

**WASHINGTON SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS**

*Audited Consolidated Financial Statements  
and Supplementary Information*

May 31, 2024 and 2023

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

Audited Consolidated Financial Statements  
and Supplementary Information

May 31, 2024 and 2023

**INDEPENDENT AUDITOR'S REPORT** ..... 1-3

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

Consolidated Statements of Financial Position..... 4-5

Consolidated Statements of Activities .....6

Consolidated Statements of Functional Expenses ..... 7-8

Consolidated Statements of Cash Flows ..... 9-10

Notes to Consolidated Financial Statements..... 11-24

**SUPPLEMENTARY INFORMATION**

Consolidating Schedule of Financial Position ..... 25-26

Consolidating Schedule of Activities.....27



1501 Regents Blvd., Suite 100  
Fircrest, WA 98466-6060

## Independent Auditor's Report

Board of Directors and Trustees  
Washington Society of Certified Public Accountants,  
Washington CPA Foundation and Washington CPA/PAC  
Bellevue, Washington

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the consolidated financial statements of Washington Society of Certified Public Accountants (the "WSCPAC"), Washington CPA Foundation (the "Foundation") and Washington CPA/PAC (the "PAC") (collectively, the "Society"), which comprise the consolidated statements of financial position as of May 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Society as of May 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Society, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern for one year after the date that the financial statements are issued.

***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with U.S. GAAS, we:

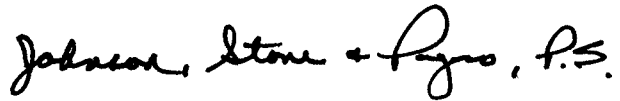
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position as of May 31, 2024 and schedule of activities for the year ended May 31, 2024 on pages 25 through 27 are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in

the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



**JOHNSON, STONE & PAGANO, P.S.**  
Fircrest, Washington

September 20, 2024

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

May 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 998,989	\$ 688,788
Investments	11,923,255	11,193,401
Accounts receivable	55,430	302,766
Prepaid expenses	<u>186,591</u>	<u>190,778</u>
<b>Total Current Assets</b>	13,164,265	12,375,733
<b>NONCURRENT ASSETS</b>		
Endowment investments	2,532,003	2,239,036
Property and equipment, net	<u>65,365</u>	<u>59,566</u>
<b>Total Noncurrent Assets</b>	2,597,368	2,298,602
<b>OTHER ASSETS</b>		
Finance right-of-use assets, net	4,884	15,825
Operating right-of-use asset, net	767,137	847,697
Investments held under agency contract	<u>2,098,646</u>	<u>2,161,921</u>
<b>Total Other Assets</b>	<u>2,870,667</u>	<u>3,025,443</u>
<b>TOTAL ASSETS</b>	<u>\$ 18,632,300</u>	<u>\$ 17,699,778</u>

The accompanying notes are an integral part of these consolidated financial statements.

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)**

May 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 452,532	\$ 553,399
Deferred revenue - continuing professional education programs	269,586	290,111
Deferred revenue - membership dues	600,266	773,410
Deferred revenue - other	11,389	9,970
Current portion of finance lease liability	4,987	11,024
Current portion of operating lease liability	<u>76,007</u>	<u>71,297</u>
<b>Total Current Liabilities</b>	1,414,767	1,709,211
<b>LONG-TERM LIABILITIES</b>		
Obligation under agency contract	2,098,646	2,161,921
Finance lease liability, less current portion		5,026
Operating lease liability, less current portion	<u>732,721</u>	<u>808,728</u>
<b>Total Liabilities</b>	4,246,134	4,684,886
<b>NET ASSETS</b>		
Without donor restrictions - the WSCPA	11,141,922	10,110,802
Without donor restrictions - the Foundation	<u>570,526</u>	<u>561,699</u>
<b>Total Net Assets without Donor Restrictions</b>	11,712,448	10,672,501
With donor restrictions	<u>2,673,718</u>	<u>2,342,391</u>
<b>Total Net Assets</b>	<u>14,386,166</u>	<u>13,014,892</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 18,632,300</u>	<u>\$ 17,699,778</u>

The accompanying notes are an integral part of these consolidated financial statements.



