

**SOCIETY OF CABLE TELECOMMUNICATIONS  
ENGINEERS, INC. AND CHAPTERS**

**COMBINED FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2015 AND 2014**

**SOCIETY OF CABLE TELECOMMUNICATIONS  
ENGINEERS, INC. AND CHAPTERS  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Society of Cable Telecommunications Engineers, Inc.  
Exton, Pennsylvania

We have audited the accompanying combined financial statements of the Society of Cable Technology Engineers, Inc. and Chapters (a nonprofit organization), which comprise the combined statements of financial position as of June 30, 2015 and 2014, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

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

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

Board of Directors  
Society of Cable Telecommunications Engineers, Inc.

***Opinion***

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
October 29, 2015

**SOCIETY OF CABLE TELECOMMUNICATIONS ENGINEERS, INC. AND CHAPTERS**  
**COMBINED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2015 AND 2014**

<b>ASSETS</b>	2015	2014
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 6,414,456	\$ 5,925,791
Accounts Receivable	313,913	395,761
Interest Receivable	6,273	4,018
Due from SCTE Foundation	735	3,576
Certificates of Deposit	1,753,799	15,115
Inventory	28,677	4,534
Prepaid Expenses and Other Current Assets	419,659	318,266
Total Current Assets	8,937,512	6,667,061
<b>PROPERTY AND EQUIPMENT</b>		
Land	176,203	176,203
Buildings and Improvements	1,645,863	1,645,863
Equipment	693,428	1,563,987
Vehicles	2,650	2,650
Total	2,518,144	3,388,703
Less: Accumulated Depreciation	1,318,211	2,094,020
Total Property and Equipment	1,199,933	1,294,683
<b>INVESTMENTS</b>	3,038,311	3,067,358
<b>OTHER ASSETS</b>		
Production Development Costs, Net of Accumulated Amortization of \$68,021	-	90,802
Website Development Costs, Net of Accumulated Amortization of \$452,771	-	30,445
Software, Net of Accumulated Amortization of \$8,693	424,125	-
Total Other Assets	424,125	121,247
Total Assets	\$ 13,599,881	\$ 11,150,349
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Other Liabilities	\$ 500,066	\$ 757,736
Accrued Payroll and Payroll Taxes Payable	1,299,410	1,132,423
Deposits for Conventions	2,500,190	2,197,674
Unearned Membership Dues	1,641,224	1,994,768
Deferred Support	1,251,843	161,672
Total Current Liabilities	7,192,733	6,244,273
<b>NET ASSETS</b>		
Unrestricted	6,407,148	4,906,076
Total Net Assets	6,407,148	4,906,076
Total Liabilities and Net Assets	\$ 13,599,881	\$ 11,150,349

See accompanying Notes to Combined Financial Statements.

**SOCIETY OF CABLE TELECOMMUNICATIONS ENGINEERS, INC. AND CHAPTERS**  
**COMBINED STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2015 AND 2014**

	2015	2014
<b>REVENUE AND OTHER SUPPORT</b>		
Program Services Revenue	\$ 8,805,683	\$ 7,728,343
Chapter Activities	1,666,330	1,660,057
Membership Dues	3,646,467	3,263,398
Dividend and Interest Income	133,250	84,235
Other Revenue	167,561	102,147
Total Revenue and Other Support	14,419,291	12,838,180
<b>EXPENSES</b>		
Program Services		
Educational and Membership Services	8,736,285	8,048,899
Chapter Activities	2,217,407	2,239,296
Total Program Services	10,953,692	10,288,195
Supporting Services		
Management and General	1,908,861	1,659,650
Total Expenses	12,862,553	11,947,845
Change in Net Assets from Operating Activities	1,556,738	890,335
<b>NONOPERATING INCOME (LOSS)</b>		
Unrealized and Realized Gain (Loss) on Investments	(55,666)	351,684
Total Nonoperating Income	(55,666)	351,684
<b>CHANGE IN NET ASSETS</b>	1,501,072	1,242,019
Net Assets - Beginning of Year	4,906,076	3,664,057
<b>NET ASSETS - END OF YEAR</b>	\$ 6,407,148	\$ 4,906,076

See accompanying Notes to Combined Financial Statements.

