

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

APRIL 30, 2017 AND 2016

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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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, 2017 and 2016, 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 of material misstatement.

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

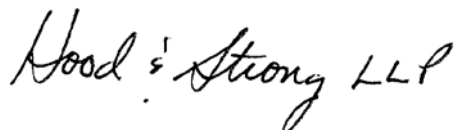
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2017 and 2016, 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, 2017 and 2016 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, 2017 and 2016, 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, 2017 and 2016 is fairly stated in all material respects in relation to the combined financial statements as a whole.

A handwritten signature in cursive script that reads "Hood & Strong LLP". The signature is written in dark ink and is positioned in the lower-left quadrant of the page.

San Francisco, California
June 27, 2017

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

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

<i>April 30,</i>	2017	2016
Assets		
Current Assets:		
Cash and equivalents	\$ 5,646	\$ 7,354
Accounts receivable, net	327	287
Other receivables	170	225
Receivable - affiliates	47	34
Prepaid expenses and other	709	671
Total current assets	6,899	8,571
Investments	18,708	26,954
Fixed Assets, net	20,727	13,235
Trust Assets - Deferred Compensation	1,148	1,144
Other Assets	147	162
Total assets	\$ 47,629	\$ 50,066
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 390	\$ 334
Accrued expenses	2,488	2,119
Deferred revenues	8,768	9,265
Deferred lease costs, current portion	406	319
Total current liabilities	12,052	12,037
Deferred Lease Costs, less current portion	1,098	1,554
Long-term Debt	-	2,000
Deferred Compensation	1,148	1,144
Total liabilities	14,298	16,735
Net Assets:		
Unrestricted	31,492	31,563
Temporarily restricted	1,789	1,718
Permanently restricted	50	50
Total net assets	33,331	33,331
Total liabilities and net assets	\$ 47,629	\$ 50,066

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>	2017	2016
Unrestricted Net Assets:		
Unrestricted revenues:		
Dues	\$ 8,979	\$ 9,140
Professional education programs	9,512	11,042
Peer review fees	1,364	1,402
Member meetings and events	706	808
Advertising	613	742
Affiliation fees	513	518
Royalties and affinity programs	213	177
Interest and dividends, net	614	741
Rental income	237	304
Other income	331	151
Total unrestricted revenues	23,082	25,025
Net assets released from restrictions	418	553
Total revenues	23,500	25,578
Expenses:		
Program services:		
Communication services	1,965	2,013
Government relations	856	1,079
Other member activities	894	1,056
Professional education programs	9,396	10,143
Peer review	1,388	1,438
Chapter events and member committees	3,431	3,555
Institute and scholarships	934	738
Supporting services:		
Management and general	5,094	5,170
Membership development	1,115	1,162
Total expenses	25,073	26,354
Change in unrestricted net assets before net realized and unrealized gain (loss) on investments	(1,573)	(776)
Net realized and unrealized gain (loss) on investments	1,502	(1,583)
Change in unrestricted net assets	(71)	(2,359)
Temporarily Restricted Net Assets:		
Net proceeds from scholarship events held by the Society	238	248
Scholarship contributions	25	37
Financial literacy and other program contributions	23	233
Interest and dividends, net	70	77
Net assets released from restrictions	(418)	(553)
Change in temporarily restricted net assets before net realized and unrealized gain (loss) on investments	(62)	42
Net realized and unrealized gain (loss) on investments	133	(162)
Change in temporarily restricted net assets	71	(120)
Change in Net Assets	-	(2,479)
Net Assets, beginning of year	33,331	35,810
Net Assets, end of year	\$ 33,331	\$ 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, 2017

