced preparers alike, but the NYSSCPA works to make the relationship a mutually beneficial one.

In the spirit of opening a constructive dialogue with the IRS, the Society's Relations with the IRS Committee hosted a panel discussion with several senior agency managers and directors on Oct. 30 at the Society's offices in New York City.

"We are looking to develop relationships with industry leaders where we have the most noncompliance," said Kim Young, an IRS area manager in New York.

The IRS uses a two-pronged strategy for dealing with noncompliance, said William Marshall, director of examinations in the North Atlantic area—doing as many audits as possible, and expanding its presence through correspondence audits.

Specifically, the IRS is scrutinizing more closely S corporation audits, Marshall said.

"The reason we're looking at them is because that's where the tax shelters are," he said. "There is just more risk with high-income taxpayers."

Several audience members raised issues they have had with IRS examiners while representing for their clients. Marshall described how he thought agents should act in each set of circumstances described, while admitting that a large proportion of examiners are still relatively inexperienced.

"We've gotten away from handling multiple issues in each correspondence exam," said Herman Tumm, an IRS department manager of examinations operations.

"We're trying to keep them as simple as possible to work closely with taxpayers."

The volume of materials requested in correspondence audits is also an issue for tax preparers, Tumm said. In an attempt to rectify the issue, the IRS is working with preparers to determine appropriate sample size. In defending the sampling approach—an issue which some members did not think was adequately explained to them during audits—Tumm said that the IRS is "trying

(Continues on page 13)



IRS senior managers, from left, Kim Young, Kevin Harris and William Marshall, recently met with members of the Society's Relations with the IRS Committee to enhance communication between the agency and tax preparers.

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# Pulse of Healthcare Industry Focus of Conference

By **VALERIE LUM**

*Trusted Professional Staff*

NEW YORK—When the New York State Health Department's Medicaid Inspector General James G. Sheehan read the findings of a Medicaid data mining search completed by his department in 2007, he found some curious results.

In New York state during that year, 200 men gave birth, some women who had delivered children were again giving birth five months later and other Medicaid recipients who were deceased were active patients in the Medicaid program.

These were just a few of the surprises Sheehan had gathered and described to the audience as the keynote speaker for FAE's Healthcare Conference on Sept. 23.

"Medicaid has become the default national health insurance," Sheehan said. "And the majority of New Yorkers are on Medicaid."

Appointed on April 6, 2007, by former Gov. Eliot Spitzer, Sheehan is the state's first Medicaid inspector general. Sheehan is charged with improving and preserving the integrity of the Medicaid program by conducting and coordinating fraud, waste and abuse control activities for all state agencies responsible for services funded by Medicaid.

Shortly after he took his post, Sheehan quickly found four areas of significant cost where there was very limited prior audit work, he said: managed care, personal care, hospitals and diagnostic treatment centers.

Before advances in technology, the whistleblowers of Medicaid fraud were usually the individuals who entered data. However, advances in data mining have doubled the rate at which Medicaid paperwork can be analyzed every two years, which has helped New York state lead the country in the highest rate of fraud and abuse recoveries.

"In 2006, \$303 million were recovered from Medicaid fraud," Sheehan said. "And New York state alone recovered \$136 million in fraud and abuse recoveries."

Under Sheehan's direction, Medicaid audits have gone beyond contacting providers and have started contacting patients as well to confirm treatments. The audits conducted by Sheehan's office have also covered off-label use prescriptions. Through this new detail, it was discovered that the drug Epogen, which was developed for patients with anemia, was often prescribed to cancer patients who were tired due to chemotherapy. Sheehan said the audit later revealed that Epogen not only increased red blood cell count, but also increased cancer cell growth.

**Sandra Rivera**, a member of the Manhattan/Bronx Chapter and a chief financial officer at a healthcare facility, said that she was initially skeptical about hearing what Sheehan had to say about the healthcare industry.

"But he really did just sound like a man



Thomas Hyatt, an attorney who specializes in tax-exempt organization issues for healthcare providers, discusses how the new Form 990 affects medical centers at FAE's Healthcare Conference on Sept. 23.

with a really big job," Rivera said.

## Compliance Issues

Brian Flood, a managing director at KPMG in Dallas, said that medical facilities are in dire need of CPAs to conduct Medicaid and Medicare audits.

"If you can spell Medicaid you can get a job," Flood joked.

Flood outlined the need for hospital cost reduction and information technology controls. These areas would see increasing regulation in the next three to five years, he said.

After identifying \$371.5 million in improper Medicaid payments in three states in February, the Centers for Medicare & Medicaid Services (CMS), the federal agency that administers Medicaid and Medicare, has identified several areas of New York state's Medicaid program that will be audited in the near future, Flood said, including nursing and personal care facilities, prescription drugs, durable medical equipment and improper claims for payment.

Congress had taken notice of this abuse and, according to the Congressional Quarterly, the Health and Human Services secretary may sign a contract with the National Quality Forum (NQF) that would undertake the effort of developing measures to identify unnecessary or redundant services and to help bring health service usage to levels that are more medically appropriate, Flood said.

The increased use of the private sector's role in the delivery of Medicare and Medicaid services has led to new kinds of fraud that are more complicated to prosecute and could potentially be harmful to patients, Flood said.

"Regulators are ramping up scrutiny of the managed care industry which has grown

to cover more than 37 million state and federal beneficiaries," Flood said.

Flood also outlined a plan by CMS's Medicaid Integrity Group (MIG)—a subsection of the CMS dedicated to auditing—that includes four ways to reform Medicaid in 2008:

1. Determine whether fraud, waste or abuse is involved or whether there is a potential overpayment resulting in expenditure of funds in Medicaid that was not intended.
2. Conduct an audit of providers claims or services, including cost reports, consulting contracts and risk contracts.
3. Identify providers receiving federal funds.
4. Educate providers on payment integrity and quality of care matters.

## The New Form 990

Even though the Form 990 is typically described as the tax form for nonprofits, that is generally a misnomer, said Thomas K. Hyatt, an attorney at Ober, Kaler, Grimes & Shriver, P.C., who specializes in corporate tax-exempt issues for nonprofits.

"It's not a tax form," Hyatt said. "It's an information form."

No nonprofit had been required to fully disclose its return until the advent of the new Form 990, he said. The information included on the form allows journalists and industry watchdogs to know exactly what is going on with a nonprofit.

"Anyone with a mouse can find that information," Hyatt said. "There's a ticking time bomb here."

When it comes to medical facilities, Hyatt said that the Form 990 reveals at least one major area of abuse—executive compensation compliance. Hyatt gave one example of a flagrant abuse case, in which an executive wrote off sending his personal

chef to France for culinary school.

Although the new Form 990 now has 250 pages of instructions alone, Hyatt said that there are three basic questions board members can ask themselves to see if they are within compliance:

1. What governance is exercised over executive compensation?
2. What is the basis for compensation and benefits paid to the CEO and the four top healthcare executives of each healthcare system?
3. What internal controls exist for the review and approval of executive travel and entertainment expenses, gifts and other perquisites?

"If you can answer these well, you're in pretty good shape," Hyatt said.

Form 990 was redrawn to increase transparency and promote compliance. However, the goal of minimizing the burden on the filing organization was never quite met, Hyatt said. With an 11-page core form and 16 schedules, Hyatt said that the average medical facility would probably have to fill out between 12 to 15 schedules.

"Mid- to large-sized facilities will probably need one full-time employee just to record for the schedules," Hyatt said.

**Lucia Matthew**, a member of the Westchester Chapter, is a comptroller at a hospital and was concerned about the new Form 990. However, she didn't think her employer would have to hire a full-time employee just to record data for the schedules.

"We've been preparing and I hope we get a good start," Matthew said.

*Valerie Lum, Staff Writer, can be reached at [vlum@nysscpa.org](mailto:vlum@nysscpa.org).*



## Former Comptroller General Calls U.S. Government 'Unsustainable'

(Continued from page 1)

debtors prisons, and "the country believed in thrift, economy and savings."

Two centuries later, the government owes more than the sum total of the assets of every single one of its citizens, he said.

"Too many Americans have followed the example of their federal government,"

Walker said, by burying themselves in debt and buying things they can't afford.

"We've mortgaged our future," he said, "and we will pay the price unless we get our financial house in order."

### Sustainability Challenges

The nation's current debt—which Walker estimated at \$53 trillion—is likely the biggest challenge to its fiscal sustainability, he said.

"If we confiscated the [assets] of every American, it wouldn't be enough to fill the federal financial hole," he said. "Let's benchmark \$53 trillion: four times the total economy; \$175,000 per person; \$450,000 per household."

If the average American makes \$50,000 per year, they have effectively taken out a mortgage that is "nine times their annual income without a house to back it," he said.

The United States could see its first tril-

lion-dollar deficit in 2009, Walker said, and as the baby boomer generation—of which Walker is a member—retires, "there will be a tsunami of spending that could swamp our ship of state, and we are not prepared," he said.

Walker slammed the government and Congress for only acting "when the crisis was on our doorstep," when so much is at stake.

"The United States isn't going bankrupt anytime soon, but it could over time," he said.

### Four Common Denominators

"There are a number of disturbing parallels between the financial crisis and the deterioration of the government's finances," Walker said, "which we need to work on while we still have time."

He also noted a few differences. For example: "No one's big enough to bail out America."

The common denominators are, according to Walker:

- A disconnect between those who benefit from policies and those who are burdened by them;
- A lack of transparency concerning the

nature of the risk;

- Too much leverage and too much reliance on credit ratings; and
- Failure of oversight, despite "clear warning signs."

Walker knows much about number four. In the GAO's 1994 *Financial Report of the United States Government*, Walker's emphasis paragraph highlighted the nation's fiscal imbalance and the potential impact of prior-year restatements—as well as limitations on the scope of the GAO's work and material deficiencies in the government's internal control over financial reporting.

In a letter accompanying his report, Walker said those issues were "critical to understanding the true financial position of the U.S. government."

### Tax Reform Required

A sustainable federal government can only be established with a functional tax code, and Walker said major reform will be necessary.

"I think it will take the form of a broad-based, streamlined income tax ... supported with a broad-based consumption tax for health care," he said.

Although no one wants to pay more

taxes, Walker noted that similarly difficult tax decisions were made during the Clinton and Bush administrations, while he served as comptroller general.

"The result was we went from a period of large and growing deficits to large and growing surpluses," he said.

Walker's doomsday portrait of the government's finances—at one point, he called the government a "ticking time bomb"—held conference attendees rapt.

"Let me assure you, I'm basically an optimist," he said, eliciting laughter.

"If he's an optimist, I feel terrible," said NYSSCPA member **Jeffrey Yager**. "He made a lot of great points—our government is in terrible shape."

Society member **Reynold P. Stupler** agreed.

"I think he offered a candid statement of our economic situation," he said.

*Melissa Hoffmann Lajara, Associate Editor, can be reached at [mlajara@nysscpa.org](mailto:mlajara@nysscpa.org).*



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# IFRS and Other International Accounting Reference Sources

By **HISHAM KADER** and **WILLIAM M. STOCKER III**, Chair  
International Accounting and Auditing Committee

In August 2008, the SEC issued a proposed roadmap for the adoption of International Financial Reporting Standards (IFRS) in the United States. This proposal is the latest in a series of actions by the SEC that are resulting in the application and growing acceptance of IFRS in the United States.

For instance, foreign private issuers are now allowed to file their financial statements in accordance with IFRS, without reconciling to U.S. generally accepted accounting principles (GAAP) (Release #33-8879). Apart from SEC actions, practitioners are increasingly being asked to assist in reporting U.S. operations to foreign parents and investors. Also, in May 2008, the AICPA amended Rules 202 and 203, effectively accepting IFRS as a recognized standard, which means that it is now possible for domestic entities to prepare financial statements using IFRS and still receive audit, review or compilation reports on those financial statements without those reports containing qualifications for departures from GAAP.

While GAAP dwarfs IFRS in terms of the volume of interpretative and application guidance, the resources available to practitioners to assist them with IFRS issues is growing rapidly. The following is a listing of suggested references for IFRS and other international accounting trends:

- **www.nysscpa.org/ifrs**—The NYSSCPA Webpage for IFRS information. The page can also be found from the homepage under "Professional Resources" and then "IFRS information."

- **www.IFRS.com**—The AICPA's site dedicated to IFRS.

- **www.accountingresearchmanager.com**—A comprehensive repository of standards, including IFRS (although not International Federation of Accountants standards) and CCH-authored interpretative literature. Registration and license fee is required. A 14-day free trial is available.

- **www.cfodirect.com**—A PricewaterhouseCoopers (PwC) Web site dedicated to a broad range of accounting, auditing and business issues. Registration is required.

Comperio—PwC's knowledge repository includes a comprehensive library of IFRS literature. Registration and license fee are required. A 30-day free trial is available.

- **www.iasplus.com**—A Deloitte & Touche (D&T) Web site dedicated to all international accounting industry activities. Registration is not required.

- **www.ey.com/GLOBAL/content.nsf/International/Assurance**—The global IFRS homepage for Ernst & Young (E&Y). Registration is not required.

**www.kpmgifrg.com**—A KPMG Web site dedicated to the IFRS regime. Registration is not required.

- **www.ifrs.co.uk/index.html**—Access IFRS is a free Web site that provides you with PwC's latest news, analysis, research and surveys, keeping you up-to-date with the impact of IFRS on various issues.

- **www.pwc.com/usifrs**—PwC's IFRS reporting home page that includes links to IFRS tools and publications promulgated by PwC. Registration is not required.

- **www.ifrslist.com/index\_en.htm**—An online community about IFRS/IAS. Registration is required.

- **www.icaew.com**—The homepage of the Institute of Chartered Accountants in England and Wales. No registration is required.

- **www.asic.gov.au/asic/asic.nsf/byheadline/Implementing+the+IFRS?openDocument**—The homepage of the Australian Securities & Investments Commission.

- **www.iasb.org**—The International Accounting Standards Board's Web site.

- **www.ifac.org**—The International Federation of Accountants Web site. An inexpensive online subscription to all of IFAC's authoritative literature, including the international standards on auditing, is available.

Both the SEC (**www.sec.gov**) and the FASB (**www.fasb.org**) have an international activities page on their Web sites.

## Reference books and textbooks:

- *Financial Accounting: An International Introduction (3rd edition)*, David Alexander and Christopher Nobes. Financial Times Press-Prentice Hall. ISBN 978-0273709268

- *Financial Accounting and Reporting (12th Edition)*, Barry Elliott and Jamie Elliott. Financial Times Press-Prentice Hall. ISBN 978-0273712312

- *Interpretation and Application of International Financial Reporting Standards 2008*, Barry J. Epstein and Eva K. Jermakowicz. John Wiley & Sons, Inc.-Hoboken, N.J. ISBN 978-0470135167

- *Applying International Accounting Standards*, Keith Alfredson, Ken Leo, Ruth Picker, Paul Pacter, and Jennie Radford. John Wiley & Sons-Australia, Ltd. ISBN 978-0470804940

- *International Accounting Standards Explained, International Accounting Standards Committee*. John Wiley & Sons, Ltd.-Baffins Lane, Chichester, West Sussex PO19 1UD, England. ISBN 978-0471720379

- *International Financial Reporting Standards Workbook and Guide: Practical insights, Cases studies, Multiple-choice questions, Illustrations*, Abbas Ali Mirza, Graham Holt, Magnus Orrell, David Tweedie, Philippe Richard. John Wiley & Sons, Inc.-Hoboken, N.J. ISBN 978-0471697428

- *International GAAP 2008: Generally Accepted Accounting Practice Under International Financial Reporting Standards*, Ernst & Young LLP. ISBN 978-0470996140

- *IFRS Manual of Accounting Manual 2008: Global Guide to International Reporting Standards*, Accounting Consulting Services of PricewaterhouseCoopers LLP. ISBN 978-9041127389

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## Taxes and Obamanomics

(Continued from page 1)

### Proposed Changes

#### Tax Rates

The most recent major change in tax rates was the reduction of the capital gains rate by the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA).

Subsequent legislation passed during the Bush administration lowered the rates across the board, but is scheduled to sunset in 2010. The two highest current capital gains rates are 33 and 35 percent.

By design, the tax code rewards certain behaviors, such as procreation and home ownership, with credits. Obama has said he supports repealing a portion of the tax cuts for families making more than \$250,000, and all tax rates would remain the same, except the higher pre-EGTRRA rates of 36 and 39.6 percent for the two top tiers of taxpayers. They would be reinstated.

"As far as relief for individuals, a lot of the relief that passed from 2000 to 2003, and is set to expire in 2010, will be extended but only for taxpayers with less than \$250,000 in income," Kess said. "As I see it, the tax relief would include a higher child tax credit, marriage penalty relief, the 10 percent tax rate."

"Obama backed himself into a corner with the tax rates," said **William Henry Jones**, immediate past chair of the Taxation of Individuals Committee.

"He has to give a cut to everyone making under \$250,000," he said. "He only said it 500 times during the campaign. He doesn't have to do it right away, but sometime in the next three years, he has to, and he will."

Dlugash, who will primarily discuss year-end tax planning at the conference, said he sees a possible resurrection of Congressman Charles B. Rangel's proposed tax law of 2007, "which included enormous tax increases in capital gains as well as ordinary income, as well as the reinstatement of adjustments that had already been phased out."

Jones said he believes Obama will only raise the capital gains rate for those making more than the benchmark \$250,000.

"Because of the state of the economy right now, it's not clear when [Obama's] solid direction toward higher taxes will go into effect. The state of the economy may delay the onset," said Dlugash.

