

CALIFORNIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS
AND
CALIFORNIA CERTIFIED PUBLIC
ACCOUNTANTS EDUCATION FOUNDATION

APRIL 30, 2018 AND 2017

INDEPENDENT AUDITORS' REPORT,
COMBINED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

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

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and Supplementary Information**

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A Century Strong

Independent Auditors' Report

COUNCIL
CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
and
BOARD OF TRUSTEES
CALIFORNIA CERTIFIED PUBLIC ACCOUNTANTS EDUCATION FOUNDATION
Burlingame, California

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of **CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS (the Society)** and **CALIFORNIA CERTIFIED PUBLIC ACCOUNTANTS EDUCATION FOUNDATION (the Foundation)**, which comprise the combined statements of financial position as of April 30, 2018 and 2017, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined 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 from material misstatement.

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

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

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, 2018 and 2017, 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, 2018 and 2017 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, 2018 and 2017 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, 2018 and 2017 is fairly stated in all material respects in relation to the combined financial statements as a whole.

Hood & Strong LLP

San Francisco, California
June 18, 2018

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

**Combined Statements of Financial Position
(In Thousands)**

<i>April 30,</i>	2018	2017
Assets		
Current Assets:		
Cash and equivalents	\$ 4,123	\$ 5,646
Accounts receivable, net	228	327
Other receivables	179	170
Receivable - affiliates	99	47
Prepaid expenses and other	614	709
Total current assets	5,243	6,899
Investments	17,103	18,708
Fixed Assets, net	19,691	20,727
Trust Assets - Deferred Compensation	1,162	1,148
Other Assets	129	147
Total assets	\$ 43,328	\$ 47,629
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 398	\$ 390
Accrued expenses	1,441	2,488
Deferred revenues	7,237	8,768
Deferred lease costs, current portion	246	406
Total current liabilities	9,322	12,052
Deferred Lease Costs, less current portion	393	1,098
Deferred Compensation	1,162	1,148
Total liabilities	10,877	14,298
Net Assets:		
Unrestricted	30,526	31,492
Temporarily restricted	1,875	1,789
Permanently restricted	50	50
Total net assets	32,451	33,331
Total liabilities and net assets	\$ 43,328	\$ 47,629

See accompanying notes to combined financial statements.

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

Combined Statements of Activities
(In Thousands)

<i>Years Ended April 30,</i>	2018	2017
Unrestricted Net Assets:		
Unrestricted revenues:		
Dues	\$ 8,837	\$ 8,979
Professional education programs	9,321	9,512
Peer review fees	1,280	1,364
Rental income	1,092	237
Member meetings and events	743	706
Affiliation fees	506	513
Interest and dividends, net	506	614
Advertising	479	613
Royalties and affinity programs	178	213
Other income	160	331
Total unrestricted revenues	23,102	23,082
Net assets released from restrictions	568	418
Total revenues	23,670	23,500
Expenses:		
Program services:		
Chapter events and member committees	3,443	3,417
Communication services	1,721	1,953
Peer review	1,492	1,388
Government relations	705	848
Other member activities	907	888
Professional education programs	7,723	9,325
Institute and scholarships	930	934
Supporting services:		
Management and general	7,324	5,215
Membership development	1,092	1,105
Total expenses	25,337	25,073
Change in unrestricted net assets before net realized and unrealized gain on investments	(1,667)	(1,573)
Net realized and unrealized gain on investments	701	1,502
Change in unrestricted net assets	(966)	(71)
Temporarily Restricted Net Assets:		
Net proceeds from scholarship events held by the Society	259	238
Scholarship contributions	23	25
Financial literacy and other program contributions	230	23
Interest and dividends, net	100	70
Net assets released from restrictions	(568)	(418)
Change in temporarily restricted net assets before net realized and unrealized gain on investments	44	(62)
Net realized and unrealized gain on investments	42	133
Change in temporarily restricted net assets	86	71
Change in Net Assets	(880)	-
Net Assets, beginning of year	33,331	33,331
Net Assets, end of year	\$ 32,451	\$ 33,331

See accompanying notes to combined financial statements.

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

**Combined Statement of Functional Expenses
(In Thousands)**

Year Ended April 30, 2018

	Program Services						Supporting Services		Total	
	Chapter Events and Member Committees	Communication Services	Peer Review	Government Relations	Other Member Activities	Professional Education Programs	Institute and Scholarships	Management and General		Membership Development
Personnel	\$ 1,775	\$ 930	\$ 1,114	\$ 478	\$ 600	\$ 2,143	\$ 440	\$ 3,304	\$ 670	\$ 11,454
Courses and conferences						4,242				4,242
Meetings and events	749		69	9	29	4	94	483	32	1,469
Depreciation and amortization	281	170	36	49	91	283		326	94	1,330
Office administration	57	9	97	29	33	272	19	596	107	1,219
Occupancy - subleased space								901		901
Professional fees		103	27			109	31	568	20	858
Equipment and software			22	11	11	319		371	5	739
Occupancy	115	103	36	43	43	42		167	51	600
Printing and publications	2	320	91	5	6		12	5	103	544
Loss on sublease								510		510
Advertising		86			94	283	2	5	10	480
Scholarship events	464									464
Scholarship distributions							332			332
Taxes				1				88		89
Advocacy support				80						80
Future program development						26				26
	\$ 3,443	\$ 1,721	\$ 1,492	\$ 705	\$ 907	\$ 7,723	\$ 930	\$ 7,324	\$ 1,092	\$ 25,337

See accompanying notes to combined financial statements.