**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**CONSOLIDATED STATEMENTS OF ACTIVITIES**

Years Ended May 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>						
Education programs	\$ 1,577,046		\$ 1,577,046	\$ 1,630,243		\$ 1,630,243
Membership dues	1,598,726		1,598,726	1,622,502		1,622,502
Peer review fees				184,475		184,475
Interest and dividend income, net of related expenses (2024 - \$52,787; 2023 - \$45,080)	225,198	\$ 50,820	276,018	192,629	\$ 41,964	234,593
Networking events	2,015		2,015	6,400		6,400
Advertising	38,937		38,937	34,093		34,093
Contributions	79,510	51,090	130,600	71,995	68,285	140,280
In-kind contributions				22,250		22,250
Grant income				263,286		263,286
Other	117,321		117,321	126,349		126,349
Net assets released from restrictions	92,998	(92,998)		166,542	(166,542)	
<b>Total Revenue</b>	<b>3,731,751</b>	<b>8,912</b>	<b>3,740,663</b>	<b>4,320,764</b>	<b>(56,293)</b>	<b>4,264,471</b>
<b>EXPENSES</b>						
Program services						
Education programs	1,571,999		1,571,999	1,504,419		1,504,419
Member services programs	1,057,657		1,057,657	964,890		964,890
Peer review expenses				296,130		296,130
Advocacy	426,083		426,083	517,672		517,672
<b>Total Program Expenses</b>	<b>3,055,739</b>		<b>3,055,739</b>	<b>3,283,111</b>		<b>3,283,111</b>
General and administrative	856,441		856,441	924,377		924,377
Foundation	312,022		312,022	281,536		281,536
<b>Total Expenses</b>	<b>4,224,202</b>		<b>4,224,202</b>	<b>4,489,024</b>		<b>4,489,024</b>
<b>Change in Net Assets Before Loss on Disposition of Property and Equipment and Gain (Loss) on Investments</b>	<b>(492,451)</b>	<b>8,912</b>	<b>(483,539)</b>	<b>(168,260)</b>	<b>(56,293)</b>	<b>(224,553)</b>
Loss on disposition of property and equipment				(7,162)		(7,162)
Gain (loss) on investments	1,532,398	322,415	1,854,813	226,182	(27,869)	198,313
<b>CHANGE IN NET ASSETS</b>	<b>1,039,947</b>	<b>331,327</b>	<b>1,371,274</b>	<b>50,760</b>	<b>(84,162)</b>	<b>(33,402)</b>
<b>Net Assets at Beginning of Year</b>	<b>10,672,501</b>	<b>2,342,391</b>	<b>13,014,892</b>	<b>10,621,741</b>	<b>2,426,553</b>	<b>13,048,294</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 11,712,448</b>	<b>\$ 2,673,718</b>	<b>\$ 14,386,166</b>	<b>\$ 10,672,501</b>	<b>\$ 2,342,391</b>	<b>\$ 13,014,892</b>

The accompanying notes are an integral part of these consolidated financial statements

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**

Year Ended May 31, 2024 with Comparative Totals for 2023

	Education	Member Services	Advocacy	Total Programs	General and Administrative	Foundation	Total Expenses	
							2024	2023
Salaries and compensation	\$ 407,189	\$ 519,268	\$ 200,551	\$ 1,127,008	\$ 440,955	\$ 55,208	\$ 1,623,171	\$ 1,757,888
Employee benefits and taxes	117,811	150,238	58,025	326,074	127,581	15,973	469,628	462,264
<b>Total Compensation Expense</b>	525,000	669,506	258,576	1,453,082	568,536	71,181	2,092,799	2,220,152
Professional services	624,133	30,467	84,830	739,430		224,375	963,805	1,027,197
Facility costs	91,774	98,378		190,152			190,152	120,117
Lease	25,304	25,327	25,387	76,018	65,770	1,637	143,425	149,049
Food and beverage	110,599			110,599			110,599	85,560
Credit card fees	50,905	35,455		86,360			86,360	82,297
Marketing, postage and printing	15,109	54,084		69,193		3,592	72,785	65,931
Repair and maintenance	871	872	874	2,617	2,264	56	4,937	41,288
Utilities and phone	11,112	14,171	5,473	30,756	12,034	1,507	44,297	41,300
Insurance and taxes	11,333	310	119	11,762	28,242	33	40,037	53,794
Supplies and subscriptions	20,130	21,009	5,117	46,256	6,097	1,477	53,830	70,022
Technology	57,449	67,553	18,080	143,082	39,753	4,977	187,812	224,626
Travel	5,412	12,667	13,740	31,819	9,933	1,487	43,239	38,824
Depreciation and amortization	6,914	8,817	3,405	19,136	7,487	937	27,560	102,826
Administrative and other	15,954	19,041	10,482	45,477	116,325	763	162,565	166,041
<b>TOTAL EXPENSES</b>	<u>\$ 1,571,999</u>	<u>\$ 1,057,657</u>	<u>\$ 426,083</u>	<u>\$ 3,055,739</u>	<u>\$ 856,441</u>	<u>\$ 312,022</u>	<u>\$ 4,224,202</u>	<u>\$ 4,489,024</u>

The accompanying notes are an integral part of these consolidated financial statements