However, "for planning purposes, one must assume taxes will be higher on all fronts," Dlugash said. "In terms of tax planning, what that means is that the timing of transactions has to take into effect the fact that tax rates will go up. Such things as the timing of the sale of long-term assets... timing of receiving bonuses, structuring transactions in which there's the ability to characterize between capital gain and ordinary income, all of these types of transactions need to consider proposed law changes."

#### Mortgage Interest Deduction

It has been a long-standing tenet of the code to have mortgage interest allowed as

an itemized deduction on Schedule A to Form 1040. When Congress toyed with the idea of eliminating it several years ago, the public and all of its sectors nearly erupted, and the deduction remained intact. Obama's campaign promises included a universal 10 percent deduction of mortgage interest.

#### The Alternative Minimum Tax (AMT)

Created four decades ago to prevent a small number of very wealthy individuals from avoiding taxation, the AMT—not indexed for inflation—has become a net that has the potential to trap millions of middle-class taxpayers. Each year, Congress passes patches to prevent the AMT from affecting middle-class taxpayers. Obama has said he would index and extend the 2007 AMT patch, according to the Tax Policy Center.

"The Alternative Minimum Tax needs to be viewed in light of whether there are going to be specific changes," Dlugash said, "or whether it's just likely the impact will be minimized because tax rates are going up."

#### The Estate Tax

The estate tax in the U.S. is imposed on the transfer of the "taxable estate" of an individual. Rates and the amounts subject to tax have varied over the years and decades due to tinkering. Currently, both are at a recent low and subject to expire in 2010, after which they revert to the older, higher amounts. Obama has said he would eliminate the estate tax for 99.7 percent of estates. For the remaining 0.03 percent, which is estates of over \$7 million, he would retain the current 45 percent rate.

"At a minimum, we're going to get some estate tax exemption," Kess said. "A top estate tax rate of 45 percent, exemption amounts portable between spouses and valuation based on the date of death value, rather than on a carryover basis, from what President-elect Obama indicated prior to the election," Kess said.

#### Corporate Taxes

Obama has said he would repeal tax breaks and "loopholes that reward corporations that retain their earnings overseas" and would use the savings to lower the corporate tax rate for companies that expand or begin operations in the U.S. He has indicated he would require carried interest be taxed as ordinary income, and would make the research and development tax credit permanent. He also said he would eliminate all capital gains taxes on investments in small and start-up firms.

#### Other Proposals

Prior to the election, Obama said he would institute a \$4,000 tuition tax credit and a job tax credit of up to \$1,000 for lower-income Americans. He said he would also eliminate all income taxes for seniors making less than \$50,000 per year, expand the earned income tax credit and increase

tax benefits for child care. In addition, he would offer up to \$7,000 in consumer tax credits for the purchase of environmentally friendly vehicles.

"There's one thing he has to be careful of," Jones said. "Just because he's got the House, Senate and executive office, doesn't mean he's going to be able to do whatever he wants. If he goes too far in one direction, he could lose the House in the next election. That's what happened with Clinton."

Dlugash said he thinks that any simplification through Obama's tax policy is unlikely, and that additional complexity must be thwarted.

"We have absolutely no excuse if we don't come down extremely hard on proposed changes to the tax law that add substantially to the complexity of the law," he said. "It's that silence in the past that has allowed the dysfunctional state of the tax laws to exist."

States are expected to see some tax law changes as well, which **Mark A. Plostock**, a current and past member of several Nassau Chapter taxation committees, will review at the conference. Plostock will also address other methods that the tax departments may employ to increase revenue.

"You'll see more and more audits being performed," he said.

Taxpayers who haven't paid taxes in many years may see some sort of amnesty, where interest and penalties may be abated.

"They'll be collecting a lot of old taxes, then have that person on the tax rolls," Plostock said.

Plostock said he believes the changes in the makeup of Congress and the new presidential administration will benefit New Yorkers and, potentially, others in the tri-state area.

"It will help the states to get federal aid, being that they have the majority in Congress," he said. "There might be a bigger chance of seeing some AMT relief because we have such high state taxes. But between the financial crunch and all the rhetoric that went on in the campaigns, it's [hard] to know what's going to shake out."

*Melissa Hoffmann Lajara, Associate Editor, can be reached at [mlajara@nysscpa.org](mailto:mlajara@nysscpa.org).*

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## Put It in Writing

(Continued from page 7)

to expand the coverage of the exam and touch more taxpayers in a meaningful but efficient way.”

The IRS is still adjusting as it builds out from the core exam, Tumm said, and examiners need to gain more experience and improve communications with taxpayers.

Some committee members who have conducted correspondence audits said they have had negative experiences with the agency’s Covington, Ky., office.

“It’s distressing to hear some of these stories about Covington,” said Kevin Harris, acting director of campus compliance operations at the IRS Brookhaven Service Center. Young noted that the issues with Covington are in the IRS’s issue management resolution system.

The correspondence audit area is experiencing some “growing pains,” Harris added, but by conducting correspondence audits, the IRS frees up resources so that

field exams can focus on the truly tough issues. He promised to share the committee’s stories with his IRS colleagues.

Linda LaRock, the agency’s team leader for AUR (automated under reporter) operations at the Brookhaven Campus, discussed how AUR notices are sent to taxpayers. An AUR is a case where the income information associated with a tax return is less than what is reported by third parties, according to the IRS.

Preparers can now electronically include plain-paper Schedules K-1 as PDFs, LaRock said. She also gave committee members tips for dealing with AUR cases.

LaRock advised preparers to always reply to the campus listed on the first page of the notice, even if there are multiple campuses listed. She also recommended preparers refrain from filing a Form 1040X after receiving a notice, because it will be considered a nonresponses.

“When AUR is looking at passive activities, we don’t have the K-1 in front of us,” she said.

### Other Issues

Discussion panel moderator **Gerry Borod** spoke about the next generation of senior taxpayers. Borod noted that while older taxpayers in the past often had fairly simple returns involving Social Security and pension income, today’s senior citizens are filing increasingly more complex returns—and with that increased complexity comes its own set of problems. “Relatively sophisticated taxpayers are reaching the days when they have ‘senior moments’ and can’t find all of their 15 K-1s,” Borod said.

Marshall noted that the IRS recently completed its National Research Project (NRP) on S corporations. He said that the study’s 9 percent “no change” rate was the lowest he has seen.

Marshall also described the “soft notices” (to be called CP-2507) that the IRS will be sending to taxpayers next year which will ask whether there is a discrepancy on the return. They also suggest an amended change. If a taxpayer agrees, the issue will be resolved; if not, no further notices will be sent. But if the same discrepancy arises the next year, the return will be flagged for a CP-2000.

The meeting concluded with an open discussion, where members asked the IRS speakers about various difficulties they have had with the IRS. The IRS staff gave frank answers to the audience’s questions, explaining the policies in place and admitting where procedures did not seem to be followed in individual cases.

*Anthony Sarmiento, The CPA Journal Associate Editor, can be reached at [asarmiento@nysscpa.org](mailto:asarmiento@nysscpa.org).*

## Through the Looking Glass: ‘Bizarro’ Economics and Paul Krugman

(Continued from page 2)

### Economic Triage

Help is already on the way, Krugman said, via another large stimulus package.

“This is not exact science, but any attempt to seriously walk through the numbers leads you to numbers on stimulus that are bigger, that make people’s jaws drop,” he said, “but that’s because of the situation we’re in. If it was a normal economy, fiscal stimulus [wouldn’t] have to bear the whole burden. The Federal Reserve [could] cut interest rates.”

What should the money be spent on?

“My sense is that the size of the stimulus we need is so big, it’s going to be hard to find enough things,” Krugman said. “There will be infrastructure spending, there will be aid to state and local governments, there will be increased unemployment benefits.”

He said the most immediate expenses should be “the infrastructure projects that

are more or less ready to go.” He suggested that plans to drill another subway tunnel in New York City could move up quickly.

As far as the automobile industry is concerned, Krugman characterized the situation as “agonizing.”

“That industry really does not deserve a bailout, and all indications are that if the bailout happens, it will just perpetuate the bad behavior that got them to this point,” he said. “On the other hand, we really don’t want to see the automakers go under in the middle of this. This is not really the moment where you want to do the right thing. It’s very hard. It’s not a decision I know how to make ... both alternatives are really bad. It’s exactly the test case I wish we were not having right now.”

Long-term goals, Krugman said, should include green energy and health care reform—but these need to sit on the back

burner for about two years.

“I don’t think even the most ardent advocates of other big programs want them to actually start up next year,” Krugman said.

### All Connected

Krugman, also a professor of Economics and International Affairs at Princeton University, said the interconnectedness of the economies of countries around the world require a more global perspective.

“One of the things I kick myself over,” he said, “is not appreciating until the crisis hit just how far it’s gone. This is one of those things where the world is not at all the way it was even in the 1990s, the scale of cross-border asset holdings has roughly doubled as a share of world product.”

“What this means,” he said, “is when Britain recapitalizes its banks ... that’s helping to ease credit conditions in a lot of

countries, not just Britain. There’s a spillover, and there’s a strong case for this coordinated attempt to rescue the financial system.”

At the moment, he said, “the economic data are terrifying. Everything is falling off the cliff: consumer spending, retail sales today, new claims for unemployment insurance yesterday. If you look at the various indicators it really looks like we’re falling fast into a major global recession, so you want to do lots of stuff. Everybody’s sort of marking up the size of the slump practically every day. This is big stuff.”

*Melissa Hoffmann Lajara, Associate Editor, can be reached at [mlajara@nysscpa.org](mailto:mlajara@nysscpa.org).*

## SO YOU WANT TO WRITE FOR *THE TRUSTED PROFESSIONAL*...

If you’ve attended a particularly interesting recent chapter event and would like to write an article about it for the Chapter Newsletters section, we want to hear from you! If you are interested in seeing your name in print and sharing your chapter experiences, please feel free to contact *Trusted Professional* Staff Writer Valerie Lum at [vlum@nysscpa.org](mailto:vlum@nysscpa.org) with suggestions, ideas, questions or comments. Event photo submissions are always welcome as well!

## Message from the 2007-08 NYSSCPA President

The financial statements presented in this edition of *The Trusted Professional* reflect another solid year for the Society and its consolidated entities. The total consolidated net assets for the year ending May 31, 2008 increased by \$229,000, bringing our net assets balance to more than \$4.3 million. This includes \$2.4 million of temporarily restricted funds for COAP and scholarships; and \$51,800 of permanently restricted funds, the interest of which is used for scholarships. Your Society's consolidated unrestricted net assets for the year ending May 31, 2008 was \$1.8 million, a \$330,000 increase over the previous year.

The total revenue for the 2007-2008 fiscal year decreased \$206,000 from last year. There were two significant declines that were offset by some areas of improvement in revenues. There was a \$426,000 decrease in investment returns due to a greater unrealized loss than in fiscal year 2006-07 and a decrease of \$440,000 in shows and exhibits income because we only sponsored one CPA Business Tech Expo instead of two as we did the prior year. Fortunately, dues revenue increased by \$124,000, education fees were up by \$298,000; and revenues from chapter activities were up by \$139,000.

The most notable item this year is that fiscal 2008 represented the most successful year for FAE in recent memory.

In 2008, FAE needed \$300,000 less than budgeted, or \$419,000, in support from the Society to break even for that fiscal year. In fiscal year 2007, FAE support totaled \$483,000.

In addition, revenue from courses, the single biggest FAE revenue source was \$177,000 better than budget and \$178,000 better than the last fiscal year.

Total CPE program support: In fiscal year 2008, FAE received a total contribution from the Society of just over \$1 million. As noted earlier, \$483,000 was CPE program support for fiscal year 2008. The remaining balance of \$577,000 represents a contribution to eliminate a structural deficit that has existed in the opening balance of the FAE Unrestricted Fund since fiscal year 2004.

Our staff prepares the consolidated financial statements, which then are audited by an independent CPA firm. These consolidated financial statements, plus the most current tax Form 990 for the Society, FAE and Benevolent Fund, currently are posted on our website at [www.nysccpa.org](http://www.nysccpa.org), and can be accessed by clicking the "About Us" link and scrolling down the left-hand side of the page.

Our Audit Committee worked closely with the Society staff and the independent auditors Loeb & Troper LLP and reported to the Executive Committee and the Board of Directors. There was a joint meeting of the NYSSCPA Board of Directors and the FAE Board of Trustees on Sept. 18, 2008, to review and approve the draft of the audited financial statements and the management letter.

—David A. Lifson  
2007-2008 NYSSCPA President

# NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS AND CONSOLIDATED ENTITIES

## CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT

MAY 31, 2008 AND 2007

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## Independent Auditor's Report

### The Board of Directors New York State Society of Certified Public Accountants and Consolidated Entities

We have audited the accompanying consolidated balance sheet of New York State Society of Certified Public Accountants and Consolidated Entities ("the Organization") as of May 31, 2008, and the related consolidated statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior-year comparative information has been derived from the Organization's 2007 financial statements, which were reported on by other auditors, whose report dated October 4, 2007 expressed an unqualified

opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of New York State Society of Certified Public Accountants and Consolidated Entities' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclo-

tures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New York State Society of Certified Public Accountants and Consolidated Entities as of May 31, 2008, and the changes in their net assets and their cash flows for the year 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 of New York State Society of

Certified Public Accountants and Consolidated Entities taken as a whole. The information in Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Loeb & Troper LLP*

August 15, 2008



## CONSOLIDATED BALANCE SHEET

### MAY 31, 2008 AND 2007

Exhibit A

	2008	2007
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,764,694	\$ 5,940,285
Accounts receivable, net (Note 3)	243,199	210,380
Investments (Note 4)	3,108,813	2,963,326
Prepaid expenses	203,243	203,483
Security deposit	2,996	2,996
Fixed assets, net (Note 5)	1,336,375	1,535,263
<b>Total assets</b>	<b>\$10,659,320</b>	<b>\$10,855,733</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 730,867	\$ 1,152,599
Deferred dues and unearned subscriptions and fees	5,051,413	5,013,308
Deferred rent (Note 9)	593,123	601,337
Capital lease obligations (Note 10)	20,466	53,587
<b>Total liabilities</b>	<b>6,395,869</b>	<b>6,820,831</b>
Net assets (Exhibit B)		
Unrestricted	1,771,666	1,441,168
Temporarily restricted (Note 7)	2,439,985	2,543,034
Permanently restricted (Note 7)	51,800	50,700
<b>Total net assets</b>	<b>4,263,451</b>	<b>4,034,902</b>
<b>Total liabilities and net assets</b>	<b>\$10,659,320</b>	<b>\$10,855,733</b>

See independent auditor's report.  
The accompanying notes are an integral part of these statements.

## CONSOLIDATED STATEMENT OF ACTIVITIES

### YEARS ENDED MAY 31, 2008 AND 2007

Exhibit B

	2008				2007			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues and other support</b>								
Membership dues	\$ 7,265,721			\$ 7,265,721	\$ 7,141,351			\$ 7,141,351
Education fees	4,379,856			4,379,856	4,081,631			4,081,631
The CPA Journal	1,088,397			1,088,397	1,067,225			1,067,225
Member services	957,937			957,937	835,411			835,411
Chapter activities	919,124			919,124	779,936			779,936
The Trusted Professional	156,383			156,383	155,189			155,189
Shows and exhibits	323,081			323,081	762,754			762,754
Rental income					12,200			12,200
Contributions		\$235,172	\$ 1,100	236,272		\$ 233,298	\$ 1,100	234,398
Special events		90,150		90,150		127,400		127,400
Investment income (Note 4)	178,084	(85,458)		92,626	193,178	324,961		518,139
Other revenues	65,117			65,117	65,150			65,150
Net assets released from restrictions (Note 7)	342,913	(342,913)			403,322	(403,322)		
<b>Total revenues and other support</b>	<b>15,676,613</b>	<b>(103,049)</b>	<b>1,100</b>	<b>15,574,664</b>	<b>15,497,347</b>	<b>282,337</b>	<b>1,100</b>	<b>15,780,784</b>
<b>Expenses</b>								
Program services								
Advocacy	2,665,467			2,665,467	2,507,609			2,507,609
Professional competency	6,955,262			6,955,262	7,241,290			7,241,290
Public trust	669,172			669,172	751,412			751,412
Recognition and visibility	1,674,625			1,674,625	1,536,383			1,536,383
Recruitment and retention	137,971			137,971	74,891			74,891
<b>Total program services</b>	<b>12,102,497</b>			<b>12,102,497</b>	<b>12,111,585</b>			<b>12,111,585</b>
Supporting services								
Governance and administration	3,230,692			3,230,692	3,160,334			3,160,334
Fund raising	12,926			12,926	12,517			12,517
<b>Total supporting services</b>	<b>3,243,618</b>			<b>3,243,618</b>	<b>3,172,851</b>			<b>3,172,851</b>
<b>Total expenses</b>	<b>15,346,115</b>			<b>15,346,115</b>	<b>15,284,436</b>			<b>15,284,436</b>
Change in net assets (Exhibit C)	330,498	(103,049)	1,100	228,549	212,911	282,337	1,100	496,348
Net assets - beginning of year	1,441,168	2,543,034	50,700	4,034,902	1,228,257	2,260,697	49,600	3,538,554
Net assets - end of year (Exhibit A)	\$ 1,771,666	\$2,439,985	\$51,800	\$ 4,263,451	\$ 1,441,168	\$2,543,034	\$50,700	\$ 4,034,902

See independent auditor's report.  
The accompanying notes are an integral part of these statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

## YEARS ENDED MAY 31, 2008 AND 2007

	2008	2007	Exhibit C
Cash flows from operating activities			
Change in net assets (Exhibit B)	\$ 228,549	\$ 496,348	
Adjustments to reconcile change in net assets to net cash provided by operating activities			
Depreciation and amortization	352,008	350,566	
Permanently restricted contributions	(1,100)	(1,100)	
Realized and unrealized loss (gain) on investments	171,521	(239,149)	
Decrease (increase) in assets			
Accounts receivable	(32,819)	(79,351)	
Prepaid expenses	240	148,552	
Increase (decrease) in liabilities			
Accounts payable and accrued expenses	(421,732)	213,954	
Deferred member dues and unearned subscriptions and fees	38,105	847,996	
Deferred rent	(8,214)	95,952	
<b>Net cash provided by operating activities</b>	<b>326,558</b>	<b>1,833,768</b>	
Cash flows from investing activities			
Purchases of fixed assets	(153,120)	(121,058)	
Proceeds from sales of investments	696,841	554,706	
Purchases of investments	(1,013,849)	(847,273)	
<b>Net cash used by investing activities</b>	<b>(470,128)</b>	<b>(413,625)</b>	
Cash flows from financing activities			
Principal payments on capital lease obligations	(33,121)	(30,791)	
Permanently restricted contributions	1,100	1,100	
<b>Net cash used by financing activities</b>	<b>(32,021)</b>	<b>(29,691)</b>	
Net increase (decrease) in cash and cash equivalents	(175,591)	1,390,452	
Cash and cash equivalents - beginning of year	5,940,285	4,549,833	
Cash and cash equivalents - end of year	\$ 5,764,694	\$ 5,940,285	
Supplemental disclosure of cash flow information			
Cash paid during the year for interest	\$ 2,827	\$ 5,157	
See independent auditor's report.			
The accompanying notes are an integral part of these statements.			