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

**Combined Statement of Functional Expenses
(In Thousands)**

Year Ended April 30, 2017

	Program Services						Supporting Services		Total	
	Chapter Events and Member Committees	Communication Services	Peer Review	Government Relations	Other Member Activities	Professional Education Programs	Institute and Scholarships	Management and General		Membership Development
Personnel	\$ 1,770	\$ 1,016	\$ 1,086	\$ 482	\$ 599	\$ 2,478	\$ 353	\$ 3,129	\$ 645	\$ 11,558
Courses and conferences						5,455				5,455
Meetings and events	836	1	48	18	27	15	96	576	66	1,683
Occupancy	198	167	38	110	81	52		242	132	1,020
Office administration	57	10	24	37	28	336	49	393	90	1,024
Professional fees		96	78		2	165		401	1	743
Depreciation and amortization	151	71	24	47	34	168		130	56	681
Advertising	1	281			99	184			18	583
Printing and publications	7	311	90	6	6		7		95	522
Equipment and software				11	12	234		222	2	481
Scholarship events	397									397
Scholarship (recoveries) distributions						(59)	429			370
Future program development						297				297
Advocacy support				136						136
Occupancy - subleased space								65		65
Taxes				1				57		58
	\$ 3,417	\$ 1,953	\$ 1,388	\$ 848	\$ 888	\$ 9,325	\$ 934	\$ 5,215	\$ 1,105	\$ 25,073

See accompanying notes to combined financial statements.

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

**Combined Statements of Cash Flows
(In Thousands)**

<i>Years Ended April 30,</i>	2018	2017
Operating Activities:		
Change in net assets	\$ (880)	\$ -
Reconciliation of change in net assets to cash used in operating activities:		
Net realized and unrealized gain on investments	(743)	(1,635)
Depreciation and amortization	1,330	681
(Gain) loss on disposal of fixed assets	(72)	3
Loss on sublease	510	
Changes in operating assets and liabilities:		
Accounts receivable, net	99	(40)
Other receivables	(9)	55
Receivable - affiliates	(52)	(13)
Prepaid expenses and other	95	(38)
Other assets	18	15
Accounts payable	8	56
Accrued expenses	(231)	(527)
Deferred revenues	(1,531)	(497)
Deferred lease costs	(701)	(369)
Net cash used in operating activities	(2,159)	(2,309)
Investing Activities:		
Purchases of investments	(2,400)	(7,682)
Proceeds from sales of investments	4,748	17,563
Purchases of fixed assets	(1,797)	(7,280)
Proceeds from sales of fixed assets	85	
Net cash provided by investing activities	636	2,601
Financing Activities:		
Proceeds from borrowings	1,300	5,000
Repayment on borrowings	(1,300)	(7,000)
Net cash used in financing activities	-	(2,000)
Net Decrease in Cash and Equivalents	(1,523)	(1,708)
Cash and Equivalents, beginning of year	5,646	7,354
Cash and Equivalents, end of year	\$ 4,123	\$ 5,646

Noncash Investing Activities:

\$80 and \$896 of fixed asset purchases are included in accrued expenses in 2018 and 2017, respectively.

Supplemental Disclosure:

Payments for interest were \$13 and \$132 during 2018 and 2017, respectively.

Payments for taxes were \$54 and \$6 during 2018 and 2017, respectively.

See accompanying notes to combined financial statements.

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

Notes to the Combined Financial Statements (In Thousands)

Note 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 approximately 44,000 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 (AICPA) 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.

The programs of the Society, Foundation, and CalCPA Institute consist of:

Society

- Chapter Events and Member Committees – The Society has 14 chapters throughout California. They are the key to delivering benefits to members at the grassroots level, which contribute directly to members' success, strengthen the profession and ensure Society success. Included in this program are the chapter meetings and events, and various state and chapter committee meetings.
- Communication Services – The Society's communications include all internal and external communications, including California CPA magazine, e-newsletters, chapter communications, Connect and CalCPA.org. The Society also generates non-dues revenue through a variety of advertising sales. Public relations, media relations and image advertising efforts are key to Society's mission to increase the value and promote the integrity of the CPA profession.
- Peer Review – The Society administers the AICPA Peer Review Program for California, Arizona and Alaska.

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

Notes to the Combined Financial Statements (In Thousands)

- Government Relations – The major responsibility of government relations is to implement Society policy involving legislative and regulatory issues impacting the profession, the Society and sister organizations. The Society liaisons with and lobbies the California Legislature, Constitutional Officers, Congress, the Franchise Tax Board, California Board of Accountancy, National Association of State Boards of Accountancy, federal and state taxing agencies, other state government agencies and the broader business community and professional organizations in California. Society government relations efforts enhance the CPA profession by avoiding legislative and regulatory outcomes that would negatively impact the profession and obtaining outcomes that enhance the profession.
- Other Member Activities – These include other member activities or Society initiatives that do not fall under the other categories listed above. These include Technical Member Services, Statewide Member Programs, Strategic Sponsorship Initiative, free ethics and other free Foundation courses, and other member programs. It also includes Strategic Relations which handles the outreach and alliances with a variety of organizations such as Ascend, Latino Business Professionals, Beta Alpha Psi, National Association of Black Accountants, Accounting Careers Awareness Program and the American Accounting Association.

