

**WASHINGTON SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS**

Audited Consolidated Financial Statements  
and Supplementary Information

May 31, 2025 and 2024

# **WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**Audited Consolidated Financial Statements  
and Supplementary Information**

**May 31, 2025 and 2024**

**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



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### 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 "WSCPA"), 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, 2025 and 2024, 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, 2025 and 2024, 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 schedule of financial position as of May 31, 2025 and schedule of activities for the year ended May 31, 2025 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.*

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

December 18, 2025

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

May 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 679,443	\$ 998,989
Investments	12,306,582	11,923,255
Accounts receivable	50,493	55,430
Prepaid expenses	<u>196,413</u>	<u>186,591</u>
<b>Total Current Assets</b>	13,232,931	13,164,265
<b>NONCURRENT ASSETS</b>		
Endowment investments	2,685,073	2,532,003
Property and equipment, net	<u>58,857</u>	<u>65,365</u>
<b>Total Noncurrent Assets</b>	2,743,930	2,597,368
<b>OTHER ASSETS</b>		
Finance right-of-use assets, net		4,884
Operating right-of-use asset, net	684,661	767,137
Investments held under agency contract	<u>2,239,138</u>	<u>2,098,646</u>
<b>Total Other Assets</b>	<u>2,923,799</u>	<u>2,870,667</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 18,900,660</u></b>	<b><u>\$ 18,632,300</u></b>

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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 487,727	\$ 452,532
Deferred revenue - continuing professional education programs	189,814	269,586
Deferred revenue - membership dues	504,163	600,266
Deferred revenue - other	24,627	11,389
Current portion of finance lease liability	4,987	4,987
Current portion of operating lease liability	<u>80,926</u>	<u>76,007</u>
<b>Total Current Liabilities</b>	1,287,257	1,414,767
<b>LONG-TERM LIABILITIES</b>		
Obligation under agency contract	2,239,138	2,098,646
Operating lease liability, less current portion	<u>651,795</u>	<u>732,721</u>
<b>Total Liabilities</b>	4,178,190	4,246,134
<b>NET ASSETS</b>		
Without donor restrictions - the WSCPA	11,430,522	11,141,922
Without donor restrictions - the Foundation	<u>536,552</u>	<u>570,526</u>
<b>Total Net Assets without Donor Restrictions</b>	11,967,074	11,712,448
With donor restrictions	<u>2,755,396</u>	<u>2,673,718</u>
<b>Total Net Assets</b>	<u>14,722,470</u>	<u>14,386,166</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 18,900,660</u>	<u>\$ 18,632,300</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, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>						
Education programs	\$ 1,594,545		\$ 1,594,545	\$ 1,577,046		\$ 1,577,046
Membership dues	1,548,128		1,548,128	1,598,726		1,598,726
Interest and dividend income, net of related expenses (2025 - \$56,660; 2024 - \$52,787)	242,686	\$ 56,133	298,819	225,198	\$ 50,820	276,018
Networking events	4,465		4,465	2,015		2,015
Advertising	35,102		35,102	38,937		38,937
Contributions	94,282	26,091	120,373	79,510	51,090	130,600
Other	141,729		141,729	117,321		117,321
Net assets released from restrictions	<u>191,378</u>	<u>(191,378)</u>		<u>92,998</u>	<u>(92,998)</u>	
<b>Total Revenue</b>	<b>3,852,315</b>	<b>(109,154)</b>	<b>3,743,161</b>	<b>3,731,751</b>	<b>8,912</b>	<b>3,740,663</b>
<b>EXPENSES</b>						
Program services						
Education programs	1,515,339		1,515,339	1,571,999		1,571,999
Member services programs	1,036,959		1,036,959	1,057,657		1,057,657
Advocacy	564,960		564,960	426,083		426,083
Foundation	<u>372,471</u>		<u>372,471</u>	<u>312,022</u>		<u>312,022</u>
<b>Total Program Expenses</b>	<b>3,489,729</b>		<b>3,489,729</b>	<b>3,367,761</b>		<b>3,367,761</b>
General and administrative	<u>1,007,448</u>		<u>1,007,448</u>	<u>856,441</u>		<u>856,441</u>
<b>Total Expenses</b>	<b><u>4,497,177</u></b>		<b><u>4,497,177</u></b>	<b><u>4,224,202</u></b>		<b><u>4,224,202</u></b>
<b>Change in Net Assets Before Gain on Investments</b>	<b>(644,862)</b>	<b>(109,154)</b>	<b>(754,016)</b>	<b>(492,451)</b>	<b>8,912</b>	<b>(483,539)</b>
Gain on investments	<u>899,488</u>	<u>190,832</u>	<u>1,090,320</u>	<u>1,532,398</u>	<u>322,415</u>	<u>1,854,813</u>
<b>CHANGE IN NET ASSETS</b>	<b>254,626</b>	<b>81,678</b>	<b>336,304</b>	<b>1,039,947</b>	<b>331,327</b>	<b>1,371,274</b>
<b>Net Assets at Beginning of Year</b>	<b><u>11,712,448</u></b>	<b><u>2,673,718</u></b>	<b><u>14,386,166</u></b>	<b><u>10,672,501</u></b>	<b><u>2,342,391</u></b>	<b><u>13,014,892</u></b>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 11,967,074</u></b>	<b><u>\$ 2,755,396</u></b>	<b><u>\$ 14,722,470</u></b>	<b><u>\$ 11,712,448</u></b>	<b><u>\$ 2,673,718</u></b>	<b><u>\$ 14,386,166</u></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, 2025 with Comparative Totals for 2024