	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	
Personnel	\$ 1,016	\$ 482	\$ 599	\$ 2,478	\$ 1,086	\$ 1,770	\$ 353	\$ 3,129	\$ 645	\$ 11,558
Courses and conferences				5,455						5,455
Office administration	106	49	42	818	102	57	49	1,005	93	2,321
Meetings and events	1	18	27	15	48	836	96	576	66	1,683
Occupancy	179	118	87	40	38	212		254	142	1,070
Depreciation and amortization	71	47	34	168	24	151		130	56	681
Advertising	281		99	184		1			18	583
Printing and publications	311	6	6		90	7	7		95	522
Scholarship events						397				397
Scholarship (recoveries) distributions				(59)			429			370
Future program development				297						297
Advocacy support		136								136
	\$ 1,965	\$ 856	\$ 894	\$ 9,396	\$ 1,388	\$ 3,431	\$ 934	\$ 5,094	\$ 1,115	\$ 25,073

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, 2016

	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
Personnel	\$ 1,057	\$ 695	\$ 625	\$ 2,657	\$ 1,101	\$ 1,744	\$ 249	\$ 3,129	\$ 636	\$ 11,893
Courses and conferences				6,283						6,283
Office administration	124	94	67	691	114	58	57	1,081	141	2,427
Meetings and events	2	10	124	12	49	839	123	560	80	1,799
Occupancy	178	117	86	28	36	234	9	268	140	1,096
Advertising	252		118	311		1	2		17	701
Depreciation and amortization	68	44	33	160	23	142		132	53	655
Printing and publications	332	5	3		115	22			95	572
Scholarship events						515				515
Scholarship distributions				1			298			299
Advocacy support		114								114
	\$ 2,013	\$ 1,079	\$ 1,056	\$ 10,143	\$ 1,438	\$ 3,555	\$ 738	\$ 5,170	\$ 1,162	\$ 26,354

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>	2017	2016
Operating Activities:		
Change in net assets	\$ -	\$ (2,479)
Reconciliation of change in net assets to cash used in operating activities:		
Net realized and unrealized (gain) loss on investments	(1,635)	1,745
Depreciation and amortization	681	655
Loss (gain) on disposal of fixed assets	3	(7)
Changes in operating assets and liabilities:		
Accounts receivable, net	(40)	124
Other receivables	55	(34)
Receivable - affiliates	(13)	(8)
Prepaid expenses and other	(38)	3
Other assets	15	7
Accounts payable	56	(220)
Accrued expenses	(527)	(236)
Deferred revenues	(497)	36
Deferred lease costs	(369)	(106)
Net cash used in operating activities	(2,309)	(520)
Investing Activities:		
Purchases of investments	(7,682)	(4,063)
Proceeds from sales of investments	17,563	2,980
Purchases of fixed assets	(7,280)	(2,726)
Proceeds from sales of fixed assets	-	8
Net cash provided by (used in) investing activities	2,601	(3,801)
Financing Activities:		
Proceeds from borrowings	5,000	2,000
Repayment on borrowings	(7,000)	-
Net cash (used in) provided by financing activities	(2,000)	2,000
Net Decrease in Cash and Equivalents	(1,708)	(2,321)
Cash and Equivalents, beginning of year	7,354	9,675
Cash and Equivalents, end of year	\$ 5,646	\$ 7,354

Noncash Investing Activities:

\$896 and \$585 of fixed asset purchases are included in accrued expenses in 2017 and 2016, respectively.

Supplemental Disclosure:

Payments for interest were \$132 and \$17 during 2017 and 2016, respectively.

Payments for taxes were \$6 and \$16 during 2017 and 2016, 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 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 Board 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 college and university students within California who are pursuing CPA careers.

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 and 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, 2017 and 2016, there were combined cash deposits of \$4,052 and \$5,908, 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, 2017 and 2016, there were combined balances of \$21,576 and \$31,695, 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, 2017 and 2016, the total combined allowance for doubtful accounts was \$8 and \$31, respectively.

g. 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.

h. Fixed Assets

Acquisitions of fixed assets of one thousand dollars 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 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 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 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 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, 2017 and 2016, total advertising costs charged to expense were \$583 and \$701, 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. The Foundation and the Institute are considered publicly supported organizations.

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 evaluated their tax positions and related income tax contingencies. Management does not believe that any material uncertain tax positions exist.