**SOCIETY OF CABLE TELECOMMUNICATIONS ENGINEERS, INC. AND CHAPTERS**  
**COMBINED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2015 AND 2014**

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,501,072	\$ 1,242,019
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	241,240	293,437
Loss on Disposal of Equipment	45,027	3,397
Unrealized Loss on Investments	146,721	189,212
Realized Gain on Investments	(91,055)	(540,896)
(Increase) Decrease in:		
Accounts Receivable	81,848	(119,716)
Interest Receivable	(2,255)	(1,106)
Due from SCTE Foundation	2,841	(3,042)
Inventory	(24,143)	19,541
Prepaid Expenses and Other Current Assets	(101,393)	29,094
Change in Production Development Costs	-	13,670
Increase (Decrease) in:		
Accounts Payable and Accrued Other Liabilities	(257,669)	259,280
Accrued Payroll and Payroll Taxes Payable	166,987	422,835
Deposits for Conventions	302,516	486,833
Unearned Membership Dues	(353,544)	107,627
Deferred Support	1,090,171	1,299
Net Cash Provided by Operating Activities	2,748,364	2,403,484
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	(61,577)	(102,957)
Outlay for Production and Website Development Costs	-	(102,960)
Outlay for Software Costs	(432,818)	-
Increase in Value of Certificates of Deposit	(1,738,684)	(2)
Purchases of Investments	(1,115,009)	(5,184,392)
Proceeds from Sales of Investments	1,088,389	5,030,575
Net Cash Used by Investing Activities	(2,259,699)	(359,736)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	488,665	2,043,748
Cash and Cash Equivalents - Beginning of Year	5,925,791	3,882,043
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 6,414,456	\$ 5,925,791
<b>SUPPLEMENTAL INFORMATION</b>		
Income Taxes Paid	\$ 10,000	\$ 15,000

See accompanying Notes to Combined Financial Statements.

**SOCIETY OF CABLE TELECOMMUNICATIONS ENGINEERS, INC. AND CHAPTERS**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

Society of Cable Telecommunications Engineers, Inc. and Chapters (the Society) is a nonprofit organization with its main office in Exton, Pennsylvania. The Society has been established for the purpose of promoting education, regional meetings, seminars and trade shows to keep members informed about cable technology. The Society is supported primarily through membership dues and convention and seminar fees. Approximately 34% and 38% of the Society's revenue and support for the years ended June 30, 2015 and 2014, respectively, came from the Cable-Tec Expo.

**Principles of Combination**

The combined financial statements include the accounts of the Society of Cable Telecommunications Engineers, Inc. and Chapters and meeting groups. All material inter-company balances and transactions have been eliminated.

**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 revenue and expense during the reporting period. Actual results could differ from those estimates.

**Functional Expenses**

The costs of providing the various programs and other activities of the Society have been summarized on a functional basis in the combined statement of activities. Accordingly, certain costs have been allocated among the programs and other activities benefited.

**Cash and Cash Equivalents**

For purposes of the combined statement of cash flows, the Society considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Accounts Receivable**

The Society grants credit to members, substantially all of whom are located throughout the United States. Accounts receivable are uncollateralized vendor obligations due two months prior to the annual Cable-Tec Expo or thirty days from the date invoiced for all other receivables. No finance charges or discounts are applied to customer balances.

The Society uses the allowance method to determine uncollectible receivables. The collectibility of any unpaid accounts outstanding for more than 90 days beyond the date due are examined on a case-by-case basis by management and an allowance for uncollectible accounts is established when appropriate. When all collection efforts have been exhausted, the accounts are written off against the allowance. At June 30, 2015 and 2014 management has determined that no allowance for uncollectible accounts is required.



**SOCIETY OF CABLE TELECOMMUNICATIONS ENGINEERS, INC. AND CHAPTERS**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Certificates of Deposit**

Investments in certificates of deposit are reported at cost which approximates fair value.

**Inventory**

Inventory is stated at the lower-of-cost or market, determined using the first-in, first-out method. Inventory consists of books, compact discs, videos and other educational materials which are available for resale.

**Investments**

Investments are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions. Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. Currently, the Society does not have any securities that are valued using Level 2 or level 3 inputs.

Investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially change the amounts reported in the combined statement of financial position.

**Property and Equipment**

Property and equipment is recorded at cost. The assets are depreciated using the straight-line method over the estimated useful lives of the related assets. Estimated useful lives range from three to thirty-nine years. The Society capitalization threshold is \$1,000. Acquisitions below that amount are expensed. Depreciation expense for the years ended June 30, 2015 and 2014 was \$151,946 and \$207,846, respectively.