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MAY 31, 2008 AND 2007

### NOTE 1 - NATURE AND PURPOSES OF THE ORGANIZATION

The New York State Society of Certified Public Accountants (the "Society") is a not-for-profit membership organization, the purpose of which is to provide its members with the following broad areas of service: education, publications, ethical practice, protection of the profession, advancement of the profession and other membership benefits. The accompanying consolidated financial statements reflect the revenue, expenses, assets, liabilities and net assets of the Society and its affiliated entities described in the following paragraphs, as well as those of the Society's various chapters. The Society is exempt from federal taxes under section 501(c)(6) of the U.S. Internal Revenue Code (the "Code") and from state and local taxes under comparable laws. The primary sources of revenue are membership dues, publications and services to members.

The Foundation for Accounting Education, Inc. (the "Foundation"), is a not-for-profit organization, the purpose of which is to engage in education, research and related activities in the field of accountancy, including the sponsorship of courses and seminars to provide continuing education for members of the profession. In addition, the Foundation provides information on career opportunities in the profession and scholarship assistance at the undergraduate level. The Foundation is exempt from federal taxes under section 501(c)(3) of the Code and from state and local taxes under comparable laws. The primary source of revenue is contributions.

The New York State Society of Certified Public Accountants Benevolent Fund, Inc. (the "Benevolent Fund") is a not-for-profit organization, the purpose of which is to aid members and their families who are in need of financial assistance and to provide referral services for members suffering from substance-abuse disorders. The primary sources of revenue are contributions and bequests from members of the Society and income derived from investments. The Benevolent Fund is exempt from federal taxes under section 501(c)(3) of the Code and from state and local taxes under comparable laws.

The New York State Society CPA PAC, Inc. (the "PAC") is a not-for-profit organization, the purpose of which is to provide for the mutual assistance, advancement and recognition of its members and the profession of public accounting by promoting participation in political activities in New York State. As a political organization, the PAC is subject to corpo-

rate tax on its taxable income. The primary source of revenue is contributions.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of consolidation** - The accompanying consolidated financial statements include the financial position, operating activities and cash flows of the Society, the Foundation, the Benevolent Fund and the PAC (together, the "Organization"). All significant intercompany accounts and transactions have been eliminated in consolidation. The individual entities have interrelated directors/trustees and share common facilities and personnel. Various expenses, including occupancy costs and salaries, have been allocated among the Society, the Foundation, the Benevolent Fund and the PAC based upon services rendered by common personnel and usage of common facilities. The accompanying consolidated financial statements of the Organization have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit entities.

**Functional expenses** - Expenses are classified according to the categories for which they were incurred and are summarized on a functional basis in the accompanying consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization has moved towards a comprehensive system of strategic planning which is based on five major goals—Advocacy, Professional Competency, Public Trust, Recognition and Visibility, Recruitment and Retention and an additional goal for administrative support covering the five main goals, referred to as Governance and Administrative. Expenses for both fiscal 2008 and 2007 are now classified according to these strategic budget categories. The purposes of these various categories are as follows:

#### Advocacy

To promote the professional interests of its members in pursuit of the interests of the profession and the public, and to develop the grassroots process, impact legislation, impact regulations, impact public policy and increase recruitment programs.



### Professional Competency

To enable members to have access to resources to realize their full potential as competent, educated, ethical and trusted professionals. This program strengthens the peer review process, strengthens the ethics process, strengthens *The CPA Journal*, develops thought-leading forums, and provides a meaningful education program to provide the most current information for the industry members and the most current information about ethics and fraud prevention.

### Public Trust

The Public Trust will be maintained through the Society's commitment to its ethics enforcement program, which disciplines those members who violate or ignore the Society's Code of Professional Conduct; and through effective execution in New York State of the AICPA's practice monitoring program.

### Recognition and Visibility

To ensure that the value and contribution of CPAs are universally recognized. This program strengthens *The Trusted Professional* by including committee and chapter materials, strengthens the Web site by including legislative, legal and ethical materials, and increases media visibility.

### Recruitment and Retention

The Society will use the four previous strategic goals to create a compelling value proposition to convince high school students to pursue the CPA profession; convince eligible non-members to join the Organization; and convince exiting members to retain membership in the Organization.

### Governance and Administration

To ensure that the Organization has the appropriate governing structure to serve the membership's services and needs, as well as capture the costs associated with the common management and general expenses of the Organization.

**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 may differ from those estimates.

**Cash and cash equivalents** - The Organization considers all highly liquid financial instruments purchased with original maturities of three months or less to be cash equivalents.

**Accounts receivable** - Accounts receivable are reported at their outstanding unpaid principal balances reduced by an allowance for doubtful accounts. The Organization estimates doubtful accounts based on historical bad debts, factors related to specific members and customers' ability to pay and current economic trends. The Organization writes off accounts receivable against the allowance when a balance is determined to be uncollectible.

**Investments** - Investments in securities are reported at their quoted market values, with gains and losses included in the consolidated statement of activities.

**Fixed assets** - Fixed assets are recorded at cost. Purchases of furniture and equipment, data processing systems and leasehold improvements are capitalized, whereas costs of maintenance and repairs are charged to expense as incurred. Depreciation is provided for using the straight-line method over the estimated useful lives of three to ten years for furniture and equipment and three to five years for data processing systems. Leasehold improvements are amortized over either the remaining term of the underlying lease or the useful lives of the improvements, whichever is shorter, using the straight-line method.

**Net assets** - The net assets of the Organization and changes therein are classified and reported as follows:

#### Unrestricted

Unrestricted net assets represent those resources that are not subject to donor restrictions.

#### Temporarily Restricted

Temporarily restricted net assets represent those resources that are subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time. Net assets released from restrictions represent the satisfaction of the restricted purposes.

#### Permanently Restricted

Permanently restricted net assets represent those resources that are subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments, and the net capital appreciation thereon, for general or specific purposes.

The net assets of the Benevolent Fund and the PAC are classified as temporarily restricted as they arise from contributions made for the restricted purposes of these entities.

**Contributions** - Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as temporarily restricted or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give are recorded as receivables and revenues and are recognized when the promises are made, at their net present value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The amounts are computed using risk-free interest rates. Conditional promises to give are not included in support until the conditions are substantially met.

**Dues and dues receivable** - The Society receives dues from its members. Dues received for the current year's membership are recognized as revenue in the current year. The revenue arising from dues received for a future year's membership is deferred until that year. Revenue from amounts received in advance for *The CPA Journal* subscriptions and for other purposes (e.g., fees for future conferences) is deferred to the applicable year.

**Advertising costs** - Costs of promotion and advertising are expensed as incurred. For the fiscal years ended May 31, 2008 and 2007, advertising expense amounted to \$423,428 and \$448,463, respectively.

### NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	2008	2007
Advertising	\$ 131,008	\$ 125,814
Membership dues	120,470	17,851
Peer review administration fees	5,423	10,538
Educational classes	5,576	12,821
Other	46,205	55,939
Total accounts receivable	308,682	222,963
Less allowance for doubtful accounts	(65,483)	(12,583)
Net accounts receivable	\$ 243,199	\$ 210,380

### NOTE 4 - INVESTMENTS

At each fiscal year end, the fair value of the Organization's investments was as follows:

	2008	2007
Mutual fund	\$2,009,487	\$1,785,486
Equity securities	1,099,326	1,177,840
	\$3,108,813	\$2,963,326

The following schedule summarizes the Organization's investment return for each fiscal year:

	2008			2007		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Interest and dividend income	\$172,646	\$114,231	\$286,877	\$191,664	\$108,206	\$299,870
Net realized gains (losses)	6	60,345	60,351	(10)	76,713	76,703
Net unrealized gains (losses)	7,303	(239,175)	(231,872)	2,845	159,601	162,446
Investment fees	(1,871)	(20,859)	(22,730)	(1,321)	(19,559)	(20,880)
Total investment return	\$178,084	\$(85,458)	\$ 92,626	\$193,178	\$324,961	\$ 518,139

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Organization's balance sheet.

### NOTE 5 - FIXED ASSETS

Fixed assets consist of the following:

	2008	2007
Furniture and equipment	\$292,932	\$289,439
Data processing system	494,250	462,009
Leasehold improvements	1,687,180	1,687,180
	2,474,362	2,438,628
Less accumulated depreciation and amortization	(1,137,987)	(903,365)
	\$1,336,375	\$1,535,263

Depreciation and amortization of property and equipment amounted to \$352,008 and \$350,566 for the fiscal years ended May 31, 2008 and 2007, respectively. During fiscal year 2008, the Organization wrote off fully depreciated property and equipment amounting to \$117,386.

**NOTE 6 - BANK CREDIT FACILITY**

The Society maintains a credit facility with a bank whereby it is permitted to borrow up to a maximum of \$500,000 under a line of credit facility for working capital purposes. Additionally, the Society can borrow \$500,000 under a term loan facility for a period of two years. Interest is payable on any outstanding balances of the line of credit and term loan at the bank's prime rate. The credit facility is guaranteed by the Foundation and secured by substantially all of the Society and Foundation's unrestricted assets. There were no outstanding balances under all existing credit facilities as of May 31, 2008 and 2007.

**NOTE 7 - TEMPORARILY RESTRICTED AND PERMANENTLY RESTRICTED NET ASSETS**

Temporarily restricted net assets at each fiscal year end were available for the following activities:

	<u>2008</u>	<u>2007</u>
Career opportunities in the accounting profession	\$ 48,518	\$ 48,519
Undergraduate scholarships	1,602,691	1,684,954
Benevolent Fund	579,104	594,472
PAC	204,469	208,634
Lecture series	5,203	6,455
	<u>\$2,439,985</u>	<u>\$2,543,034</u>

Net assets released from restrictions during each fiscal year consist of the following:

	<u>2008</u>	<u>2007</u>
Career opportunities in the accounting profession	\$188,728	\$182,597
Undergraduate scholarships	82,706	106,592
Benevolent Fund	110	1,910
PAC	71,369	112,223
	<u>\$342,913</u>	<u>\$403,322</u>

Permanently restricted net assets at each fiscal year end represent endowment corpus to be held in perpetuity. The income from these net assets is expendable to support the following career development activities:

	<u>2008</u>	<u>2007</u>
Lecture series	\$15,000	\$15,000
Scholarships	36,800	35,700
	<u>\$51,800</u>	<u>\$50,700</u>

**NOTE 8 - RETIREMENT PLAN**

The Organization maintains a deferred-compensation 401(k) retirement plan for all qualifying employees. Qualifying employees may elect to contribute up to the federal tax law limitations. The Organization contributes 3% of all eligible employees' salaries and, subject to a matching contribution limitation of 50% of the respective employee's salary, matches one-half of these employees' elective contributions. Amounts contributed by the Organization to this plan totaled \$272,823 and \$250,683 for the fiscal years ended May 31, 2008 and 2007, respectively.

**NOTE 9 - COMMITMENTS**

The Organization has a lease agreement that expires in August 2013. Provisions of the lease include incentives covering \$500,000 for construction allowance payable from November 2004 through October 2006, a rental subsidy of \$74,709 through October 2004 and sublease payments throughout the life of the lease. In addition, the lease requires payment of escalation rentals for certain operating expenses and real estate taxes. Also, the Organization has a standby letter of credit in the amount of \$1,166,000 with the same bank providing its other credit facilities, in lieu of providing a security deposit. The sublease provides for the Organization to charge for increases in real estate taxes and operating costs in addition to minimum rentals. Minimum future rental payments under this lease and sublease are summarized as follows:

	<u>Gross</u>	<u>Sublease</u>	<u>Net</u>
2009	\$1,358,500	\$271,477	\$1,087,023
2010	1,386,000	281,000	1,105,000
2011	1,386,000	281,000	1,105,000
2012	1,386,000	281,000	1,105,000
2013	1,386,000	281,000	1,105,000
Thereafter	346,500	70,250	276,250

Rent expense (including charges for operating expenses and taxes) is recognized using the straight-line method over the term of the lease, and amounted to \$1,759,437 and \$1,630,094 for the fiscal years ended May 31, 2008 and 2007, respectively.

The Society entered into an employment agreement dated June 1, 2006 with its Executive Director. The agreement originally provided for a two-year term with two one-year extensions, but was amended effective May 17, 2007 to extend the original term so that it now runs from June 1, 2006 through May 31, 2010.

**NOTE 10 - CAPITAL LEASE OBLIGATION**

The Society leases four computers under a capital lease that is payable in aggregate monthly installments of \$2,996, including interest imputed at 7.32% per annum, maturing in December 2008. These computers had a carrying value of \$19,064, net of accumulated amortization of \$35,197 at May 31, 2008. Interest expense for 2008 and 2007 was \$2,827 and \$5,157, respectively.

The future minimum lease payments under the capital lease are as follows:

2009	\$ 20,969
Less amount representing interest	(503)
Capital lease obligation	<u>\$ 20,466</u>

**NOTE 11 - CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions which, from time to time, exceed federal insurance limits. The Organization does not have a material concentration of credit risk with respect to accounts receivable due to its large number of members and generally short payment terms.

**NOTE 12 - MERGER OF BENEVOLENT FUND**

Subsequent to the balance sheet date, the Board of Directors voted to merge the Benevolent Fund into the Foundation. This will be effective in fiscal year 2008-2009.

**NOTE 13 - FUNCTIONAL EXPENSES**

	<u>2008</u>	<u>2007</u>
Program services	\$ 12,102,497	\$ 12,111,585
Supporting services	3,243,618	3,172,851
Investment fees	22,730	20,880
	<u>\$ 15,368,845</u>	<u>\$ 15,305,316</u>



# ACTIVITIES BY ENTITY

## YEAR ENDED MAY 31, 2008

Schedule 1

	New York State Society of Certified Public Accountants	Foundation for Accounting Education, Inc				Benevolent Fund	PAC		
	Unrestricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Temporarily Restricted	Temporarily Restricted	Eliminations	Total
Revenues and other support									
Membership dues	\$7,265,721								\$7,265,721
Education fees		\$4,379,856			\$4,379,856				4,379,856
The CPA Journal	1,088,397								1,088,397
Member services	957,937								957,937
Chapter activities	919,124								919,124
The Trusted Professional	156,383								156,383
Shows and exhibits		323,081			323,081				323,081
Contributions		452,201	\$172,971	\$ 1,100	626,272	\$ 10	\$ 62,191	\$(452,201)	236,272
Special events			90,150		90,150				90,150
Investment income	153,897	24,187	(75,203)		(51,016)	(15,268)	5,013		92,626
Other revenues	63,161	74,456			74,456			(72,500)	65,117
Net assets released from restrictions		271,434	(271,434)						
Total revenues and other support	10,604,620	5,525,215	(83,516)	1,100	5,442,799	(15,258)	67,204	(524,701)	15,574,664
Expenses									
Program services									
Advocacy	2,372,950	293,899			293,899	110	71,008	(72,500)	2,665,467
Professional competency	2,549,818	4,857,645			4,857,645			(452,201)	6,955,262
Public trust	669,172								669,172
Recognition and visibility	1,674,625								1,674,625
Recruitment and retention	137,971								137,971
Total program services	7,404,536	5,151,544			5,151,544	110	71,008	(524,701)	12,102,497
Supporting services									
Governance and administration	2,856,660	373,671			373,671		361		3,230,692
Fund raising	12,926								12,926
Total supporting services	2,869,586	373,671			373,671		361		3,243,618
Total expenses	10,274,122	5,525,215			5,525,215	110	71,369	(524,701)	15,346,115
Change in net assets	330,498	-	(83,516)	1,100	(82,416)	(15,368)	(4,165)		228,549
Net assets - beginning of year	1,441,168		1,739,928	50,700	1,790,628	594,472	208,634	-	4,034,902
Net assets - end of year	\$1,771,666	\$ -	\$1,656,412	\$51,800	\$1,708,212	\$579,104	\$204,469	\$ -	\$4,263,451

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# New Members

## Welcome New NYSSCPA Members

This list includes new members from Society chapters in alphabetical order, as well as out-of-state members, who joined the NYSSCPA between May 15, 2008 and Sept. 18, 2008. New members in chapters "A" through "M" can be found in the Nov. 15 issue.