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

q. Recent Accounting Pronouncements

Adopted

In August 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern (Subtopic 205-40). This ASU requires management to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern, which is currently performed by the external auditors. Management is required to perform this assessment for both interim and annual reporting periods and must make certain disclosures if it concludes that substantial doubt exists. The guidance is effective for annual periods ending after December 15, 2016, and for annual and interim periods thereafter. The adoption of this standard by management on May 1, 2016 did not have any effect 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)

Pronouncements effective in the future

On August 18, 2016, the FASB issued 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.

In February 2016, the FASB issued amendments to ASU 2016-02, Leases. Among other things, lessees will be required to recognize the following for all leases (with exception of short-term leases) at the commencement date: 1) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and 2) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Nonpublic business entities should apply the amendments for fiscal years beginning after December 15, 2019. Early adoption is permitted. Management is currently evaluating the impact the amendments in this ASU 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. ASU 2014-09 will be effective for annual reporting periods beginning after December 15, 2018 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, 2017 and 2016, were \$30 and \$17, 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, 2017 and 2016, of \$288 and \$292, respectively, from CalCPA Health, which is included in the combined statements of activities. For the years ended April 30, 2017 and 2016, the Society paid certain direct costs on behalf of CalCPA Health totaling \$113 and \$98, 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 \$62 and \$61 for the years ended April 30, 2017 and 2016, 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, 2017 and 2016, receivables of \$17 each year were included in Receivable - affiliates on the combined statements of financial position. For the years ended April 30, 2017 and 2016, affiliation fees earned by the Society were \$225 and \$226, respectively, and are included in the combined statements of activities.

For the years ended April 30, 2017 and 2016, total costs charged to the Society by CAMICO were \$51 and \$48, respectively, and are included in the combined statements of activities and functional expenses. In addition, during the year ended April 30 2016, the Society paid certain expenses on behalf of CAMICO totaling \$2; such costs were reimbursed by CAMICO. No reimbursable expenses were incurred during the year ended April 30, 2017. Total costs charged to the Foundation by CAMICO were \$18 and \$17 for the years ended April 30, 2017 and 2016, 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 (Loss):

Investments are comprised of the following at April 30:

	2017			2016		
	Society	Foundation	Total	Society	Foundation	Total
Mutual Funds	\$ 5,892	\$ 5,586	\$ 11,478	\$ 10,925	\$ 4,893	\$ 15,818
Exchange Traded Funds	924	4,791	5,715	1,954	4,730	6,684
Corporate Bonds	674	419	1,093	3,067	540	3,607
Government Bonds	105	317	422	409	436	845
Total	\$ 7,595	\$ 11,113	\$ 18,708	\$ 16,355	\$ 10,599	\$ 26,954

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

	2017			2016		
	Society	Foundation	Total	Society	Foundation	Total
Unrestricted:						
Interest and Dividends	\$ 465	\$ 251	\$ 716	\$ 576	\$ 268	\$ 844
Net Realized Gain (Loss)	84	(30)	54	(242)	(535)	(777)
Net Unrealized Gain (Loss)	590	858	1,448	(726)	(80)	(806)
	1,139	1,079	2,218	(392)	(347)	(739)
Investment Expense	(48)	(54)	(102)	(50)	(53)	(103)
Total Unrestricted	1,091	1,025	2,116	(442)	(400)	(842)
Temporarily Restricted:						
Interest and Dividends	77	1	78	83	1	84
Net Realized Loss	(20)		(20)	(49)		(49)
Net Unrealized Gain (Loss)	153		153	(113)		(113)
	210	1	211	(79)	1	(78)
Investment Expense	(8)		(8)	(7)		(7)
Total Temporarily Restricted	202	1	203	(86)	1	(85)
Total Investment Income Gain (Loss), Net	\$ 1,293	\$ 1,026	\$ 2,319	\$ (528)	\$ (399)	\$ (927)

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:

	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

	2016				
	Total	Level 1		Level 2	
		Society	Foundation	Society	Foundation
Mutual Funds:					
Fixed Income Funds	\$ 4,289	\$ 2,509	\$ 1,780		
Multi-Strategy Funds	3,866	2,890	976		
International Securities Funds	2,965	1,881	1,084		
U.S. Small-Mid Cap Funds	2,117	2,117			
U.S. Large Cap Funds	1,622	569	1,053		
Infrastructure Funds	823	823			
Real Estate Securities Funds	136	136			
Exchange Traded Funds	6,684	1,954	4,730		
Corporate Bonds	3,607			\$ 3,067	\$ 540
Government Bonds	845			409	436
Total	\$ 26,954	\$ 12,879	\$ 9,623	\$ 3,476	\$ 976

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:

	2017			2016		
	Society	Foundation	Total	Society	Foundation	Total
Meetings and Events	\$ 137	\$ 72	\$ 209	\$ 162	\$ 29	\$ 191
Insurance	153		153	159		159
Rent	114	34	148	109	34	143
Software and Hardware						
Maintenance Costs	71	37	108	49	42	91
Postage and Other	75	16	91	54	33	87
Total	\$ 550	\$ 159	\$ 709	\$ 533	\$ 138	\$ 671

Note 8 - Fixed Assets:

Fixed assets consist of the following at April 30:

	2017			2016		
	Society	Foundation	Total	Society	Foundation	Total
Fixed Assets Under Development:						
Land	\$ 6,510		\$ 6,510	\$ 2,587		\$ 2,587
Building	1,329		1,329	5,252		5,252
Building improvements	9,921		9,921	3,345		3,345
Software development	82	\$ 109	191	33		33
Subtotal	17,842	109	17,951	11,217		11,217
Furniture and Equipment Not Yet in Use	578		578			
Fixed Assets in Use:						
Equipment	661	255	916	701	\$ 221	922
Software	1,468	1,365	2,833	978	1,181	2,159
Furniture	481	163	644	485	162	647
Leasehold improvements	2,066		2,066	2,066		2,066
Subtotal	4,676	1,783	6,459	4,230	1,564	5,794
	23,096	1,892	24,988	15,447	1,564	17,011
Accumulated Depreciation and Amortization	(3,017)	(1,244)	(4,261)	(2,675)	(1,101)	(3,776)
Fixed Assets, Net	\$ 20,079	\$ 648	\$ 20,727	\$ 12,772	\$ 463	\$ 13,235

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, 2016, 50% of the building was rented to three tenants including the seller. In August 2016, two of these leases expired and the seller relocated to the Society's San Mateo location as a sub-lessee. The Society has elected to fully retrofit and renovate the building prior to occupancy. Construction work commenced in September 2016 and was completed in May 2017. The cost for the building improvements was approximately \$8,400, and the cost for IT infrastructure, building security, audio-visual infrastructure, and a webcast studio was approximately \$1,500. The Foundation will reimburse the Society for the cost of building the webcast studio and some of the audio-visual costs. The Society has 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 include construction costs as well as architectural costs and building permit fees incurred in the planning phase of the improvements.

At the time of purchase, the allocation of the purchase price between land and building was tentatively based on a reasonable estimate. Upon completion of building construction, the allocation was adjusted by \$3,923 based on an appraisal report completed in May 2017.

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.

Note 9 - Deferred Revenues:

Deferred revenues consist of the following at April 30:

	2017			2016		
	<u>Society</u>	<u>Foundation</u>	<u>Total</u>	<u>Society</u>	<u>Foundation</u>	<u>Total</u>
Dues	\$ 5,284		\$ 5,284	\$ 6,026		\$ 6,026
Professional Education Programs		\$ 2,518	2,518		\$ 2,239	2,239
Peer Review Fees	743		743	783		783
Other	223		224	217		217
Total	\$ 6,250	\$ 2,518	\$ 8,768	\$ 7,026	\$ 2,239	\$ 9,265

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

Notes to the Combined Financial Statements
(In Thousands)

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 \$452 and \$404 for the years ended April 30, 2017 and 2016, 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 and \$12 for the years ended April 30, 2017 and 2016, respectively.

Note 11 - Debt:

Revolving Line of Credit

The Society and the Foundation maintained revolving credit agreements for borrowings up to \$1,000 each 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 4.0% as of April 30, 2017. The line of credit is collateralized by certain property of the Foundation. There were no borrowings during 2017 and 2016 on these credit facilities. As of April 30, 2017, the Foundation was in compliance with the financial covenants.

