

Annual Report 2013–2014

Independent Auditors' Report, Combined Financial Statements and Supplementary Information

CaICPA TREASURER'S REPORT



I am thrilled to report that CaICPA has completed another successful year. As reflected in our financial statements, CaICPA saw a \$1.6 million increase in net assets. The increase was a combination of revenues being higher than projected, and expenses being lower than expected. Also contributing to this year's success were the net gains in investments as well as an increase in the number of firms enrolled in the peer review program.

CaICPA is continuing to see a membership-mix change. Members are aging and moving from the executive category, which is the highest rate, to the retired or life member category, where rates are lower or free. The good news is that we surpassed 42,000 members. The staff and members worked hard to achieve these results.

We are also fortunate to have a well-performing investment portfolio, under the capable guidance of the Investment Committee and our professional investment advisers, Halbert Hargrove. Our hands-on committee is committed to making sure our investments are managed appropriately.

It is exciting to witness new member benefits, such as the four hours of free ethics CPE and the website upgrade, as well as the continued intangible benefits from advocacy efforts and enhanced visibility of the CPA profession. I am grateful to the members and staff who continue to ensure that CaICPA remains an excellent organization.

—Jennifer Ziegler, CPA



CALIFORNIA CPA EDUCATION FOUNDATION TREASURER'S REPORT



The Education Foundation has remained resilient this past year while facing competition from its competitors. Loretta Doon, CaICPA and Education Foundation CEO, and her team did an excellent job reviewing business processes and developing innovative new products to adjust to the rapidly changing education market. The mid-year adjustments they made were effective in reducing overall expenses.

Year-end total revenue from programs was \$11.9 million compared to \$12.1 million in the prior year, for a net decrease of approximately \$237,000. Even with a slight decrease in revenue, net assets increased by approximately \$486,000 bringing our total net assets at year-end to \$10.7 million. This increase in net assets was primarily due to net investment gains.

The trend toward online courses continues with two-thirds of all seats being webcasts, rebroadcasts and on-demand. We have increased our presence in other states via our webcast partner program. We have 38 state society partners and two association partners compared with 27 partners last year. We also made significant investments in our on-demand self-study products. The on-demand platform offers high-quality video, bookmark breaks and instant access to the final exam.

Our webcast partners and on-demand self-study products will stand out in the upcoming fiscal year as we focus on increasing registrations from our channel partners.

The emphasis continues to be on ensuring the delivery of high-quality and timely education. Additionally, our goal is to be a product innovator, which is being accomplished through a diversification strategy. We want to ensure there are educational offerings to support the full professional life cycle of our member CPAs. I look forward to the exciting opportunities that will arise for the Education Foundation in the coming year.

—Wendy Richards, CPA



ANNUAL REPORT TABLE OF CONTENTS

Independent Auditors' Report 18

Combined Financial Statements:

Combined Statements of Financial Position 20
Combined Statements of Activities 21
Combined Statements of Functional Expenses 22
Combined Statements of Cash Flows..... 23
Notes to the Combined Financial Statements..... 24

Supplementary Information:

Combining Statements of Financial Position..... 29
Combining Statements of Activities 31
Combining Statements of Functional Expenses 33
Combining Statements of Cash Flows..... 34



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 statements of financial position as of April 30, 2014 and 2013, and the related combined statements of activities, functional expenses, and cash flows for the years 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 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 of material misstatement.

Consultants and

Business Advisors

100 First Street

14th Floor

San Francisco

CA 94105

415.781.0793

fax 415.421.2976

60 South Market Street

Suite 200

San Jose

CA 95113

408.998.8400

fax 408.998.8485



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.

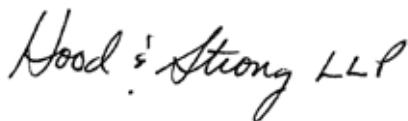
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of California Society of Certified Public Accountants and California Certified Public Accountants Education Foundation as of April 30, 2014 and 2013, and the changes in their combined net assets and their combined cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information – Combining Statements

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as of and for the years ended April 30, 2014 and 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 years ended April 30, 2014 and 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 years ended April 30, 2014 and 2013 is fairly stated in all material respects in relation to the combined financial statements as a whole.