	Education	Member Services	Advocacy	Foundation	Total Programs	General and Administrative	Total Expenses	
							2025	2024
Salaries and compensation	\$ 414,340	\$ 511,548	\$ 241,707	\$ 80,943	\$ 1,248,538	\$ 466,515	\$ 1,715,053	\$ 1,623,171
Employee benefits and taxes	<u>110,202</u>	<u>136,056</u>	<u>64,287</u>	<u>21,528</u>	<u>332,073</u>	<u>124,079</u>	<u>456,152</u>	<u>469,628</u>
<b>Total Compensation Expense</b>	<b>524,542</b>	<b>647,604</b>	<b>305,994</b>	<b>102,471</b>	<b>1,580,611</b>	<b>590,594</b>	<b>2,171,205</b>	<b>2,092,799</b>
Professional services	520,981	33,800	172,610		727,391		727,391	739,430
Scholarships				249,766	249,766		249,766	224,375
Facility costs	121,355	122,873			244,228		244,228	190,152
Lease	24,898	26,363	26,363	1,465	79,089	67,372	146,461	143,425
Food and beverage	145,088				145,088		145,088	110,599
Credit card fees	45,209	33,194			78,403		78,403	86,360
Marketing, postage and printing	10,961	35,065		4,648	50,674		50,674	72,785
Repair and maintenance	637	675	675	38	2,025	1,725	3,750	4,937
Utilities and phone	9,459	13,842	6,107	2,218	31,626	11,723	43,349	44,297
Insurance and taxes	8,020	135	64	22	8,241	33,505	41,746	40,037
Supplies and subscriptions	17,502	21,199	5,004	1,555	45,260	5,397	50,657	53,830
Technology	56,766	64,740	19,826	6,639	147,971	38,265	186,236	187,812
Travel	4,256	8,307	12,615	1,267	26,445	12,818	39,263	43,239
Depreciation and amortization	7,698	9,504	4,491	1,504	23,197	8,667	31,864	27,560
Administrative and other	<u>17,967</u>	<u>19,658</u>	<u>11,211</u>	<u>878</u>	<u>49,714</u>	<u>237,382</u>	<u>287,096</u>	<u>162,565</u>
<b>TOTAL EXPENSES</b>	<b><u>\$ 1,515,339</u></b>	<b><u>\$ 1,036,959</u></b>	<b><u>\$ 564,960</u></b>	<b><u>\$ 372,471</u></b>	<b><u>\$ 3,489,729</u></b>	<b><u>\$ 1,007,448</u></b>	<b><u>\$ 4,497,177</u></b>	<b><u>\$ 4,224,202</u></b>