Non-Revolving Loan

In conjunction with the improvements of the Burlingame office building (Note 8), the Society obtained a \$7,000 non-revolving loan. The credit facility is payable monthly on an interest-only basis at the bank's reference rate, which was 4.0% as of April 30, 2017, through the maturity date of October 31, 2017. A total of \$7,000 was borrowed for the improvements. Total interest payments of \$132 were made on these borrowings and are included in building improvements as part of the project cost. The loan was repaid in April 2017.

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

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

Note 12 - Temporarily Restricted Net Assets:

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

	2017			2016		
	<u>Society</u>	<u>Foundation</u>	<u>Total</u>	<u>Society</u>	<u>Foundation</u>	<u>Total</u>
Scholarships	\$ 1,762		\$ 1,762	\$ 1,691		\$ 1,691
Forbes Medal Award		\$ 27	27		\$ 27	27
Total	\$ 1,762	\$ 27	\$ 1,789	\$ 1,691	\$ 27	\$ 1,718

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

	2017			2016		
	<u>Society</u>	<u>Foundation</u>	<u>Total</u>	<u>Society</u>	<u>Foundation</u>	<u>Total</u>
Scholarships	\$ 394		\$ 394	\$ 298		\$ 298
Forbes Medal Award		\$ 1	1		\$ 12	12
Financial Literacy and Other Programs	23		23	243		243
Total	\$ 417	\$ 1	\$ 418	\$ 541	\$ 12	\$ 553

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.

Note 14 - Commitments and Contingencies:

Lease

During the years ended April 30, 2017 and 2016, the Society maintained its headquarters in San Mateo, California under a non-cancelable lease agreement, which expires in December 2020.

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

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

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 was 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.

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 expected lease loss of approximately \$513, 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 expected 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 2018 and February 2019, respectively.

At April 30, 2017, 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>	<u>Foundation</u>	<u>Total</u>
2018	\$ 1,194	\$ (699)	\$ 495	\$ 21	\$ 516
2019	1,056	(953)	103		103
2020	1,003	(982)	21		21
2021	682	(588)	94		94
Total	\$ 3,935	\$ (3,222)	\$ 713	\$ 21	\$ 734

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

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

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

	2017			2016		
	Society	Foundation	Total	Society	Foundation	Total
Rent Expense	\$ 550	\$ 329	\$ 879	\$ 550	\$ 329	\$ 879
Sublease Revenues	(256)		(256)	(172)		(172)
Total	\$ 294	\$ 329	\$ 623	\$ 378	\$ 329	\$ 707

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.

At April 30, 2017, future minimum payments under the agreement were as follows:

Year ending April 30,

2018	\$ 360
2019	393
2020	405
2021	275
Total	\$ 1,433

Other Commitments

At April 30, 2017 the Society had commitments to vendors in the amount of \$116, and the Foundation had commitments to vendors in the amount of \$166.

Note 15 – 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, 2017 through June 27, 2017, the date the combined financial statements were available to be issued. Except as described in Notes 8 and 14, there were no material subsequent events that required recognition or additional disclosure in the 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, 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 Financial Position
(In Thousands)
See Independent Auditors' Report

