

Annual Report 2012–2013

Independent Auditors' Report, Combined Financial Statements and Supplementary Information

CalCPA TREASURER'S REPORT



CalCPA finishes another fiscal year in strong financial condition. Our net assets increased by \$2.7 million this year, reflecting a surplus from operations of \$900,000 plus investment income of \$1.8 million. Our year-end balance sheet shows net assets in excess of \$23 million. We have no long term debt other than deferred compensation and that obligation is fully funded by our employees own contributions. Clearly, we have the resources to weather a financial storm and to grow in the future.

The year has not been without challenges. Our membership dues renewal revenue fell by 4% compared to the previous year. This appears to reflect the aging of our baby boomer membership segment and their transition from the workforce to the golf course. On a brighter note, our new member dues income was up by 19% over the previous year. Despite our revenue challenges, expense reductions and tight cost controls by CalCPA's professional management team resulted in the year's operating surplus.

Our financial challenge for the future is to replace the baby boomers. This will be accomplished if we continue our work to attract and retain the younger members – our YEPs – by making CalCPA relevant to their needs. These efforts are among the highest priorities for your volunteer leadership and professional management. The need for the services and skills of CPAs has never been greater. The future for the profession and for CalCPA is very bright.

—*Timothy J. Good, CPA*



CALIFORNIA CPA EDUCATION FOUNDATION TREASURER'S REPORT



2013 was a challenging fiscal year for the Foundation. Over the past couple of years, the shift in customer demand for web-based educational content has accelerated at a surprising pace. This shift has challenged the Foundation to adapt, and to do so rapidly. In the fiscal year, revenues topped \$12 million versus a budget of \$14 million. Through diligent efforts of the Foundation staff, costs were held in check, bringing the deficit from operations to \$707k before net investment income, versus a budgeted deficit of \$114k. Even with this operational deficit, net assets for the year did grow 1%.

There is good news as well. The Foundation has expanded its reach to 27 states. It also initiated an external review of all courses to ensure that the CPE content it provides meets NASBA standards. The Foundation's commitment to quality learning products is affirmed by this!

The Foundation faces challenging times. Our product base has grown. The number of out-of-state webcast partners has grown. But the competition in the web-based marketplace is strong. There may very well come a time where accredited web-based continuing education is provided for little or no charge at all. The Foundation's role in advocacy, outreach, and membership are also important aspects of the Foundation's mission. An important component of the CalCPA Society's value to its members is the access to high quality continuing education. As the delivery method continues to evolve, the Foundation must as well. I look forward to the coming year and the challenge that it presents to us.

—*Peter Iannone, CPA*



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Independent Auditors' Report

COUNCIL OF THE
CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
and
BOARD OF TRUSTEES OF THE
CALIFORNIA CERTIFIED PUBLIC ACCOUNTANTS EDUCATION FOUNDATION
San Mateo, California

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of **California Society of Certified Public Accountants (Society)** and **California Certified Public Accountants Education Foundation (Foundation)**, which comprise the combined statement of financial position as of April 30, 2013, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Combined 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 audit. 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 combined financial statements are free of 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.

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

Opinion


In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of California Society of Certified Public Accountants and California Certified Public Accountants Education Foundation as of April 30, 2013, and the changes in their combined net assets and their combined cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The combined financial statements of California Society of Certified Public Accountants and California Certified Public Accountants Education Foundation, as of and for the year ended April 30, 2012, were audited by other auditors whose report dated June 8, 2012 expressed an unmodified opinion on those statements.

Report on Supplementary Information – Combining Statements

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as of and for the year ended April 30, 2013 as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is 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 as of and for the year ended April 30, 2013, has been subjected to the auditing procedures applied in the audit 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 as of and for the year ended April 30, 2013 is fairly stated in all material respects in relation to the combined financial statements as a whole. The supplementary information as of and for the year ended April 30, 2012, was audited by other auditors whose report, dated June 8, 2012, expressed an unmodified opinion on such information in relation to the financial statements as a whole.



San Francisco, California
June 7, 2013

COMBINED STATEMENTS OF FINANCIAL POSITION

California Society of Certified Public Accountants | California Certified Public Accountants Education Foundation

April 30, 2013 and 2012

(Amounts Expressed In Thousands)

	2013	2012
Assets		
Current Assets:		
Cash and equivalents	\$ 9,370	\$ 8,804
Certificates of deposit	1,960	1,955
Accounts receivable, net	173	178
Other receivables	323	218
Receivable - affiliates	83	68
Prepaid expenses and other	532	544
Total current assets	12,441	11,767
Investments	30,358	27,978
Investments - Endowment	50	50
Fixed Assets, net	3,004	3,433
Trust Assets - Deferred Compensation	959	786
Other Assets	129	95
Total assets	\$ 46,941	\$ 44,109
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 463	\$ 634
Accrued expenses	1,267	1,544
Deferred revenues	9,078	8,703
Deferred lease costs, current portion	214	244
Total current liabilities	11,022	11,125
Deferred Lease Costs, less current portion	1,762	1,807
Deferred Compensation	959	786
Total liabilities	13,743	13,718
Net Assets:		
Unrestricted:		
Board designated	7,500	7,500
Undesignated	23,547	20,921
Total unrestricted	31,047	28,421
Temporarily restricted	2,101	1,920
Permanently restricted	50	50
Total net assets	33,198	30,391
Total liabilities and net assets	\$ 46,941	\$ 44,109

The accompanying notes are an integral part of this statement

COMBINED STATEMENTS OF ACTIVITIES

California Society of Certified Public Accountants | California Certified Public Accountants Education Foundation

Years Ended April 30, 2013 and 2012
(Amounts Expressed In Thousands)