San Francisco, California
June 5, 2014

COMBINED STATEMENTS OF FINANCIAL POSITION

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

April 30, 2014 and 2013
(Amounts Expressed In Thousands)

	2014	2013
Assets		
Current Assets:		
Cash and equivalents	\$ 9,710	\$ 9,370
Certificates of deposit	1,915	1,960
Accounts receivable, net	284	173
Other receivables	322	323
Receivable - affiliates	36	83
Prepaid expenses and other	625	532
Total current assets	12,892	12,441
Investments	32,076	30,358
Investments - Endowment	50	50
Fixed Assets, net	2,651	3,004
Trust Assets - Deferred Compensation	1,049	959
Other Assets	130	129
Total assets	\$ 48,848	\$ 46,941
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 562	\$ 463
Accrued expenses	1,430	1,267
Deferred revenues	8,582	9,078
Deferred lease costs, current portion	210	214
Total current liabilities	10,784	11,022
Deferred Lease Costs, less current portion	1,704	1,762
Deferred Compensation	1,049	959
Total liabilities	13,537	13,743
Net Assets:		
Unrestricted:		
Board designated	7,500	7,500
Undesignated	25,855	23,547
Total unrestricted	33,355	31,047
Temporarily restricted	1,906	2,101
Permanently restricted	50	50
Total net assets	35,311	33,198
Total liabilities and net assets	\$ 48,848	\$ 46,941

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, 2014 and 2013
(Amounts Expressed In Thousands)

	2014	2013
Unrestricted Net Assets:		
Unrestricted revenues:		
Dues	\$ 9,403	\$ 9,520
Professional education programs	11,844	12,082
Peer review fees	1,325	1,407
Member meetings and events	831	827
Advertising	620	672
Affiliation fees	557	576
Royalties and affinity programs	183	152
Investment income, net	1,602	2,298
Other income	247	198
Total unrestricted revenues	26,612	27,732
Net assets released from restrictions	775	576
Total revenues	27,387	28,308
Expenses:		
Program services:		
Communication services	1,799	1,986
Government relations	1,322	1,287
Other member activities	1,162	1,038
Professional education programs	10,062	11,137
Peer review	1,456	1,344
Chapter events and member committees	3,131	2,893
Institute and scholarships	772	576
Supporting services:		
Management and general	4,928	5,055
Membership development	447	366
Total expenses	25,079	25,682
Change in unrestricted net assets	2,308	2,626
Temporarily Restricted Net Assets:		
Net proceeds from scholarship events held by the Society	281	271
Scholarship contributions	34	36
Financial literacy and other program contributions	140	260
Investment income, net	125	190
Net assets released from restrictions	(775)	(576)
Change in temporarily restricted net assets	(195)	181
Change in Net Assets	2,113	2,807
Net Assets, beginning of year	33,198	30,391
Net Assets, end of year	\$ 35,311	\$ 33,198

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, 2014 and 2013 (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	
2014										
Personnel	\$ 801	\$ 826	\$ 698	\$ 2,751	\$ 1,116	\$ 1,472	\$ 253	\$ 3,187	\$ 183	\$ 11,287
Courses and conferences				6,206						6,206
Office administration	115	83	58	632	97	61	66	876	103	2,091
Meetings and events	3	28	90	62	51	783	94	324	18	1,453
Occupancy	138	138	113	35	37	175		351	46	1,033
Printing and publications	331	3	3		115	16	16	2	64	550
Advertising	352		152	227	1	1	5		13	750
Depreciation and amortization	59	59	48	192	40	75		174	20	667
Scholarship fundraising events						548				548
Scholarship distributions (recoveries)				(43)			338			295
Advocacy support		185								185
Other expenses								14		14
	\$ 1,799	\$ 1,322	\$ 1,162	\$ 10,062	\$ 1,456	\$ 3,131	\$ 772	\$ 4,928	\$ 447	\$ 25,079
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	154	72	75	676	92	24	52	1,143	79	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	403		145	324					1	873
Depreciation and amortization	74	65	51	200	35	97		183	14	719
Scholarship fundraising events						571				571
Scholarship distributions (recoveries)				(53)			290			237
Advocacy support		179								179
Other expenses								21		21
	\$ 1,986	\$ 1,287	\$ 1,038	\$ 11,137	\$ 1,344	\$ 2,893	\$ 576	\$ 5,055	\$ 366	\$ 25,682