### Northeast Chapter

James Alund Jr.  
Donna Arini  
Akua Awuah  
Sarah R. Benas  
Adam Bender  
Daniel Berryann  
Sidney S. Borthwick  
Amy Gilbert  
Christopher Halstead  
Emily M. Kindt  
Melanie Kudlacik  
Melissa Lanne  
Bryan Mahoney  
David M. Pascale  
Valerie Siebert  
Andrea Voyer  
Sandra L. Zelka  
Guangyu Zhu-Weaver

Ka'Sheena Smith  
Robert F. Spatola Jr.  
Tyler Standish  
DeAnna Stanek  
Susan E. Sullivan  
William Ueland  
Stephen Vandale  
Nakiya Wyatt  
Andrew E. Young  
Debra A. Zarzycki

### Rockland Chapter

Joel Bender  
Denise A. Collins  
Adam Fox  
Steven S. Kopstick  
Jennifer A. Pafumi  
Carlton A. Prince  
Kimberly Sandler

### Queens Chapter

Ilyas Akbar  
Kirill Baytalskiy  
Mark Berger  
Yitzchok Diskind  
Andrew E. Finiasz  
Antonio Guadagnino  
Li Guo  
Morshedul Haque  
Pinchas Hirshman  
Kristi King  
Peterson Labranche  
Matthew Lai  
Keung M. Lee  
Adrienne Leon  
Shek K. Leung  
Jia Li  
Sam Li  
Keke Lin  
Manika Maharjan  
Sima Makwana  
Selina S. Man  
Sean Martell  
Marsha M. McGrath  
Braho Mimosza  
Joshua Mintz  
Daniel Montanez  
Leonard Nangle  
Aadaeze Onwugbenu  
Jorge A. Osorio  
Frank Perez  
John Rhee  
Anish Sam  
Stacy A. Sand  
Anna Sciortino  
Jonathan T. Stiegler  
Christopher Thorn  
Karen Wong  
Su Zuo

### Southern Tier Chapter

Nicole Brown  
Veronica C. DeMarmels  
Spring Piroha  
James S. Savory  
Amanda Schwarztrauber

### Staten Island Chapter

Francesco L. Arlia Jr.  
James Bulger  
Paul Cordasco  
Robert A. Danza  
JingYu Deng  
Robert Kornecki  
Deborah A. Last  
Don Levy  
Brian Uhlman

### Suffolk Chapter

Daniel J. Albanese  
Reno Amorizzo  
Rosalie Avitabile  
Karin Blaney  
Matthew Brellis  
Thomas Brown  
Dawn A. Bushell  
Brian Carroll  
Richard K. Chan  
Nicole Ciccariello  
Alicja Czaja  
Matthew Doughty  
Sandra M. Eisele  
Kevin Ellis  
Vinny Gallucci  
Jaime Gehrke  
Laura Giannini  
Lisa Gode  
William R. Greene  
Paul Guzzo  
Katherine Hedges  
Kelly Jackson  
Galina Kaloyanova  
Matthew M. Kelleher  
Sean Kelly  
Michael Kirst  
Jennifer Kreuter  
Erin M. Leary  
Candis Lee A. Marsico  
Megan McIver  
Timothy J. McMaugh  
Theresa Meyer  
Jimmy Meza  
Rasa Mitrulevicene  
Sherry-Ann S. Mohan  
Isabella Napolitano  
Patty Nelson  
Cheryl Noll  
Mark M. Piscitelli  
Jason Saladino  
Norma Isabel Sanchez  
Charcape  
Theresa D. Serin  
Margaret A. Simons  
Bradley H. Smallberg  
Andrea Smith

Stacie L. Sorenson-Lederer  
Robin L. Stifanich  
Melisa Stiles  
Robert J. Strebel  
Hitesh Thakkar  
Douglas Varrichio  
Nicole Verdone  
Peter Vogel  
Michael C. Wasileski  
Michael Whelan  
Amanda Yardley  
Saulius Zilinskas

### Syracuse Chapter

Donald E. Albright  
Krista Babiarz  
Dagmar Borys  
Edward F. Burdick  
Connie Chiu  
Mark R. Ciaralli  
Craig A. Clark  
David T. Corey Jr.  
Sean T. Daughton  
Tracey Doane  
Johanna Dorrance  
Julie Eurenus  
Shayann K. Ferris  
Michael G. Fralix  
Russell J. Green  
Michael Hines  
Nathan Hunter  
David W. Jodlowski  
Christopher J. Kuroski  
Kenneth Makowski  
Timothy Pethybridge  
Laura S. Ranger  
Vincent Salvagni  
Bethany Urban  
Jamie White  
Dori A. Williams

### Utica Chapter

Christopher Armendola  
Rose Ann Greig  
Melissa Parzych  
Ginger Sacco  
Albert F. Sakowicz  
Marie Walker  
Nichole K. Weaver

### Westchester Chapter

Joumana G. Almansab  
Cindy L. Cavallucci  
Matthew J. Corona  
Rafael DeLosAngeles  
Michael J. DiCostanzo  
Kimberly Dore  
Dennis J. Ellis  
Jesus E. Espitia  
Mildred E. Fisk  
Katharina Frenzel  
Alejandro Galeano  
Jeffrey S. Gallotta  
Leidy Gil  
Patricia Gooden  
Jessica Gradowitz  
Clifford Hayhurst  
Nicole Johnson  
Anna Kalamarz  
Richard T. Kellner  
Melissa Kennedy  
Tony W. Khalil  
Brian Kirkwood  
Benjamin P. Kraisky  
Mark T. Lindig  
Margaret Lishnoff  
Elizabeth Lyons  
Denise Magnani  
Osvaldo McCoy  
Tom I. Nawabi  
Joel Peck  
Jonathen Scalzitti  
Donna Vittoria

Mark Your Calendar!

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# CHAPTER NEWSLETTERS

## HOW ARE THE CLIENTS FARING?

By **VALERIE LUM**  
*Trusted Professional Staff*

Some CPAs, in talking about the financial crisis, point to the fall of Lehman Brothers as the lowest point. Others see a crisis that has been building for at least 15 months and worry that the worst is yet to come.

All agree that the country is in the midst of a recession, and many have clients trying to figure out how to survive the stalled—or slowly thawing—credit markets.

In **Ginger Broderick's** experience, the clients that rely most heavily on credit lines are midsize companies valued between \$10 to \$30 million.

"People that have had very good credit, and have worked hard to maintain it, have found that their lines are frozen," said Broderick, a member of the Manhattan/Bronx Chapter. "It's loosening up now, but it's a shock when suddenly the banks freeze them."

But if you ask NYSSCPA member **David G. Friehling**, past president of the Rockland Chapter, he'll tell you most of his small business clients are more concerned about rising taxes than frozen credit.

"In general, taxes in New York will be rising and there's no way around it," Friehling said. "Hopefully the economy will improve so when you pay taxes, you won't feel it as much."

Suffolk County is composed of myriad small- to medium-sized businesses that have helped the area mitigate some of the negative impacts of the financial crisis, said **Paul Becht**, vice president of the Suffolk Chapter.

"There isn't one large employer in the area that, because of a downturn, would lay off thousands of people," he said. "I guess

there's a large amount of businesses on the island that have been careful about their growth."

Becht also noted that he had some clients that have been working with banks to restructure their debt. For the most part, he said, banks have been willing to help—if clients continue to communicate about their situation.

### Not Quite Business as Usual

**Robert H. Moses** has been working for the past five years as a counselor at SCORE, the nonprofit designed to help burgeoning businesses get loans, and lately, he's been wondering if one of his clients is going to be able to get approval.

There was a time when Moses, a member of the Manhattan/Bronx Chapter, wouldn't have been as concerned. His client has good credit based on a high Fair Isaac Corporation (FICO) score and has a good amount of collateral. However with the recent tightening of credit lines from banks, he's just not so sure.

"In general, right after Congress passed the bailout, it got much harder," Moses said. "People got turned down who might not have before then."

Although he believes credit is gradually loosening up, Moses said that, in general, banks have raised their standards for lending out money.

**Betty L. Wall**, a member of the Nassau Chapter, said she noticed that banks have been more cautious about keeping track of loans. A client of Wall's with an outstanding loan was recently called by a lender representative, asking for a financial statement and tax returns for 2007.

"It was a surprise because the loan itself was very small," Wall said. "The banks were just making sure each partner was as financially secure as they were when they made the loans initially."

### Balancing a Nonprofit

**Derek Flanagan**, a member of the Westchester Chapter, said nonprofit clients are concerned both with government funding and getting credit lines from banks.

"Certain government funding agencies have basically stopped the funding of expansion facilities," Flanagan said, inhibiting some businesses' ability to grow.

Since most of his nonprofit clients have government contracts up for renewal in the next few months, he said he's not sure how banks will react when it comes to extending credit lines to nonprofits. He said a lot of wariness stems from a lack of understanding of how nonprofits work.

"Many not-for-profits operate on funding from government contracts that get renewed annually," Flanagan said. "You can have contracts that are renewed for decades, yet sometimes the banks are not comfortable

## Upcoming Events



Date	Chapter	Event	Location
Dec. 1	Westchester	Individual and Estate Planning Taxation Conference	Citigroup Conference Center
Dec. 2	Nassau	Nassau Chapter Blood Drive	Lake Success Donor Center
Dec. 2	Mid Hudson	Accounting and Auditing Update Seminar	Hilton Garden Inn
Dec. 2	Suffolk	Managing Partners Dinner	Blackstone Steakhouse
Dec. 3	Manhattan/Bronx	South Africa Wine Tasting	FAE Conference Center
Dec. 3	Rockland	Annual Networking Night	Casa Mia Manor House
Dec. 3	Suffolk	Accounting and Auditing Committee Meeting on IFRS	Holtz Rubenstein Reminick
Dec. 4	Nassau	Practice Continuity and Succession	On Parade Diner
Dec. 4	Northeast	All-Day Taxation Conference	Normanside Country Club
Dec. 4	Syracuse	Syracuse Chapter Board Meeting	Testone, Marshall & Discenza
Dec. 4	Utica	Texas Hold 'em Poker Tournament	Tom Cavallo's
Dec. 5	Rockland	Second Entrepreneurial Contest	Rockland Community College
Dec. 6-7	Nassau	All-Day Tax Conference	Long Island Marriott
Dec. 9	Westchester	Accounting and Auditing Update	Crowne Plaza
Dec. 10	Buffalo	Proven CPA Marketing Strategies	Garden Place Hotel
Dec. 10	Mid Hudson	Holiday Mixer	The Gardens on Catlin Creek
Dec. 10	Nassau	Case Study in Forensic Accounting	Holtz Rubenstein Reminick
Dec. 10	Syracuse	Updates on Pension Protection Act	Bryant and Stratton College
Dec. 12	Suffolk	Toys for Tots Drive Pickup	Sheehan & Company
Dec. 13	Suffolk	Annual All-Tax Day Conference	Hyatt Regency
Dec. 15	Buffalo	Tax Practitioner Update	201 Como Park Boulevard
Dec. 16	Nassau	Preparer Penalties and Proposed Regulations Estate and Fiduciary Accounting and Return Preparation	Margolin, Winer & Evans
Dec. 16	Staten Island	Holiday Celebration	The Renaissance Caterers
Dec. 17	Manhattan/Bronx	Young CPAs Toys for Tots	Galway Hooker
Jan. 8	Westchester	Managing Partner Breakfast	Crowne Plaza
Jan. 14	Manhattan/Bronx	Credit Card Debt Seminar	FAE Conference Center
Jan. 14	Nassau	Business Valuations Skills	Holtz Rubenstein Reminick
Jan. 27	Manhattan/Bronx	Turning Charitable Planning into Your Competitive Edge	FAE Conference Center

Contact your chapter officers for more information on the above events.

## CHAPTER CONTENTS

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with those revenue streams."

In the meantime, Flanagan said he is advising his nonprofit clients to keep a close watch over their expenditures.

"Many nonprofits more or less function on a break-even basis," Flanagan said. "And with the cutbacks proposed by the state and local governments, every dollar they lose in funding is going to translate in[to] a dollar in spending they need to reduce."

The credit crunch and economic downturn have not only affected the clients of CPAs, but have also affected the way CPAs market themselves.

Broderick said that she was recently referred to a business to run its payroll. She suggested to company management that instead of hiring a service, she could teach the skills to the staff.

"It's what I do to obtain more business because people are shopping around for better professional fees," Broderick said.

When it comes to counseling his clients, Moses said that he works a lot on improving his client's FICO scores. Although his clients have received improved scores by paying their bills on time and reducing outstanding credit limits, he still sees some clients having a hard time receiving loans.

"The money seems to be there and the government seems to be providing the money," Moses said. "So why aren't banks lending more?"

Valerie Lum, Staff Writer, can be reached at [vlum@nysscpa.org](mailto:vlum@nysscpa.org).

Nassau

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	<b>CPE Credits:</b> 8	<b>56<sup>th</sup> ANNUAL NASSAU CHAPTER ALL-DAY TAXATION CONFERENCE</b>	Total Amount: \$_____
<b>Conference and Committee Chairs</b> Jack Angel, CPA Stephen Ng, CPA Mark Plostock, CPA	<b>Course Level:</b> Basic/Intermediate	Saturday, December 6, 2008, or Sunday, December 7, 2008	<b>Method of Payment</b> <input type="checkbox"/> Checks Payable to FAE <input type="checkbox"/> American Express <input type="checkbox"/> MasterCard <input type="checkbox"/> Visa Credit Card No. _____ Card Holder's Name _____ Card Holder's Signature _____
<b>Conference Coordinator</b> Joyce Lewis Foundation for Accounting Education	<b>Course Codes:</b> <b>28603924 (December 6)</b> <b>28603925 (December 7)</b>	<b>Long Island Marriott Hotel &amp; Conference Center 101 James Doolittle Boulevard Uniondale, NY 11553</b>	Exp. Date _____
<b>Location</b> Long Island Marriott Hotel & Conference Center 101 James Doolittle Boulevard Uniondale, New York 11553	<b>Topics:</b> Current Developments in Federal Taxation, Elder Law Update, Hedge Fund K-1 Reporting, New York State E-File Mandate, New York State Tax Enforcement Update and Preparer Penalties, Current Trends in Estate Tax Planning, New York State and Local Update, and Case Studies in Sales Tax Nightmares	<b>Are You a CPA?</b> Yes <input type="checkbox"/> No <input type="checkbox"/> <b>Member of the NYSSCPA?</b> Yes <input type="checkbox"/> No <input type="checkbox"/> <b>CPA Certificate No.</b> / / / / / / / / <b>Member of the AICPA?</b> Yes <input type="checkbox"/> No <input type="checkbox"/> <b>Member ID No.</b> / / / / / / / / <b>Member of another CPA society?</b> Yes <input type="checkbox"/> No <input type="checkbox"/>  Name _____ Firm _____ Address _____ City _____ State _____ Zip _____ Telephone _____ Fax _____ E-Mail _____	<b>Walk-ins:</b> All individuals who register on the date of the program will be charged an addi- tional \$25 fee.
<b>Designed for:</b> Financial professionals who have basic knowledge of taxation.		<b>Total Amount Enclosed</b> Attendee(s) December 6 _____ December 7 _____ Member Fee \$150 _____	<b>Refunds:</b> No refunds will be given for cancella- tions received less than 2 weeks before the program date. A \$25 processing fee will be deducted for cancellations received more than 2 weeks before the program date. <b>Register online at <a href="http://www.nysscpa.org">www.nysscpa.org</a> or fax to (212) 719-3365, or phone (800) 537-3635.</b>
<b>Objective:</b> To update participants on current developments in taxation.			
<b>Developer:</b> Foundation for Accounting Education; NYSSCPA's Nassau Chapter			
<b>Time:</b> 9:00 a.m.–5:15 p.m.			

