Financial Statements
April 30, 2010 and 2009

Colorado Society of Certified Public Accountants

Financial Statements

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
Colorado Society of Certified Public Accountants,

We have audited the accompanying statement of financial position of the Colorado Society of Certified Public Accountants (the "CSCPA") as of April 30, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the CSCPA's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Colorado Society of Certified Public Accountants as of April 30, 2009, were audited by other auditors whose report dated July 15, 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CSCPA's internal control over financial reporting. Accordingly, we do not express such an opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2010 financial statements referred to above present fairly, in all material respects, the financial position of Colorado Society of Certified Public Accountants as of April 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Greenwood Village, Colorado
July 2, 2010

Assets	2010	2009
Current Assets:		
Cash and cash equivalents	$ 787,765	$ 657,093
Trade receivables, less allowance of $4,055 and $3,540, respectively	34,046	43,256
Prepayments	121,065	122,699
Inventory	2,136	7,544
Total Current Assets	945,012	830,592
Long-Term Investments	1,850,286	1,357,178
Property and Equipment	1,169,331	1,137,131
Less: accumulated depreciation and amortization	(917,712)	(779,379)
Net Property and Equipment	251,619	357,752
Investments held for deferred compensation plans	206,099	210,126
Total Assets	$ 3,253,016	$ 2,755,648
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	$ 125,736	$ 93,179
Capital lease obligation	100	1,723
Accrued liabilities	192,883	176,503
Grants payable	10,000	10,000
Deferred revenue	770,140	720,774
Deferred lease incentive	44,160	44,160
Total Current Liabilities	1,143,019	1,046,339
Long-Term Liabilities:		
Deferred lease incentive	55,213	99,378
Capital lease obligation	-	157
Grants payable	20,000	30,000
Accrued liabilities	28,569	40,990
Deferred compensation plans	206,099	210,126
Total Long-Term Liabilities	309,881	380,651
Total Liabilities	1,452,900	1,426,990
Commitments (Note 10)	-	-
Net Assets, Unrestricted	1,800,116	1,328,658
Total Liabilities and Net Assets	$ 3,253,016	$ 2,755,648

	2010	2009
Revenue:		
Continuing professional education		
Colorado programs	$ 2,141,218	$ 1,781,721
Out-of-state programs	-	5,940
On-site programs	118,135	156,097
Self-study programs	196,389	143,013
Total continuing professional education	2,455,742	2,086,771
Membership dues	1,737,775	1,681,456
Peer review dues and fees	140,020	140,624
Investment income	55,036	32,501
NewsAccount advertising	53,222	54,002
Royalty income	52,663	51,814
Member activities and events income	65,389	69,899
Other income	30,855	143,573
Total Revenue	4,590,702	4,260,640
Expenses:		
Program Services		
Continuing professional education	2,330,364	2,212,055
Membership services	1,182,178	1,330,794
Peer review services	123,640	125,771
Total Program Services	3,636,182	3,668,620
Supporting Services		
General administrative	944,160	979,441
Total Expenses	4,580,342	4,648,061
Change in Net Assets before Unrealized Gain (Loss) on Investments	10,360	(387,421)
Unrealized gain (loss) on investments	461,098	(544,109)
Change in Net Assets	471,458	(931,530)
Net Assets, Beginning of Year	1,328,658	2,260,188
Net Assets, End of Year	$ 1,800,116	$ 1,328,658

	2010	2009
Cash flows from operating activities:		
Change in net assets	$ 471,458	$ (931,530)
Adjustments to reconcile change in net assets		
to net cash provided by operating activities:		
Depreciation	153,603	144,194
Allowance for doubtful accounts	515	875
(Gain) loss on investments	(461,098)	619,937
(Gain) loss on sale of property and equipment	(847)	1,881
Changes in operating assets and liabilities		
Decrease in trade receivables	8,695	26,929
Decrease (increase) in prepayments	1,634	(42,116)
Decrease in inventory	5,408	3,235
(Decrease) increase in accounts payable	32,557	(21,002)
(Decrease) increase in accrued liabilities	3,959	(32,607)
(Decrease) increase in promises to give	(10,000)	40,000
Increase in deferred revenue	49,366	35,851
(Decrease) in deferred lease incentive	(44,165)	(44,166)
Net cash (used in) provided by operating activities	211,085	(198,519)
Cash flows from investing activities:		
Redemption of investments	-	202,558
Purchases of investments	(32,010)	(239,110)
Proceeds from sale of property and equipment	847	1,228
Acquisitions of property and equipment	(47,470)	(83,123)
Net cash (used in) investing activities	(78,633)	(118,447)
Cash flows from financing activities:		
Principal payments on long-term obligations	(1,780)	(1,745)
Net cash (used in) financing activities	(1,780)	(1,745)
Net Increase (Decrease) in Cash and Cash Equivalents	130,672	(318,711)
Cash And Cash Equivalents, Beginning Of Year	657,093	975,804
Cash and Cash Equivalents, End of Year	$ 787,765	$ 657,093