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

Year Ended May 31, 2023

	<u>Education</u>	<u>Member Services</u>	<u>Peer Review</u>	<u>Advocacy</u>	<u>Total Programs</u>	<u>General and Administrative</u>	<u>Foundation</u>	<u>Total Expenses 2023</u>
Salaries and compensation	\$ 380,919	\$ 493,809	\$ 151,705	\$ 201,515	\$ 1,227,948	\$ 468,873	\$ 61,067	\$ 1,757,888
Employee benefits and taxes	100,169	129,855	39,893	52,991	322,908	123,297	16,059	462,264
<b>Total Compensation Expense</b>	481,088	623,664	191,598	254,506	1,550,856	592,170	77,126	2,220,152
Professional services	613,813	20,000	45,043	164,922	843,778		183,419	1,027,197
Facility costs	79,908	40,209			120,117			120,117
Lease	26,379	26,402	16,856	26,465	96,102	51,240	1,707	149,049
Food and beverage	85,560				85,560			85,560
Credit card fees	44,783	37,514			82,297			82,297
Marketing, postage and printing	16,869	45,565			62,434		3,497	65,931
Repair and maintenance	7,307	7,314	4,669	7,331	26,621	14,194	473	41,288
Utilities and phone	8,920	11,526	3,584	4,780	28,810	11,072	1,418	41,300
Insurance and taxes	10,908	275	85	112	11,380	42,380	34	53,794
Supplies and subscriptions	23,064	24,803	2,581	7,031	57,479	10,471	2,072	70,022
Technology	59,998	71,856	15,936	21,168	168,958	49,253	6,415	224,626
Travel	4,924	9,716	3,920	10,416	28,976	8,867	981	38,824
Depreciation	22,281	28,885	8,874	11,787	71,827	27,427	3,572	102,826
Administrative and other	18,617	17,161	2,984	9,154	47,916	117,303	822	166,041
<b>TOTAL EXPENSES</b>	<b>\$ 1,504,419</b>	<b>\$ 964,890</b>	<b>\$ 296,130</b>	<b>\$ 517,672</b>	<b>\$ 3,283,111</b>	<b>\$ 924,377</b>	<b>\$ 281,536</b>	<b>\$ 4,489,024</b>

The accompanying notes are an integral part of these consolidated financial statements

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Years Ended May 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from education programs	\$ 1,803,857	\$ 1,311,408
Cash received from membership dues	1,425,582	1,540,171
Cash received from other sources	290,292	778,328
Cash paid for employees	(2,216,365)	(2,226,491)
Cash paid to vendors and others	(2,122,871)	(2,112,441)
Interest and dividends received	328,805	279,676
<b>Net Cash Flows Used by Operating Activities</b>	(490,700)	(429,349)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	2,135,454	1,347,716
Purchase of investments	(1,303,462)	(936,982)
Purchases of property and equipment	(22,418)	(19,519)
<b>Net Cash Flows Provided by Investing Activities</b>	809,574	391,215
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on finance lease	(8,673)	(12,551)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	310,201	(50,685)
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>688,788</u>	<u>739,473</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 998,989</u>	<u>\$ 688,788</u>

The accompanying notes are an integral part of these consolidated financial statements

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)**

Years Ended May 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,371,274	\$ (33,402)
Adjustments to reconcile change in net assets to net cash flows used by operating activities		
Amortization of operating right-of-use asset	80,560	65,807
Depreciation and amortization	27,560	102,826
Net gain on investments	(1,854,813)	(198,313)
Loss on disposition of property and equipment		7,162
Changes in operating assets and liabilities		
Accounts receivable	247,336	(248,186)
Prepaid expenses	4,187	(23,229)
Accounts payable and accrued expenses	(100,867)	83,248
Deferred revenue	(192,250)	(151,783)
Operating lease liability	<u>(73,687)</u>	<u>(33,479)</u>
<b>NET CASH FLOWS USED BY OPERATING ACTIVITIES</b>	<u>\$ (490,700)</u>	<u>\$ (429,349)</u>

The accompanying notes are an integral part of these consolidated financial statements

# WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2024 and 2023

### NOTE 1 - ORGANIZATION

The Washington Society of Certified Public Accountants (the "WSCPAs") is a not-for-profit organization formed in 1904 to advance the accounting profession and assist individual members in their professional and educational development. The WSCPAs's membership and activities are concentrated primarily in Washington State.

The WSCPAs has 9 chapters whose primary purpose is to advance the accounting profession and assist individual members in their professional and educational development on a local level. The net assets and results of activities of these chapters are included in the accompanying consolidated financial statements.

The members of WSCPAs's Board of Directors are also the voting members of the Washington CPA Foundation (the "Foundation"). The Foundation's primary purpose is to enhance education and promote research in accounting and related fields.

The WSCPAs is affiliated with the Washington CPA/PAC (the "PAC") whose purpose is to contribute to Washington State political campaigns. The PAC committee members are approved by the Board of Directors of the WSCPAs.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Principles of Consolidation*

The consolidated financial statements include the accounts of the WSCPAs (including the 9 chapters), the Foundation and the PAC. Collectively, these entities are called the "Society" in these consolidated financial statements. All significant inter-entity accounts and transactions have been eliminated in consolidation.

#### *Financial Statement Presentation*

The Society reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The Society records support as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

#### *Net Assets without Donor Restrictions*

Net assets without donor restrictions consist of the following at May 31:

	<u>2024</u>	<u>2023</u>
Chapter use	\$ 49,449	\$ 56,063
Undesignated	<u>11,669,848</u>	<u>10,616,438</u>
Total Net Assets without Donor Restrictions	<u>\$ 11,719,297</u>	<u>\$ 10,672,501</u>

# WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2024 and 2023

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Net Assets without Donor Restrictions (Continued)*

Foundation net assets without donor restrictions at May 31, 2024 and 2023 are to be utilized solely to fund scholarships, grants, education programs and other Foundation activities. While no donor restriction exists on these funds, they can only be used in accordance with the mission of the Foundation.