	2013	2012
Unrestricted Net Assets:		
Unrestricted revenues:		
Dues	\$ 9,520	\$ 9,911
Professional education programs	12,082	13,130
Peer review fees	1,407	1,302
Member meetings and events	827	655
Advertising	672	632
Affiliation fees	576	578
Royalties and affinity programs	152	171
Investment income (loss), net	2,298	(131)
Other income	198	102
Total unrestricted revenues	27,732	26,350
Net assets released from restrictions	576	591
Total revenues	28,308	26,941
Expenses:		
Program services:		
Communication services	2,131	2,307
Government relations	1,287	1,331
Other member activities	893	982
Professional education programs	11,137	10,886
Peer review	1,344	1,214
Chapter events and member committees	2,893	2,677
Institute and scholarships	576	621
Supporting services:		
Management and general	5,055	4,810
Membership development	366	492
Total expenses	25,682	25,320
Change in unrestricted net assets	2,626	1,621
Temporarily Restricted Net Assets:		
Net proceeds from scholarship events held by the Society	271	263
Scholarship contributions	36	51
Financial literacy and other program contributions	260	180
Investment income (loss), net	190	(22)
Restrictions satisfied by:		
Payment of scholarships	(289)	(292)
Payment of administrative and program costs	(287)	(299)
Change in temporarily restricted net assets	181	(119)
Change in Net Assets	2,807	1,502
Net Assets, beginning of year	30,391	28,889
Net Assets, end of year	\$ 33,198	\$ 30,391

The accompanying notes are an integral part of this statement

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

California Society of Certified Public Accountants | California Certified Public Accountants Education Foundation

Years Ended April 30, 2013 and 2012
(Amounts Expressed in Thousands)

	Program Services						Supporting Services			Total
	Communication Services	Government Relations	Other Member Activities	Professional Education Programs	Peer Review	Chapter Events and Member Committees	Institute and Scholarships	Management and General	Membership Development	
2013										
Personnel	\$ 921	\$ 861	\$ 677	\$ 3,199	\$ 1,001	\$ 1,292	\$ 139	\$ 3,096	\$ 185	\$ 11,371
Courses and conferences				6,426						6,426
Office administration	173	89	88	572	92	48	52	1,171	82	2,367
Meetings and events	3	15	16	63	24	753	82	348	13	1,317
Occupancy	105	92	72	302	28	138		262	20	1,019
Printing and publications	326	3	2		164	18	13	2	54	582
Advertising	548			324					1	873
Depreciation and amortization	55	48	38	304	35	73		155	11	719
Scholarship fundraising events				(53)		571				571
Scholarship distributions (recoveries)							290			237
Advocacy support		179								179
Other expenses								21		21
	\$ 2,131	\$ 1,287	\$ 893	\$ 11,137	\$ 1,344	\$ 2,893	\$ 576	\$ 5,055	\$ 366	\$ 25,682
2012										
Personnel	\$ 1,096	\$ 902	\$ 709	\$ 3,114	\$ 876	\$ 1,289	\$ 120	\$ 2,892	\$ 258	\$ 11,256
Courses and conferences				6,542						6,542
Office administration	161	98	98	478	58	44	61	1,147	121	2,266
Meetings and events	1	2	50	72	54	663	105	366	7	1,320
Occupancy	108	89	70	246	25	126		234	25	923
Printing and publications	318	3	7		179	16	13	9	64	609
Advertising	549			291						840
Depreciation and amortization	74	61	48	143	22	87		137	17	589
Scholarship fundraising events						452				452
Scholarship distributions							322			322
Advocacy support		176								176
Other expenses								25		25
	\$ 2,307	\$ 1,331	\$ 982	\$ 10,886	\$ 1,214	\$ 2,677	\$ 621	\$ 4,810	\$ 492	\$ 25,320

The accompanying notes are an integral part of this statement

COMBINED STATEMENTS OF CASH FLOWS

California Society of Certified Public Accountants | California Certified Public Accountants Education Foundation

Years Ended April 30, 2013 and 2012
(Amounts Expressed In Thousands)

	2013	2012
Operating Activities:		
Change in net assets	\$ 2,807	\$ 1,502
Reconciliation of change in net assets to cash provided by operating activities:		
Net unrealized (gain) loss on investments	(659)	1,395
Depreciation and amortization	719	589
Loss on disposal of fixed assets	1	
Changes in operating assets and liabilities:		
Accounts receivable, net	5	(20)
Other receivables	(105)	(26)
Receivable - affiliates	(15)	3
Prepaid expenses and other	12	156
Other assets	(34)	
Accounts payable	(171)	57
Accrued expenses	(277)	356
Deferred revenues	375	(1,074)
Deferred lease costs	(75)	13
Net cash provided by operating activities	2,583	2,951
Investing Activities:		
Purchases of investments	(24,745)	(12,952)
Proceeds from sales of investments	23,019	8,409
Purchases of fixed assets	(291)	(1,003)
Net cash used by investing activities	(2,017)	(5,546)
Net Increase (Decrease) in Cash and Equivalents	566	(2,595)
Cash and Equivalents, beginning of year	8,804	11,399
Cash and Equivalents, end of year	\$ 9,370	\$ 8,804

Supplemental Disclosure

No payments for interest were made during 2013 and 2012.
Payments of \$55,000 were made in 2013 for 2013 and 2012 taxes and a refund of \$11,000 was received in 2012 for 2011 taxes.

The accompanying notes are an integral part of this statement

Notes to Combined Financial Statements

Years Ended April 30, 2013 and 2012

(Amounts Expressed In Thousands)

1. ORGANIZATION

The California Society of Certified Public Accountants (Society) is a nonprofit incorporated membership organization whose purpose is to advance the profession of accountancy in the State of California. The Society provides its members with general and technical resources through its chapters and committees and administers the Peer Review Program on behalf of the American Institute of Certified Public Accountants in California, Arizona and Alaska. The California Certified Public Accountants Education Foundation (Foundation) is a nonprofit public benefit corporation organized to provide continuing professional education to Certified Public Accountants (CPAs) and other interested parties. The Society is governed by the CalCPA Council (Council), which is elected by the membership of the Society. The Foundation is governed by a Board of Trustees. Revenues for the Society and the Foundation are derived primarily from CPAs in California. The Society and the Foundation share administrative functions. Such costs are allocated between the entities based on their estimated share. The California CPA Institute (CalCPA Institute), a public charity nonprofit organization, was formed in October 2004 to administer scholarship activities, financial literacy and other programs. The activities of the CalCPA Institute are consolidated with the activities of the Society.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF COMBINATION—The Board of Trustees of the Foundation consists of members of the Society who are elected by the governing Council of the Society. Because of common control by the Council, the accompanying financial statements reflect the combined statements of the Society and the Foundation. All inter-organization transactions have been eliminated in combination.