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, 2014 and 2013
(Amounts Expressed In Thousands)

	2014	2013
Operating Activities:		
Change in net assets	\$ 2,113	\$ 2,807
Reconciliation of change in net assets to cash provided by operating activities:		
Net realized and unrealized gain on investments	(905)	(1,681)
Depreciation and amortization	667	719
Loss on disposal of fixed assets	11	1
Changes in operating assets and liabilities:		
Accounts receivable, net	(111)	5
Other receivables	1	(105)
Receivable - affiliates	47	(15)
Prepaid expenses and other	(99)	12
Other assets	(8)	(34)
Accounts payable	99	(171)
Accrued expenses	163	(277)
Deferred revenues	(496)	375
Deferred lease costs	(49)	(75)
Net cash provided by operating activities	1,433	1,561
Investing Activities:		
Purchases of investments	(18,506)	(24,745)
Proceeds from sales of investments	17,738	24,041
Purchases of fixed assets	(331)	(291)
Proceeds from sales of fixed assets	6	
Net cash used by investing activities	(1,093)	(995)
Net Increase in Cash and Equivalents	340	566
Cash and Equivalents, beginning of year	9,370	8,804
Cash and Equivalents, end of year	\$ 9,710	\$ 9,370

Supplemental Disclosure

No payments for interest were made during 2014 and 2013.

Payments of \$11 were made in 2014 for 2014 taxes and \$55 were made in 2013 for 2013 and 2012 taxes; a refund of \$2 was received in 2014 for 2012 taxes.

The accompanying notes are an integral part of this statement.

Notes to Combined Financial Statements

Years Ended April 30, 2014 and 2013

(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 (U.S. GAAP). 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 is 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. As of April 30, 2014 and 2013, the total combined allowance for doubtful accounts was \$8 and \$13, 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, 2014 and 2013, total advertising costs charged to expense were \$750 and \$873, 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, 2014 and 2013

(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 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 ending April 30, 2010 and before and by state authorities for years ending April 30, 2009 and before.

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 U.S. GAAP, 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, 2014 and 2013, were \$19 and \$30, 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, 2014 and 2013, of \$328 and \$343, respectively, from GIT, which is included in the combined statements of activities. For the years ended April 30, 2014 and 2013, the Society paid certain costs on behalf of GIT totaling \$117 and \$103, respectively. Such costs were reimbursed by GIT. Total costs charged to GIT for its share of facilities costs and certain administrative costs were \$57 and \$58 for the years ended April 30, 2014 and 2013, respectively.

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, 2014 and 2013, receivables of \$17 and \$53, respectively, were included in Receivable - affiliates on the combined statements of financial position. For the years ended April 30, 2014 and 2013, affiliation fees earned by the Society were \$229 and \$233, respectively, and are included in the combined statements of activities.

For the years ended April 30, 2014 and 2013, total costs charged to the Society by CAMICO were \$49 and \$44, respectively, and are included in the combined statements of activities. In addition, during the years ended April 30, 2014 and 2013, the Society paid certain expenses on behalf of CAMICO totaling \$3 and \$4, respectively. Such costs were reimbursed by CAMICO. Total costs charged to the Foundation by CAMICO were \$25 for the years ended April 30, 2014 and 2013, respectively, and are reported in the combined statements of functional expenses.