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, 2024

	<u>Education</u>	<u>Member Services</u>	<u>Advocacy</u>	<u>Foundation</u>	<u>Total Programs</u>	<u>General and Administrative</u>	<u>Total Expenses 2024</u>
Salaries and compensation	\$ 407,189	\$ 519,268	\$ 200,551	\$ 55,208	\$ 1,182,216	\$ 440,955	\$ 1,623,171
Employee benefits and taxes	<u>117,811</u>	<u>150,238</u>	<u>58,025</u>	<u>15,973</u>	<u>342,047</u>	<u>127,581</u>	<u>469,628</u>
<b>Total Compensation Expense</b>	<b>525,000</b>	<b>669,506</b>	<b>258,576</b>	<b>71,181</b>	<b>1,524,263</b>	<b>568,536</b>	<b>2,092,799</b>
Professional services	624,133	30,467	84,830		739,430		739,430
Scholarships				224,375	224,375		224,375
Facility costs	91,774	98,378			190,152		190,152
Lease	25,304	25,327	25,387	1,637	77,655	65,770	143,425
Food and beverage	110,599				110,599		110,599
Credit card fees	50,905	35,455			86,360		86,360
Marketing, postage and printing	15,109	54,084		3,592	72,785		72,785
Repair and maintenance	871	872	874	56	2,673	2,264	4,937
Utilities and phone	11,112	14,171	5,473	1,507	32,263	12,034	44,297
Insurance and taxes	11,333	310	119	33	11,795	28,242	40,037
Supplies and subscriptions	20,130	21,009	5,117	1,477	47,733	6,097	53,830
Technology	57,449	67,553	18,080	4,977	148,059	39,753	187,812
Travel	5,412	12,667	13,740	1,487	33,306	9,933	43,239
Depreciation	6,914	8,817	3,405	937	20,073	7,487	27,560
Administrative and other	<u>15,954</u>	<u>19,041</u>	<u>10,482</u>	<u>763</u>	<u>46,240</u>	<u>116,325</u>	<u>162,565</u>
<b>TOTAL EXPENSES</b>	<b>\$ 1,571,999</b>	<b>\$ 1,057,657</b>	<b>\$ 426,083</b>	<b>\$ 312,022</b>	<b>\$ 3,367,761</b>	<b>\$ 856,441</b>	<b>\$ 4,224,202</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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from education programs	\$ 1,519,710	\$ 1,803,857
Cash received from membership dues	1,452,025	1,425,582
Cash received from other sources	314,907	290,292
Cash paid for employees	(2,193,092)	(2,216,365)
Cash paid to vendors and others	(2,297,039)	(2,122,871)
Interest and dividends received	<u>355,479</u>	<u>328,805</u>
<b>Net Cash Flows Used by Operating Activities</b>	<b>(848,010)</b>	<b>(490,700)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	1,550,000	2,135,454
Purchase of investments	(996,077)	(1,303,462)
Purchases of property and equipment	<u>(20,472)</u>	<u>(22,418)</u>
<b>Net Cash Flows Provided by Investing Activities</b>	<b>533,451</b>	<b>809,574</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on finance lease	<u>(4,987)</u>	<u>(8,673)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(319,546)</b>	<b>310,201</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b><u>998,989</u></b>	<b><u>688,788</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ <u>679,443</u></b>	<b>\$ <u>998,989</u></b>