<b>Litigation Support Committee</b> <b>Nassau Chapter of the New York State Society of Certified Public Accountants</b>	<b>REGISTRATION FORM</b>
<b>CASE STUDY IN FORENSIC ACCOUNTING &amp; BUSINESS VALUATION SKILLS</b> Learn from the experts about forensic accounting skills and tasks and how they are used in a business valuation calculation through a two-part program.	<b>CASE STUDY IN FORENSIC ACCOUNTING &amp; BUSINESS VALUATION SKILLS</b> Learn from the experts about forensic accounting skills and tasks and how they are used in a business valuation calculation through a two-part program.
<b>Forensic</b> – Wednesday, December 10, 2008 <b>Business Valuation</b> – Wednesday, January 14, 2009	<b>Forensic</b> – Wednesday, December 10, 2008 <b>Business Valuation</b> – Wednesday, January 14, 2009
<b>SPEAKERS:</b> Howard Fine, CPA/ABV, CVA, Gettry Marcus Stern & Lehrer, CPA, P.C.; Philip H. Kanyuk, CPA/ABV, ASA, partner, Litigation Support and Business Valuation Services, Holtz Rubenstein Reminick LLP; Stephen A. Linker, CPA, DABFA, M & K Rosenfarb, LLC; Nannette Watts, CPA/ABV, Financial Appraisal Services, Ltd.	<b>Location:</b> Holtz Rubenstein Reminick, 125 Baylis Road, Suite 300, Melville, NY 11747 <b>Time:</b> 8:00 a.m. –10:00 a.m.
<b>Location:</b> Holtz Rubenstein Reminick LLP, 125 Baylis Road, Suite 300, Melville, NY 11747 Time: 8:00 a.m. –10:00 a.m.	<b>Fee:</b> \$25.00 Professional Fee (Includes Continental Breakfast) for each event (\$50 for both) <b>CPE Credits:</b> 2 COURSE CODE: _____ Space is limited. Please RSVP at least one week prior to each event Please make checks payable to the NYSSCPA – Nassau Chapter and send to:  Colleen Columbia Holtz Rubenstein Reminick LLP, 125 Baylis Road, Suite 300, Melville, NY 11747 Tel: (631) 719-3352 Fax: (631) 719-3353 Email: ccolumbia@hrrllp.com
<b>Agenda:</b> Forensic Business Valuation Analytical Review Subject Company Analysis Indirect Proofs Normalizing the Balance Sheet & Income Statement  Field Work Valuation Approaches Normalizing Adjustments to Balance Sheet & Income Statement Marketability & Minority/Control Discounts & Premiums Reconciling Values	I will be able to attend the event on 12/10/08 _____ and/or 1/14/09 _____ and have enclosed a check for \$ _____ for _____ person(s). (If paying for more than one attendee, please attach a list of names.) (\$25.00 for each event or \$50.00 for both)
<b>Fee:</b> \$25.00 Professional Fee (Includes Continental Breakfast) for each event (\$50 for both) <b>CPE Credits:</b> 2 COURSE CODE: _____	Name: _____
Space is limited. Please RSVP at least one week prior to each event by using the attached form.	Firm: _____
Open to all NYSSCPA and CFE members, attorneys, bankers, and other professionals.	Address: _____
	City/State/Zip: _____
	Phone: _____
	Email: _____



A TECHNICAL MEETING SPONSORED BY  
FEDERAL & STATE TAXATION and ESTATE & FINANCIAL PLANNING COMMITTEES

“PREPARER PENALTIES AND THE PROPOSED REGULATIONS”  
And  
“ESTATE & FIDUCIARY ACCOUNTING AND RETURN PREPARATION”

Location: Margolin, Winer & Evens LLP  
400 Garden City Plaza, 5th Floor, Garden City, NY

Date & Time: Tuesday, December 16, 2008  
6:00 PM Dinner; 6:30 PM Conference

Guidance on Preparer Penalties and the Proposed Regulations Implementing  
Amendments to the Preparer Penalties

An overview of the Preparer Penalty Provisions of the Small Business and Work Opportunity Tax Act of 2007. The new proposed regulations, the substantial authority standard, and equalizing the standards between preparers and taxpayers.

Estate and Fiduciary Accounting and Return Preparation

A concise discussion of the accounting involved in the preparation of the decedent's Estate (Form 760) and Fiduciary (Form 1041) tax returns; focusing on "what goes where" and the interplay between the decedent's final form 1040, and the estate and fiduciary tax returns. An invaluable introduction for newcomers to the field.

**Guest Speakers:** Clifford Feitzinger, Margolin, Winer & Evens LLP; Kanho Jung, CPA, Margolin, Winer & Evens LLP; Micki Levine, CPA, Partner, Satty, Levine & Ciacco, CPAs, P.C.

**Chairpersons:** Jack Angel, CPA, Stephen Ng, CPA, Mark Plostock, CPA, Elizabeth Eckert, CPA, JD

OPEN TO ALL MEMBERS

**Course Code:** TBD

**CPE Credits:** 2

**Cost:** Free – CPE only; \$10 – CPE with Dinner

REGISTRATION FORM

“PREPARER PENALTIES AND THE PROPOSED REGULATIONS”  
And  
“ESTATE & FIDUCIARY ACCOUNTING AND RETURN PREPARATION”

Tuesday, December 16, 2008  
At Margolin, Winer & Evens LLP  
400 Garden City Plaza, 5th Floor, Garden City, New York

Please mail or fax registration to:

Stephen Ng, CPA  
Margolin, Winer & Evens LLP  
400 Garden City Plaza, 5th Floor  
Garden City, NY 11530

E-mail: sng@mwellp.com  
Telephone: (516) 240-4252  
Fax: (516) 747-9184

For Directions to Margolin, Winer & Evens LLP: <http://www.mwellp.com/>  
Telephone: (516) 747-2000

Stephen Ng:

☐ I will attend the dinner and CPE presentation at 6:00 PM  
and have enclosed a check for \$10.00 per  
person payable to NYSSCPA, Nassau Chapter.

☐ I will attend the CPE presentation at 6:30 PM, but cannot attend  
the dinner. No payment is required for the presentation portion.

Name: \_\_\_\_\_

Firm Affiliation: \_\_\_\_\_

Email: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

SAVE THESE DATES

**Nassau Chapter Blood Drive**  
**When:** Dec. 2, 2:00-7:30 p.m.  
**Where:** Lake Success Donor Center, 2500  
Marcus Avenue, Lake Success  
**Contact:** Abby Lucrezia at (516) 620-8543

**Practice Continuity and Succession Meeting**  
**When:** Dec. 4, 8:00 a.m.  
**Where:** On Parade Diner, 7980 Jericho  
Turnpike, Woodbury  
**Cost:** \$15 in advance, \$18 at the door  
**Contact:** Ginette Morris at  
ginette@morriscpas.com

**All-Day Tax Conference**  
**When:** Dec. 6-7, 9:00 a.m.-5:15 p.m.  
**Where:** Long Island Marriott, 101 James  
Doolittle Boulevard, Uniondale  
**Cost:** \$150 per day  
**Course Codes:** 28603924 and 28603925  
**CPE Credit Hours:** 8

**Case Study in Forensic Accounting**  
**When:** Dec. 10, 8:00-10:00 a.m.  
**Where:** Holtz Rubenstein Reminick, 125  
Baylis Road, Suite 300, Melville  
**Cost:** \$25 for class, \$50 for class and breakfast  
**CPE Credit Hours:** 2

**“Preparer Penalties and the Proposed  
Regulations” and “Estate and Fiduciary  
Accounting and Return Preparation”**  
**When:** Dec. 16, 6:00-8:30 p.m.  
**Where:** Margolin, Winer & Evans LLP,  
400 Garden City Plaza, 5th Floor, Garden City  
**Cost:** Free for CPE, \$10 for dinner  
**CPE Credit Hours:** 2

**Townhall Meeting**  
**When:** Jan. 8, 6:00-9:30 p.m.  
**Where:** Chateau Briand, 440 Old Country  
Road, Carle Place  
**Cost:** \$50

**Business Valuation Skills**  
**When:** Jan. 14, 8:00-10:00 a.m.  
**Where:** Holtz Rubenstein Reminick, 125  
Baylis Road, Suite 300, Melville  
**Cost:** \$25 for class, \$50 for class and breakfast  
**CPE Credit Hours:** 2

Utica

SAVE THIS DATE

**Texas Hold ‘em Poker Tournament**  
**When:** Dec. 4  
**Where:** Tom Cavallo’s, 40 Genessee Street  
#A, New Hartford

Mid Hudson

SAVE THESE DATES

**Accounting and Auditing Update  
Seminar**  
**When:** Dec. 2, 8:30 a.m.-5:00 p.m.  
**Where:** Hilton Garden Inn Hotel, 15  
Crossroad Court, Newburgh  
**Cost:** \$150 members, \$250 nonmembers  
**Course Code:** 28602932  
**CPE Credit Hours:** 8

**Holiday Mixer**  
**When:** Dec. 10  
**Where:** The Gardens on Catlin Creek,  
2865 Route 6, Slate Hill

## Manhattan/Bronx

## GIVING BACK TO THE COMMUNITY

By Barbara Marino, President of the Manhattan/Bronx Chapter

I want to thank the people who joined me on Oct. 18 to participate in the annual New York Cares Day. For those of you who are not familiar with this event, it's New York City's largest day of volunteer service, whereby public schools, city-wide, benefit from the time and effort given by the volunteers.



Barbara Marino,  
Manhattan/  
Bronx  
Chapter  
President

Our chapter went to P.S. 2X, located at 1260 Franklin Avenue in the Bronx. We helped paint lines in the school play area for baseball and hopscotch, painted murals in stairwell landings and on a retaining wall in the play space and unpacked and organized books. We worked with other groups that were assigned to this school, as well as with the school principal, Alexei Nichols, and teacher Catherine Netey. Several students who attend this school joined in the effort and, in some cases, were the artists who designed the murals that were painted. Even though we worked hard, we had a lot of fun, and the end result, which was to improve the place where many students spend most of their childhood, was priceless.

This year's event was a success. The following is a summary I received from the New York Cares Event:

"Congratulations to more than 8,000 caring New Yorkers who took part in New York City's largest day of volunteer service. In just one day, they painted hundreds of classrooms and hallways, organized 50

libraries, painted over 400 amazing murals, and much more, at 119 public schools city-wide. Thanks to them, more than 88,000 children will find their schools magically transformed into wonderful, vibrant places to learn and grow."

The chapter Board is planning to continue to participate in this event in the future, so next October, consider giving a little time to help improve the schools where our current children and future generations will be educated. The New York Cares Day is once a year, so you will have to wait until

next October to participate in that event;

however, the New York Cares Organization does hold other events throughout the year, such as the New York Cares Coat Drive held each December,

which is always looking for volunteers.

Please check out their Web site at [www.nycares.org](http://www.nycares.org)

I want to thank Margaret Hannon for her past and present help in organizing this event with the New York Cares Organization.

If you have any questions about this program or any of the chapter events, please do not hesitate to contact me directly.

Please visit the chapter Web site at [www.nysccpa.org](http://www.nysccpa.org) under Manhattan/Bronx Chapter.

Barbara Marino can be reached at [bmarino@thehackettgroup.com](mailto:bmarino@thehackettgroup.com).



Members of the Manhattan/Bronx Chapter joined the 8,000 people who volunteered for the New York Cares Day on Oct. 18. The Society volunteers spent the day painting P.S. 2X school in the Bronx. Front row, from left to right: Alexei Nichol, P.S. 2X principal; P.S. 2X student Jittima Rivas; Barbara Marino, chapter president; Maggy Keaveny; Margaret Hannon, chapter secretary; Gina Goodenow, executive board member; Loren Oakley; Buddy del Rosario, New York Cares representative; P.S. 2X student; Christine Li, chapter member. Back row, from left to right: Jeffrey Audain, chapter member; John Wilkinson; J. Michael Kirkland, past president.

## SAVE THESE DATES

**South Africa Wine Tasting**

**When:** Dec. 3, 6:00-8:30 p.m.

**Where:** FAE Conference Center, 3 Park Avenue, 19th Floor

**Cost:** \$40 members, \$45 nonmembers

**Course Code:** 45150905

*Net proceeds will be donated to Vision 57 a Cape of Good Hope, South Africa, education development program.*

**Young CPAs Toys for Tots Drive**

**When:** Dec. 17, 6:00 to 8:00 p.m.

**Where:** Galway Hooker, 7 East 36th Street, New York

**Cost:** A new unwrapped toy or a \$20 minimum donation

**Contact:** RSVP to Sue Burke at [sburke@bdo.com](mailto:sburke@bdo.com).

**Credit Card Debt Seminar**

**When:** Jan. 14, 6:00-8:00 p.m.

**Where:** FAE Conference Center, 3 Park Avenue, 19th Floor

**Cost:** Free

**Course Code:** 29150907

**CPE Credit Hours:** 2

**Turning Charitable Planning into your Competitive Edge**

**When:** Jan. 27, 6:00-8:00 p.m.

**Where:** FAE Conference Center, 3 Park Avenue, 19th Floor

**Cost:** \$10 members, \$15 nonmembers

**Course Code:** 29150908

**CPE Credit Hours:** 2

## The Manhattan/Bronx Young CPA Committee Invites You To Join Us For Our Second Annual Holiday Event

**Wednesday, December 17  
6 – 8 PM**

Enjoy a night of networking among your peers.  
Food and beverages will be provided.

7 East 36th Street (Between 5th Ave. and Madison Ave.)

Please bring a new unwrapped toy or a minimum \$20 donation for TOYS for TOTS.



**galway hooker**

Please RSVP to Sue Burke: [sburke@bdo.com](mailto:sburke@bdo.com)



## Suffolk

## TOYS FOR TOTS

By Cynthia Finn Barry, Suffolk Chapter Past President

The Young CPAs Committee of the Suffolk Chapter is participating in its 14th Annual Holiday Toy Drive to benefit the U.S. Marine Corps Toys for Tots Program. Once again, the campaign this year is expected to be the most successful effort to date.



Cynthia Finn Barry,  
Suffolk  
Chapter  
Past President

The Society's Young CPAs Committee was formed over 14 years ago to encourage the younger members of the Society to participate in events such as the Toys for Tots Program. The committee is also involved in various networking and professional development activities, which provide a forum for establishing professional relationships and creating leadership skills. I have organized the Suffolk Chapter's Toys for Tots Program since its inception 14 years ago, working closely with the U.S. Marine Corps and chapter members. The event has grown tremendously over the years, and, in 2007,

over 50 firms and local businesses participated in the program, collecting over 4,000 toys.

Traditionally, the drive lasts approximately six weeks and culminates in a ceremonial pickup at the office of Sheehan & Company. This year, the pickup is scheduled for Dec. 12 at 3:00 p.m. The night before the pickup, several committee members and other volunteers meet for a fun night of shopping at the local Toys "R" Us. We all enjoy picking out those toys that we loved as kids or would love to have now. Then, it's on to Sheehan & Company to arrange the toys for pictures and to make room for the remainder of the toys still to come.

Over the years, we have been extremely fortunate to have some of the most giving and charitable individuals, firms and businesses participate in our drive each year. State Bank of Long Island and First National Bank of Long Island have graciously allowed us to display our boxes in their branches over the past few years. Some of our boxes have even made it as far

as New York City!

Community service has always been a cornerstone of the Young CPAs Committee, and coordinating the annual Toys for Tots drive each year is extremely rewarding. All of the efforts of so many wonderful people each year are the reason that the drive is the success that it is. Thank you to all who have participated and contributed over the years. We

MESSAGE FROM  
THE PAST PRESIDENT

look forward to the holiday season, knowing that our efforts will make a difference to thousands of children this year.

If you would like to participate in this amazing campaign, please contact me for more information.

Cynthia Finn Barry can be reached at [cbarry@sheehancpa.com](mailto:cbarry@sheehancpa.com).

## SAVE THESE DATES

## Managing Partners Dinner

**When:** Dec. 2

**Where:** Blackstone Steakhouse, 10 Pinelawn Road, Melville

## Accounting and Auditing Committee Meeting on IFRS

**When:** Dec. 3, 8:00-10:00 a.m.

**Where:** Holtz Rubenstein Reminick Offices, 125 Baylis Road, Melville

**Cost:** Free

**CPE Credit Hours:** 2

## Toys for Tots Drive Pick Up

**When:** Dec. 12

**Where:** Sheehan & Company CPAs, 165 Orinoco Drive, Brightwaters

## All-Day Tax Conference

**When:** Dec. 13, 8:30 a.m.-5:00 p.m.

**Where:** Hyatt Regency, 1717 Motor Parkway, Hauppauge

**Cost:** \$150 members, \$250 nonmembers

**Course Code:** 28608926

**CPE Credit Hours:** 8

## Westchester

## OUR FINANCIAL SYSTEM NEEDS TRANSPARENCY

By Elliot A. Lesser, Westchester Chapter President

The CPA Journal's interview of Congressman Paul S. Sarbanes, a coauthor and cosponsor of the Sarbanes-Oxley Act of 2002 (SOX), as reported in its October 2008 issue, provided some interesting thoughts concerning the legislation. Among its objectives, SOX was designed to bring transparency to improve investor confidence. Although SOX is not yet applicable to small public companies, it has been in place for larger public companies for the past six years.



Elliot A. Lesser,  
Westchester  
Chapter  
President

Now fast forward to the present, where the United States and the vast majority of other countries throughout the world are mired in what many recognized economists and financial experts consider to be the most severe economic crisis and credit market meltdown since the Great Depression. Everyone was impacted including homeowners, workers whose livelihoods are in peril, retirees and those approaching retirement who have experienced trillions of dollars in losses due to severe declines in the equity and real estate markets. What began in 2007 as so-called minor shocks when certain financial institutions announced large financial losses, due to the decline in

subprime mortgage values, has escalated at a very alarming rate into a full-scale crisis of confidence. Only two of the five major securities and investment banking firms in existence at the beginning of this year remain as independent firms. Daily newspaper headlines cover stories of the government bailout of major financial institutions, "toxic" mortgages and the havoc that credit default swaps have played on our financial system.

Among the reasons our financial system is in such distress at the present time is the extensive use of leverage by institutions and other businesses. This leveraging occurred unabated because of a lack of transparency and understanding concerning the financial risks and exposure that the main financial institutions had knowingly and unwittingly accepted. Boards of directors, management and outside advisors failed to acknowledge or understand these risks in permitting these activities to continue. If SOX taught us anything, it is that transparency enables the users of information to make informed decisions. Even at the outset of this crisis, government officials and financial institutions assured investors and the public that the problems brought about by declining real estate market and subprime mortgages were contained. In retrospect, not only was there a

lack of transparency which brought about the problems, but transparency failures permitted the crisis to continue to where we are today.

The recently enacted \$700 billion Troubled Assets Relief Program (TARP) hopefully begins the process of bringing stability to our financial system.

However, this can only be accomplished if there is perceived fairness and understanding in, among other things, the steps being taken to purchase assets

from and investments in our financial institutions and proper oversight of these institutions by regulators, boards of directors and management. Hopefully, we can learn from our mistakes by creating the proper level of transparency at all levels. If not, our future generations will pay the price in ways we cannot now begin to imagine.