5. INVESTMENTS AND INVESTMENT INCOME (LOSS)

Investments are comprised of the following at April 30:

2014	Society	Foundation	Total
Mutual Funds	\$ 16,898	\$ 4,320	\$ 21,218
Corporate Bonds	6,528	716	7,244
Common Stocks		3,165	3,165
Government Bonds		499	499
Total	\$ 23,426	\$ 8,700	\$ 32,126
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

Notes to Combined Financial Statements

Years Ended April 30, 2014 and 2013

(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:

2014	Society	Foundation	Total
Unrestricted:			
Interest and Dividends	\$ 647	\$ 227	\$ 874
Net Realized Gain (Loss)	(4)	544	540
Net Unrealized Gain (Loss)	383	(79)	304
	1,026	692	1,718
Investment Expense	(54)	(62)	(116)
Total Unrestricted	972	630	1,602
Temporarily Restricted:			
Interest and Dividends	68		68
Net Realized Loss	(1)		(1)
Net Unrealized Gain	62		62
	129		129
Investment Expense	(4)		(4)
Total Temporarily Restricted	125		125
Total Investment Income, Net	\$ 1,097	\$ 630	\$ 1,727
2013			
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, Net	\$ 1,780	\$ 708	\$ 2,488

6. FAIR VALUE MEASUREMENTS

The Society and Foundation define 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. A fair value hierarchy is established 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:

2014	Total	Level 1	Level 2	Level 3
Mutual Funds:				
Fixed Income Funds	\$ 5,757	\$ 5,757		
International Securities Funds	4,044	4,044		
Multi-strategy Funds	4,392	4,392		
U.S. Large Cap Funds	4,671	4,671		
Infrastructure Funds	1,142	1,142		
U.S. Small-Mid Cap Funds	624	624		
Real Estate Securities Funds	324	324		
Bond Funds	264	264		
Corporate Bonds	7,244	6,486	\$ 758	
Common Stocks	3,165	3,165		
Government Bonds	499		499	
Total	\$ 32,126	\$30,869	\$ 1,257	\$ —
2013				
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	\$ —

Notes to Combined Financial Statements

Years Ended April 30, 2014 and 2013

(Amounts Expressed In Thousands)

7. PREPAID EXPENSES AND OTHER

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

2014	Society	Foundation	Total
Rent	\$ 101	\$ 34	\$ 135
Software and Hardware			
Maintenance Costs	44	89	133
Meetings and Events	125	20	145
Postage	41	11	52
Insurance and Other	156	5	161
Total	\$ 466	\$ 159	\$ 625
2013	Society	Foundation	Total
Rent	\$ 105	\$ 34	\$ 139
Software and Hardware			
Maintenance Costs	28	40	68
Meetings and Events	110	57	167
Postage	40	10	50
Insurance and Other	105	3	108
Total	\$ 388	\$ 144	\$ 532

8. FIXED ASSETS

Fixed assets consist of the following at April 30:

2014	Society	Foundation	Total
Equipment	\$ 1,149	\$ 336	\$ 1,485
Software	950	1,499	2,449
Furniture	486	162	648
Leasehold Improvements	2,066		2,066
	4,651	1,997	6,648
Accumulated Depreciation and Amortization	(2,595)	(1,402)	(3,997)
Fixed Assets, Net	\$ 2,056	\$ 595	\$ 2,651
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

9. DEFERRED REVENUES

Deferred revenues consist of the following at April 30:

2014	Society	Foundation	Total
Dues	\$ 5,728		\$ 5,728
Professional Education Programs		\$ 1,836	1,836
Peer Review Fees	744		744
Meetings and Events	179		179
Advertising	95		95
Total	\$ 6,746	\$ 1,836	\$ 8,582
2013	Society	Foundation	Total
Dues	\$ 6,005		\$ 6,005
Professional Education Programs		\$ 2,135	2,135
Peer Review Fees	702		702
Meetings and Events	170		170
Advertising	66		66
Total	\$ 6,943	\$ 2,135	\$ 9,078

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 \$471 and \$498 for the years ended April 30, 2014 and 2013, 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.

11. LINES OF CREDIT

The Society and the Foundation maintained revolving credit agreements for borrowings up to \$2,000 each through October 2013. In October 2013, the Society and the Foundation renewed their revolving credit agreements for borrowings up to \$1,000 each. The line of credit agreements mature on November 1, 2016. Under the agreements, interest is payable monthly on outstanding balances at the reference rate announced by the bank of 3.25% for both April 30, 2014 and 2013. The lines of credit are collateralized by the property of the Society and the Foundation. There were no borrowings during 2014 and 2013.