Note 1 - Nature of The Organization

The Colorado Society of Certified Public Accountants' (the "CSCPA") mission is to support its members in providing quality professional services to serve the public interest. The CSCPA's revenues are derived primarily from continuing professional education fees and dues that it charges its membership, which is primarily located in the State of Colorado.

Description of Activities

The CSCPA's activities include the following:

Continuing Professional Education

Provides educational instruction and materials on accounting, auditing, taxation, and other topics important to accounting professionals to assist in the continuing development of their professional expertise.

Membership Services

Develops and provides services and benefits to members. Offers activities to assist members in understanding and adjusting to changes in the economic, political, social, and technological environment. Provides opportunities for members to participate in community, business, legislative, educational, and other activities where their expertise is needed. Includes networking, technical support, and legislative and regulatory representation and advocacy. Also includes programs and activities to recruit students into the profession and promote the profession to the public.

Peer Review Services

Provides services to members who are engaged in the practice of public accounting and are enrolled in an approved practice monitoring program, which monitors professional performance to enforce professional standards.

General Administrative

Provides overall direction, general record keeping, business management, general public relations, board of directors activities, and other.

Note 2 - Summary of Significant Accounting Policies

Method of Accounting

The CSCPA's financial statements have been prepared on the accrual basis of accounting.

Basis of Presentation

Financial statement presentation follows the requirements of the Financial Accounting Standards Board ("FASB") in its Accounting Standards Codification ("ASC") Topic 958-205 (previously Statement of Financial Accounting Standards ("SFAS") No. 117, *Financial Statements of Not-For-Profit Organizations*). Under ASC 958-205, the CSCPA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The CSCPA had only unrestricted net assets in 2010 and 2009.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Fair Value Measurements

The carrying amount reported in the statement of financial position for cash and cash equivalents, trade receivables, prepayments, accounts payable and accrued liabilities, approximate fair value because of the immediate or short-term maturities of these financial instruments.

The CSCPA adopted FASB Accounting Standards Codification Topic ASC 820-10 (previously Statement of Financial Accounting Standards No. 157, *"Fair Value Measurements"*) as of May 1, 2008, which among other things requires enhanced disclosures about investments that are measured and reported at fair value. ASC 820-10 establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

ASC 820-10 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. The CSCPA accounts for its investments at fair value. All securities are valued using Level 1 inputs as they are traded on an active exchange. In accordance with ASC 820-10, the CSCPA has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), driving inputs other than quoted prices in active markets (Level 2), and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions. Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. Additionally, Level 1 includes cash, cash equivalents, and money-market funds. Securities valued using Level 2 inputs include private collateralized mortgage obligations, municipal bonds, and corporate debt securities. Level 3 investments include limited partnership interests in corporate private equity and real estate funds, funds of hedge funds, and distressed debt. The CSCPA does not have any securities that are valued using Level 2 or 3 inputs.

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

Trade Receivables

Trade receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to an allowance for doubtful accounts based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to accounts receivable. Changes in the allowance for doubtful accounts have not been material to the financial statements.

Inventory

Inventory consists of course material and is stated at the lower of cost or market. Cost is determined using a weighted average method.

Investments

Investments in mutual funds and common stock are reflected at fair value.

Property and Equipment

All property and equipment is stated at cost, or fair value if donated, and depreciated over the following estimated useful lives using the straight-line method:

	Estimated Useful Lives
Furniture and equipment	5-10 years
Computer hardware and software	2-5 years
Automobile	5 years

Capitalized leases are recorded at the present value of future minimum lease payments. Amortization relating to capitalized leases is calculated over the estimated useful life of the asset using the straight-line method and is included in depreciation. Leasehold improvements are depreciated over the shorter of the estimated useful life of the asset or the remaining lease term.

Expenditures for maintenance, repairs and minor replacements are charged to operations, and expenditures for major replacements and betterments of $500 and greater are capitalized.

Capitalized software development costs include costs related to internally developed software. Direct internal and external costs subsequent to the preliminary stage are being capitalized as property and equipment. Capitalized costs will be amortized over the estimated useful life when the software is ready for its intended use.