Elliot A. Lesser can be reached at [elesser@berdonllp.com](mailto:elesser@berdonllp.com).

MESSAGE FROM  
THE PRESIDENT

## SAVE THESE DATES

## Individual and Estate Taxation Conference

**When:** Dec. 1, 8:45 a.m.-5:15 p.m.

**Where:** Citigroup Center, 188 King Street, Armonk

**Cost:** \$99 members, \$199 nonmembers

**Course Code:** 28611932

**CPE Credit Hours:** 8

**Sold Out**

## 2008 Accounting and Auditing Update

**When:** Dec. 9, 6:00-8:00 p.m.

**Where:** Crowne Plaza, 66 Hale Avenue, White Plains

**Cost:** \$50 in advance, \$55 at the door

**Contact:** Patricia Galistinos at [pgalistinos@ezkrpcpa.com](mailto:pgalistinos@ezkrpcpa.com).

**Course Code:** 29111907

**CPE Credit Hours:** 2

## Managing Partner Breakfast

**When:** Jan. 8, 8:00-9:30 a.m.

**Where:** Crowne Plaza, 66 Hale Avenue, White Plains

**Contact:** Kate DeMello at [kdmello@berdonllp.com](mailto:kdmello@berdonllp.com)

Rockland

A BREAK FROM THE ROLLER COASTER

By Mitchell Gusler, Rockland Chapter President

Our networking event on Dec. 3 at Casa Mia Manor House in Blauvelt is only days away. Your board has been planning this for several months. As the time grows near, the anticipation and excitement level are growing. This year, we have made a departure from having a speaker with a sports theme to a comedian.



Mitchell Gusler, Rockland Chapter President

Johnny Lampert, a Rockland resident, who promises to help us forget the stock market for a little while. Don't we all need a little escape from the roller coaster now known as Wall Street? If you haven't signed up as yet, contact **Gloria Papasophocles** at [Gloria.Papasophocles@nuance.com](mailto:Gloria.Papasophocles@nuance.com). I would also like to add a special thanks to our sponsor, M&T Bank.

Two days later, we are hosting the second annual Entrepreneurial Contest at Rockland Community College. Chapter members **Carlos Hernandez** and **Nick Vertucci** have volunteered to be judges. Last year, the submissions from the various student teams were impressive and it was very difficult for the judges to select the winning teams. These kinds of events

enhance the image of our profession. Any suggestions for similar chapter participation events should be brought to the attention of the board for consideration.

Speaking of Vertucci, he recently has become the executive director of the Palisades Institute of Dominican College. On Dec 10, the Institute is hosting a panel discussion about the economy. On the panel will be our own board member **Sharon Siegel**.

Finally, plans are under way for an afternoon and evening tax seminar to be held on Jan. 14 at the Nyack Seaport.

As in the past, Joe Lewandoski from the Internal Revenue Service and Nonie Manion from

New York State Department of

Taxation and Finance will be providing speakers. Last year, lunch and dinner were served along with the CPE. A special thanks to **Dave Herman** for coordinating this event. Look for a flyer and, as always, check our Web site at [www.nysscpa.org](http://www.nysscpa.org) under the Rockland Chapter for up-to-date information.

As the holiday party season begins, remember to enjoy yourself, as tax season is right around the corner.

*Mitchell Gusler can be reached at [mgusler@rifkincpa.com](mailto:mgusler@rifkincpa.com).*

MESSAGE FROM THE PRESIDENT



SAVE THESE DATES

Annual Networking Night

**When:** Dec. 3, 6:00 p.m.  
**Where:** Casa Mia Manor House, 577 Route 303, Blauvelt  
**Cost:** \$75  
**Speaker:** Comedian Johnny Lampert  
**Contact:** Gloria Papasophocles at [Gloria.Papasophocles@Nuance.com](mailto:Gloria.Papasophocles@Nuance.com)

Second Entrepreneurial Contest

**When:** Dec. 5  
**Where:** Rockland Community College, 145 College Road, Suffern  
**Contact:** Mitchell Gusler at [mgusler@rifkincpa.com](mailto:mgusler@rifkincpa.com)

Buffalo

SAVE THESE DATES

Proven CPA Marketing Strategies

**When:** Dec. 10, 8:00 a.m.-12:15 p.m.  
**Where:** Garden Place Hotel, 6615 Transit Road, Williamsville  
**Cost:** \$110 for members  
**CPE Credit Hours:** 4  
**Contact:** Lisa Guarisco can be reached at [lguarisco@lvbwcpa.com](mailto:lguarisco@lvbwcpa.com)

Tax Practitioner Update

**When:** Dec. 15, 8:30-11:30 a.m.  
**Where:** 201 Como Park Boulevard, Cheektowaga  
**Cost:** Free  
**CPE Credit Hours:** 3  
**Contact:** Keith Bookbinder at [kbookbinder@lvbwcpa.com](mailto:kbookbinder@lvbwcpa.com)

Rochester

CONTRIBUTING TO THE PROFESSION

By Mary T. Murphy, Rochester Chapter President

If you weren't there, then you missed a great time at the Mock Poker Night event on Oct. 15. Other than the food, drinks and cards, there was a very serious poker vibe happening in the room. There were accounting professionals ranging from partners to new staff from several area firms, as well as, of course, our gracious host Pat Labarbera with ADP Payroll Services. A sincere thanks also goes to **Kate Welc**, Young CPA chair, for organizing the event on behalf of our chapter.



Mary T. Murphy, Rochester Chapter President

Also, I am pleased to announce to you that **Jason Wood** was recently honored as one of "Rochester New York's 2008 Forty Under 40" by the *Rochester Business Journal* for his professional accomplishments and civic contributions. Jason is a CPA in New York, and serves as a board member and information technology chair

for the Rochester Chapter of the Society. He is also a senior manager at a Big Four firm's audit and enterprise risk services practice in Rochester.

Our chapter's collaboration with the Business Law Section and Trusts & Estates Section of the Monroe County Bar Association held another successful high-quality CPE/CLE event on Oct. 29. Many thanks to speakers Sherri McArdle of McArdle Ramerman Inc., Karen Schaefer of Lacy Katzen LLP and **Jeffrey Wexler**, as well as to the event chairs **Raymond F. Schultheis** and Julia Garver.

These sessions are the bedrock of our chapter's services to our members.

Thank you all for your time and expertise.

As always, please check the Web site for updates on events at [www.nysscpa.org](http://www.nysscpa.org) under the Rochester Chapter.

*Mary T. Murphy can be reached at [MTMurphy@nysscpa.org](mailto:MTMurphy@nysscpa.org).*

Syracuse

SAVE THESE DATES

Syracuse Chapter Board Meeting

**When:** Dec. 4, 8:00-9:00 a.m.  
**Where:** Testone, Marshall & Disenza, CPAs, 432 North Franklin Street, Syracuse

Updates on Pension Protection Act

**When:** Dec. 10, 7:30-9:00 a.m.  
**Where:** Bryant and Stratton College, 953 James Street, Syracuse

Staten Island

SAVE THIS DATE

Holiday Celebration

**When:** Dec. 16  
**Where:** La Strada Restaurant, 139 New Dorp Lane, Staten Island  
**Contact:** Rosemarie Giovinazzo-Barnickel [rgbcpa@nysscpa.org](mailto:rgbcpa@nysscpa.org).

Northeast

SAVE THIS DATE

All-Day Taxation Conference

**When:** Dec. 4, 8:30 a.m.-4:30 p.m.  
**Where:** Normanside Country Club, 150 Salisbury Road, Delmar  
**Cost:** \$175 members, \$275 nonmembers  
**Course Code:** 28604941  
**CPE Credit Hours:** 8



Adirondack

THE CROSSROADS

By Carlos Dishman, Adirondack Chapter President

The time I spent at Villanova University in Pennsylvania was one of the greatest experiences of my life. I began my academic career interested in becoming a doctor and following in my father's footsteps. Unfortunately, a class in botany ended that dream. At that point, in the midst of angst over what I was going to do with a liberal arts degree, I came to a crossroads in my life.

My roommate—a straight A student, with an internship at Ernst & Whinney—asked me what I was going to study. I explained that I was going to try to get into the business school at Villanova and double major in Spanish and finance. When I graduated, I was planning to get a job with some company, doing some sort of interna-

tional business "thing."

He said something that changed my life forever. He asked why would I get finance or economics degree? Either one of those degrees would only limit my marketability. He said that if I truly wanted to get into international business, I needed to learn the language of business, and the only way to do that was by getting an accounting degree.

An accounting degree would make me a more rounded individual in the economic community—it would involve finance, micro and macro economics and business law. More importantly, it would get me to understand more clearly where those num-

bers come from and, therefore, the basis of all business. Besides, he said, if I tried some job in finance and didn't like it, I could get an accounting job or any other business job because the accounting degree would afford me that flexibility. As a finance major, only other finance jobs would be available. Besides, he said, "They train you their way anyway. I've learned more at my internship at E&W than I did in school."

Since I had no clue what I wanted to do anyway, I thought this was a good way to hedge my educational bets. And that, as they say, is history.

It is essential that we encourage business students to become accounting majors.

They will not all be CPAs or even accountants, but they will all have the basic knowledge and language of accounting. We all have clients whose bookkeepers have no understanding of the basic concepts of accounting, and it makes our job more difficult. A better-informed public allows us to truly act as CPAs and to be the experts for and advisors to the business community. And maybe, just maybe, some of those students will even become the future managing partners of your firm.

Carlos Dishman can be reached at [carlosdishman@aol.com](mailto:carlosdishman@aol.com).

MESSAGE FROM THE PRESIDENT

F&E LISTINGS

For December 1, 2008, through January 31, 2009

Key  
GEOGRAPHIC AREA

Field of Study

Date  
Course Title  
Course Description  
Field of Study Course Code Site  
Developer  
Member Fee/Nonmember Fee

According to New York State Regulations, courses may only be categorized as the following fields of study for CPE accreditation:

Accounting	AC
Advisory Services	AD
Auditing	AU
Ethics	E
Specialized Knowledge	SK
Taxation	T

Courses that have a concentration in more than one field of study are labeled with the quantity of credits that apply to each category.

AICPA Pricing Schedule

For AICPA-developed courses, the following pricing schedule applies.

	8-hour course	16-hour course
If you are:		
A member of both AICPA and NYSSCPA:	\$270	\$440
Only a member of the NYSSCPA:	\$300	\$500
Only a member of the AICPA:	\$370	\$540
A member of neither AICPA nor NYSSCPA:	\$400	\$600
For 4-hour courses, please see course description for price information.		
For details, refer to the registration information on <a href="http://www.nysscpa.org">www.nysscpa.org</a> .		
Please confirm exact time and location when registering, as schedule is subject to change.		

ALBANY

Accounting

12/19  
**Fair Value Accounting: A Critical New Skill for All CPAs**  
Gain insights into the conceptual and practical reasons for using fair value as the measurement attribute for a number of new and existing accounting standards. Fair value accounting is reshaping traditional financial statements. The course covers the conceptual issues when required (or permitted) to use fair value measurement under FASB standards and provides examples of measurement and estimation challenges that confront preparers and auditors in making, and attesting to, fair value measurements.  
AC/8 32129941 The Desmond Hotel  
American Institute of CPAs  
\$300\ \$400\ \$270

12/22  
**FAE's Compilation and Review Update 2008**  
Get updated on professional standards issued by the AICPA for a solid grounding in compilation and review. Also get an overview of what needs to be considered in a firm's quality control system to prevent deficiencies in financial statement reporting.  
AC/4 21113942 The Desmond Hotel  
Foundation for Accounting Education  
\$150\ \$200

Advisory Services

12/16  
**FAE's Business Writing for Accountants**  
Don't allow yourself to be relegated to the role of number cruncher. Elevating your career to the next level requires good written communication skills. These skills can be significantly enhanced through the use of specific, proven, easy-to-use techniques. Attend this course and learn to quickly and efficiently translate your thoughts into a clear, concise message designed specifically for your target audience. It will transform the process of writing from a dreaded chore to a creative and productive activity.  
AD/8 21114941 The Desmond Hotel  
Foundation for Accounting Education  
\$300\ \$400

Ethics

12/22  
**FAE's Ethics Update 2008**  
This keystone course will provide you with the knowledge and understanding to meet the varied ethical challenges facing CPAs in today's professional workplace. This course meets the New York State four-hour ethics CPE requirement for public practice.  
E/4 21277942 The Desmond Hotel  
Foundation for Accounting Education  
\$150\ \$200

Taxation

12/04  
**Northeast Annual Tax Conference**  
TX/8 28604941 Normanside Country Club  
\$175\ \$275

12/18  
**FAE's Individual Taxation: Review and Update for Experienced Practitioners**  
TX/8 21637941 The Desmond Hotel  
Foundation for Accounting Education  
\$300\ \$400

01/07  
**Federal Income Tax Returns: Preparations for LLCs and Partnerships**  
Through the use of case studies, explore the similarities and differences of these popular entity structures.  
TX/8 23837941 The Desmond Hotel  
Surgent McCoy CPE LLC  
\$300\ \$400

MID-HUDSON

Accounting

12/02  
**Mid-Hudson Chapter Accounting and Auditing Update**  
AC/4, AU/4 28602932 Hilton Garden Inn Hotel  
\$150\ \$250

12/08  
**Preparing Tax Basis Financial Statements**  
The most frequent application of OCBOA is to prepare tax basis statements for tax entities. This course is a great way to brush up on the current standards and identify key issues in preparing and reporting on tax basis financial statements. It covers the whole spectrum of tax basis financial statements, including accounting, financial statements, and disclosures. Special tax entities (S Corps and partnerships) will also be examined.  
AC/4 32148932 Cafe Internationale  
American Institute of CPAs  
\$150\ \$200

12/08  
**FIN 48: Uncertainty in Income Taxes: A Must-Know for Tax CPAs and Accountants**  
FIN 48 adds major new tax documentation and disclosure requirements on a scale unseen since passage of the Sarbanes-Oxley Act in 2002. Due to an outpouring of requests for an extension, the Financial Accounting Standards Board has proposed to defer the effective date of Interpretation 48 for nonpublic entities to fiscal years beginning after December 15, 2007. Thus, starting in early 2007 for public companies (and 2008 for nonpublic companies), FIN 48 significantly modifies the accounting and disclosures relating to uncertainties in income taxes covered by FAS 109, Accounting for Income Taxes. Unlike previous FASB requirements, this Interpretation will likely now require an unprecedented involvement of tax professionals in calculating, recording, and/or reviewing tax provisions.  
AC/4 32136932 Cafe Internationale  
American Institute of CPAs  
\$150\ \$200

12/22  
**Annual Update for Accountants and Auditors**  
Here's the definitive course to keep CPAs abreast of the changes in accounting and auditing. This comprehensive course covers all the relevant pronouncements, exposure drafts, and consensus reports recently issued in the accounting, auditing, compilation, and review arenas. Your training will help you identify and apply recently issued FASB statements, interpretations, and technical bulletins. Learn how to assess the effect of current auditing standards and standards on accounting and review services from coverage of the latest issues at the AICPA, the EITF, and FASB.  
AC\4, AU/4 22132932 Cafe Internationale  
*American Institute of CPAs*  
\$300\ \$400\ \$270

12/23  
**FAE's Compilation and Review Update 2008**  
Review and get updated on professional standards issued by the AICPA for CPAs who need a solid grounding in compilation and review, as well as an overview of what needs to be considered in a firm's quality control system to prevent deficiencies in financial statement reporting.  
AC/4 21113934 Cafe Internationale  
*Foundation for Accounting Education*  
\$150\ \$200

Auditing

12/02  
**Mid-Hudson Chapter Accounting and Auditing Update**  
See course listing under Accounting.

12/22  
**Annual Update for Accountants and Auditors**  
See course listing under Accounting.