12. TEMPORARILY RESTRICTED NET ASSETS

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

2014	Society	Foundation	Total
Scholarships	\$ 1,858		\$ 1,858
Financial Literacy and Other Programs	15		15
Forbes Medal Award		\$ 33	33
Total	\$ 1,873	\$ 33	\$ 1,906

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

Temporarily restricted net assets released from restriction consist of the following for the years ending April 30:

2014	Society	Foundation	Total
Scholarships	\$ 434	\$ 3	\$ 437
Administrative and Program Costs	338		338
Total	\$ 772	\$ 3	\$ 775

2013	Society	Foundation	Total
Scholarships	\$ 289		\$ 289
Administrative and Program Costs	287		287
Total	\$ 576	\$ -	\$ 576

Notes to Combined Financial Statement

Years Ended April 30, 2014 and 2013

(Amounts Expressed In Thousands)

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, 2014 and 2013, 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.

In May 2014, the Society signed a Letter of Intent to purchase a building in Burlingame, California with a proposed purchase price of \$7,375. The terms and conditions of the purchase sales agreement, including potential leaseback to the seller, are currently being considered.

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 is not expected to be exercised.

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 under a non-cancelable operating lease expiring in April 2018. The Society renewed its Glendale office space lease in September 2013 under a non-cancelable operating lease expiring in February 2019.

At April 30, 2014, future minimum lease payments under these agreements were as follows:

Years ended April 30	Society	Foundation	Total
2015	\$ 764	\$ 349	\$ 1,113
2016	657	268	925
2017	814	371	1,185
2018	833	382	1,215
2019	663	393	1,056
Thereafter	1,004	680	1,684
			7,188
Sublease Revenues			(480)
Total			\$ 6,698

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

2014	Society	Foundation	Total
Rent Expense	\$ 578	\$ 329	\$ 907
Sublease Revenues	(85)		(85)
Total	\$ 493	\$ 329	\$ 822

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

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 their year end of April 30, 2014 through June 5, 2014, the date the combined financial statements were available to be issued. Except as discussed in Note 14, management has 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, 2014

(Amounts Expressed In Thousands)

	Society	Institute	Eliminations	Consolidated Total	Foundation	Eliminations	Combined Total
Assets							
Current Assets:							
Cash and equivalents	\$ 6,449	\$ 998		\$ 7,447	\$ 2,263		\$ 9,710
Certificates of deposit					1,915		1,915
Accounts receivable, net	182			182	102		284
Other receivables	178	73		251	71		322
Receivable - affiliates	36			36			36
Receivable - inter-organization	700		\$ (241)	459		\$ (459)	
Prepaid expenses and other	484	2		486	159	(20)	625
Total current assets	8,029	1,073	(241)	8,861	4,510	(479)	12,892
Investments	21,284	2,142		23,426	8,650		32,076
Investments - Endowment					50		50
Fixed Assets, net	2,056			2,056	595		2,651
Trust Assets - Deferred Compensation	1,049			1,049			1,049
Other Assets	359			359		(229)	130
Total assets	\$ 32,777	\$ 3,215	\$ (241)	\$ 35,751	\$ 13,805	\$ (708)	\$ 48,848
Liabilities and Net Assets							
Current Liabilities:							
Accounts payable	\$ 365	\$ 48		\$ 413	\$ 149		\$ 562
Accrued expenses	994	6		1,000	430		1,430
Payable - inter-organization		241	\$ (241)	-	459	\$ (459)	
Deferred revenues	6,713	33		6,746	1,836		8,582
Deferred lease costs, current portion	210			210	20	(20)	210
Total current liabilities	8,282	328	(241)	8,369	2,894	(479)	10,784
Deferred Lease Costs, less current portion	1,704			1,704	229	(229)	1,704
Deferred Compensation	1,049			1,049			1,049
Total liabilities	11,035	328	(241)	11,122	3,123	(708)	13,537
Net Assets:							
Unrestricted:							
Board designated	7,500			7,500			7,500
Undesignated	14,242	1,014		15,256	10,599		25,855
Total unrestricted	21,742	1,014		22,756	10,599		33,355
Temporarily restricted		1,873		1,873	33		1,906
Permanently restricted					50		50
Total net assets	21,742	2,887		24,629	10,682		35,311
Total liabilities and net assets	\$ 32,777	\$ 3,215	\$ (241)	\$ 35,751	\$ 13,805	\$ (708)	\$ 48,848