#### *Net Assets with Donor Restrictions*

Contributions with donor-imposed restrictions are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions in accordance with the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Society has received endowment gifts where donors have specified the investment be restricted in perpetuity to provide scholarships for students majoring in accounting at colleges and universities in Washington State. The income earned on investments is restricted for such scholarships.

Net assets with donor restrictions consist of the following at May 31:

	<u>2024</u>	<u>2023</u>
Restricted for purpose or passage of time		
Roy Polley Scholarship Fund	\$ 2,304,063	\$ 2,028,055
George J. Waterman Memorial Scholarship Fund	44,202	35,899
Bill Reed Family Scholarship Fund	<u>83,845</u>	<u>75,082</u>
Endowment (Note 6)	2,432,110	2,139,036
Other scholarship funds	22,258	22,258
PAC activities	<u>119,350</u>	<u>81,097</u>
	2,573,718	2,242,391
Donor restricted endowment funds	<u>100,000</u>	<u>100,000</u>
Total Net Assets with Donor Restrictions	\$ <u>2,673,718</u>	\$ <u>2,342,391</u>

#### *Revenue Recognition*

Dues are recognized as revenue in the applicable membership period. Registration payments for continuing professional education programs are recognized as revenue in the period in which the related program is held. Dues and registration payments received in advance are deferred.

# WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2024 and 2023

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Advertising***

Advertising costs are expensed as incurred. Advertising expenses were \$18,367 and \$16,412, respectively, and are included in the accompanying May 31, 2024, and 2023 consolidated statements of functional expenses.

#### ***Donated Services***

Many volunteers donate significant amounts of time to the activities of the Society. The consolidated financial statements do not reflect the value of these donated services as the services do not require specialized skills (and would not otherwise be purchased) and, therefore, do not meet the requirements for recognition.

#### ***Cash and Cash Equivalents***

Cash and cash equivalents consist of cash in a bank and money market funds (unless those money market funds are classified as investments). Most cash funds are held in interest-bearing accounts. The Society maintains cash balances at financial institutions with insurance by the Federal Deposit Insurance Corporation ("FDIC"), with basic coverage up to \$250,000. Cash balances at a banking institution exceeded the limit as of May 31, 2024 by \$437,029. Cash equivalent investments held at a brokerage house did not exceed the Securities Investor Protection Corporation ("SIPC") cash equivalent cash limit.

#### ***Investments***

Investments in equity securities with readily-determinable fair values and all investments in debt securities are measured at fair value in the consolidated statements of financial position. Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities. Gains and losses on sales of investments are determined using the specific identification method.

#### ***Fair Value Measurements***

The Society measures the fair value of assets and liabilities, and related disclosures, in accordance with a hierarchy based on defined inputs. The hierarchy prioritizes the inputs underlying fair value measurements and requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs essentially distinguish the relative reliability of inputs to fair value measurements.

Level 1 inputs are more reliable and objective than Level 2 inputs, which are in turn more reliable and objective than Level 3 inputs. In arriving at a fair value measure, the Society is required to determine the level in the fair value hierarchy within which a fair value measurement ultimately falls and provide disclosure of such determinations.



# WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2024 and 2023

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Accounts Receivable*

Accounts receivable consist of unpaid advertising and continuing professional education fees. Accounts receivable are unsecured and do not bear interest. Management reviews accounts receivable, estimates the amount of uncollectible accounts and records an allowance for credit losses (if required). Uncollectible accounts are written off against the reserve. No allowance for credit losses was considered necessary by management at May 31, 2024 and 2023, respectively, as no amounts more than 90 days old are considered uncollectible.

#### *Property and Equipment*

Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The capitalization policy threshold is \$5,000. Assets must have estimated useful lives of at least one year to be considered for capitalization. Depreciation expense was \$16,619 and \$90,050 for the years ended May 31, 2024 and 2023, respectively.

#### *Retirement Program*

The Society has a 401(k) retirement plan for the benefit of all eligible employees. Under the plan, the Society will match up to the first 4% of an employee's deferral. The match is vested immediately. For the year ended May 31, 2023, there was no additional contribution made to the plan by the Society. For the year ended May 31, 2024, the Society contributed an additional 3.5% of the employees' annual gross salary to the plan. This is vested over a six-year period. The total expense recognized under the plan was \$73,158 and \$72,858 for the years ended May 31, 2024 and 2023, respectively.

#### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from the estimated amounts.