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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Change in net assets	\$ 336,304	\$ 1,371,274
Adjustments to reconcile change in net assets to net cash flows used by operating activities		
Amortization of operating right-of-use asset	82,476	80,560
Depreciation and amortization	31,864	27,560
Net gain on investments	(1,090,320)	(1,854,813)
Changes in operating assets and liabilities		
Accounts receivable	4,937	247,336
Prepaid expenses	(9,822)	4,187
Accounts payable and accrued expenses	35,195	(100,867)
Deferred revenue	(162,637)	(192,250)
Operating lease liability	<u>(76,007)</u>	<u>(73,687)</u>
<b>NET CASH FLOWS USED BY OPERATING ACTIVITIES</b>		
	<u>\$ (848,010)</u>	<u>\$ (490,700)</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, 2025 and 2024

### NOTE 1 - ORGANIZATION

The Washington Society of Certified Public Accountants (the "WSCPA") 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 WSCPA's membership and activities are concentrated primarily in Washington State.

The WSCPA 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 WSCPA'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 WSCPA 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 WSCPA.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Principles of Consolidation*

The consolidated financial statements include the accounts of the WSCPA (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>2025</u>	<u>2024</u>
Chapter use	\$ 47,489	\$ 49,449
Undesignated	<u>11,919,585</u>	<u>11,662,999</u>
Total Net Assets without Donor Restrictions	<u>\$ 11,967,074</u>	<u>\$ 11,712,448</u>

# WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2025 and 2024

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

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

Foundation net assets without donor restrictions at May 31, 2025 and 2024 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>2025</u>	<u>2024</u>
Restricted for purpose or passage of time		
Roy Polley Scholarship Fund	\$ 2,451,497	\$ 2,303,963
George J. Waterman Memorial Scholarship Fund	43,567	44,202
Bill Reed Family Scholarship Fund	<u>90,009</u>	<u>83,845</u>
Endowment (Note 6)	2,585,073	2,432,010
Other scholarship funds		22,358
PAC activities	<u>70,323</u>	<u>119,350</u>
2,655,396		2,573,718
Donor restricted endowment funds	<u>100,000</u>	<u>100,000</u>
Total Net Assets with Donor Restrictions	<u>\$ 2,755,396</u>	<u>\$ 2,673,718</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, 2025 and 2024

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

#### *Advertising*

Advertising costs are expensed as incurred. Advertising expenses were \$15,294 and \$18,367, respectively, and are included in the accompanying May 31, 2025, and 2024 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, 2025 by \$260,898. 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, 2025 and 2024

### **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, 2025 and 2024, 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 \$26,980 and \$16,619 for the years ended May 31, 2025 and 2024, 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, 2025, 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 \$60,087 and \$73,158 for the years ended May 31, 2025 and 2024, 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, 2025 and 2024

### 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, 2025 or 2024.

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, 2025 or 2024.

#### *Subsequent Events*

The management of the Society evaluated for subsequent events and transactions for potential recognition and disclosure through December 18, 2025, the date the financial statements were available to be issued.

### 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:

	2025	2024
Cash and cash equivalents	\$ 679,443	\$ 998,988
Investments	12,306,582	11,923,255
Accounts receivable	50,493	55,430
Total Financial Assets	13,036,518	12,977,673
Cash restricted for Foundation scholarships		(22,258)
Cash and receivables restricted for PAC	(71,763)	(119,350)
	<u>\$ 12,964,755</u>	<u>\$ 12,836,065</u>

# WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2025 and 2024

### NOTE 3 - LIQUIDITY AND AVAILABILITY (Continued)

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:

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Other Subjective Inputs (Level 3)
<b><u>May 31, 2025</u></b>				
Money market accounts	\$ 1,099,323	\$ 1,099,323		
Equity mutual funds				
Real estate index funds	2,150,340	2,150,340		
Value index funds	174,940	174,940		
Growth index funds	3,674,756	3,674,756		
Small cap index funds	960,548	960,548		
Large cap index funds	<u>4,372,874</u>	<u>4,372,874</u>		
Total Equitiy Mutual Funds	11,333,458	11,333,458		
Fixed income mutual funds				
Corporate bond index funds	983,973	983,973		
Treasury bill index funds	1,224,791	1,224,791		
Ultrashort bond fund	169,706	169,706		
Intermediate term bond	2,024,881	2,024,881		
Inflation protection securities fund	<u>394,661</u>	<u>394,661</u>		
Total Fixed Income Mutual Funds	<u>4,798,012</u>	<u>4,798,012</u>		
Total Investments	<u>\$ 17,230,793</u>	<u>\$ 17,230,793</u>	\$ _____	\$ _____

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

May 31, 2025 and 2024

**NOTE 4 - INVESTMENTS (Continued)**

	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Other Subjective Inputs (Level 3)</u>
<b><u>May 31, 2024</u></b>				
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 Equitiy Mutual Funds	10,991,755	10,991,755		
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>\$ 16,553,904</u>	<u>\$ _____</u>	<u>\$ _____</u>

# WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2025 and 2024

### NOTE 4 - INVESTMENTS (Continued)

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

	<u>2025</u>	<u>2024</u>
Investments	\$ 12,306,582	\$ 11,923,248
Endowment investments	2,685,073	2,532,010
Investments held under agency contract	<u>2,239,138</u>	<u>2,098,646</u>
 Total Investments	 <u>\$ 17,230,793</u>	 <u>\$ 16,553,904</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, 2025</u>			
Realized gain	\$ 140,962	\$ 34,416	\$ 175,378
Unrealized gain	<u>714,338</u>	<u>200,604</u>	<u>914,942</u>
 Total Investment Gain	 <u>\$ 855,300</u>	<u>\$ 235,020</u>	<u>\$ 1,090,320</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>

### NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at May 31:

	<u>2025</u>	<u>2024</u>
Furniture and equipment	\$ 135,578	\$ 125,766
Computer equipment	<u>307,536</u>	<u>296,876</u>
	443,114	422,642
 Less accumulated depreciation	 <u>(384,257)</u>	 <u>(357,277)</u>
 Property and Equipment, net	 <u>\$ 58,857</u>	 <u>\$ 65,365</u>

# WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2025 and 2024

### 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 Washington State Prudent Management of Institutional Funds Act ("PMIFA") 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. The Foundation has identified PMIFA as the specific law governing the management of its endowment funds. 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 PMIFA. In accordance with PMIFA, 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, 2025 and 2024

### 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>
<b><u>May 31, 2025</u></b>			
Endowment investments at beginning of year	\$ 5,000	\$ 2,527,010 245,063	\$ 2,532,010 245,063
Investment return, net			
Appropriation of endowment investments for expenditure	____	<u>(92,000)</u>	<u>(92,000)</u>
Total Endowment Investments	<u>\$ 5,000</u>	<u>\$ 2,680,073</u>	<u>\$ 2,685,073</u>
<b><u>May 31, 2024</u></b>			
Endowment investments at beginning of year		\$ 2,239,036 371,974	\$ 2,239,036 376,974
Investment return, net	\$ 5,000		
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>

#### *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, 2025 and 2024

#### **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, 2025 or 2024.

#### **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, 2025, 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, 2025 and 2024

#### **NOTE 7 - AGENCY CONTRACT (Continued)**

Changes in agency investments for the years ended May 31:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 2,098,646	\$ 2,161,921
Transfer of funds	388,760	32,587
Investment return		
Investment income	46,165	45,308
Net appreciation (realized and unrealized)	<u>143,680</u>	<u>291,843</u>
Total Investment Return	189,845	337,151
Scholarships	(400,000)	(400,000)
Investment fees	(8,113)	(8,113)
Agency fee	<u>(30,000)</u>	<u>(25,000)</u>
Total Investments Held under Agency Contract	<u>\$ 2,239,138</u>	<u>\$ 2,098,646</u>