Ethics

12/23  
**FAE's Ethics Update 2008**  
This keystone course will provide you with the knowledge and understanding to meet the varied ethical challenges facing CPAs in today's professional workplace. This course meets the New York State four-hour ethics CPE requirement for public practice.  
E/4 21277934 Cafe Internationale  
*Foundation for Accounting Education*  
\$150\ \$200

Taxation

01/23  
**FAE's Individual Taxation: Review and Update for Experienced Practitioners**  
TX/8 21637932 Cafe Internationale  
*Foundation for Accounting Education*  
\$300\ \$400

NASSAU

Auditing

12/23  
**Audits of 401(k) Plans**  
401(k) plans have become a very popular option for employee benefit plans, so it is imperative that you have the skills necessary to audit these plans effectively. Every aspect of auditing and preparing financial statements that satisfy ERISA and SEC requirements is covered in this course. Tap into ways to plan and conduct 401(k) audits more efficiently and effectively, and understand the differences between 401(k) audits and other employee benefit plan audits.  
AU/8 22214922 Long Island Marriott Hotel & Conference Center  
*American Institute of CPAs*  
\$300\ \$400\ \$270

Taxation

12/06  
**Nassau Chapter All-Day Tax Conference**  
TX/8 28603924 Long Island Marriott Hotel & Conference Center  
*Foundation for Accounting Education*  
\$150\ \$250

12/07  
**Nassau Chapter All-Day Tax Conference**  
TX/8 28603925 Long Island Marriott Hotel & Conference Center  
\$150\ \$250

01/22  
**FAE's Individual Taxation: Review and Update for Experienced Practitioners**  
TX/8 21637921 Long Island Marriott Hotel & Conference Center  
*Foundation for Accounting Education*  
\$300\ \$400

NASSAU/SUFFOLK BORDER

Accounting

12/15  
**FAE's Compilation and Review Update 2008**  
Get updated on professional standards issued by the AICPA for a solid grounding in compilation and review. Also get an overview of what needs to be considered in a firm's quality control system to prevent deficiencies in financial statement reporting.  
AC/4 21113922 Hilton Long Island/Huntington  
*Foundation for Accounting Education*  
\$150\ \$200

12/29  
**Annual Update for Accountants and Auditors**  
Here's the definitive course to keep CPAs abreast of the changes in accounting and auditing. This comprehensive course covers all the relevant pronouncements, exposure drafts, and consensus reports recently issued in the accounting, auditing, compilation, and review arenas. Your training will help you identify and apply recently issued FASB statements, interpretations, and technical bulletins. Learn how to assess the effect of current auditing standards and standards on accounting and review services from coverage of the latest issues at the AICPA, the EITF, and FASB.  
AC\4, AU/4 22132921 Hilton Long Island/Huntington  
*American Institute of CPAs*  
\$300\ \$400\ \$270

Auditing

12/22  
**Identifying and Communicating Internal Control Deficiencies**  
SAS 112 "raises the bar" by adopting PCAOB concepts and mandating a structured process for evaluating those deficiencies in internal control identified during the audit. But there is much confusion over what SAS 112 does and does not do. Learn how the new standard requires auditors of nonpublic companies to deliver a written report to management and others in governance describing significant deficiencies and material weaknesses identified during the audit.  
AU/4 32243922 Hilton Long Island/Huntington  
*American Institute of CPAs*  
\$150\ \$200

12/22  
**Small Business Auditing**  
AU/4 32224921 Hilton Long Island/Huntington  
*American Institute of CPAs*  
\$150\ \$200

12/29  
**Annual Update for Accountants and Auditors**  
See course listing under Accounting.

Ethics

12/15  
**FAE's Ethics Update 2008**  
This keystone course will provide you the knowledge and understanding to meet the varied ethical challenges facing CPAs in today's professional workplace. This course meets the New York State four-hour ethics CPE requirement for public practice.  
E/4 21277922 Hilton Long Island/Huntington  
*Foundation for Accounting Education*  
\$150\ \$200

Specialized Knowledge and Applications

01/28  
**Excel 2007: Best Features for Accountants**  
Microsoft Excel 2007 is proclaimed to be the most significant update since Excel 95 and may well be as traumatic for accountants as the move from Lotus 123 to Excel. Microsoft's move from the traditional drop down menu and iconic toolbar to their new tab driven contextual user interface and ribbon bar is sure to please some and confuse many.  
SK/4 34424921 Hilton Long Island/Huntington  
*K2 Enterprises Inc.*  
\$150\ \$200

01/28  
**Excel PivotTables for Accountants**  
PivotTables are the most powerful feature of Excel, yet few accountants use them in their day-to-day activities. For some, PivotTables is too intimidating; for others, PivotTables is unknown. With a little information, guidance and demonstration from your instructor, you will be ready to begin using PivotTables to accomplish routine analysis and reporting.  
SK/4 34415921 Hilton Long Island/Huntington  
*K2 Enterprises Inc.*  
\$150\ \$200

Taxation

12/04  
**Individual Income Tax Returns Workshop by Kess, Biebl, and Ranweiler**  
Originated by Sid Kess, the AICPA's top individual tax workshop provides the latest practical insights from nationally recognized tax experts. Reinforce your understanding of frequently used principles and receive a wealth of tax planning tips and strategies. You'll learn how to apply the latest changes when preparing federal income tax returns and advise clients on new developments and tax-saving ideas for individuals. All key tax return issues are covered during this fast-paced, real-world session.  
TX/16 22619921 Hilton Long Island/Huntington  
*American Institute of CPAs*  
\$500\ \$600\ \$440

12/12  
**FAE's Individual Taxation: Review and Update for Experienced Practitioners**  
TX/8 21637922 Hilton Long Island/Huntington  
*Foundation for Accounting Education*  
\$300\ \$400

12/18  
**Preparing the New Redefined Form 990 for Nonprofit Organizations**  
While the old Form 990 had two schedules to complete, the new form has 16. This course offers a practical, hands-on approach to completing the new, more challenging form.  
TX/8 33654921 Hilton Long Island/Huntington  
*Surgent McCoy CPE LLC*  
\$300\ \$400

01/06  
**FAE's New York State Taxation Workshop Update**  
TX/8 21602922 Hilton Long Island/Huntington  
*Foundation for Accounting Education*  
\$300\ \$400

01/08  
**Corporate Tax Returns: Preparing Returns for New Staff and Paraprofessionals**  
This is a hands-on, practical course in filling out most tax forms, with extra emphasis on form changes due to new tax laws.  
TX/8 23613921 Four Points by Sheraton Plainview  
*Surgent McCoy CPE LLC*  
\$300\ \$400

01/09  
**Individual Tax Returns: Preparing Returns for New Staff and Paraprofessionals**  
This is a hands-on, practical course in filling out most tax forms, with extra emphasis on form changes due to new tax laws.  
TX/8 23611921 Four Points by Sheraton Plainview  
*Surgent McCoy CPE LLC*  
\$300\ \$400

01/29  
**Window into the IRS**  
Participate in this lively, comprehensive workshop to learn

the proper method for determining installment agreement amounts; discover processes for representing clients before the IRS; learn strategies for manipulating the IRS website and E-services; interpret the Internal Revenue Manual; and gain an understanding of the IRS administrative structure.  
TX/8 34653921 Hilton Long Island/Huntington  
*Cope Management Group, LLC*  
\$300\ \$400

NEW YORK CITY

Accounting

12/04  
**Public Schools Accounting and Auditing Conference**  
This course provides updates for the government and public school sectors.  
AC/3, AU/4, E/1 25152911 FAE Conference Center  
*Foundation for Accounting Education*  
\$300\ \$400

12/12  
**Navigating the New FASB Codification: Real-Life Accounting Issues**  
Now you can not only get up to speed on the new FASB accounting codification, but at the same time you can use the codification to research and get answers to some of the most pressing accounting issues fielded by the AICPA's technical hotline. The codification, a major restructuring of existing accounting and reporting standards, has been released by FASB for a one-year verification period, and will become authoritative in April 2009. It is essential that professionals, both in industry and public practice, become familiar with using it.  
AC/4 32154912 FAE Conference Center  
*American Institute of CPAs*  
\$150\ \$200

12/12  
**Cash and Tax Basis Financial Statements: Alternatives to GAAP and Reporting Requirements**  
When the small client requests a compilation to produce modified tax basis statements with disclosures omitted, are you confident your staff know what to do? They will after they take this course which explains how the basis of accounting affects compilation, review and audit procedures, financial statements (including notes), and reports.  
AC/4 32118912 FAE Conference Center  
*American Institute of CPAs*  
\$150\ \$200

12/16  
**Governmental and Nonprofit Annual Update**  
This seminar encompasses the latest developments in accounting, financial reporting, and auditing requirements for governmental and nonprofit entities. It also features practice aids and implementation advice for audits, as well as in-depth examination of current accounting and reporting issues and forthcoming pronouncements. The training will equip you to apply the latest accounting and financial reporting requirements and comply with single audit and related compliance standards.  
AC/4, AU/4 22163912 FAE Conference Center  
*American Institute of CPAs*  
\$300\ \$400\ \$270

12/18  
**Fair Value Accounting: A Critical New Skill for All CPAs**  
Gain insights into the conceptual and practical reasons for using fair value as the measurement attribute for a number of new and existing accounting standards. Fair value accounting is reshaping traditional financial statements. The course covers the conceptual issues when required (or permitted) to use fair value measurement under FASB standards and provides examples of measurement and estimation challenges that confront preparers and auditors in making, and attesting to, fair value measurements.  
AC/8 32129912 FAE Conference Center  
*American Institute of CPAs*  
\$300\ \$400\ \$270

12/18  
**FIN 48: Uncertainty in Income Taxes: A Must-Know for Tax CPAs and Accountants**  
FIN 48 adds major new tax documentation and disclosure requirements on a scale unseen since passage of the Sarbanes-Oxley Act in 2002. Due to an outpouring of requests for an extension, FASB has proposed to defer the effective date of Interpretation 48 for nonpublic entities to



fiscal years beginning after December 15, 2007. Thus, starting in early 2007 for public companies (and 2008 for non-public companies), FIN 48 significantly modifies the accounting and disclosures relating to uncertainties in income taxes covered by FAS 109, Accounting for Income Taxes. Unlike previous FASB requirements, this Interpretation will likely now require an unprecedented involvement of tax professionals in calculating, recording, and/or reviewing tax provisions.

AC/4 32136912 FAE Conference Center  
*American Institute of CPAs*  
**\$150\ \$200**

12/18  
**Preparing Tax Basis Financial Statements**

The most frequent application of OCBOA is to prepare tax basis statements for tax entities. This course is a great way to brush up on the current standards and identify key issues in preparing and reporting on tax basis financial statements. It covers the whole spectrum of tax basis financial statements, including accounting, financial statements, and disclosures. Special tax entities (S Corps and partnerships) will also be examined.

AC/4 32148912 FAE Conference Center  
*American Institute of CPAs*  
**\$150\ \$200**

12/30  
**Annual Update for Accountants and Auditors**

Here's the definitive course to keep CPAs abreast of the changes in accounting and auditing. This comprehensive course covers all the relevant pronouncements, exposure drafts, and consensus reports recently issued in the accounting, auditing, compilation, and review arenas. Your training will help you identify and apply recently issued FASB statements, interpretations, and technical bulletins. Learn how to assess the effect of current auditing standards and standards on accounting and review services from coverage of the latest issues at the AICPA, the EITF, and FASB.

AC/4, AU/4 22132911 FAE Conference Center  
*American Institute of CPAs*  
**\$300\ \$400\ \$270**

01/06  
**FAE's Compilation and Review Update 2008**

Review and get updated on professional standards issued by the AICPA for CPAs who need a solid grounding in compilation and review as well as an overview of what needs to be considered in a firm's quality control system to prevent deficiencies in financial statement reporting.

AC/4 21113912 FAE Conference Center  
*Foundation for Accounting Education*  
**\$150\ \$200**

01/14  
**Annual Nonprofit Conference**

Your source for valuable nonprofit information.

AC/2, AU/2, SK/2, TX/2 25550911 New York Marriott  
Marquis Times Square  
*Foundation for Accounting Education*  
**\$350\ \$450**

01/22  
**SEC/FASB Conference**

A/C/4, AU/4 25157912 New York Helmsley Hotel  
**\$350\ \$450**

01/28  
**FAE's Financial Statement Disclosures for Small to Medium-Sized Businesses**

Preparing financial statements for small to medium-sized businesses often involves complex measurement and disclosure considerations. Become familiar with the most frequently encountered measurement and disclosure issues associated with preparing financial statements for nonpublic small to medium-sized businesses.

AC/8 21123912 FAE Conference Center  
*Foundation for Accounting Education*  
**\$300\ \$400**

**Advisory Services**

12/15  
**FAE's Business Writing for Accountants**

Don't allow yourself to be relegated to the role of number cruncher. Elevating your career to the next level requires good written communication skills. These skills can be significantly enhanced through the use of specific, proven, easy-to-use techniques. Attend this course and learn to quickly and efficiently translate your thoughts into a clear, concise message designed specifically for your target audience. It will transform the process of writing from a dreaded

chore to a creative and productive activity.  
AD/8 21114911 FAE Conference Center  
*Foundation for Accounting Education*  
**\$300\ \$400**

**Auditing**

12/03  
**Anti-Money Laundering and Counter-Terrorist Financing Conference**

This conference will help you learn how to help your clients stay compliant with anti-money laundering legislation.

AU/8 25160911 To Be Announced  
**\$350\ \$450**

12/04  
**Public Schools Accounting and Auditing Conference**

See course listing under Accounting.

12/05  
**Auditor's Risk Assessment Process: Tackling the New Risk Assessment SASs**

SAS 104 through SAS 111 will substantially impact the way audits are performed. They represent a major shift in the auditor's risk assessment process for audits of nonpublic entities. The requirements and guidance will result in more effective audits by enhancing the auditor's application of the audit risk model in practice. Learn the requirements that significantly enhance the quality and depth of the understanding of the entity and its environment, including its internal control system. Gain an understanding of how the new standards differ from existing standards and what you will have to do differently, from planning through final fieldwork phases.

AU/8 32210912 FAE Conference Center  
*American Institute of CPAs*  
**\$300\ \$400\ \$270**

12/16  
**Governmental and Nonprofit Annual Update**

See course listing under Accounting.

12/23  
**Identifying and Communicating Internal Control Deficiencies**

SAS 112 "raises the bar" by adopting PCAOB concepts and mandating a structured process for evaluating those deficiencies in internal control identified during the audit. But there is much confusion over what SAS 112 does and does not do. Learn how the new standard requires auditors of nonpublic companies to deliver a written report to management and others in governance describing significant deficiencies and material weaknesses identified during the audit.

AU/4 32243912 FAE Conference Center  
*American Institute of CPAs*  
**\$150\ \$200**

12/23  
**Small Business Auditing**

AU/4 32224911 FAE Conference Center  
*American Institute of CPAs*  
**\$150\ \$200**

12/30  
**Annual Update for Accountants and Auditors**

See course listing under Accounting.

01/14  
**Annual Nonprofit Conference**

See course listing under Accounting.

01/22  
**SEC/FASB Conference**

See course listing under Accounting.

**Ethics**

12/04  
**Public Schools Accounting and Auditing Conference**

See course listing under Accounting.

01/06  
**FAE's Ethics Update 2008**

This keystone course will provide you the knowledge and understanding to meet the varied ethical challenges facing CPAs in today's professional workplace. The New York state four-hour ethics CPE requirement for public practice will be met.

E/4 21277912 FAE Conference Center  
*Foundation for Accounting Education*  
**\$150\ \$200**

**Ethics (Taxation)**

12/04  
**Tax Practice Ethics and Quality Control: The New Imperative**

A new proposed standard requires a quality control system in every tax practice. Together with the eight existing statements on standards for tax practice and two interpretations already published by the AICPA, this new standard will clearly change the way CPAs approach the business of preparing tax returns and giving tax advice. This program gives you the understanding and the tools to assure that you are meeting the "best practices" standard as well as all other ethical standards and regulatory requirements. The program will also include a discussion of new appeal rights and limits on IRS collection activity, privileged communication between accountants and their clients, and the ability to shift the burden of proof to the IRS.

E/8 34617911 FAE Conference Center  
*Nichols CPE, Inc.*  
**\$300\ \$400**

01/16  
**FAE's Tax Ethics and Tax Practice in the 21st Century**

EX/4, TX/4 21620912 FAE Conference Center  
*Foundation for Accounting Education*  
**\$300\ \$400**

**Specialized Knowledge and Applications**

12/11  
**Exempt Organizations Conference**

SK/8 25507911 New York Marriott Marquis  
Times Square  
*Foundation for Accounting Education*  
**\$350\ \$450**

12/17  
**Protecting Your Clients Against Identity Theft, Investments Fraud, and Consumer Fraud**

SK/8 34406911 FAE Conference Center  
*Surgent McCoy CPE LLC*  
**\$300\ \$400**

01/08  
**Real Estate Conference**

SK/8 25555911 New York Marriott Marquis Times  
Square  
**\$350\ \$450**

01/14  
**Annual Nonprofit Conference**

See course listing under Accounting.

01/27  
**Apparel and Textile Breakfast Conference**

SK/3 25535911 FAE Conference Center  
*Foundation for Accounting Education*  
**\$100\ \$125**

01/29  
**Excel Beyond the Basics**

Excel is the accountant's tool of choice for analyzing and reporting financial data. This highly acclaimed course contains hundreds of tips, tricks, and advanced techniques to improve your productivity and accuracy. Its content is based on twenty years of experience delivering Excel training to accountants and on feedback from thousands of accounting and financial professionals just like you.

SK/8 23564912 FAE Conference Center  
*K2 Enterprises Inc.*  
**\$300\ \$400**

**Taxation**

12/02  
**Pass-Through Entities: Advanced Tax Issues**

For partnerships and LLCs, learn about allocation of basis in debt to step-up in basis upon transfer, disguised sales, abandonment of partnership interest, reallocation of depreciation, and determining and defending an LLC member's SE income. For S corporations, learn about determining shareholder basis; defending shareholder compensation; S corporations for specific purposes; S corporation mergers, split-ups, and liquidations; calculating built-in gain; dealing with C corporation earnings and profits; and calculations when terminating or revoking elections.

TX/8 34618911 FAE Conference Center  
*Nichols CPE, Inc.*  
**\$300\ \$400**

12/03  
**Limited Liability Company and Partnership Tax Return Preparation Workshop**

TX/8 33618911 FAE Conference Center  
*Surgent McCoy CPE LLC*  
**\$300\ \$400**

12/08  
**Post-Election Tax Planning Conference**

TX/8 25622911 FAE Conference Center  
*Foundation for Accounting Education*  
**\$300\ \$400**

12/09  
**New York State Taxation Conference**

TX/8 25612911 Sheraton New York Hotel  
**\$350\ \$450**

12/10  
**Multistate Tax Conference**

TX/8 25613911 FAE Conference Center  
**\$350\ \$450**

12/15  
**Federal Estate and Gift Tax Returns: Forms 706 and 709 Workshop**

TX/8 23672911 FAE Conference Center  
*Surgent McCoy CPE LLC*  
**\$300\ \$400**

12/16  
**Federal Tax Update: Surgent McCoy's Best**

In a business world that is frequently shifting and changing, this course is essential for every successful practitioner.