Foundation

- Professional Education Programs – The Foundation provides continuing professional education for CPAs and other interested parties. It offers courses and conferences developed to comply with the statement on standards for continuing professional education programs jointly issued by the California Board of Accountancy, National Association of State Boards of Accountancy and AICPA.

CalCPA Institute

- Institute and Scholarships – CalCPA Institute supports the public and CPA profession by advancing financial education and improving the financial literacy of Californians. The Institute also awards scholarships to undergraduate and graduate students, facilitates discussions between practitioners and educators, sponsors CalCPA Leadership Institute, facilitates diversity and inclusion outreach to high schools, delivers CalCPA Institute materials to high schools, colleges and community groups, and hosts the California Financial Literacy Summit.

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

Notes to the Combined Financial Statements
(In Thousands)

Note 2 - Summary of Significant Accounting Policies:

a. 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.

b. Principles of Consolidation

All inter-organization transactions have been eliminated in consolidation.

c. 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.

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 or can be fulfilled and removed by actions of the Society or the Foundation pursuant to those stipulations.

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.

d. 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.

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

Notes to the Combined Financial Statements
(In Thousands)

e. 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 are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250 per banking institution. As of April 30, 2018 and 2017, there were combined cash deposits of \$2,998 and \$4,052, respectively, in excess of FDIC limits. Investments are subject to a formal investment policy, which provides for diversification and oversight. Balances in investment accounts are insured up to \$500, including a limit of \$250 for cash, by the Securities Investor Protection Corporation (SIPC). As of April 30, 2018 and 2017, there were combined balances of \$15,828 and \$17,523, respectively, of cash deposits and investments in excess of SIPC limits. Management believes that the Society and the Foundation are not exposed to any significant credit risk related to cash and equivalents and investments.

f. 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, 2018 and 2017, the total combined allowance for doubtful accounts was \$8.

g. Investments

Investments are stated at fair value. Investment income is reported net of related investment expenses. Realized and unrealized gains and losses, in total, are reported separately from net investment income on the combined statements of activities.

h. Fixed Assets

Acquisitions of fixed assets of \$5 or more are capitalized. Land and building are stated at cost. Building costs include the purchase price, the value of rent concessions, plus other costs necessary to place the asset into service. Building depreciation is computed when the building is placed in service using the straight-line method over the estimated useful life of 40 years. 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 3 to 7 years. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the asset. 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 estimated useful lives of 3 to 7 years.

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

Notes to the Combined Financial Statements
(In Thousands)

i. Deferred Lease Costs

Rent expense is recognized on a straight-line basis over the term of the leases. Deferred lease costs represent rent expense recognized in excess of rental payments made, and the current value of rent concessions.

j. Revenue Recognition

Membership dues are recognized as revenue over the membership period. Revenues from professional education programs are recognized in the period the programs are held. Peer review registration fees are recognized over the calendar year. Peer review processing and review fees are recognized when review engagements are completed. Membership meeting and event revenues are recognized when the meeting or event has occurred. 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.

k. Advertising Costs

Advertising costs consist primarily of print, digital, and radio advertisements, catalogs and brochures for educational seminars and other events. In addition, the Society sponsors events at other nonprofit organizations with strategic priorities that align with the Society's mission. Advertising costs are charged to expense in the period the events occur. For the years ended April 30, 2018 and 2017, total advertising costs charged to expense were \$480 and \$583, respectively.

l. Contributed Services

Contributions of services are recognized when received if such services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

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 described above.

m. 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, unless that income is otherwise excluded by the Code. The Foundation and the Institute are considered publicly supported organizations. The Society, CalCPA Institute and the Foundation are also exempt from California franchise taxes under Revenue and Taxation Code Section 23701(d) on its income other than unrelated business income.

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

Notes to the Combined Financial Statements
(In Thousands)

Management of the Society and the Foundation has processes presently in place to ensure the maintenance of its tax-exempt statuses; to identify and report unrelated business income; to determine its filing and tax obligations for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. Management of the Society and the Foundation has evaluated its tax positions and related income tax contingencies and does not believe that any material uncertain tax positions exist that require recognition or disclosure in the combined financial statements.

n. 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.

o. Use of Estimates

In preparing combined financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the combined financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates under different assumptions or conditions.

p. Reclassifications

Certain prior year expenses have been reclassified to conform to the current year combined financial statement and supplementary information presentation. These reclassifications had no impact on net assets or the change in net assets.

q. Recent Accounting Pronouncements

Pronouncements effective in the future

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The amendments in this update are designed to improve the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. The amendments in this ASU are effective for annual financial statements issued for fiscal years beginning after December 15, 2017. Early adoption is permitted. Amendments should be applied on a retrospective basis in the year the update is first applied. Management is currently evaluating the impact the amendments in this ASU will have on the combined financial statements.