PRINCIPLES OF CONSOLIDATION—All inter-organization transactions have been eliminated in consolidation.

BASIS OF PRESENTATION—The combined financial statements of the Society and the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Society and the Foundation classify their net assets and changes in net assets as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed restrictions or the donor-imposed restrictions have expired. As reflected in the accompanying financial statements and discussed in the notes, the Council has designated a portion of the unrestricted net assets for specific purposes.

Temporarily Restricted Net Assets – Net assets that are subject to donor-imposed restrictions that may or will be met either by actions of the Society or the Foundation and/or the passage of time.

Permanently Restricted Net Assets – Net assets that are to be held in perpetuity as directed by donors. The income from these net assets are available to support activities as designated by the donors.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor restriction or by law. Generally, the donors of assets allow the Society and the Foundation to use all or part of the income earned on the related investments for unrestricted or specific (temporarily restricted) purposes.

CASH AND EQUIVALENTS—Cash and equivalents consist of cash on hand and highly liquid investments with original or remaining maturities of three months or less at the time of purchase.

CONCENTRATION OF CREDIT RISK—Financial instruments that potentially subject the Society and the Foundation to concentrations of credit risk consist of cash deposits and investments. Cash balances may exceed Federal Deposit Insurance Corporation insurable limits. Management believes that the Society and the Foundation are not exposed to any significant credit risk related to cash and equivalents. Investments are subject to a formal investment policy, which provides for diversification and oversight.

ACCOUNTS RECEIVABLE—Accounts receivable are recorded at net realizable value consisting of the carrying amount less an allowance for uncollectible accounts. The allowance is established based on factors such as historical experience, credit quality and the age of the account balances in determining the appropriate allowance. As of April 30, 2013 and 2012, the total combined allowance for doubtful accounts was \$13 and \$6, respectively.

INVESTMENTS—Investments are stated at fair value. Unrealized and realized gains and losses are included in investment income reported on the combined statements of activities. Investment income is reported net of related investment expenses.

FIXED ASSETS—Acquisitions of equipment and furniture of one thousand dollars or more are capitalized. Equipment and furniture are stated at cost and depreciation or amortization is computed when assets are placed in service using the straight-line method over estimated useful lives of three to seven years. Leasehold improvements are amortized over the lease term. For software development costs, the Society and the Foundation capitalize qualifying computer software costs, which are incurred during the application development stage. Costs related to preliminary project activities and post-implementation activities are expensed as incurred. Capitalized software costs are amortized on a straight line basis over the estimated lives of three to seven years.

DEFERRED LEASE COSTS—Rent expense is recognized on a straight-line basis over the lives of the leases. Deferred lease costs represent rent expense recognized in excess of rental payments made.

REVENUE RECOGNITION—Membership dues are recognized as revenue over the membership period. Peer review registration fees are recognized over the calendar year. Peer review processing and review fees are recognized when review engagements are completed. Revenues from professional education programs are recognized in the period the programs are held. Advertising revenues are recognized when the services are rendered. Revenues collected in advance are deferred until earned. Affiliation fees, royalties and affinity program revenues are recognized in the period earned.

ADVERTISING COSTS—Advertising costs consist primarily of radio advertisements, catalogs and brochures for educational seminars and other events. In addition, the Society sponsors events at other strategic nonprofit organizations. Advertising costs are charged to expense in the period the events occur. For the years ended April 30, 2013 and 2012, total advertising costs charged to expense were \$873 and \$840, respectively.

CONTRIBUTED SERVICES—Members of the Society donate their time to various activities of the Society and the Foundation, including the leadership of the organizations, committees, chapters, and member events. The value of this contributed time is not reflected in the combined financial statements since it does not meet the criteria for recognition as a contribution.

Notes to Combined Financial Statements

Years Ended April 30, 2013 and 2012

(Amounts Expressed In Thousands)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

INCOME TAXES—The Society is exempt from income taxes under Internal Revenue Code (IRC) Section 501(c)(6) and related California code sections. The CalCPA Institute and the Foundation are both exempt from income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and related California code sections. However, the organizations are subject to income taxes from activities unrelated to their tax-exempt purposes. The Foundation and the Institute are considered publicly supported organizations.

Management of the Society and the Foundation has evaluated their tax positions and related income tax contingencies. Management does not believe that any material uncertain tax positions exist. With few exceptions, the Society and Foundation are no longer subject to income tax examinations by federal authorities for years before 2009 and state authorities for years before 2008.

FUNCTIONAL EXPENSES—The costs of providing program services and supporting services have been summarized on a functional basis in the combined statements of activities and functional expenses. Accordingly, certain costs are for services shared between the Society and the Foundation. Indirect costs are allocated among programs and supporting services based on personnel, space and other factors.

USE OF ESTIMATES—In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates under different assumptions or conditions.

RECLASSIFICATIONS—Certain prior year amounts have been reclassified to conform with the current year financial statement and supplementary information presentation.

3. RELATED PARTY

Group Insurance Trust of the California Society of Certified Public Accountants

Group Insurance Trust of the California Society of Certified Public Accountants (GIT) is a multiple-employer welfare arrangement, sponsored by the Society, to provide health and welfare insurance plans to Society members at favorable group rates. The Society receives an affiliation fee from GIT, which is based on GIT's total participant contributions less administrative expenses.

Receivables from GIT to the Society at April 30, 2013 and 2012, were \$30 and \$53, respectively, and are included in Receivable - Affiliates on the combined statements of financial position. The Society earned an affiliation fee for the years ended April 30, 2013 and 2012, of \$343 and \$338, respectively, from GIT, which is included in the combined statements of activities. For the years ended April 30, 2013 and 2012, the Society paid certain costs on behalf of GIT totaling \$103 and \$142, respectively. Such costs were reimbursed by GIT. Total costs charged to GIT for their share of facilities costs and certain administrative costs were \$58 for each of the years ended April 30, 2013 and 2012.