April 30, 2016

	Society	Institute	Eliminations	Consolidated Total	Foundation	Eliminations	Combined Total
Assets							
Current Assets:							
Cash and equivalents	\$ 5,174	\$ 610		\$ 5,784	\$ 1,570		\$ 7,354
Accounts receivable, net	96			96	191		287
Other receivables	85	94		179	46		225
Receivable - affiliates	34			34			34
Receivable - inter-organization	541		\$ (66)	475		\$ (475)	-
Prepaid expenses and other	574			574	138	(41)	671
Total current assets	6,504	704	(66)	7,142	1,945	(516)	8,571
Investments	14,217	2,138		16,355	10,599		26,954
Fixed Assets, net	12,772			12,772	463		13,235
Trust Assets -							
Deferred Compensation	1,144			1,144			1,144
Other Assets	411			411		(249)	162
Total assets	\$ 35,048	\$ 2,842	\$ (66)	\$ 37,824	\$ 13,007	\$ (765)	\$ 50,066
Liabilities and Net Assets							
Current Liabilities:							
Accounts payable	\$ 210	\$ 4		\$ 214	\$ 120		\$ 334
Accrued expenses	1,679	28		1,707	412		2,119
Payable - inter-organization		66	\$ (66)	-	475	\$ (475)	-
Deferred revenues	7,026			7,026	2,239		9,265
Deferred lease costs, current portion	319			319	41	(41)	319
Total current liabilities	9,234	98	(66)	9,266	3,287	(516)	12,037
Deferred Lease Costs, less current portion	1,554			1,554	249	(249)	1,554
Long-term Debt	2,000			2,000			2,000
Deferred Compensation	1,144			1,144			1,144
Total liabilities	13,932	98	(66)	13,964	3,536	(765)	16,735
Net Assets:							
Unrestricted	21,116	1,053		22,169	9,394		31,563
Temporarily restricted		1,691		1,691	27		1,718
Permanently restricted					50		50
Total net assets	21,116	2,744	-	23,860	9,471	-	33,331
Total liabilities and net assets	\$ 35,048	\$ 2,842	\$ (66)	\$ 37,824	\$ 13,007	\$ (765)	\$ 50,066

**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	8,854	934	(63)	9,725	9,781	(642)	18,864
Supporting services:							
Management and general	3,529		(100)	3,429	1,884	(219)	5,094
Membership development	1,115			1,115			1,115
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

**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, 2016

	Society	Institute	Eliminations	Consolidated Total	Foundation	Eliminations	Combined Total
Unrestricted Net Assets:							
Revenues:							
Dues	\$ 9,140			\$ 9,140			\$ 9,140
Professional education programs					\$ 11,246	\$ (204)	11,042
Peer review fees	1,402			1,402			1,402
Member meetings and events	818			818		(10)	808
Advertising	819			819		(77)	742
Affiliation fees	674			674		(156)	518
Royalties and affinity programs	111			111	66		177
Interest and dividends, net	541	\$ 2		543	215	(17)	741
Rental income	633			633		(329)	304
Other income	150	163	\$ (163)	150	1		151
Total unrestricted revenues	14,288	165	(163)	14,290	11,528	(793)	25,025
Net assets released from restrictions		541		541	12		553
Total revenues	14,288	706	(163)	14,831	11,540	(793)	25,578
Expenses:							
Program services	9,418	738	(63)	10,093	10,533	(604)	20,022
Supporting services:							
Management and general	3,746		(100)	3,646	1,753	(229)	5,170
Membership development	1,162			1,162			1,162
Total expenses	14,326	738	(163)	14,901	12,286	(833)	26,354
Change in unrestricted net assets before net realized and unrealized loss on investments	(38)	(32)	-	(70)	(746)	40	(776)
Net realized and unrealized loss on investments	(968)			(968)	(615)		(1,583)
Change in unrestricted net assets	(1,006)	(32)	-	(1,038)	(1,361)	40	(2,359)
Temporarily Restricted Net Assets:							
Net proceeds from scholarship events held by the Society		248		248			248
Scholarship contributions		37		37			37
Financial literacy and other program contributions		273		273		(40)	233
Interest and dividends, net		76		76	1		77
Net assets released from restrictions		(541)		(541)	(12)		(553)
Change in temporarily restricted net assets before net realized and unrealized gain on investments	-	93	-	93	(11)	(40)	42
Net realized and unrealized loss on investments		(162)		(162)			(162)
Change in temporarily restricted net assets	-	(69)	-	(69)	(11)	(40)	(120)
Change in Net Assets	(1,006)	(101)	-	(1,107)	(1,372)	-	(2,479)
Net Assets, beginning of year	22,122	2,845	-	24,967	10,843	-	35,810
Net Assets, end of year	\$ 21,116	\$ 2,744	\$ -	\$ 23,860	\$ 9,471	\$ -	\$ 33,331