**Amortization**

Production development costs are incurred in the production of books and other educational materials. Website development costs are incurred in the development of the Society's website. Software costs are incurred in connection with the Society's training, accounting and operating functions. These costs are amortized using the straight-line method over the estimated useful life of three to five years. Amortization expense for the year ended June 30, 2015 and 2014 was \$89,294 and \$85,591, respectively.

**SOCIETY OF CABLE TELECOMMUNICATIONS ENGINEERS, INC. AND CHAPTERS**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Unearned Membership Dues and Deferred Support**

Unearned membership dues and deferred support consist of membership dues and program fees received in advance. Membership dues revenue is recognized over the term of the annual membership. Program fee revenue is recognized as the related programs are provided.

**Net Assets**

Net assets represent unrestricted funds available for use in the general operations of the Society.

**Income Taxes**

The Society is a nonprofit organization that is exempt from income taxes under Section 501(c)(6) of the *Internal Revenue Code*. The Society is subject to tax on unrelated business revenue. The Society obtained its latest determination letter on July 19, 1977.

The Society follows the income tax standard for uncertain tax positions. The application of this standard has no impact on the Society's financial statements.

**Subsequent Events**

In preparing these financial statements, the Society has evaluated events and transactions for potential recognition or disclosure through October 29, 2015, the date the financial statements were available to be issued.

**NOTE 2 INVESTMENTS**

Marketable securities consisted of the following as of June 30, 2015 and June 30, 2014:

	2015		2014	
	Cost	Fair Value	Cost	Fair Value
Government Bonds and Notes	\$ 629,465	\$ 679,161	\$ 840,293	\$ 894,197
Mutual Funds	1,447,865	1,358,968	946,792	1,000,888
Corporate Bonds	298,249	299,203	313,418	316,756
Common Stocks	625,856	700,979	783,258	855,517
Total	<u>\$ 3,001,435</u>	<u>\$ 3,038,311</u>	<u>\$ 2,883,761</u>	<u>\$ 3,067,358</u>

Investment income consisted of the following for the years ended June 30, 2015 and 2014:

	2015	2014
Realized Gain (Loss)	91,055	540,896
Unrealized Gain (Loss)	(146,721)	(189,212)
Total Investment Income	<u>\$ (55,666)</u>	<u>\$ 351,684</u>

**SOCIETY OF CABLE TELECOMMUNICATIONS ENGINEERS, INC. AND CHAPTERS**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

**NOTE 3 INCOME TAXES**

The Society is subject to unrelated business income tax on revenues from the sale of mailing lists, publication and distribution of materials containing paid advertisements. Unrelated business income is gross income from these unrelated business activities less the deductions directly connected with this income. Income tax expense was \$10,000 and \$15,000 for the years ended June 30, 2015 and 2014, respectively.

**NOTE 4 PROFIT SHARING PLANS**

The Society sponsors a defined contribution 401(k) plan that covers all eligible employees. Contributions to the plan are at the discretion of management; however, there is a provision for income deferral whereby employees may make voluntary, before tax contributions not to exceed 25% of compensation. Management has elected to make matching contributions at the rate of \$.50 for every \$1.00 contributed by an employee to a maximum of 12.5% of the employee's compensation. The Society's contribution to the plan was \$193,816 and \$167,977 for the years ended June 30, 2015 and 2014, respectively.

The Society sponsors a non-qualified 457(b) plan for the benefit of key managerial employees. Management elected to contribute \$72,000 and \$35,000 for the years ended June 30, 2015 and 2014, respectively. Amounts contributed to the plan are held by the Society and included in marketable securities at a value of \$221,140 and \$311,030 as of June 30, 2015 and 2014, respectively.

**NOTE 5 CONCENTRATION OF CUSTODIAL RISK**

The Society maintains operating and money market cash balances in several financial institutions located throughout the United States. These balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At various times throughout the year, balances at these institutions may exceed the federally insured limits.

**NOTE 6 OPERATING LEASES**

The Society has various operating leases for equipment with terms extending to 2020. Expenses related to these leases amounted to \$13,988 and \$3,143 for the years ended June 30, 2015 and 2014, respectively. At June 30, 2015, minimum future operating lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 7,729
2017	1,728
2018	1,728
2019	1,728
2020	1,584
Total	<u>\$ 14,497</u>

**SOCIETY OF CABLE TELECOMMUNICATIONS ENGINEERS, INC. AND CHAPTERS**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

**NOTE 7 RELATED PARTIES**

Several board members of the Society are also board members of the SCTE Foundation, Inc. (the Foundation), also a nonprofit organization. The Foundation's mission is to assist in fostering innovation and education in the cable and telecommunications engineering industry. The President and CEO of the Society is also a member of the Board of Directors of the Foundation.