4. ASSOCIATED ENTITY

CAMICO Mutual Insurance Company

CAMICO Mutual Insurance Company (CAMICO) provides professional liability insurance for Society members and is endorsed by the Society. Since CAMICO is not under common control with the Society and the Foundation, the combined financial statements do not reflect consolidation of CAMICO accounts. The Society receives an affiliation fee from CAMICO, which is based on CAMICO's total

annual earned premiums. CAMICO shares certain administrative and facility functions and costs with the Society and the Foundation.

At April 30, 2013 and 2012, receivables of \$53 and \$15, respectively, were included in Receivable - Affiliates on the combined statements of financial position. For the years ended April 30, 2013 and 2012, affiliation fees earned by the Society were \$233 and \$240, respectively, and are included in the combined statements of activities.

For the years ended April 30, 2013 and 2012, total costs charged to the Society by CAMICO were \$44 and \$48, respectively, and are included in the combined statements of activities. In addition, during the years ended April 30, 2013 and 2012, the Society paid certain expenses on behalf of CAMICO totaling \$4 and \$17, respectively. Such costs were reimbursed by CAMICO. Total costs charged to the Foundation by CAMICO were \$25 for each of the years ended April 30, 2013 and 2012 and are reported in the combined statement of functional expenses.

5. INVESTMENTS AND INVESTMENT INCOME (LOSS)

Investments are comprised of the following at April 30:

2013	Society	Foundation	Total
Mutual Funds	\$ 18,798	\$ 3,109	\$ 21,907
Corporate Bonds	3,551	505	4,056
Common Stocks		3,825	3,825
Government Bonds		620	620
Total	\$ 22,349	\$ 8,059	\$ 30,408

2012	Society	Foundation	Total
Mutual Funds	\$ 18,233	\$ 2,842	\$ 21,075
Corporate Bonds	2,111	492	2,603
Common Stocks		3,668	3,668
Government Bonds		416	416
Other Investment	245		245
International Bonds		21	21
Total	\$ 20,589	\$ 7,439	\$ 28,028

Notes to Combined Financial Statements

Years Ended April 30, 2013 and 2012

(Amounts Expressed In Thousands)

5. INVESTMENTS AND INVESTMENT INCOME (LOSS) (CONT'D)

Investment income (loss) is comprised of the following for the years ended April 30:

2013	Society	Foundation	Total
Unrestricted:			
Interest and Dividends	\$ 604	\$ 271	\$ 875
Net Realized Gain	730	203	933
Net Unrealized Gain	311	297	608
	1,645	771	2,416
Investment Expense	(55)	(63)	(118)
Total Unrestricted	1,590	708	2,298
Temporarily Restricted:			
Interest and Dividends	55		55
Net Realized Gain	89		89
Net Unrealized Gain	51		51
	195		195
Investment Expense	(5)		(5)
Total Temporarily Restricted	190		190
Total Investment Income	\$ 1,780	\$ 708	\$ 2,488
2012	Society	Foundation	Total
Unrestricted:			
Interest and Dividends	\$ 671	\$ 268	\$ 939
Net Realized Gain	177	173	350
Net Unrealized (Loss)	(733)	(565)	(1,298)
	115	(124)	(9)
Investment Expense	(60)	(62)	(122)
Total Unrestricted	55	(186)	(131)
Temporarily Restricted:			
Interest and Dividends	62	3	65
Net Realized Gain	15		15
Net Unrealized (Loss)	(97)		(97)
	(20)	3	(17)
Investment Expense	(5)		(5)
Total Temporarily Restricted	(25)	3	(22)
Total Investment Income (Loss)	\$ 30	\$ (183)	\$ (153)

6. FAIR VALUE MEASUREMENTS

Accounting Standards Codification (ASC) 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1: Inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices within Level 1 that are observable, either directly or indirectly such as quoted prices for similar assets or liabilities in active markets or inactive markets, or inputs other than quoted prices that are observable for the asset or liability.

Level 3: Inputs are unobservable. Valuations for assets and liabilities that are derived from other valuation methodologies,

including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The Society and the Foundation use appropriate valuation techniques based on the available inputs to measure the fair value of their investments. When available, the Society and the Foundation measure fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying investments.

The table below presents the balances of assets measured at fair value on a recurring basis at April 30:

2013	Total	Level 1	Level 2	Level 3
Mutual Funds:				
Fixed Income Funds	\$ 9,235	\$ 9,235		
International Securities Funds	4,166	4,166		
Multi-strategy Funds	3,817	3,817		
U.S. Large Cap Funds	3,548	3,548		
U.S. Small-Mid Cap Funds	606	606		
Real Estate Securities Funds	281	281		
Bond Funds	254	254		
Corporate Bonds	4,056	3,432	\$ 624	
Common Stocks	3,825	3,825		
Government Bonds	620		620	
Total	\$ 30,408	\$ 29,164	\$ 1,244	\$ —
2012	Total	Level 1	Level 2	Level 3
Mutual Funds:				
Fixed Income Funds	\$ 6,982	\$ 6,982		
International Securities Funds	4,304	4,304		
U.S. Large Cap Funds	2,677	2,677		
Bond Funds	2,416	2,416		
Multi-strategy Funds	2,376	2,376		
Real Estate Securities Funds	1,411	1,411		
U.S. Small-Mid Cap Funds	909	909		
Common Stocks	3,668	3,668		
Corporate Bonds	2,603		\$ 2,603	
Government Bonds	416		416	
Other Investment	245			\$ 245
International Bonds	21		21	
Total	\$ 28,028	\$ 24,743	\$ 3,040	\$ 245

The other investment held by the Society is a "fund of funds" alternative investment fund. This fund is a private investment company, which includes hedge funds and the funds of other experienced portfolio managers employing a variety of trading styles or strategies. This investment is valued by the Society primarily utilizing the net asset valuation provided by the underlying private investment companies or their administrators, with consideration of subscription and redemption rights, including restrictions on disposition, in the determination of fair value. The Society uses information received from the investment advisor and custodian in its evaluation of the fair value of this asset. Because the inputs used in valuing the underlying assets are unobservable, this investment was classified as utilizing Level 3 inputs. It was sold during the year ended April 30, 2013.