#### *Agency Contract*

The Foundation holds funds on behalf of the Washington State Board of Accountancy (the "State Board") under terms of an agency contract. Agency funds are reported in the statement of financial position as other assets and other liabilities in equal amounts. Except to the extent that the Society will earn an annual agency fee, activities related to these agency funds will not affect the change in consolidated net assets (see Note 7). The contract will expire on September 1, 2036, and will automatically renew for additional one-year periods if the funds are not fully disbursed. Either party can elect to terminate the contract during the additional periods by providing a written notice 60 days in advance of the expiration date.

# WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2024 and 2023

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Functional Allocation of Expense***

The costs of providing program and supporting services have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the program and supporting services based on time and other resources used. Salaries and employee benefits are based on estimates of actual time spent on each program or supporting function. The expenses associated with occupancy costs and depreciation are allocated based on the square footage of the space occupied by each program and supporting function. Other expenses are allocated based on estimates of actual usage.

#### ***Income Taxes***

The WSCPA is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code. The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The PAC is subject to tax on its net investment income under Section 527 of the Internal Revenue Code. No tax was due on net investment income for the years ended May 31, 2024 or 2023.

The Society evaluates its uncertain income tax positions, if any, and may record a liability for any unrecognized tax obligations resulting from positions taken, or expected to be taken, in an income tax return. Estimated interest and penalties related to unrecognized tax obligations, if any, are recorded as a component of income tax expense included in general and administrative expenses in the consolidated statements of activities. No liability has been recorded for uncertain tax positions, or related interest or penalties, as of May 31, 2024 or 2023.

#### ***Adoption of New Accounting Standard***

As of June 1, 2023, the Society adopted Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. The CECL model is applicable to the measurement of credit losses on financial assets measured at amortized cost, including trade and loan receivables. CECL requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions and reasonable and supportable forecasts. This standard provides financial statement users with more decision-useful information about the expected losses on financial instruments. The Society adopted the standard effective June 1, 2023. The impact of the adoption was not considered material to the financial statements or the Society's disclosures.

#### ***Subsequent Events***

The management of the Society evaluated for subsequent events and transactions for potential recognition and disclosure through September 20, 2024, the date the financial statements were available to be issued.

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

May 31, 2024 and 2023

**NOTE 3 - LIQUIDITY AND AVAILABILITY**

Financial assets available for expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following at May 31:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 998,988	\$ 688,788
Investments	11,923,255	11,193,401
Accounts receivable	<u>55,430</u>	<u>302,766</u>
Total Financial Assets	12,977,673	12,184,955
Cash restricted for Foundation scholarships	(22,258)	(22,258)
Cash and receivables restricted for PAC	<u>(119,350)</u>	<u>(81,097)</u>
	<u>\$ 12,836,065</u>	<u>\$ 12,081,600</u>

As part of the liquidity management plan, the Society invests cash in excess of daily requirements in short-term investments, CDs and money market funds.

**NOTE 4 - INVESTMENTS**

Investments consist of the following at May 31:

	<u>Fair Value</u>	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Other Subjective Inputs (Level 3)
<u>May 31, 2024</u>				
Money market accounts	\$ 1,030,879	\$ 1,030,879		
Equity mutual funds				
Real estate index funds	1,800,524	1,800,524		
Value index funds	197,862	197,862		
Growth index funds	3,589,595	3,589,595		
Small cap index funds	1,156,961	1,156,961		
Large cap index funds	<u>4,246,813</u>	<u>4,246,813</u>		
Total Fixed Income Mutual Funds	10,991,755	10,991,755		

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

May 31, 2024 and 2023

**NOTE 4 - INVESTMENTS (Continued)**

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Other Subjective Inputs (Level 3)
	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
<u>May 31, 2024</u> (Continued)				
Fixed income mutual funds				
Corporate bond index funds	\$ 761,738		\$ 761,738	
Treasury bill index funds	2,019,286		2,019,286	
Ultrashort bond fund	130,823		130,823	
Intermediate term bond	1,059,847		1,059,847	
Inflation protection securities fund	<u>559,576</u>		<u>559,576</u>	
Total Fixed Income Mutual Funds	<u>4,531,270</u>		<u>4,531,270</u>	
 Total Investments	 <u>\$ 16,553,904</u>	 <u>\$ 12,022,634</u>	 <u>\$ 4,531,270</u>	 <u>\$</u>
<u>May 31, 2023</u>				
Money market accounts	\$ 1,044,518	\$ 1,044,518		
Equity mutual funds				
Real estate index funds	1,684,420	1,684,420		
Value index funds	161,119	161,119		
Growth index funds	3,257,390	3,257,390		
Small cap index funds	1,185,969	1,185,969		
Large cap index funds	<u>3,653,939</u>	<u>3,653,939</u>		
Total Fixed Income Mutual Funds	9,942,837	9,942,837		
Fixed income mutual funds				
Corporate bond index funds	701,059		701,059	
Treasury bill index funds	1,434,348		1,434,348	
Ultrashort bond fund	149,946		149,946	
Intermediate term bond	1,521,096		1,521,096	
Inflation protection securities fund	<u>800,554</u>		<u>800,554</u>	
Total Fixed Income Mutual Funds	<u>4,607,003</u>		<u>4,607,003</u>	
 Total Investments	 <u>\$ 15,594,358</u>	 <u>\$ 10,987,355</u>	 <u>\$ 4,607,003</u>	 <u>\$</u>

# WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2024 and 2023

### NOTE 4 - INVESTMENTS (Continued)

These investments are reported in the consolidated statements of financial position at May 31 as follows:

	<u>2024</u>	<u>2023</u>
Investments	\$ 11,923,255	\$ 11,193,401
Endowment investments	2,532,003	2,239,036
Investments held under agency contract	<u>2,098,646</u>	<u>2,161,921</u>
Total Investments	<u>\$ 16,553,904</u>	<u>\$ 15,594,358</u>

Investment gains and losses consist of the following:

	<u>Washington Society of CPAs</u>	<u>Washington CPA Foundation</u>	<u>Total</u>
<u>May 31, 2024</u>			
Realized gain	\$ 286,232	\$ 140,700	\$ 426,932
Unrealized gain	<u>1,169,016</u>	<u>258,865</u>	<u>1,427,881</u>
Total Investment Gain	<u>\$ 1,455,248</u>	<u>\$ 399,565</u>	<u>\$ 1,854,813</u>
<u>May 31, 2023</u>			
Realized gain	\$ 530,399	\$ 5,002	\$ 535,401
Unrealized loss	<u>(299,317)</u>	<u>(37,771)</u>	<u>(337,088)</u>
Total Investment Gain (Loss)	<u>\$ 231,082</u>	<u>\$ (32,769)</u>	<u>\$ 198,313</u>

### NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at May 31:

	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 125,766	\$ 111,753
Computer equipment	<u>296,876</u>	<u>288,471</u>
	422,642	400,224
Less accumulated depreciation	<u>(357,277)</u>	<u>(340,658)</u>
Property and Equipment, net	<u>\$ 65,365</u>	<u>\$ 59,566</u>

## WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2024 and 2023

#### **NOTE 6 - ENDOWMENT**

The Foundation's endowment includes the following funds:

- The George J. Waterman Memorial Scholarship Fund is a perpetual endowment with a historical dollar value of \$100,000. Earnings on this perpetual endowment are purpose-restricted for scholarships.
- The Roy J. Polley Scholarship Fund is a term endowment, which requires the income of the fund, plus 1% of the principal, to be used exclusively for annual scholarships, and is included in net assets with donor restrictions as purpose-restricted.
- The Bill Reed Family Scholarship Fund is a term endowment, which requires the income of the fund to be used exclusively for annual scholarships and is included in net assets with donor restrictions as purpose-restricted.

As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including any funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

#### ***Interpretation of Relevant Law***

The Board of Trustees of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment funds that are not restricted to be held in perpetuity are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the Foundation and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2024 and 2023

**NOTE 6 - ENDOWMENT (Continued)**

***Interpretation of Relevant Law (Continued)***

- The expected total return from income and the appreciation of investments.
- Other resources of the Foundation.
- The investment policies of the Foundation.

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>May 31, 2024</u>			
Endowment investments at beginning of year		\$ 2,239,036	\$ 2,239,036
Investment return, net	\$ <u>5,000</u>	<u>371,974</u>	<u>376,974</u>
Appropriation of endowment investments for expenditure	_____	<u>(84,000)</u>	<u>(84,000)</u>
Total Endowment Investments	\$ <u>5,000</u>	\$ <u>2,527,010</u>	\$ <u>2,532,010</u>
<u>May 31, 2023</u>			
Endowment investments at beginning of year		\$ 2,297,836	\$ 2,297,836
Investment return, net	_____	<u>10,200</u>	<u>10,200</u>
Appropriation of endowment investments for expenditure	_____	<u>(69,000)</u>	<u>(69,000)</u>
Total Endowment Investments	\$ _____	\$ <u>2,239,036</u>	\$ <u>2,239,036</u>

***Return Objectives and Risk Parameters***

The Foundation has adopted investment and spending policies for endowment assets that attempt to protect the principal of the Foundation's assets, ensure a return on investment commensurate with the safety of the principal and to ensure sufficient resources are available to meet the Foundation's needs. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s), as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that assumes a medium level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of a minimum of Consumer Price Index, plus 2%. Actual returns in any given year may vary from this amount.

## WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2024 and 2023

#### **NOTE 6 - ENDOWMENT (Continued)**

##### ***Strategies Employed for Achieving Objectives***

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation between fixed income and equity investments. The asset allocation for equity investments should not exceed 65% of total liquid invested assets.

##### ***Spending Policy and How the Investment Objectives Relate to Spending Policy***

The Foundation authorizes annual appropriations for distribution based on the fair value of each endowment fund at the end of the prior fiscal year. The annual payout rate is 5% for the George J. Waterman Memorial Scholarship Fund, and 1% for the Roy Polley Scholarship Fund. In establishing the annual payout rate for the George J. Waterman Memorial Scholarship Fund, the Foundation considered the long-term expected return on its endowment investments. The annual payout rate for the Roy J. Polley Scholarship Fund is donor-specified.