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

Notes to the Combined Financial Statements
(In Thousands)

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The standard is effective on January 1, 2020, with early adoption permitted. Management is currently evaluating the effect that the updated standard will have on the combined financial statements.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity is expected to be entitled for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process than required under existing U.S. GAAP, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each performance obligation. Revenue from contributions and investment income are not impacted by this new standard. ASU 2014-09 will be effective for annual reporting periods beginning after December 15, 2019 using either of two methods: (a) retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within ASU 2014-09; or (b) retrospective with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined in ASU 2014-09. Management has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on the combined financial statements.

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

Notes to the Combined Financial Statements
(In Thousands)

Note 3 - Related Party:

CalCPA Health, formerly 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 CalCPA Health, which is based on CalCPA Health's total participant contributions less administrative expenses. CalCPA Health shares certain administrative and facility functions and costs under agreements with the Society and the Foundation.

Receivables from CalCPA Health to the Society at April 30, 2018 and 2017 were \$82 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, 2018 and 2017 of \$286 and \$288, respectively, from CalCPA Health, which is included in the combined statements of activities. For the years ended April 30, 2018 and 2017, the Society paid certain direct costs on behalf of CalCPA Health totaling \$14 and \$113, respectively. Such costs were reimbursed by CalCPA Health. In addition to the direct costs noted above, total costs charged to CalCPA Health under the agreement for its share of certain administrative costs were \$67 and \$62 for the years ended April 30, 2018 and 2017, respectively.

Note 4 - Associated Entity:

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 under agreements with the Society and the Foundation.

At April 30, 2018 and 2017, receivables of \$17 each year were included in Receivable - affiliates on the combined statements of financial position. For the years ended April 30, 2018 and 2017, affiliation fees earned by the Society were \$220 and \$225, respectively, and are included in the combined statements of activities.

For the years ended April 30, 2018 and 2017, total costs charged to the Society by CAMICO were \$16 and \$51, respectively, and are included in the combined statements of activities and functional expenses. Total costs charged to the Foundation by CAMICO were \$5 and \$18 for the years ended April 30, 2018 and 2017, respectively, and are reported in the combined statements of activities and functional expenses.

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

**Notes to the Combined Financial Statements
(In Thousands)**

Note 5 - Investments and Investment Income:

Investments are comprised of the following at April 30:

	2018			2017		
	<u>Society</u>	<u>Foundation</u>	<u>Total</u>	<u>Society</u>	<u>Foundation</u>	<u>Total</u>
Mutual Funds	\$ 6,253	\$ 4,416	\$ 10,669	\$ 5,892	\$ 5,586	\$ 11,478
Exchange Traded Funds	996	4,166	5,162	924	4,791	5,715
Corporate Bonds	644	338	982	674	419	1,093
Government Bonds	133	157	290	105	317	422
Total	\$ 8,026	\$ 9,077	\$ 17,103	\$ 7,595	\$ 11,113	\$ 18,708

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

	2018			2017		
	<u>Society</u>	<u>Foundation</u>	<u>Total</u>	<u>Society</u>	<u>Foundation</u>	<u>Total</u>
Unrestricted:						
Interest and Dividends	\$ 253	\$ 321	\$ 574	\$ 465	\$ 251	\$ 716
Investment Expense	(17)	(51)	(68)	(48)	(54)	(102)
Total Unrestricted	236	270	506	417	197	614
Temporarily Restricted:						
Interest and Dividends	107	1	108	77	1	78
Investment Expense	(8)		(8)	(8)		(8)
Total Temporarily Restricted	99	1	100	69	1	70
Total Investment Income, Net	\$ 335	\$ 271	\$ 606	\$ 486	\$ 198	\$ 684

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

**Notes to the Combined Financial Statements
(In Thousands)**

Net realized and unrealized gain (loss) on investments are comprised of the following for the years ended April 30:

	<u>2018</u>			<u>2017</u>		
	<u>Society</u>	<u>Foundation</u>	<u>Total</u>	<u>Society</u>	<u>Foundation</u>	<u>Total</u>
Unrestricted:						
Net Realized Gain (Loss) \$	42	\$ 406	\$ 448	\$ 84	\$ (30)	\$ 54
Net Unrealized Gain	19	234	253	590	858	1,448
Total Unrestricted	61	640	701	674	828	1,502
Temporarily Restricted:						
Net Realized Gain (Loss)	49		49	(20)		(20)
Net Unrealized (Loss) Gain	(7)		(7)	153		153
Total Temporarily Restricted	42	-	42	133	-	133
Total Gain, Net	\$ 83	\$ 640	\$ 743	\$ 807	\$ 828	\$ 1,635

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

Notes to the Combined Financial Statements
(In Thousands)

Note 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.