Notes to Combined Financial Statements

Years Ended April 30, 2013 and 2012

(Amounts Expressed In Thousands)

6. FAIR VALUE MEASUREMENTS (CONT'D)

The following is a reconciliation of the Society's investment measured using significant unobservable inputs (Level 3) for the years ending April 30:

	2013	2012
Balance, Beginning of Year	\$ 245	\$ 247
Sales	(245)	
Unrealized Loss		(2)
Balance, End of Year	\$ —	\$ 245

The unrealized loss of \$2 for the year ended April 30, 2012, is recorded in unrestricted investment income on the statement of activities.

7. PREPAID EXPENSES AND OTHER

Prepaid expenses and other consist of the following at April 30:

2013	Society	Foundation	Total
Rent	\$ 105	\$ 34	\$ 139
Software and Hardware			
Maintenance Costs	28	40	68
Events	98	57	155
Postage	40	10	50
Insurance and Other	117	3	120
Total	\$ 388	\$ 144	\$ 532

2012	Society	Foundation	Total
Rent	\$ 90	\$ 34	\$ 124
Software and Hardware			
Maintenance Costs	96	62	158
Events	96	51	147
Postage	28	41	69
Insurance and Other	40	6	46
Fixed Assets, Net	\$ 350	\$ 194	\$ 544

8. FIXED ASSETS

Fixed Assets consist of the following at April 30:

2013	Society	Foundation	Total
Equipment	\$ 1,164	\$ 354	\$ 1,518
Software	857	1,434	2,291
Furniture	427	179	606
Leasehold Improvements	1,985		1,985
	4,433	1,967	6,400
Accumulated Depreciation and Amortization	(2,178)	(1,218)	(3,396)
Fixed Assets, Net	\$ 2,255	\$ 749	\$ 3,004

2012	Society	Foundation	Total
Equipment	\$ 1,128	\$ 334	\$ 1,462
Software	778	1,300	2,078
Furniture	427	179	606
Leasehold Improvements	1,971		1,971
	4,304	1,813	6,117
Accumulated Depreciation and Amortization	(1,687)	(997)	(2,684)
Fixed Assets, Net	\$ 2,617	\$ 816	\$ 3,433

9. DEFERRED REVENUES

Deferred revenues consist of the following at April 30:

2013	Society	Foundation	Total
Dues	\$ 6,005		\$ 6,005
Professional Education Programs		\$ 2,135	2,135
Peer Review Fees	702		702
Advertising	236		236
Total	\$ 6,943	\$ 2,135	\$ 9,078

2012	Society	Foundation	Total
Dues	\$ 5,759		\$ 5,759
Professional Education Programs		\$ 2,066	2,066
Peer Review Fees	721		721
Advertising	157		157
Total	\$ 6,637	\$ 2,066	\$ 8,703

10. RETIREMENT PLANS

Defined Contribution Plan

The Society and the Foundation sponsor a defined contribution plan under IRC Section 401(k). All employees at least 21 years of age who have completed one year of service are eligible to participate. Under the 401(k) plan, the Society and the Foundation match 100% of the employee elective deferral up to 2% of salary and 50% of the employee elective deferral between 2% and 6% of salary. In addition, all current employees, regardless of participation, earn a nonelective employer contribution equal to 3% of salary. Employer contributions totaled \$498 and \$442 for the years ended April 30, 2013 and 2012, respectively. Employer contributions vest starting in year two of service at a rate of 20% per year.

Deferred Compensation Plan

The Society maintains a deferred compensation plan under IRC Section 457. Deferred compensation assets consist of investments reserved for future payment of deferred compensation liabilities. There are no employer contribution expenses associated with this plan because all contributions are made by employees.

Notes to Combined Financial Statements

Years Ended April 30, 2013 and 2012

(Amounts Expressed In Thousands)

11. LINE OF CREDIT

The Society and the Foundation each maintain revolving credit agreements for borrowings up to \$2,000. Under the agreements, interest is payable monthly on outstanding balances at the reference rate announced by the bank of 3.25% as of April 30, 2013 and 2012, and is collateralized by the property of the Society and the Foundation. The line of credit agreements mature on November 1, 2013. There were no borrowings during 2013 and 2012.

12. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at April 30:

2013	Society	Foundation	Total
Scholarships	\$ 1,764		\$ 1,764
Financial Literacy and Other Programs	301		301
Forbes Medal Award		\$ 36	36
Total	\$ 2,065	\$ 36	\$ 2,101

2012	Society	Foundation	Total
Scholarships	\$ 1,565		\$ 1,565
Financial Literacy and Other Programs	319		319
Forbes Medal Award		\$ 36	36
Total	\$ 1,884	\$ 36	\$ 1,920

13. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of the original endowment for the John F. Forbes Medal Award. The earnings from the endowment are temporarily restricted and should be used to fund the Forbes Medal Award. The Forbes Medal is an award bestowed on the individual receiving the highest grade on the California Uniform Certified Public Accountant Examination.

14. BOARD DESIGNATED NET ASSETS

As of April 30, 2013 and 2012, the Board, an Executive Committee of the Society's Council, has designated \$7,500 of the Society's unrestricted net assets for a building fund.

15. OPERATING LEASE COMMITMENTS

The Society maintains its headquarters in San Mateo, California, under a non-cancelable lease agreement, which expires in December 2020.

In connection with the San Mateo lease agreement, the Society has the option to purchase the building and land at 1800 Gateway, San Mateo, California, subject to certain terms and conditions, at a purchase price equal to the greater of \$27,275 or the then fair market value. The option can be exercised no earlier than thirty-three full calendar months subsequent to the lease commencement date and no later than forty-four months from the lease commencement date, more specifically, September 2013 through August 2014.