##### ***Funds with Deficiencies***

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no deficiencies as of May 31, 2024 or 2023.

#### **NOTE 7 - AGENCY CONTRACT**

On May 8, 2015, the Governor of the State of Washington signed into law substitute Senate Bill 5534, which became effective July 24, 2015. The bill created the Certified Public Accounting Scholarship Program for students enrolled at accredited Washington-based colleges or universities with a declared major in accounting, entering their junior year or higher. A total of \$3.3 million was budgeted to fund the scholarship program using certain reserve funds from the State Board. The Foundation is named in the statute as the organization responsible for administering the scholarship program. An agreement between the Foundation and the State Board was entered into concerning the administration of the scholarship program.

As of May 31, 2024, the State Board is holding \$400,000 of the budgeted funds to pay the Foundation's annual fees for the work performed in accordance with the agreement.



# WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2024 and 2023

### NOTE 7 - AGENCY CONTRACT (Continued)

Changes in agency investments for the years ended May 31:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 2,161,921	\$ 2,554,266
Transfer of funds	32,587	31,668
Investment return		
Investment income	45,308	44,001
Net appreciation (realized and unrealized)	<u>291,843</u>	<u>(34,888)</u>
Total Investment Return	337,151	9,113
Scholarships	(400,000)	(400,000)
Investment fees	(8,011)	(8,126)
Agency fee	<u>(25,000)</u>	<u>(25,000)</u>
Total Investments Held under Agency Contract	\$ <u>2,098,646</u>	\$ <u>2,161,921</u>

The agency obligation consisted of the following amounts as of May 31:

	<u>2024</u>	<u>2023</u>
Scholarships awarded	\$ 400,000	\$ 400,000
Uncommitted	<u>1,698,646</u>	<u>1,761,921</u>
Total Obligation under Agency Contract	\$ <u>2,098,646</u>	\$ <u>2,161,921</u>

### NOTE 8 - LEASES

The Society leases equipment under a long-term, non-cancelable finance lease agreement and office premise for a long-term operating lease. The equipment leases expire in 2024 and 2023, the office lease expires in 2032. The Society included in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised.

The weighted-average discount rate is based on the discount rate implicit in the lease. If the implicit rate is not readily determinable from the lease, the Society estimates an applicable incremental borrowing rate. The incremental borrowing rate is estimated using the Society's applicable borrowing rates and the contractual lease term.

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2024 and 2023

**NOTE 8 - LEASES (Continued)**

Total lease costs for the year ended May 31, were as follows:

<u>Lease Assets</u>	<u>Classifications</u>	<u>2024</u>	<u>2023</u>
Operating right-of-use assets	Office lease	\$ 767,137	\$ 913,504
Finance right-of-use assets	Equipment lease	<u>4,884</u>	<u>28,601</u>
		<u>\$ 772,021</u>	<u>\$ 942,105</u>

The following summarized the supplemental cash flow information for the year ended May 31:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating lease	\$ <u>93,137</u>	\$ <u>53,004</u>
Operating cash flows from finance lease	\$ <u>252</u>	\$ <u>613</u>
Finance cash flows from finance lease	\$ <u>8,421</u>	\$ <u>12,551</u>

Total lease costs for the year ended May 31, were as follows:

	<u>2024</u>	<u>2023</u>
Total lease costs for the year ended May 31 were as follows:		
Operating leases	\$ <u>102,399</u>	\$ <u>85,332</u>
Finance lease costs		
Interest expense	\$ 252	\$ 388
Amortization of right-of-use assets	<u>8,421</u>	<u>12,776</u>
	<u>\$ 8,673</u>	<u>\$ 13,164</u>

The following summarizes the weighted-average remaining lease term and weight-average discount rate:

	<u>2024</u>	<u>2023</u>
Weighted-average remaining lease term		
Operating lease	8.42 years	9.40 years
Finance lease	0.58 years	2.20 years

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

May 31, 2024 and 2023

**NOTE 8 - LEASES (Continued)**

	<u>2024</u>	<u>2023</u>
Weighted average discount rate		
Operating lease	2.60%	2.60%
Finance lease	2.84%	2.81%

The future minimum lease payments under operating and capital lease with terms greater than one year are listed below as of May 31, 2024:

	<u>Operating</u>	<u>Finance</u>
2025	\$ 95,930	\$ 5,035
2026	98,808	
2027	101,772	
2028	104,925	
2029	107,990	
Thereafter	<u>384,227</u>	
Total Lease Payments	893,652	<u>5,035</u>
Less amounts representing interest	<u>(84,924)</u>	<u>(48)</u>
Present Value of Lease Liabilities	808,728	4,987
Less current portion of lease liability	<u>(76,007)</u>	<u>(4,987)</u>
Long-term Portion of Lease Liability	\$ <u>732,721</u>	\$ <u>      </u>