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

Notes to the Combined Financial Statements
(In Thousands)

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

	2018				
	Total	Level 1		Level 2	
		Society	Foundation	Society	Foundation
Mutual Funds:					
Fixed Income Funds	\$ 4,113	\$ 1,367	\$ 2,746		
Multi-Strategy Funds	2,093	1,567	526		
International					
Securities Funds	1,889	1,276	613		
U.S. Large Cap Funds	1,226	1,226			
U.S. Small-Mid Cap					
Funds	872	341	531		
Infrastructure Funds	476	476			
Exchange Traded Funds	5,162	996	4,166		
Corporate Bonds	982			\$ 644	\$ 338
Government Bonds	290			133	157
Total	\$ 17,103	\$ 7,249	\$ 8,582	\$ 777	\$ 495

	2017				
	Total	Level 1		Level 2	
		Society	Foundation	Society	Foundation
Mutual Funds:					
Fixed Income Funds	\$ 4,575	\$ 1,476	\$ 3,099		
Multi-Strategy Funds	2,148	1,477	671		
International					
Securities Funds	1,728	1,005	723		
U.S. Small-Mid Cap					
Funds	1,407	314	1,093		
U.S. Large Cap Funds	1,165	1,165			
Infrastructure Funds	316	316			
Real Estate Securities					
Funds	139	139			
Exchange Traded Funds	5,715	924	4,791		
Corporate Bonds	1,093			\$ 674	\$ 419
Government Bonds	422			105	317
Total	\$ 18,708	\$ 6,816	\$ 10,377	\$ 779	\$ 736

In addition, the Society holds investments in a deferred compensation plan (See Note 10). The investments consist of mutual funds and are considered Level 1.

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

**Notes to the Combined Financial Statements
(In Thousands)**

Note 7 - Prepaid Expenses and Other:

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

	2018			2017		
	Society	Foundation	Total	Society	Foundation	Total
Meetings and Events	\$ 113	\$ 31	\$ 144	\$ 137	\$ 72	\$ 209
Insurance	134		134	153		153
Rent	116		116	114	34	148
Software and Hardware						
Maintenance Costs	81	31	112	71	37	108
Postage and Other	96	12	108	75	16	91
Total	\$ 540	\$ 74	\$ 614	\$ 550	\$ 159	\$ 709

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

Notes to the Combined Financial Statements
(In Thousands)

Note 8 - Fixed Assets:

Fixed assets consist of the following at April 30:

	2018			2017		
	<u>Society</u>	<u>Foundation</u>	<u>Total</u>	<u>Society</u>	<u>Foundation</u>	<u>Total</u>
Fixed Assets Under Development:						
Land				\$ 6,510		\$ 6,510
Building				1,329		1,329
Equipment/Building improvements				9,921		9,921
Software development	\$ 8	\$ 155	\$ 163	82	\$ 109	191
Subtotal	8	155	163	17,842	109	17,951
Furniture and Equipment Not Yet in Use				578		578
Fixed Assets in Use:						
Land	6,510		6,510			
Building	1,329		1,329			
Equipment	1,408	188	1,596	661	255	916
Software	1,827	1,695	3,522	1,468	1,365	2,833
Furniture	766	20	786	481	163	644
Building improvements	9,036		9,036			
Leasehold improvements	145		145	2,066		2,066
Subtotal	21,021	1,903	22,924	4,676	1,783	6,459
Accumulated Depreciation and Amortization	21,029	2,058	23,087	23,096	1,892	24,988
	(2,054)	(1,342)	(3,396)	(3,017)	(1,244)	(4,261)
Fixed Assets, Net	\$ 18,975	\$ 716	\$ 19,691	\$ 20,079	\$ 648	\$ 20,727

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

Notes to the Combined Financial Statements
(In Thousands)

In November 2014, the Society purchased a building in Burlingame, California for \$7,375 using funds accumulated over time in a Board-designated fund. The total capitalized cost for building and land included legal fees and due diligence costs related to the acquisition of \$138, as well as a \$326 rent concession negotiated with the seller, who became a tenant upon the sale of the building. At April 30, 2015, 50% of the building was rented to three tenants including the seller. In August 2015, two of these leases expired and the seller relocated to the Society's San Mateo location as a sub-lessee. The Society elected to fully retrofit and renovate the building prior to occupancy. Construction work commenced in September 2015 and was completed in May 2017. The cost for the building improvements was approximately \$8,300, and the cost for IT infrastructure, building security, audio-visual infrastructure and a webcast studio was approximately \$1,100. The Society obtained financing for building improvements in the form of a \$7,000 non-revolving loan. As of April 30, 2017, all borrowings had been repaid (Note 11).

The building improvements under development as of April 30, 2017 included construction costs as well as architectural costs and building permit fees incurred in the planning phase of the improvements.

In May 2017, the Society moved into its new headquarters in Burlingame, California. Final inspections were done in the beginning of May, and the building was put in use mid-May.

The Society and Foundation incurred one-time expenses related to the relocation which have been reported in their natural expense categories. These one-time expenses during the year ending April 30, 2018 are as follows:

Sublease loss	\$ 510
Relocation	61
Office equipment and furniture	52
Other professional	35
<u>Equipment maintenance</u>	<u>12</u>
<u>Total</u>	<u>\$ 670</u>

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

**Notes to the Combined Financial Statements
(In Thousands)**

Note 9 - Deferred Revenues:

Deferred revenues consist of the following at April 30:

	2018			2017		
	Society	Foundation	Total	Society	Foundation	Total
Dues	\$ 4,472		\$ 4,472	\$ 5,284		\$ 5,284
Professional Education Programs		\$ 1,810	1,810		\$ 2,518	2,518
Peer Review Fees	763		763	743		743
Other	192		192	223		224
Total	\$ 5,427	\$ 1,810	\$ 7,237	\$ 6,250	\$ 2,518	\$ 8,768

Note 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 non-elective employer contribution equal to 3% of salary. Employer contributions totaled \$428 and \$452 for the years ended April 30, 2018 and 2017, 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. Employer contributions totaled \$8 for the year ended April 30, 2017. There were no employer contributions for the year ended April 30, 2018.