The Foundation and GIT sublease a portion of the office space in San Mateo for their corporate headquarters under non-cancelable sublease agreements with the Society also expiring in December 2020.

The Society also leases office space in Sacramento and Glendale under non-cancelable operating leases expiring in April 2018 and November of 2013, respectively.

At April 30, 2013, future minimum lease payments under these agreements were as follows:

	Society	Foundation	Total
2014	\$ 702	\$ 315	\$ 1,017
2015	683	349	1,032
2016	566	268	834
2017	720	371	1,091
2018	736	382	1,118
Thereafter	1,584	1,074	2,658
			7,750
Sublease Revenues			(542)
Total			\$ 7,208

Rent expense and sublease revenue for the years ended April 30 is as follows:

2013	Society	Foundation	Total
Rent Expense	\$ 580	\$ 329	\$ 909
Sublease Revenues	(74)		(74)
Total	\$ 506	\$ 329	\$ 835

2012	Society	Foundation	Total
Rent Expense	\$ 637	\$ 243	\$ 880
Sublease Revenues	(47)		(47)
Total	\$ 590	\$ 243	\$ 833

16. SUBSEQUENT EVENTS

Management of the Society and the Foundation has reviewed the changes in their net assets and evaluated subsequent events for the period of time from its year end April 30, 2013 through June 7, 2013, the date the combined financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying combined financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

COMBINING STATEMENT OF FINANCIAL POSITION

California Society of Certified Public Accountants | California Certified Public Accountants Education Foundation

April 30, 2013

(Amounts Expressed In Thousands)

	Society	Institute	Eliminations	Consolidated Total	Foundation	Eliminations	Combined Total
Assets							
Current Assets:							
Cash and equivalents	\$ 6,185	\$ 926		\$ 7,111	\$ 2,259		\$ 9,370
Certificates of deposit				112	1,960		1,960
Accounts receivable, net	112			112	61		173
Other receivables	97	135		232	91		323
Receivable - affiliates	83			83			83
Receivable - inter-organization	392		\$ (182)	210		\$ (210)	
Prepaid expenses and other	401	1		402	144	(14)	532
Total current assets	7,270	1,062	(182)	8,150	4,515	(224)	12,441
Investments	20,336	2,013		22,349	8,009		30,358
Investments - Endowment					50		50
Fixed Assets, net	2,255			2,255	749		3,004
Trust Assets - Deferred Compensation	959			959			959
Other Assets	351			351		(222)	129
Total assets	\$ 31,171	\$ 3,075	\$ (182)	\$ 34,064	\$ 13,323	\$ (446)	\$ 46,941
Liabilities and Net Assets							
Current Liabilities:							
Accounts payable	\$ 321	\$ 2		\$ 323	\$ 140		\$ 463
Accrued expenses	860	1		861	406		1,267
Payable - inter-organization		182	\$ (182)		210	\$ (210)	
Deferred revenues	6,933	10		6,943	2,135		9,078
Deferred lease costs, current portion	214			214	14	(14)	214
Total current liabilities	8,328	195	(182)	8,341	2,905	(224)	11,022
Deferred Lease Costs, less current portion	1,762			1,762	222	(222)	1,762
Deferred Compensation	959			959			959
Total liabilities	11,049	195	(182)	11,062	3,127	(446)	13,743
Net Assets:							
Unrestricted:							
Board designated	7,500			7,500			7,500
Undesignated	12,622	815		13,437	10,110		23,547
Total unrestricted	20,122	815		20,937	10,110		31,047
Temporarily restricted		2,065		2,065	36		2,101
Permanently restricted					50		50
Total net assets	20,122	2,880		23,002	10,196		33,198
Total liabilities and net assets	\$ 31,171	\$ 3,075	\$ (182)	\$ 34,064	\$ 13,323	\$ (446)	\$ 46,941

COMBINING STATEMENT OF FINANCIAL POSITION

California Society of Certified Public Accountants | California Certified Public Accountants Education Foundation

April 30, 2012

(Amounts Expressed In Thousands)

	Society	Institute	Eliminations	Consolidated Total	Foundation	Eliminations	Combined Total
Assets							
Current Assets:							
Cash and equivalents	\$ 5,484	\$ 759		\$ 6,243	\$ 2,561		\$ 8,804
Certificates of deposit					1,955		1,955
Accounts receivable, net	124			124	54		178
Other receivables	56	117		173	45		218
Receivable - affiliates	68			68			68
Receivable - inter-organization	393		\$ (183)	210		\$ (210)	
Prepaid expenses and other	385			385	194	(35)	544
Total current assets	6,510	876	(183)	7,203	4,809	(245)	11,767
Investments	18,757	1,832		20,589	7,389		27,978
Investments - Endowment					50		50
Fixed Assets, net	2,617			2,617	816		3,433
Trust Assets - Deferred Compensation	786			786			786
Other Assets	261			261		(166)	95
Total assets	\$ 28,931	\$ 2,708	\$ (183)	\$ 31,456	\$ 13,064	\$ (411)	\$ 44,109
Liabilities and Net Assets							
Current Liabilities:							
Accounts payable	\$ 495	\$ 21		\$ 516	\$ 118		\$ 634
Accrued expenses	1,174	3		1,177	367		1,544
Payable - inter-organization		183	\$ (183)		210	\$ (210)	
Deferred revenues	6,637			6,637	2,066		8,703
Deferred lease costs, current portion	244			244	35	(35)	244
Total current liabilities	8,550	207	(183)	8,574	2,796	(245)	11,125
Deferred Lease Costs, less current portion	1,807			1,807	166	(166)	1,807
Deferred Compensation	786			786			786
Total liabilities	11,143	207	(183)	11,167	2,962	(411)	13,718
Net Assets:							
Unrestricted:							
Board designated	7,500			7,500			7,500
Undesignated	10,288	617		10,905	10,016		20,921
Total unrestricted	17,788	617		18,405	10,016		28,421
Temporarily restricted		1,884		1,884	36		1,920
Permanently restricted					50		50
Total net assets	17,788	2,501		20,289	10,102		30,391
Total liabilities and net assets	\$ 28,931	\$ 2,708	\$ (183)	\$ 31,456	\$ 13,064	\$ (411)	\$ 44,109