Grants Payable

Grants payable are recorded as a liability and an expense in the year in which authorized by the CSCPA's Board of Directors. Grants payable are not discounted due to the amount of the discount being insignificant to these financial statements.

Revenue Recognition

Continuing professional education fees are recognized in the period in which the course is given. Membership dues are recognized ratably over the term of the membership period. Peer review administrative fees are billed and recognized as revenue during the administrative year for which they apply. Other revenue is recognized when earned. As of April 30, 2010 and 2009, the CSCPA recorded deferred revenue, which represents the portion of revenue collected during the fiscal year that applies to the subsequent year's activity.

Contributed Services

Under FASB ASC 958-605 (previously SFAS No. 116), contributed services are recorded if they create or enhance nonfinancial assets or require specialized skills that are provided by an individual possessing those skills and would typically need to be purchased if not provided by donation. A significant portion of the CSCPA's functions, which are conducted by unpaid volunteers, is not reflected in the accompanying financial statements since a significant portion of volunteers' time does not meet the criteria for recognition under ASC 958-605.

Advertising Costs

The CSCPA uses advertising to promote its programs. The production costs of advertising are expensed as incurred. During the years ended April 30, 2010 and 2009, advertising costs totaled $209,348 and $247,803, respectively, for continuing professional education marketing.

Statement of Cash Flows

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, demand deposits, and money market accounts. The CSCPA considers cash equivalents to be all highly liquid investments which are readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Reclassification

Certain amounts from the 2009 financial statements have been classified to conform to the 2010 presentation.

Subsequent Events

The CSCPA has evaluated subsequent events through July 2, 2010, the date which the financial statements were available to be issued.

Note 3 - Income Taxes

The CSCPA is an organization as described under Internal Revenue Code Section 501(c)(6) and is exempt from income taxes except for amounts representing unrelated business income. Unrelated business income primarily represents advertising revenue associated with the CSCPA's NewsAccount publication and Web site. The CSCPA did not incur any material income tax expense from these unrelated activities for the years ended April 30, 2010 and 2009.

In June 2006, the FASB issued Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FASB ASC 740-10 (previously FIN 48) clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the Financial Statements. Subsequent to its original issuance, the effective date of its implementation for nonpublic enterprises was deferred until years beginning after December 15, 2008. The CSCPA adopted ASC 740-10 as of May 1, 2009.

Implementation of ASC 740-10 had no impact on the financial statements. As of both the date of adoption, and as of April 30, 2010, the unrecognized tax benefit accrual was zero. The CSCPA will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred. Federal and state income tax returns for the years 2007 – 2009 remain open to examination. No changes are anticipated in the total amount of unrecognized tax benefit in the next 12 months.

Note 4 - Investment and Concentrations of Credit Risk

Investments

As of April 30, 2010 and 2009, investments consisted of the following:

	2010	2009
Level 1 Investments:		
Common Stock	$ 5,784	$ 2,628
Mutual funds:		
Large capitalization value equities	539,437	388,339
Intermediate-term bond	507,415	425,113
Foreign equities	222,408	154,431
Medium capitalization value equities	201,853	135,874
Tangibles	195,284	128,172
Small capitalization value equities	178,105	122,621
	$ 1,850,286	$ 1,357,178

Interest and dividends from investments and cash and cash equivalent funds for the years ended April 30, 2010 and 2009 totaled $55,036 and $108,329, respectively. Unrealized gains (losses) from these investments for the years ended April 30, 2010 and 2009 of $461,098 and ($619,937), respectively, and realized gains (losses) of $-0- and ($75,828), respectively, were recognized.

Concentration of Credit Risk

The CSCPA's interest bearing cash demand deposits are held at financial institutions at which deposits are insured up to $250,000 per institution by the Federal Deposit Insurance Corporation ("FDIC"). As of April 30, 2010 and 2009, the balance at financial institutions exceeded the FDIC limit by approximately $392,151 and $317,500, respectively, which resulted from the Board of Directors' decision to maintain cash reserves in an account earning a higher rate of interest. However, management believes risk of loss to be minimal.

Note 5 - Property and Equipment

Property and equipment consisted of the following as of April 30, 2010 and 2009:

	2010	2009
Furniture and equipment	$ 474,157	$ 470,271
Computer hardware and software	623,449	603,588
Leasehold improvements	65,385	56,932
Leased equipment	6,340	6,340
	1,169,331	1,137,131
Less: accumulated depreciation	(917,712)	(779,379)
Net Property and Equipment	$ 251,619	$ 357,752

Depreciation expense was $153,603 and $144,194 for the years ended April 30, 2010 and 2009, respectively.