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

**Notes to the Combined Financial Statements
(In Thousands)**

Note 11 - Debt:

Revolving Line of Credit

The Society and the Foundation maintained revolving credit agreements for borrowings up to \$1,000 which matured on November 1, 2016. In March 2017, the Foundation renewed its revolving credit agreement for borrowings up to \$1,000. The line of credit agreement will mature on March 1, 2019. Under the agreement, interest is payable monthly on outstanding balances at the reference rate announced by the bank, which was 4.75% as of April 30, 2018. The line of credit is collateralized by certain assets of the Foundation. During the year ended April 30, 2018, the Foundation borrowed \$300 and repaid the amount in full. As of April 30, 2018, the Foundation was in compliance with the financial covenants.

Margin Loan

During the year ended April 30, 2018, the Society entered into a margin loan agreement with its investment brokerage firm. The long-term investments of the Society are pledged as collateral under this loan and are held by Fidelity Brokerage Services LLC. Interest on the loan is based on the Fidelity Advisor Base Lending Rate (FABLR) plus a minimum of 0.2% to a maximum of 2% above the FABLR depending on the amount of the average debit balance. During the year ended April 30, 2018, the Society borrowed \$1,000 at an interest rate of 2.75%. The margin was repaid in full in April 2018.

Non-Revolving Loan

In conjunction with the improvements of the Burlingame office building (Note 8), the Society obtained a \$7,000 non-revolving loan. A total of \$7,000 was borrowed for the improvements during the year ended April 30, 2017. The loan had a scheduled maturity date of October 31, 2017 and was repaid in full in April 2017. Total interest payments of \$132 were made on these borrowings during the year ended April 30, 2017 and are included in building improvements as part of the project cost.

Note 12 - Temporarily Restricted Net Assets:

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

	2018			2017		
	<u>Society</u>	<u>Foundation</u>	<u>Total</u>	<u>Society</u>	<u>Foundation</u>	<u>Total</u>
Scholarships	\$ 1,847		\$ 1,847	\$ 1,762		\$ 1,762
Forbes Medal Award		\$ 28	28		\$ 27	27
Total	\$ 1,847	\$ 28	\$ 1,875	\$ 1,762	\$ 27	\$ 1,789

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

**Notes to the Combined Financial Statements
(In Thousands)**

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

	2018			2017		
	<u>Society</u>	<u>Foundation</u>	<u>Total</u>	<u>Society</u>	<u>Foundation</u>	<u>Total</u>
Scholarships	\$ 341		\$ 341	\$ 394		\$ 394
Forbes Medal Award					\$ 1	1
Financial Literacy and Other Programs	227		227	23		23
Total	\$ 568	\$ -	\$ 568	\$ 417	\$ 1	\$ 418

Note 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. No award was made during the year ended April 30, 2018. An award of \$1 was made during the year ended April 30, 2017.

Note 14 - Commitments and Contingencies:

Leases

During the year ended April 30, 2017, the Society maintained its headquarters in San Mateo, California under a non-cancelable lease agreement, which expires in December 2020.

The Society purchased a building in Burlingame, California in November 2014 (Note 8) with the intention of moving its headquarters to this location. The building improvements were completed in May 2017, at which time the Society relocated from San Mateo.

In May 2017, the Foundation, CalCPA Health and a tenant, who temporarily relocated to the Society's San Mateo office during construction, also relocated into the Burlingame building. The Foundation and CalCPA Health terminated their sublease agreements for the San Mateo office in May 2017. In May 2017, CalCPA Health leased office space in the Burlingame building under a non-cancelable lease agreement expiring in December 2020.

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

Notes to the Combined Financial Statements
(In Thousands)

In April 2017, a sub-tenant signed a non-cancelable lease agreement for all the San Mateo space effective June 2017 and expiring in November 2020. The lease loss of \$510, calculated as the cumulative excess of remaining lease expense, cost of brokerage fees, common area maintenance, insurance, property taxes, and the abandonment of unamortized leasehold improvements, offset by sublease receipts and accelerated deferred lease costs, was recognized in May 2017 upon the Society vacating the space.

The Society also leases office space in Sacramento and Glendale under non-cancelable operating leases expiring in April 2023 and February 2019, respectively.

At April 30, 2018, future minimum lease payments under these agreements were as follows:

<u>Year ending April 30,</u>	<u>Society</u>	<u>Sublease Receipts</u>	<u>Net Society</u>
2019	\$ 1,224	\$ (953)	\$ 271
2020	1,174	(982)	192
2021	856	(588)	268
2022	178		178
2023	178		178
Total	\$ 3,610	\$ (2,523)	\$ 1,087

Rent expense and sublease revenue for the San Mateo space for the years ended April 30 are as follows:

	<u>2018</u>			<u>2017</u>		
	<u>Society</u>	<u>Foundation</u>	<u>Total</u>	<u>Society</u>	<u>Foundation</u>	<u>Total</u>
Rent Expense	\$ 879	\$ 17	\$ 896	\$ 305	\$ 329	\$ 634
Sublease Revenues	(843)		(843)	(65)		(65)
Total	\$ 36	\$ 17	\$ 53	\$ 240	\$ 329	\$ 569

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

Notes to the Combined Financial Statements
(In Thousands)

License

In May 2017, the Foundation entered into an office license agreement for use of the Society office space in Burlingame expiring in December 2020. The license expense and related income are eliminated in the combined financial statements.