COMBINING STATEMENT OF ACTIVITIES

California Society of Certified Public Accountants | California Certified Public Accountants Education Foundation

Year Ended April 30, 2013

(Amounts Expressed In Thousands)

	Society	Institute	Eliminations	Consolidated Total	Foundation	Eliminations	Combined Total
Unrestricted Net Assets:							
Revenues:							
Dues	\$ 9,520			\$ 9,520			\$ 9,520
Professional education programs					\$ 12,092	\$ (10)	12,082
Peer review fees	1,407			1,407			1,407
Member meetings and events	827			827			827
Advertising	739			739		(67)	672
Affiliation fees	737			737		(161)	576
Royalties and affinity programs	86			86	66		152
Investment income (loss), net	1,599	\$ 2		1,601	708	(11)	2,298
Other income	524	166	\$ (163)	527		(329)	198
Total unrestricted revenues	15,439	168	(163)	15,444	12,866	(578)	27,732
Net assets released from restrictions		576		576			576
Total revenues	15,439	744	(163)	16,020	12,866	(578)	28,308
Expenses:							
Program services	8,825	576	(63)	9,338	11,234	(311)	20,261
Supporting services:							
Management and general	3,904		(100)	3,804	1,538	(287)	5,055
Membership development	376			376		(10)	366
Total expenses	13,105	576	(163)	13,518	12,772	(608)	25,682
Change in unrestricted net assets	2,334	168		2,502	94	30	2,626
Temporarily Restricted Net Assets:							
Net proceeds from scholarship events held by Society		271		271			271
Scholarship contributions		36		36			36
Financial literacy and other program contributions		290		290		(30)	260
Investment income (loss), net		190		190			190
Restrictions satisfied by:							
Payment of scholarships		(289)		(289)			(289)
Payment of administrative and program costs		(287)		(287)			(287)
Change in temporarily restricted net assets		211		211		(30)	181
Change in Net Assets	2,334	379		2,713	94		2,807
Net Assets, beginning of year	17,788	2,501		20,289	10,102		30,391
Net Assets, end of year	\$ 20,122	\$ 2,880	\$ -	\$ 23,002	\$ 10,196	\$ -	\$ 33,198

COMBINING STATEMENT OF ACTIVITIES

California Society of Certified Public Accountants | California Certified Public Accountants Education Foundation

Year Ended April 30, 2012

(Amounts Expressed In Thousands)

	Society	Institute	Eliminations	Consolidated Total	Foundation	Eliminations	Combined Total
Unrestricted Net Assets:							
Revenues:							
Dues	\$ 9,911			\$ 9,911			\$ 9,911
Professional education programs					\$ 13,140	\$ (10)	13,130
Peer review fees	1,302			1,302			1,302
Member meetings and events	655			655			655
Advertising	692			692		(60)	632
Affiliation fees	744			744		(166)	578
Royalties and affinity programs	95			95	76		171
Investment income (loss), net	55			55	(186)		(131)
Other income	428	\$ 196	\$ (163)	461		(359)	102
Total unrestricted revenues	13,882	196	(163)	13,915	13,030	(595)	26,350
Net assets released from restrictions		591		591			591
Total revenues	13,882	787	(163)	14,506	13,030	(595)	26,941
Expenses:							
Program services	8,788	591	(63)	9,316	11,006	(304)	20,018
Supporting services:							
Management and general	3,668		(100)	3,568	1,520	(278)	4,810
Membership development	505			505		(13)	492
Total expenses	12,961	591	(163)	13,389	12,526	(595)	25,320
Change in unrestricted net assets	921	196		1,117	504		1,621
Temporarily Restricted Net Assets:							
Net proceeds from scholarship events held							
by Society		263		263			263
Scholarship contributions		51		51			51
Financial literacy and other program contributions		180		180			180
Investment income (loss), net		(25)		(25)	3		(22)
Restrictions satisfied by:							
Payment of scholarships		(292)		(292)			(292)
Payment of administrative and program costs		(299)		(299)			(299)
Change in temporarily restricted net assets		(122)		(122)	3		(119)
Change in Net Assets	921	74		995	507		1,502
Net Assets, beginning of year	16,867	2,427		19,294	9,595		28,889
Net Assets, end of year	\$ 17,788	\$ 2,501	\$ -	\$ 20,289	\$ 10,102	\$ -	\$ 30,391

COMBINING STATEMENTS OF FUNCTIONAL EXPENSES

California Society of Certified Public Accountants | California Certified Public Accountants Education Foundation

Years Ended April 30, 2013 and 2012
(Amounts Expressed In Thousands)