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					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 ACTIVITIES

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

Year Ended April 30, 2014
(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>
Unrestricted Net Assets:							
Revenues:							
Dues	\$ 9,403			\$ 9,403			\$ 9,403
Professional education programs					\$ 11,854	\$ (10)	11,844
Peer review fees	1,325			1,325			1,325
Member meetings and events	831			831			831
Advertising	700			700		(80)	620
Affiliation fees	716			716		(159)	557
Royalties and affinity programs	114			114	69		183
Investment income, net	982	\$ 2		984	630	(12)	1,602
Other income	572	167	\$ (163)	576		(329)	247
Total unrestricted revenues	14,643	169	(163)	14,649	12,553	(590)	26,612
Net assets released from restrictions		772		772	3		775
Total revenues	14,643	941	(163)	15,421	12,556	(590)	27,387
Expenses:							
Program services	8,943	772	(63)	9,652	10,462	(410)	19,704
Supporting services:							
Management and general	3,633		(100)	3,533	1,605	(210)	4,928
Membership development	447			447			447
Total expenses	13,023	772	(163)	13,632	12,067	(620)	25,079
Change in unrestricted net assets	1,620	169	-	1,789	489	30	2,308
Temporarily Restricted Net Assets:							
Net proceeds from scholarship events held by the Society		281		281			281
Scholarship contributions		34		34			34
Financial literacy and other program contributions		170		170		(30)	140
Investment income, net		125		125			125
Net assets released from restrictions		(772)		(772)	(3)		(775)
Change in temporarily restricted net assets		(162)		(162)	(3)	(30)	(195)
Change in Net Assets	1,620	7		1,627	486		2,113
Net Assets, beginning of year	20,122	2,880		23,002	10,196		33,198
Net Assets, end of year	\$ 21,742	\$ 2,887	\$ -	\$ 24,629	\$ 10,682	\$ -	\$ 35,311

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, 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, net		190		190			190
Net assets released from restrictions		(576)		(576)			(576)
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 STATEMENTS OF FUNCTIONAL EXPENSES

California Society of Certified Public Accountants | California Certified Public Accountants Education Foundation
 Years Ended April 30, 2014 and 2013 (Amounts Expressed in Thousands)

	California Society of Certified Public Accountants										California Certified Public Accountants Education Foundation			
	Program Services					Supporting Services					Professional Education Programs	Management and General	Eliminations	Combined Total
	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				
	\$ 864	\$ 826	\$ 698	\$ 1,116	\$ 1,472	\$ 2,150	\$ 183	\$ 7,309	\$ 253	\$ (163)	\$ 7,399	\$ 2,751	\$ 1,137	\$ 11,287
Personnel	115	83	58	97	61	656	103	1,173	66		1,239	6,206		6,206
Conferences	3	28	90	51	783	317	18	1,290	94		1,384	632	232	2,091
Office administration	138	138	113	37	175	346	46	993			993	62	7	1,453
Meetings and events		3	3	115	16	2	64	534	16		550	325	44	1,033
Occupancy	331	3	3		1		13	528	5		533	307		550
Printing	352		162		1		20	449			449	192		750
and publications	59	59	48	40	75	148	20	449			449		26	667
Advertising								548			548			548
Depreciation														
Scholarship and amortization									338		338	(43)	159	295
Scholarship fundraising events								185			185	30		185
Scholarship distributions (recoveries)								14			14			14
Affiliation fee														
Advocacy support		185				14		185			185			185
Other expenses	\$ 1,862	\$ 1,322	\$ 1,172	\$ 1,456	\$ 3,131	\$ 3,633	\$ 447	\$ 13,023	\$ 772	\$ (163)	\$ 13,632	\$ 10,462	\$ 1,605	\$ 25,079