At April 30, 2018, future minimum payments under the agreement were as follows:

Year ending April 30,

2019	\$	393
2020		405
2021		275
<hr/>		
Total	\$	1,073

Other Commitments

At April 30, 2018 the Society had commitments to vendors in the amount of \$163 and the Foundation had commitments to vendors in the amount of \$471.

Note 15 - Subsequent Events:

Management of the Society and the Foundation has reviewed the changes in net assets and evaluated subsequent events for the period of time from their year end of April 30, 2018 through June 18, 2018, the date the combined financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in the combined financial statements.

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

Combining Statement of Financial Position
(In Thousands)

See Independent Auditors' Report

April 30, 2018

	Society	Institute	Eliminations	Consolidated Total	Foundation	Eliminations	Combined Total
Assets							
Current Assets:							
Cash and equivalents	\$ 2,174	\$ 178		\$ 2,352	\$ 1,771		\$ 4,123
Accounts receivable, net	83			83	145		228
Other receivables	70	132	\$ (58)	144	35		179
Receivable - affiliates	99			99			99
Receivable - inter-organization	751		(374)	377		\$ (377)	-
Deferred lease asset current portion				-			-
Prepaid expenses and other	614	4		618	74	(78)	614
Total current assets	3,791	314	(432)	3,673	2,025	(455)	5,243
Investments	5,548	2,478		8,026	9,077		17,103
Fixed Assets, net	18,975			18,975	716		19,691
Trust Assets -							
Deferred Compensation	1,162			1,162			1,162
Other Assets	261			261		(132)	129
Total assets	\$ 29,737	\$ 2,792	\$ (432)	\$ 32,097	\$ 11,818	\$ (587)	\$ 43,328
Liabilities and Net Assets							
Current Liabilities:							
Accounts payable	\$ 310	\$ 9	\$ (58)	\$ 261	\$ 137		\$ 398
Accrued expenses	1,109			1,109	332		1,441
Payable - inter-organization		374	(374)	-	377	\$ (377)	-
Deferred revenues	5,427			5,427	1,824	(14)	7,237
Deferred lease costs, current portion	246			246	64	(64)	246
Total current liabilities	7,092	383	(432)	7,043	2,734	(455)	9,322
Deferred Lease Costs, less current portion	393			393	132	(132)	393
Deferred Compensation	1,162			1,162			1,162
Total liabilities	8,647	383	(432)	8,598	2,866	(587)	10,877
Net Assets:							
Unrestricted	21,090	562		21,652	8,874		30,526
Temporarily restricted		1,847		1,847	28		1,875
Permanently restricted					50		50
Total net assets	21,090	2,409		23,499	8,952	-	32,451
Total liabilities and net assets	\$ 29,737	\$ 2,792	\$ (432)	\$ 32,097	\$ 11,818	\$ (587)	\$ 43,328

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

Combining Statement of Financial Position
(In Thousands)
See Independent Auditors' Report

April 30, 2017

	Society	Institute	Eliminations	Consolidated Total	Foundation	Eliminations	Combined Total
Assets							
Current Assets:							
Cash and equivalents	\$ 4,230	\$ 512		\$ 4,742	\$ 904		\$ 5,646
Accounts receivable, net	91			91	236		327
Other receivables	86	11		97	73		170
Receivable - affiliates	47			47			47
Receivable - inter-organization	1,391		\$ (292)	1,099		\$ (1,099)	-
Prepaid expenses and other	603			603	159	(53)	709
Total current assets	6,448	523	(292)	6,679	1,372	(1,152)	6,899
Investments	5,252	2,343		7,595	11,113		18,708
Fixed Assets, net	20,079			20,079	648		20,727
Trust Assets -							
Deferred Compensation	1,148			1,148			1,148
Other Assets	343			343		(196)	147
Total assets	\$ 33,270	\$ 2,866	\$ (292)	\$ 35,844	\$ 13,133	\$ (1,348)	\$ 47,629
Liabilities and Net Assets							
Current Liabilities:							
Accounts payable	\$ 261	\$ 55		\$ 316	\$ 74		\$ 390
Accrued expenses	2,003	27		2,030	458		2,488
Payable - inter-organization		292	\$ (292)	-	1,099	\$ (1,099)	-
Deferred revenues	6,250			6,250	2,518		8,768
Deferred lease costs, current portion	406			406	53	(53)	406
Total current liabilities	8,920	374	(292)	9,002	4,202	(1,152)	12,052
Deferred Lease Costs, less current portion	1,098			1,098	196	(196)	1,098
Deferred Compensation	1,148			1,148			1,148
Total liabilities	11,166	374	(292)	11,248	4,398	(1,348)	14,298
Net Assets:							
Unrestricted	22,104	730		22,834	8,658		31,492
Temporarily restricted		1,762		1,762	27		1,789
Permanently restricted					50		50
Total net assets	22,104	2,492	-	24,596	8,735	-	33,331
Total liabilities and net assets	\$ 33,270	\$ 2,866	\$ (292)	\$ 35,844	\$ 13,133	\$ (1,348)	\$ 47,629