TX/8 23831912 FAE Conference Center  
*Surgent McCoy CPE LLC*  
**\$300\ \$400**

12/17  
**Partnership Taxation Conference**

This course offers a practical review of developments impacting partnership tax returns.

TX/8 25614911 New York Marriott Marquis Times Square  
*Foundation for Accounting Education*  
**\$350\ \$450**

12/19  
**Premier Tax Program: Tax Strategies for High-Income Clients**

TX/8 34652912 FAE Conference Center  
*Nichols CPE, Inc.*  
**\$300\ \$400**

12/19  
**Preparing the New Redefined Form 990 for Nonprofit Organizations**

While the old Form 990 had two schedules to complete, the new form has 16. This course offers a practical, hands-on approach to completing the new, more challenging form.

TX/8 33654911 FAE Conference Center  
*Surgent McCoy CPE LLC*  
**\$300\ \$400**

12/22  
**Mastering Basis, Distributions, and Loss Limitation Issues**

The most difficult concepts to master when dealing with flow-through business entities are the basis and distribution concepts. Major error and malpractice issues occur if the CPA does not fully understand the impact of these rules.

TX/8 33624912 FAE Conference Center  
*Surgent McCoy CPE LLC*  
**\$300\ \$400**

12/22  
**Individual Income Tax Returns Workshop by Kess, Biebl, and Ranweiler**

Originated by Sid Kess, the AICPA's top individual tax workshop provides the latest practical insights from nationally recognized tax experts. Reinforce your understanding of frequently used principles and receive a wealth of tax-planning tips and strategies. You'll learn how to apply the latest changes when preparing federal income tax returns and advise clients on new developments and tax-saving ideas for individuals. All key tax return issues are covered during this fast-paced, real-world session.

TX/16 22619911 FAE Conference Center  
*American Institute of CPAs*  
**\$500\ \$600\ \$440**

01/07  
**FAE's New York State Taxation Workshop Update**

TX/8 21602911 FAE Conference Center  
*Foundation for Accounting Education*  
**\$300\ \$400**

01/12  
**FAE's Individual Taxation: Review and Update for Experienced Practitioners**  
TX/8 21637911 FAE Conference Center  
*Foundation for Accounting Education*  
\$300\ \$400

01/13  
**International Taxation Conference**  
TX/8 25610911 FAE Conference Center  
\$300\ \$400

01/14  
**Annual Nonprofit Conference**  
See course listing under Accounting.

01/15  
**Taxation of Financial Instruments and Transactions Conference**  
TX/8 25623911 New York Marriott Marquis  
Times Square  
\$350\ \$450

01/15  
**Tax Update for Experienced Practitioners: Advanced**  
TX/8 23614912 FAE Conference Center  
*Nichols CPE, Inc.*  
\$300\ \$400

01/16  
**FAE's Tax Ethics and Tax Practice in the 21st Century**  
See course listing under Ethics (Taxation).

01/20  
**Corporate Tax Returns: Preparing Returns for New Staff and Paraprofessionals**  
This is a hands-on, practical course in filling out most tax forms, with extra emphasis on form changes due to new tax laws.  
TX/8 23613911 FAE Conference Center  
*Surgent McCoy CPE LLC*  
\$300\ \$400

01/20  
**Tri-State Taxation Conference**  
TX/8 25611911 Crowne Plaza at Times Square  
*Foundation for Accounting Education*  
\$350\ \$450

01/21  
**Individual Tax Returns: Preparing Returns for New Staff and Paraprofessionals**  
This is a hands-on, practical course in filling out most tax forms, with extra emphasis on form changes due to new tax laws.  
TX/8 23611911 FAE Conference Center  
*Surgent McCoy CPE LLC*  
\$300\ \$400

01/22  
**AICPA's Corporate Income Tax Returns Workshop by Kess, Biebl, and Ranweiler**  
This course will take a look at the most recent tax laws and other developments affecting C corporations, S corporations and other business entities, including LLCs. Consider the real-world practical applications designed by national tax experts Sid Kess, Andy Biebl, and Robert Ranweiler. Review the latest tax law changes and developments. Learn how to advise clients and employees on the latest tax planning ideas. Share marketing ideas from top practitioners-based on the latest tax strategies. Plus, a comprehensive problem lets you apply what you have learned.  
TX/16 22609911 FAE Conference Center  
*American Institute of CPAs*  
\$500\ \$600\ \$440

01/22  
**Federal Income Tax Returns: Preparations for LLCs, Partnerships, and S Corporations**  
Through the use of case studies, explore the similarities and differences of these popular entity structures.  
TX/8 23837911 FAE Conference Center  
*Surgent McCoy CPE LLC*  
\$300\ \$400

01/26  
**FAE's Individual Taxation: Review and Update for Experienced Practitioners**  
TX/8 21637912 FAE Conference Center  
*Foundation for Accounting Education*  
\$300\ \$400

01/30  
**Window into the IRS**  
Participate in this lively, comprehensive workshop to learn the proper method for determining installment agreement amounts; discover processes for representing clients before the IRS; learn strategies for manipulating the IRS website and E-services; interpret the Internal Revenue Manual; and gain an understanding of the IRS administrative structure.  
TX/8 34653911 FAE Conference Center  
*Cope Management Group, LLC*  
\$300\ \$400

## ROCHESTER

### Accounting

12/12  
**FAE's Compilation and Review Update 2008**  
Review and get updated on professional standards issued by the AICPA for CPAs who need a solid grounding in compilation and review as well as an overview of what needs to be considered in a firm's quality control system to prevent deficiencies in financial statement reporting.  
AC/4 21113972 Holiday Inn Rochester Airport  
*Foundation for Accounting Education*  
\$150\ \$200

01/07  
**Annual Nonprofit Conference**  
AC/2, AU/2, SK/2, TX/2 25550971 Rochester Institute of Technology Inn  
*Foundation for Accounting Education*  
\$320\ \$420

### Auditing

01/07  
**Annual Nonprofit Conference**  
See course listing under Accounting.

### Ethics

12/12  
**FAE's Ethics Update 2008**  
This keystone course will provide you with the knowledge and understanding to meet the varied ethical challenges facing CPAs in today's professional workplace. The New York State four-hour ethics CPE requirement for public practice will be met.  
E/4 21277972 Holiday Inn Rochester Airport  
*Foundation for Accounting Education*  
\$150\ \$200

### Specialized Knowledge and Applications

01/07  
**Annual Nonprofit Conference**  
See course listing under Accounting.

### Taxation

01/05  
**Window into the IRS**  
Participate in this lively, comprehensive workshop to learn the proper method for determining installment agreement amounts; discover processes for representing clients before the IRS; learn strategies for manipulating the IRS website and E-services; interpret the Internal Revenue Manual; and gain an understanding of the IRS administrative structure.  
TX/8 34653971 Holiday Inn Rochester Airport  
*Cope Management Group, LLC*  
\$300\ \$400

01/07  
**Annual Nonprofit Conference**  
See course listing under Accounting.

01/08  
**AICPA's Corporate Income Tax Returns Workshop by Kess, Biebl, and Ranweiler**  
This course will take a look at the most recent tax laws and other developments affecting C corporations, S corporations

and other business entities, including LLCs. Consider the real-world practical applications designed by national tax experts Sid Kess, Andy Biebl, and Robert Ranweiler. Review the latest tax law changes and developments. Learn how to advise clients and employees on the latest tax planning ideas. Share marketing ideas from top practitioners-based on the latest tax strategies. Plus, a comprehensive problem lets you apply what you have learned.  
TX/16 22609971 Holiday Inn Rochester Airport  
*American Institute of CPAs*  
\$500\ \$600\ \$440

01/12  
**FAE's New York State Taxation Workshop Update**  
TX/8 21602971 Holiday Inn Rochester Airport  
*Foundation for Accounting Education*  
\$300\ \$400

01/20  
**Corporate Tax Returns: Preparing Returns for New Staff and Paraprofessionals**  
This is a hands-on, practical course in filling out most tax forms, with extra emphasis on form changes due to new tax laws.  
TX/8 23613971 Holiday Inn Rochester Airport  
*Surgent McCoy CPE LLC*  
\$300\ \$400

## ROCKLAND

### Accounting

01/09  
**FAE's Compilation and Review Update 2008**  
Review and get updated on professional standards issued by the AICPA for CPAs who need a solid grounding in compilation and review as well as an overview of what needs to be considered in a firm's quality control system to prevent deficiencies in financial statement reporting.  
AC/4 21113933 Holiday Inn Hotel & Conference Center  
*Foundation for Accounting Education*  
\$150\ \$200

### Ethics

01/09  
**FAE's Ethics Update 2008**  
This keystone course will provide you with the knowledge and understanding to meet the varied ethical challenges facing CPAs in today's professional workplace. This course meets the New York State four-hour ethics CPE requirement for public practice.  
E/4 21277933 Holiday Inn Hotel & Conference Center  
*Foundation for Accounting Education*  
\$150\ \$200

## SUFFOLK

### Taxation

12/13  
**Suffolk Chapter All-Day Tax Conference**  
TX/8 28608926 Hyatt Regency Wind Watch  
*Foundation for Accounting Education*  
\$150\ \$250

## SYRACUSE

### Accounting

12/15  
**Governmental and Nonprofit Annual Update**  
This seminar encompasses the latest developments in accounting, financial reporting, and auditing requirements for governmental and nonprofit entities. It also features practice aids and implementation advice for audits, as well as in-depth examination of current accounting and reporting issues and forthcoming pronouncements. The training will equip you to apply the latest accounting and financial reporting requirements and comply with single audit and

related compliance standards.  
AC/4, AU/4 22163971 Doubletree Hotel  
*American Institute of CPAs*  
\$300\ \$400\ \$270

12/17  
**Fair Value Accounting: A Critical New Skill for All CPAs**  
Gain insights into the conceptual and practical reasons for using fair value as the measurement attribute for a number of new and existing accounting standards. Fair value accounting is reshaping traditional financial statements. The course covers the conceptual issues when required (or permitted) to use fair value measurement under FASB standards and provides examples of measurement and estimation challenges that confront preparers and auditors in making, and attesting to, fair value measurements.  
AC/8 32129971 Doubletree Hotel  
*American Institute of CPAs*  
\$300\ \$400\ \$270

### Auditing

12/15  
**Governmental and Nonprofit Annual Update**  
See course listing under Accounting.

### Ethics (Taxation)

12/22  
**FAE's Tax Ethics and Tax Practice in the 21st Century**  
E/4, TX/4 21620952 Doubletree Hotel  
*Foundation for Accounting Education*  
\$300\ \$400

### Taxation

12/15  
**Federal Tax Update: Surgent McCoy's Best**  
In a business world that is frequently shifting and changing, this course is essential for every successful practitioner.  
TX/8 23831952 Doubletree Hotel  
*Surgent McCoy CPE LLC*  
\$300\ \$400

12/22  
**FAE's Tax Ethics and Tax Practice in the 21st Century**  
See course listing under Ethics (Taxation).

12/23  
**FAE's Individual Taxation: Review and Update for Experienced Practitioners**  
TX/8 21637951 Doubletree Hotel  
*Foundation for Accounting Education*  
\$300\ \$400

01/05  
**Individual Tax Returns: Preparing Returns for New Staff and Paraprofessionals**  
This is a hands-on, practical course in filling out most tax forms, with extra emphasis on form changes due to new tax laws.  
TX/8 23611951 Doubletree Hotel  
*Surgent McCoy CPE LLC*  
\$300\ \$400

01/14  
**Tax Update for Experienced Practitioners: Advanced**  
TX/8 23614951 Doubletree Hotel  
*Nichols CPE, Inc.*  
\$300\ \$400

## WESTCHESTER

### Accounting

12/23  
**Annual Update for Accountants and Auditors**  
Here's the definitive course to keep CPAs abreast of the changes in accounting and auditing. This comprehensive course covers all the relevant pronouncements, exposure drafts, and consensus reports recently issued in the accounting, auditing, compilation, and review arenas. Your training will help you identify and apply recently issued FASB statements, interpretations, and technical bulletins.

Learn how to assess the effect of current auditing standards and standards on accounting and review services from coverage of the latest issues at the AICPA, the EITF, and FASB.  
AC/4, AU/4 22132931 Westchester Marriott Hotel  
American Institute of CPAs  
\$300\ \$400\ \$270

Auditing

12/04  
**Auditor's Risk Assessment Process: Tackling the New Risk Assessment SASs**  
SAS 104 through SAS 111 will substantially impact the way audits are performed. They represent a major shift in the

auditor's risk assessment process for audits of nonpublic entities. The requirements and guidance will result in more effective audits by enhancing the auditor's application of the audit risk model in practice. Learn the requirements that significantly enhance the quality and depth of the understanding of the entity and its environment, including its internal control system. Gain an understanding of how the new standards differ from existing standards and what you will have to do differently, from planning through final fieldwork phases.  
AU/8 32210931 Westchester Marriott Hotel  
American Institute of CPAs  
\$300\ \$400\ \$270

12/23  
**Annual Update for Accountants and Auditors**  
See course listing under Accounting.  
  
12/01  
**Westchester Chapter Individual and Estate Planning Update**  
TX/8 28611932 Citigroup Executive Planning Center  
\$99\ \$199

Taxation

01/15  
**FAE's Individual Taxation: Review and Update for Experienced Practitioners**  
TX/8 21637931 Westchester Marriott Hotel  
Foundation for Accounting Education  
\$300\ \$400

For more information about FAE programs, please visit **www.nyssecpa.org**, or call **800-537-3635**.

EVENING TECHNICAL SESSIONS

Accounting and Auditing of Broker-Dealers and Net Capital Case Study  
Stock Brokerage Committee

**Friday, December 12, 2008**  
9:00 a.m.–12:00 p.m. (Check-in begins at 9:00 a.m.)  
**Location:** John Jay College, CUNY, 455 West 59th Street  
**Designed For:** CPAs involved in auditing broker-dealers, accountants at broker-dealers, and professionals who are involved in the audit process who need to gain a better understanding of the net capital rule and current issues in auditing broker-dealers, including regulatory issues.  
**Objective:** To provide the practitioner with an overview of auditing and regulatory issues in auditing a broker-dealer and an understanding of net capital and in-depth case study.  
**Topics:** Include basics of the broker-dealer audit and a case study of the net capital computation, where the participant will encounter issues relating to securities and option haircuts; nonallowable asset aspects of the net capital computation; and the auditor's responsibilities in auditing the net capital computation.  
**Field of Study:** Specialized Knowledge and Applications  
**Course Level:** Basic/Intermediate/Update  
**Course Code:** 27527901  
**Speakers:** David H. Grumer, CPA; Charles M. Carlson, CPA; Mark K. Goodman, CPA  
**Recommended CPE Credit Hours:** 3  
**Member Fee:** \$50  
**Nonmember Fee:** \$55

Current Issues in the Audit of Broker-Dealers  
Stock Brokerage Committee

**Friday, December 12, 2008**  
1:00 p.m.– 4:00 p.m. (Check-in begins at 1:00 p.m.)  
**Location:** John Jay College, CUNY, 455 West 59th Street  
**Designed For:** CPAs involved in auditing broker-dealers, accountants at broker-dealers, and professionals who are involved in the audit process who need to gain a better understanding of the net capital rule and current issues in auditing broker-dealers, including regulatory issues.  
**Objective:** To provide the participant with knowledge of recent developments in the broker-dealer industry.  
**Topics:** Include unique problems encountered in auditing broker-dealers, including valuation of securities, planning and materiality, regulatory considerations, and the risk assessment standards. Also, recent regulatory changes and a derivatives primer.  
**Field of Study:** Specialized Knowledge and Applications  
**Course Level:** Basic/Intermediate/Update  
**Course Code:** 27527902  
**Speakers:** Guy Miller, CPA; Paul S. Ehrenstein, CPA; Robert Kaufmann, CPA; Gary R. Purwin, CPA; Martin Racek, CPA  
**Recommended CPE Credit Hours:** 3  
**Member Fee:** \$50  
**Nonmember Fee:** \$55

Site Listings

**Binghamton Regency Hotel**  
1 Sarbro Square  
225 Water Street  
Binghamton, NY 13901-2727

**Buffalo/Niagara Marriott**  
1340 Millersport Highway  
Amherst, NY 14221-2902

**Courtyard by Marriott Rye**  
631 Midland Avenue  
Rye, NY 10580

**Desmond Hotel**  
660 Albany Shaker Road  
Albany, NY 12211

**Empire Pavilion–Holiday Inn (Suffern)**  
3 Executive Boulevard  
Suffern, NY 10901

**FAE Conference Center**  
3 Park Avenue, at 34th Street  
19th Floor  
New York, NY 10016-5991

**Holiday Inn Arena**  
2-8 Hawley Street  
Binghamton, NY 13901

**Holiday Inn Rochester Airport**  
911 Brooks Avenue  
Rochester, NY 14624

**Huntington Hilton**  
598 Broadhollow Road (Route 110)  
Melville, NY 11747

**Long Island Marriott**  
101 James Doolittle Boulevard  
Uniondale, NY 11553

**Millennium Hotel Buffalo Airport**  
2040 Walden Avenue  
Buffalo, NY 14225

**New York Helmsley Hotel**  
212 East 42nd Street  
New York, NY 10017

**New York Marriott Marquis Times Square**  
1535 Broadway, at 45th Street  
New York, NY 10036

**Ramada Inn @ Newburgh (Café International)**  
1289 Route 300  
Newburgh, NY 12550

**Renaissance Syracuse Hotel**  
701 East Genesee Street  
Syracuse, NY 13210



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