Note 6 - Investment Held for Deferred Compensation Plans

The CSCPA maintains a nonqualified deferred compensation plan (the "Plan") for its previous Executive Director. Contributions are no longer made to the Plan. Under terms of the Plan, the obligation is equal to the fair market value of the designated investments. Gains or losses on the Plan's investments are recognized as increases or decreases in the Plan's obligations. Investments designated for retirement of the Plan's obligations are stated at fair value. These funds are managed by an outside investment advisor. As of April 30, 2010 and 2009 the investment under this plan consisted of only Level 1 investments according to FASB ASC 820-10 (previously SFAS No. 157).

Note 7 - Deferred Revenue

Deferred revenue consisted of the following as of April 30, 2010 and 2009:

	2010	2009
Membership dues	$ 717,202	$ 637,501
Continuing professional education fees	49,941	82,153
Other	2,997	1,120
	$ 770,140	$ 720,774

Note 8 - Other Income

Other income consisted of the following as of April 30, 2010 and 2009:

	2010	2009
Room rentals	$ 15,231	$ 27,618
Referral service	7,250	7,225
Web site advertising	7,092	17,905
Miscellaneous	1,282	14,825
Contributions	-	76,000
	$ 30,855	$ 143,573

Note 9 - Profit Sharing/401(k) Plan and Trust

Effective May 1, 1985, the CSCPA established, as a separate accounting entity, the Colorado Society of CPAs Profit Sharing/401(k) Plan and Trust for the benefit of eligible CSCPA employees. No more than 25% of a participant's compensation can be allocated to a participant's account during any plan year. The CSCPA is required to match participant contributions up to 5% of compensation. The residual up to the 25% limitation would result from a combination of participant contributions and annual discretionary contributions made by the CSCPA of up to 5% of each participant's compensation. In addition to the maximum deferred contribution of 25%, participants may also make after-tax contributions of up to 10% of compensation. The CSCPA's contributions for the years ended April 30, 2010 and 2009, were $64,131 and $60,508, respectively. Neither the assets nor the liabilities of the profit sharing /401(k) plan and trust is reflected in these financial statements.

Note 10 - Commitments

The CSCPA has entered into a long-term lease for use of its office facilities. The lease agreement includes various tenant allowances which are included in deferred lease incentives. These lease incentives are amortized as a reduction to rent expense over the term of the lease. Rent expense was $377,752 and $363,299, respectively, for the years ended April 30, 2010 and 2009, which includes the CSCPA's share of annual operating costs. The CSCPA also has entered into a lease agreement for postage equipment.

Future minimum lease commitments as of April 30, 2010, are as follows:

Year Ended April 30,	
2011	$ 391,299
2012	401,872
2013	102,520
2014	1,908
2015	1,113
	$ 898,712

The CSCPA has made an unconditional pledge to the American Institute of CPAs Foundation's Accounting Doctoral Students Program. Amounts payable as of April 30, 2010 are as follows:

Year Ended April 30,	
2011	$ 10,000
2012	10,000
2013	10,000
	$ 30,000

The CSCPA, at various times throughout the year, is committed to various contracts for payments to authors and instructors of its continuing education programs and technical reviewers for its peer review program. Terms and conditions vary on a contract-by-contract basis.

Note 11 - Related Parties and Affiliate

The CSCPA is affiliated with The Educational Foundation of the Colorado Society of Certified Public Accountants (the "Foundation"), the primary purpose of which is to raise funds for scholarships and awards for accounting students in the State of Colorado. The Foundation is a separately incorporated organization under Internal Revenue Code Section 501(c)(3) and is not controlled by the CSCPA. The CSCPA performs certain administrative, program support, and fundraising services for the benefit of the Foundation and also contributes certain amounts to the Foundation to cover additional expenses. The value of donated services and other contributions totaled $22,131 and $23,808, respectively, for the years ended April 30, 2010 and 2009. The CSCPA remits to the Foundation contributions collected on its behalf. Amounts owed to the Foundation, which are included in accounts payable as of April 30, 2010 and 2009, were $2,975 and $2,612, respectively.

Under the guidance of the Board of Directors, the CSCPA also administers the Colorado Society of CPAs Profit Sharing/401(k) Plan and Trust, which was established for the benefit of the CSCPA's employees.

Additionally, during the years ended April 30, 2010, and 2009, the CSCPA paid $29,420 and $19,408, respectively, to board members providing services to the CSCPA in the customary course of business.