The Society provides administrative support services to the Foundation at no charge. However, occasionally other transactions occur that affect both the Foundation and the Society. These transactions resulted in a balance receivable from the Foundation of \$735 and \$3,576 at June 30, 2015 and 2014, respectively.

**NOTE 8 FAIR VALUE MEASUREMENTS**

The Society uses fair value measurements to record fair value adjustments to investments. For additional information on how the Society measures fair value refer to Note 1 – Summary of Significant Accounting Policies.

The following tables present the Society's fair value hierarchy for those investments measured at fair value on a recurring basis as of June 30, 2015 and 2014, respectively:

	2015			
	Level 1	Level 2	Level 3	Total
Government Bonds and Notes	\$ 679,161	\$ -	\$ -	\$ 679,161
Mutual Funds	1,358,968	-	-	1,358,968
Corporate Bonds	299,203	-	-	299,203
Common Stocks	700,979	-	-	700,979
Total	\$ 3,038,311	\$ -	\$ -	\$ 3,038,311

	2014			
	Level 1	Level 2	Level 3	Total
Government Bonds and Notes	\$ 894,197	\$ -	\$ -	\$ 894,197
Mutual Funds	1,000,888	-	-	1,000,888
Corporate Bonds	316,756	-	-	316,756
Common Stocks	855,517	-	-	855,517
Total	\$ 3,067,358	\$ -	\$ -	\$ 3,067,358

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

In the normal course of business, the Society makes commitments for meeting and hotel space.

**INDEPENDENT AUDITORS' REPORT ON  
SUPPLEMENTARY INFORMATION**

Board of Directors  
Society of Cable Telecommunications Engineers, Inc.  
Exton, Pennsylvania

We have audited the combined financial statements of Society of Cable Telecommunications Engineers, Inc. and Chapters as of and for the years ended June 30, 2015 and 2014, and our report thereon dated October 29, 2015, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combined schedules of program services revenue and chapter activities, and the combining statements of activities, and combined schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.



**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
October 29, 2015

**SOCIETY OF CABLE TELECOMMUNICATIONS ENGINEERS, INC. AND CHAPTERS**  
**COMBINED SCHEDULES OF PROGRAM SERVICES REVENUE**  
**AND CHAPTER ACTIVITIES**  
**YEARS ENDED JUNE 30, 2015 AND 2014**  
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

**PROGRAM SERVICE REVENUE**

	<u>2015</u>	<u>2014</u>
Certification Programs	\$ 783,496	\$ 490,579
Registration Revenue	1,706,791	1,581,411
Exhibitor Revenue	4,408,228	2,954,620
Corporate Partnership	132,500	242,750
Publications	70,640	92,686
Training Seminars	1,375,252	1,993,147
Vendor Support	328,776	373,150
Total Program Services Revenue	<u>\$ 8,805,683</u>	<u>\$ 7,728,343</u>

**CHAPTER ACTIVITIES**

	<u>2015</u>	<u>2014</u>
Group Special Events	\$ 1,530,118	\$ 1,516,478
Local Dues	-	4,980
National Certification Fees	50	-
Meeting Fee	125,553	112,913
Miscellaneous	10,609	25,686
Total Chapter Activities	<u>\$ 1,666,330</u>	<u>\$ 1,660,057</u>