	California Society of Certified Public Accountants										California Certified Public Accountants Education Foundation			
	Program Services					Supporting Services					Professional Education Programs	Management and General	Eliminations	Combined Total
	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				
	\$ 984	\$ 861	\$ 677	\$ 1,001	\$ 1,292	\$ 2,153	\$ 185	\$ 7,153	\$ 139	\$ (163)	\$ 7,129	\$ 3,199	\$ 1,043	\$ 11,371
Personnel	154	72	75	92	24	882	79	1,378	52		1,430	6,426		6,426
Conferences	3	15	16	24	753	342	13	1,166	82		1,248	676	273	2,367
Office administration	158	138	108	28	207	343	30	1,012			1,012	63	6	1,317
Meetings and events		3	2	164	18	2	54	569	13		582	302	34	1,019
Occupancy	326		2				1	559			559	391		582
Printing	403		155				14	497			497	200	22	873
and publications														
Advertising								571			571			571
Depreciation	74	65	51	35	97	161	14	497			497			719
Scholarship and amortization									290		290			571
Scholarship fundraising events														
Scholarship distributions (recoveries)								179			179		160	237
Affiliation fee		179				21		179			179			179
Advocacy support								21			21	30		21
Other expenses	\$ 2,102	\$ 1,333	\$ 1,084	\$ 1,344	\$ 2,962	\$ 3,904	\$ 376	\$ 13,105	\$ 576	\$ (163)	\$ 13,518	\$ 11,234	\$ 1,538	\$ 25,682

COMBINING STATEMENT OF CASH FLOWS

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

Year Ended April 30, 2014

(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	\$ 1,620	\$ 7		\$ 1,627	\$ 486		\$ 2,113
Reconciliation of change in net assets to cash provided by operating activities:							
Net realized and unrealized gain on investments	(379)	(61)		(440)	(465)		(905)
Depreciation and amortization	449			449	218		667
Loss on disposal of fixed assets	6			6	5		11
Changes in operating assets and liabilities:							
Accounts receivable, net	(70)			(70)	(41)		(111)
Other receivables	(81)	62		(19)	20		1
Receivable - affiliates	47			47			47
Receivable - inter-organization	(308)	59		(249)	249		
Prepaid expenses and other	(83)	(1)		(84)	(15)		(99)
Other assets	(8)			(8)			(8)
Accounts payable	44	46		90	9		99
Accrued expenses	134	5		139	24		163
Deferred revenues	(220)	23		(197)	(299)		(496)
Deferred lease costs, net	(62)			(62)	13		(49)
Net cash provided by operating activities	1,089	140		1,229	204		1,433
Investing Activities:							
Purchases of investments	(9,741)	(587)		(10,328)	(8,178)		(18,506)
Proceeds from sales of investments	9,172	519		9,691	8,047		17,738
Purchases of fixed assets	(262)			(262)	(69)		(331)
Proceeds from sales of fixed assets	6			6			6
Net cash used by investing activities	(825)	(68)		(893)	(200)		(1,093)
Net Increase in Cash and Equivalents	264	72		336	4		340
Cash and Equivalents, beginning of year	6,185	926		7,111	2,259		9,370
Cash and Equivalents, end of year	\$ 6,449	\$ 998	\$ -	\$ 7,447	\$ 2,263	\$ -	\$ 9,710

Supplemental Disclosure

No payments for interest were made during 2014.

Payments of \$11 were made in 2014 for 2014 taxes and a refund of \$2 was received in 2014 for 2012 taxes.

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 (used) by operating activities:							
Net realized and unrealized gain on investments	(1,041)	(140)		(1,181)	(500)		(1,681)
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 (used) by operating activities	1,374	208		1,582	(21)		1,561
Investing Activities:							
Purchases of investments	(17,044)	(981)		(18,025)	(6,720)		(24,745)
Proceeds from sales of investments	16,506	940		17,446	6,595		24,041
Purchases of fixed assets	(135)			(135)	(156)		(291)
Net cash used by investing activities	(673)	(41)		(714)	(281)		(995)
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 were made in 2013 for 2013 and 2012 taxes.