SUPPLEMENTARY INFORMATION

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**

May 31, 2024

	<u>Washington Society of CPAs</u>	<u>Washington CPA Foundation</u>	<u>Washington CPA/PAC</u>	<u>Eliminations</u>	<u>Total</u>
<b><u>ASSETS</u></b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 720,918	\$ 165,321	\$ 112,750		\$ 998,989
Investments	11,314,004	609,251			11,923,255
Accounts receivable	65,413	10,595	6,600	\$ (27,178)	55,430
Prepaid expenses	<u>179,883</u>	<u>6,708</u>	<u>          </u>	<u>          </u>	<u>186,591</u>
<b>Total Current Assets</b>	12,280,218	791,875	119,350	(27,178)	13,164,265
<b>NONCURRENT ASSETS</b>					
Endowment investments		2,532,003			2,532,003
Property and equipment, net	<u>65,365</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>65,365</u>
<b>Total Noncurrent Assets</b>	65,365	2,532,003			2,597,368
<b>OTHER ASSETS</b>					
Finance right-of-use assets, net	4,884				4,884
Operating right-of-use asset, net	767,137				767,137
Investments held under agency contract	<u>          </u>	<u>2,098,646</u>	<u>          </u>	<u>          </u>	<u>2,098,646</u>
<b>Total Other Assets</b>	<u>772,021</u>	<u>2,098,646</u>	<u>          </u>	<u>          </u>	<u>2,870,667</u>
<b>TOTAL ASSETS</b>	<u>\$ 13,117,604</u>	<u>\$ 5,422,524</u>	<u>\$ 119,350</u>	<u>\$ (27,178)</u>	<u>\$ 18,632,300</u>

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION (Continued)

May 31, 2024

	Washington Society of CPAs	Washington CPA Foundation	Washington CPA/PAC	Eliminations	Total
<b><u>LIABILITIES AND NET ASSETS</u></b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 280,726	\$ 198,984		\$ (27,178)	\$ 452,532
Deferred revenue - continuing professional education programs	269,586				269,586
Deferred revenue - membership dues	600,266				600,266
Deferred revenue - other	11,389				11,389
Finance lease liability	4,987				4,987
Current portion of operating lease liability	76,007				76,007
<b>Total Current Liabilities</b>	<u>1,242,961</u>	<u>198,984</u>	<u>          </u>	<u>(27,178)</u>	<u>1,414,767</u>
<b>LONG-TERM LIABILITIES</b>					
Obligation under agency contract		2,098,646			2,098,646
Operating lease liability, less current portion	732,721				732,721
<b>Total Liabilities</b>	1,975,682	2,297,630		(27,178)	4,246,134
<b>NET ASSETS</b>					
Without donor restrictions - the WSCPA	11,141,922				11,141,922
Without donor restrictions - the Foundation		570,526			570,526
<b>Total Net Assets without Donor Restrictions</b>	<u>11,141,922</u>	<u>570,526</u>	<u>          </u>	<u>          </u>	<u>11,712,448</u>
With donor restrictions		2,554,368	\$ 119,350		2,673,718
<b>Total Net Assets</b>	<u>11,141,922</u>	<u>3,124,894</u>	<u>119,350</u>	<u>          </u>	<u>14,386,166</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 13,117,604</u>	<u>\$ 5,422,524</u>	<u>\$ 119,350</u>	<u>\$ (27,178)</u>	<u>\$ 18,632,300</u>

# WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## CONSOLIDATING SCHEDULE OF ACTIVITIES

For the Year Ended May 31, 2024

	Washington Society of CPAs	Washington CPA Foundation	Washington CPA/PAC	Eliminations	Total
<b>REVENUES</b>					
Education programs	\$ 1,577,046				\$ 1,577,046
Membership dues	1,598,726				1,598,726
Interest and dividend income, net of related expenses (\$52,787)	219,189	\$ 56,226	\$ 603		276,018
Networking events	2,015				2,015
Advertising	38,937				38,937
Contributions		79,510	51,090		130,600
Grant income					
Other	93,761	25,000		\$ (1,440)	117,321
<b>Total Revenue</b>	<u>3,529,674</u>	<u>160,736</u>	<u>51,693</u>	<u>(1,440)</u>	<u>3,740,663</u>
<b>EXPENSES</b>					
Program services					
Education programs	1,571,999				1,571,999
Member services programs	1,057,657				1,057,657
Peer review expenses					
Advocacy	426,083				426,083
<b>Total Program Expenses</b>	<u>3,055,739</u>				<u>3,055,739</u>
General and administrative	844,441		13,440	(1,440)	856,441
Foundation	53,622	258,400			312,022
<b>Total Expenses</b>	<u>3,953,802</u>	<u>258,400</u>	<u>13,440</u>	<u>(1,440)</u>	<u>4,224,202</u>
<b>Change in Net Assets Before Gain on Investments</b>	(424,128)	(97,664)	38,253		(483,539)
Gain on investments	1,455,248	399,565			1,854,813
<b>CHANGE IN NET ASSETS</b>	<u>\$ 1,031,120</u>	<u>\$ 301,901</u>	<u>\$ 38,253</u>	<u>\$</u>	<u>\$ 1,371,274</u>