**SOCIETY OF CABLE TELECOMMUNICATIONS ENGINEERS, INC. AND CHAPTERS**  
**COMBINING STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2015 AND 2014**  
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	2015			2014		
	SCTE	Chapters	Total	SCTE	Chapters	Total
<b>REVENUE AND OTHER SUPPORT</b>						
Program Services Revenue	\$ 8,805,683	\$ -	\$ 8,805,683	\$ 7,728,343	\$ -	\$ 7,728,343
Chapter Activities	-	1,666,330	1,666,330	-	1,660,057	1,660,057
Membership Dues	3,646,467	-	3,646,467	3,263,398	-	3,263,398
Dividend and Interest Income	133,174	76	133,250	84,155	80	84,235
Other Revenue	167,561	-	167,561	102,147	-	102,147
Total Revenue and Other Support	<u>12,752,885</u>	<u>1,666,406</u>	<u>14,419,291</u>	<u>11,178,043</u>	<u>1,660,137</u>	<u>12,838,180</u>
<b>EXPENSES</b>						
Program Services						
Educational and Membership Services	8,736,285	-	8,736,285	8,048,899	-	8,048,899
Chapter Activities	612,194	1,605,213	2,217,407	571,300	1,667,996	2,239,296
Total Program Services	<u>9,348,479</u>	<u>1,605,213</u>	<u>10,953,692</u>	<u>8,620,199</u>	<u>1,667,996</u>	<u>10,288,195</u>
Supporting Services						
Management and General	<u>1,908,861</u>	-	<u>1,908,861</u>	<u>1,659,650</u>	-	<u>1,659,650</u>
Total Expenses	<u>11,257,340</u>	<u>1,605,213</u>	<u>12,862,553</u>	<u>10,279,849</u>	<u>1,667,996</u>	<u>11,947,845</u>
Change in Net Assets from Operations	1,495,545	61,193	1,556,738	898,194	(7,859)	890,335
<b>NONOPERATING INCOME (LOSS)</b>						
Unrealized and Realized Gain (Loss) on Investments	(55,666)	-	(55,666)	351,684	-	351,684
Total Nonoperating Income	<u>(55,666)</u>	<u>-</u>	<u>(55,666)</u>	<u>351,684</u>	<u>-</u>	<u>351,684</u>
<b>CHANGE IN NET ASSETS</b>	1,439,879	61,193	1,501,072	1,249,878	(7,859)	1,242,019
Net Assets - Beginning of Year	<u>3,721,175</u>	<u>1,184,901</u>	<u>4,906,076</u>	<u>2,471,297</u>	<u>1,192,760</u>	<u>3,664,057</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 5,161,054</u>	<u>\$ 1,246,094</u>	<u>\$ 6,407,148</u>	<u>\$ 3,721,175</u>	<u>\$ 1,184,901</u>	<u>\$ 4,906,076</u>

**SOCIETY OF CABLE TELECOMMUNICATIONS ENGINEERS, INC. AND CHAPTERS**  
**COMBINED SCHEDULES OF FUNCTIONAL EXPENSES**  
**YEARS ENDED JUNE 30, 2015 AND 2014**  
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	2015				2014			
	Program Services		Supporting Services	Total Program and Supporting Services	Program Services		Supporting Services	Total Program and Supporting Services
	Educational and Membership Services	Chapter Activities	Management and General		Educational and Membership Services	Chapter Activities	Management and General	
Salaries	\$ 2,963,839	\$ 354,404	\$ 1,453,984	\$ 4,772,227	\$ 3,161,591	\$ 356,155	\$ 1,323,558	\$ 4,841,304
Employee Benefits	510,854	40,767	116,855	668,476	493,793	37,243	104,738	635,774
Payroll Taxes	255,137	18,010	27,014	300,161	230,250	16,253	24,379	270,882
Total Salaries and Related Expenses	<u>3,729,830</u>	<u>413,181</u>	<u>1,597,853</u>	<u>5,740,864</u>	<u>3,885,634</u>	<u>409,651</u>	<u>1,452,675</u>	<u>5,747,960</u>
Chapter								
Bad Debt Expense	-	25,079	-	25,079	-	-	-	-
Bank Service Fee	-	6,947	-	6,947	-	5,567	-	5,567
Certification	-	5,618	-	5,618	-	8,382	-	8,382
Dues and Subscriptions	-	3,887	-	3,887	-	5,769	-	5,769
Group Special Events	-	1,279,200	-	1,279,200	-	1,346,517	-	1,346,517
Marketing/Promotion	-	3,954	-	3,954	-	2,264	-	2,264
Meeting Expense	-	247,333	-	247,333	-	226,050	-	226,050
Miscellaneous	-	317	-	317	-	17,601	-	17,601
Postage and Shipping	-	1,161	-	1,161	-	4,393	-	4,393
Donations	-	12,639	-	12,639	-	29,000	-	29,000
Supplies	-	8,623	-	8,623	-	10,554	-	10,554
Website	-	10,455	-	10,455	-	11,899	-	11,899
Total Chapters	-	<u>1,605,213</u>	-	<u>1,605,213</u>	-	<u>1,667,996</u>	-	<u>1,667,996</u>
Other Expenses								
Bad Debt Expense	-	-	-	-	1,622	114	172	1,908
Bank Service Fees	50,083	3,535	5,319	58,937	36,073	2,546	3,819	42,438
Board of Directors Meetings	13,628	962	9,135	23,725	21,531	1,214	2,189	24,934
Certifications	197,132	-	-	197,132	180,244	-	-	180,244
Cable-Tec Expo	1,407,694	-	-	1,407,694	1,394,093	-	-	1,394,093
Casual Labor	58,963	4,162	6,243	69,368	-	-	-	-
Chapter Development	-	55,753	-	55,753	-	58,101	-	58,101
Conventions and Seminars	1,057,207	6,157	4,105	1,067,469	1,015,692	-	-	1,015,692
Cost of Inventory Sold	48,858	-	-	48,858	23,967	1,692	2,538	28,197
Depreciation and Amortization	205,335	14,362	21,543	241,240	249,422	17,606	26,409	293,437
Education Dues and Subscriptions	55,470	4,041	8,171	67,682	29,017	3,796	3,506	36,319
Election	9,987	705	1,057	11,749	7,459	527	790	8,776
Subtotal Other Expenses-Carry Forward	<u>3,104,357</u>	<u>89,677</u>	<u>55,573</u>	<u>3,249,607</u>	<u>2,959,120</u>	<u>85,596</u>	<u>39,423</u>	<u>3,084,139</u>