	California Society of Certified Public Accountants										California Certified Public Accountants Education Foundation			
	Program Services					Supporting Services					Program Services		Supporting Services	
	Communication Services	Government Relations	Other Member Activities	Peer Review	Chapter Events and Member Committees	Management and General	Membership Development	Total Society	Institute and Scholarships	Eliminations	Consolidated Total	Professional Education Programs	Management and General	Eliminations
2013	\$ 984	\$ 861	\$ 677	\$ 1,001	\$ 1,292	\$ 2,153	\$ 185	\$ 7,153	\$ 139	\$ (163)	\$ 7,129	\$ 3,199	\$ 1,043	\$ 11,371
Personnel	173	89	88	92	48	922	82	1,494	52	572	1,546	6,426	261	6,426
Courses and conferences	3	15	16	24	753	342	13	1,166	82	1,248	63	572	6	2,367
Office administration	158	138	108	28	207	343	30	1,012		1,012	302	34	(329)	1,317
Meetings and events	326	3	2	164	18	2	54	569	13	582	391	304	(77)	1,019
Occupancy	558	558					1	559		559				582
Printing	55	48	38	35	73	121	11	381		381	304	34		873
and publications														719
Advertising					571			571		571				571
Depreciation														
Scholarship and amortization									290	290	(53)	160	(160)	237
Scholarship distributions (recoveries)														
Scholarship fundraising events														
Affiliation fee	179							179		179				179
Advocacy support								21		21	30			21
Other expenses	\$ 2,257	\$ 1,333	\$ 929	\$ 1,344	\$ 2,962	\$ 3,904	\$ 376	\$ 13,105	\$ 576	\$ (163)	\$ 13,518	\$ 11,234	\$ 1,538	\$ 25,682
2012	\$ 1,159	\$ 902	\$ 709	\$ 876	\$ 1,289	\$ 1,990	\$ 258	\$ 7,183	\$ 120	\$ (163)	\$ 7,140	\$ 3,114	\$ 1,002	\$ 11,256
Personnel	161	98	98	58	44	831	121	1,411	61	1,472	6,542	478	316	6,542
Courses and conferences	1	2	50	54	663	361	7	1,138	105	1,243	72	5		2,266
Office administration	164	135	106	25	192	328	38	988		988	246	18	(329)	1,320
Meetings and events	318	3	7	179	16	9	64	596	13	609	609			923
Occupancy	559							559		559	351		(70)	609
Printing	74	61	48	22	87	127	17	436		436	143	10		840
and publications														589
Advertising					452			452		452				452
Depreciation									292	292	30			322
Scholarship and amortization														
Scholarship fundraising events														
Scholarship distributions														
Affiliation fee								176		176		166	(166)	176
Advocacy support		176						22		22	30	3	(30)	25
Other expenses	\$ 2,436	\$ 1,377	\$ 1,018	\$ 1,214	\$ 2,743	\$ 3,668	\$ 505	\$ 12,961	\$ 591	\$ (163)	\$ 13,389	\$ 11,006	\$ 1,520	\$ 25,320

COMBINING STATEMENT OF CASH FLOWS

California Society of Certified Public Accountants | California Certified Public Accountants Education Foundation

Year Ended April 30, 2013

(Amounts Expressed In Thousands)

	<u>Society</u>	<u>Institute</u>	<u>Eliminations</u>	<u>Consolidated Total</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Combined Total</u>
Operating Activities:							
Change in net assets	\$ 2,334	\$ 379		\$ 2,713	\$ 94		\$ 2,807
Reconciliation of change in net assets to cash provided by operating activities:							
Net unrealized (gain) on investments	(311)	(51)		(362)	(297)		(659)
Depreciation and amortization	497			497	222		719
Loss on disposal of fixed assets					1		1
Changes in operating assets and liabilities:							
Accounts receivable, net	12			12	(7)		5
Other receivables	(41)	(18)		(59)	(46)		(105)
Receivable - affiliates	(15)			(15)			(15)
Receivable - inter-organization	1		\$ (1)				
Prepaid expenses and other	(37)	(1)		(38)	50		12
Other assets	(34)			(34)			(34)
Accounts payable	(174)	(19)		(193)	22		(171)
Accrued expenses	(314)	(2)		(316)	39		(277)
Payable - inter-organization		(1)	1				
Deferred revenues	296	10		306	69		375
Deferred lease costs, net	(110)			(110)	35		(75)
Net cash provided by operating activities	2,104	297		2,401	182		2,583
Investing Activities:							
Purchases of investments	(17,044)	(981)		(18,025)	(6,720)		(24,745)
Proceeds from sales of investments	15,776	851		16,627	6,392		23,019
Purchases of fixed assets	(135)			(135)	(156)		(291)
Net cash used by investing activities	(1,403)	(130)		(1,533)	(484)		(2,017)
Net Increase (Decrease) in Cash and Equivalents	701	167		868	(302)		566
Cash and Equivalents, beginning of year	5,484	759		6,243	2,561		8,804
Cash and Equivalents, end of year	\$ 6,185	\$ 926	\$ -	\$ 7,111	\$ 2,259	\$ -	\$ 9,370

Supplemental Disclosure

No payments for interest were made during 2013.

Payments of \$55,000 were made in 2013 for 2013 and 2012 taxes.

COMBINING STATEMENT OF CASH FLOWS

California Society of Certified Public Accountants | California Certified Public Accountants Education Foundation

Year Ended April 30, 2012

(Amounts Expressed In Thousands)

	Society	Institute	Eliminations	Consolidated Total	Foundation	Eliminations	Combined Total
Operating Activities:							
Change in net assets	\$ 921	\$ 74		\$ 995	\$ 507		\$ 1,502
Reconciliation of change in net assets to cash provided by operating activities:							
Net unrealized loss on investments	733	97		830	565		1,395
Depreciation and amortization	436			436	153		589
Loss on disposal of fixed assets							
Changes in operating assets and liabilities:							
Accounts receivable, net	5	1		6	(26)		(20)
Other receivables	36	(31)		5	(31)		(26)
Receivable - affiliates	(5)	8		3			3
Receivable - inter-organization	121			121		\$ (121)	
Prepaid expenses and other	60			60	96		156
Other assets							
Accounts payable	73	17		90	(33)		57
Accrued expenses	331	(25)		306	50		356
Payable - inter-organization					(121)	121	
Deferred revenues	(321)			(321)	(753)		(1,074)
Deferred lease costs, net	(78)			(78)	91		13
Net cash provided by operating activities	2,312	141		2,453	498		2,951
Investing Activities:							
Purchases of investments	(5,634)	(796)		(6,430)	(6,522)		(12,952)
Proceeds from sales of investments	4,071	304		4,375	4,034		8,409
Purchases of fixed assets	(399)			(399)	(604)		(1,003)
Net cash used by investing activities	(1,962)	(492)		(2,454)	(3,092)		(5,546)
Net Increase (Decrease) in Cash and Equivalents	350	(351)		(1)	(2,594)		(2,595)
Cash and Equivalents, beginning of year	5,134	1,110		6,244	5,155		11,399
Cash and Equivalents, end of year	\$ 5,484	\$ 759	\$ -	\$ 6,243	\$ 2,561	\$ -	\$ 8,804

Supplemental Disclosure

No payments for interest were made during 2012.

A refund of \$11,000 was received in 2012 for 2011 taxes.