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

Combining Statement of Activities
(In Thousands)
See Independent Auditors' Report

Year Ended April 30, 2018

	Society	Institute	Eliminations	Consolidated Total	Foundation	Eliminations	Combined Total
Unrestricted Net Assets:							
Revenues:							
Dues	\$ 8,837			\$ 8,837			\$ 8,837
Professional education programs					\$ 9,724	\$ (403)	9,321
Peer review fees	1,280			1,280			1,280
Rental income	1,421			1,421		(329)	1,092
Member meetings and events, net	743			743			743
Affiliation fees	653			653		(147)	506
Interest and dividends, net	257	\$ 1		258	270	(22)	506
Advertising	557			557		(78)	479
Royalties and affinity programs	111			111	90	(23)	178
Other income	139	163	\$ (163)	139	21		160
Total unrestricted revenues	13,998	164	(163)	13,999	10,105	(1,002)	23,102
Net assets released from restrictions		568		568	-		568
Total revenues	13,998	732	(163)	14,567	10,105	(1,002)	23,670
Expenses:							
Program services	8,757	930	(63)	9,624	8,114	(817)	16,921
Supporting services:							
Management and general	5,224		(100)	5,124	2,415	(215)	7,324
Membership development	1,092			1,092			1,092
Total expenses	15,073	930	(163)	15,840	10,529	(1,032)	25,337
Change in unrestricted net assets before net realized and unrealized gain on investments							
	(1,075)	(198)	-	(1,273)	(424)	30	(1,667)
Net realized and unrealized gain on investments							
	61			61	640		701
Change in unrestricted net assets	(1,014)	(198)	-	(1,212)	216	30	(966)
Temporarily Restricted Net Assets:							
Net proceeds from scholarship events held by the Society		259		259			259
Scholarship contributions		23		23			23
Financial literacy and other program contributions		260		260		(30)	230
Interest and dividends, net		99		99	1		100
Net assets released from restrictions		(568)		(568)			(568)
Change in temporarily restricted net assets before net realized and unrealized gain on investments							
	-	73	-	73	1	(30)	44
Net realized and unrealized gain on investments							
		42		42			42
Change in temporarily restricted net assets	-	115	-	115	1	(30)	86
Change in Net Assets	(1,014)	(83)	-	(1,097)	217	-	(880)
Net Assets, beginning of year	22,104	2,492	-	24,596	8,735	-	33,331
Net Assets, end of year	\$ 21,090	\$ 2,409	\$ -	\$ 23,499	\$ 8,952	\$ -	\$ 32,451

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

Combining Statement of Activities
(In Thousands)
See Independent Auditors' Report

Year Ended April 30, 2017

	Society	Institute	Eliminations	Consolidated Total	Foundation	Eliminations	Combined Total
Unrestricted Net Assets:							
Revenues:							
Dues	\$ 8,979			\$ 8,979			\$ 8,979
Professional education programs					\$ 9,759	\$ (247)	9,512
Peer review fees	1,364			1,364			1,364
Member meetings and events	706			706			706
Advertising	691			691		(78)	613
Affiliation fees	661			661		(148)	513
Royalties and affinity programs	140			140	73		213
Interest and dividends, net	435	\$ 1		436	197	(19)	614
Rental income	566			566		(329)	237
Other income	270	163	\$ (163)	270	71	(10)	331
Total unrestricted revenues	13,812	164	(163)	13,813	10,100	(831)	23,082
Net assets released from restrictions		417		417	1		418
Total revenues	13,812	581	(163)	14,230	10,101	(831)	23,500
Expenses:							
Program services	8,814	934	(63)	9,685	9,710	(642)	18,753
Supporting services:							
Management and general	3,579		(100)	3,479	1,955	(219)	5,215
Membership development	1,105			1,105			1,105
Total expenses	13,498	934	(163)	14,269	11,665	(861)	25,073
Change in unrestricted net assets before net realized and unrealized gain on investments	314	(353)	-	(39)	(1,564)	30	(1,573)
Net realized and unrealized gain on investments	674			674	828		1,502
Change in unrestricted net assets	988	(353)	-	635	(736)	30	(71)
Temporarily Restricted Net Assets:							
Net proceeds from scholarship events held by the Society		238		238			238
Scholarship contributions		25		25			25
Financial literacy and other program contributions		53		53		(30)	23
Interest and dividends, net		69		69	1		70
Net assets released from restrictions		(417)		(417)	(1)		(418)
Change in temporarily restricted net assets before net realized and unrealized gain on investments	-	(32)	-	(32)	-	(30)	(62)
Net realized and unrealized gain on investments		133		133			133
Change in temporarily restricted net assets	-	101	-	101	-	(30)	71
Change in Net Assets	988	(252)	-	736	(736)	-	-
Net Assets, beginning of year	21,116	2,744	-	23,860	9,471	-	33,331
Net Assets, end of year	\$ 22,104	\$ 2,492	\$ -	\$ 24,596	\$ 8,735	\$ -	\$ 33,331