**SOCIETY OF CABLE TELECOMMUNICATIONS ENGINEERS, INC. AND CHAPTERS**  
**COMBINED SCHEDULES OF FUNCTIONAL EXPENSES (CONTINUED)**  
**YEARS ENDED JUNE 30, 2015 AND 2014**  
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	2015				2014			
	Program Services		Supporting Services	Total Program and Supporting Services	Program Services		Supporting Services	Total Program and Supporting Services
	Educational and Membership Services	Chapter Activities	Management and General		Educational and Membership Services	Chapter Activities	Management and General	
Balance Forward-Other Expenses	\$ 3,104,357	\$ 89,677	\$ 55,573	\$ 3,249,607	\$ 2,959,120	\$ 85,596	\$ 39,423	\$ 3,084,139
Other Expenses-Continued								
Insurance	64,562	4,557	6,836	75,955	70,075	4,946	7,420	82,441
Miscellaneous	49,289	2,108	3,705	55,102	40,127	2,833	4,322	47,282
Mission Statement/Marketing	19,148	1,352	3,571	24,071	11,089	783	2,094	13,966
Postage and Shipping	23,721	1,674	2,512	27,907	26,610	1,878	2,848	31,336
Printing and Publications	53,051	3,745	5,617	62,413	59,426	4,195	6,292	69,913
Professional Fees	871,216	55,801	83,702	1,010,719	487,354	34,401	51,602	573,357
Repairs and Maintenance	155,918	11,006	16,510	183,434	156,264	11,030	16,717	184,011
Standards	283,887	-	-	283,887	129,694	-	-	129,694
Supplies	32,025	2,261	4,310	38,596	27,729	1,957	5,065	34,751
Taxes and Licenses	36,911	2,605	3,908	43,424	35,266	2,489	3,734	41,489
Tax on Unrelated Business Income	8,500	600	900	10,000	12,750	900	1,350	15,000
Telephone	29,502	2,126	6,410	38,038	23,104	1,631	10,242	34,977
Travel and Entertainment	45,023	5,312	48,143	98,478	45,935	3,453	44,134	93,522
Utilities	85,882	6,062	9,094	101,038	46,046	3,250	4,875	54,171
Website	143,463	10,127	15,190	168,780	32,676	2,307	3,460	38,443
Loss on Disposal of Assets	-	-	45,027	45,027	-	-	3,397	3,397
Total Other Expense	<u>5,006,455</u>	<u>199,013</u>	<u>311,008</u>	<u>5,516,476</u>	<u>4,163,265</u>	<u>161,649</u>	<u>206,975</u>	<u>4,531,889</u>
Total Expenses	<u>\$ 8,736,285</u>	<u>\$ 2,217,407</u>	<u>\$ 1,908,861</u>	<u>\$ 12,862,553</u>	<u>\$ 8,048,899</u>	<u>\$ 2,239,296</u>	<u>\$ 1,659,650</u>	<u>\$ 11,947,845</u>