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

	<u>2025</u>	<u>2024</u>
Scholarships awarded	\$ 471,186	\$ 400,000
Uncommitted	<u>1,767,952</u>	<u>1,698,646</u>
Total Obligation under Agency Contract	<u>\$ 2,239,138</u>	<u>\$ 2,098,646</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 2025 and 2024, 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, 2025 and 2024

### NOTE 8 - LEASES (Continued)

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

Lease Assets	Classifications	2025	2024
Operating right-of-use assets	Office lease	\$ 684,661	\$ 767,137
Finance right-of-use assets	Equipment lease	_____	<u>4,884</u>
		<u>\$ 684,661</u>	<u>\$ 772,021</u>

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

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating lease	\$ <u>95,930</u>	\$ <u>93,137</u>
Operating cash flows from finance lease	\$ <u>48</u>	\$ <u>252</u>
Finance cash flows from finance lease	\$ <u>4,987</u>	\$ <u>8,421</u>
Total lease costs for the year ended May 31 were as follows:		
Operating leases	\$ <u>102,399</u>	\$ <u>102,399</u>
Finance lease costs		
Interest expense	\$ <u>48</u>	\$ <u>252</u>
Amortization of right-of-use assets	\$ <u>4,987</u>	\$ <u>8,421</u>
	\$ <u>5,035</u>	\$ <u>8,673</u>

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

	2025	2024
Weighted-average remaining lease term		
Operating lease	7.42 years	8.42 years
Finance lease		0.58 years
Weighted average discount rate		
Operating lease	2.60%	2.60%
Finance lease		2.84%

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

May 31, 2025 and 2024

**NOTE 8 - LEASES (Continued)**

The future minimum lease payments under the operating leases with terms greater than one year are as follows as of May 31, 2025:

	<u>Operating</u>
2026	\$ 98,808
2027	101,772
2028	104,925
2029	107,990
2030	111,209
Thereafter	<u>282,813</u>
Total Lease Payments	<u>807,517</u>
Less amounts representing interest	<u>(74,796)</u>
Present Value of Lease Liabilities	<u>732,721</u>
Less current portion of lease liability	<u>(80,926)</u>
Long-term Portion of Lease Liability	<u>\$ 651,795</u>

## **SUPPLEMENTARY INFORMATION**

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**

May 31, 2025

	Washington Society of CPAs	Washington CPA Foundation	Washington CPA/PAC	Eliminations	Total
<b><u>ASSETS</u></b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 524,414	\$ 85,366	\$ 69,663		\$ 679,443
Investments	11,654,358	652,224			12,306,582
Accounts receivable	71,933	12,097	2,100	\$ (35,637)	50,493
Prepaid expenses	<u>190,048</u>	<u>6,365</u>			<u>196,413</u>
<b>Total Current Assets</b>	<b>12,440,753</b>	<b>756,052</b>	<b>71,763</b>	<b>(35,637)</b>	<b>13,232,931</b>
<b>NONCURRENT ASSETS</b>					
Endowment investments		2,685,073			2,685,073
Property and equipment, net	<u>58,857</u>				<u>58,857</u>
<b>Total Noncurrent Assets</b>	<b>58,857</b>	<b>2,685,073</b>			<b>2,743,930</b>
<b>OTHER ASSETS</b>					
Operating right-of-use asset, net	684,661				684,661
Investments held under agency contract		<u>2,239,138</u>			<u>2,239,138</u>
<b>Total Other Assets</b>	<b>684,661</b>	<b><u>2,239,138</u></b>			<b><u>2,923,799</u></b>
<b>TOTAL ASSETS</b>	<b><u>\$ 13,184,271</u></b>	<b><u>\$ 5,680,263</u></b>	<b><u>\$ 71,763</u></b>	<b><u>\$ (35,637)</u></b>	<b><u>\$ 18,900,660</u></b>

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION (Continued)**

May 31, 2025

	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	\$ 302,424	\$ 219,500	\$ 1,440	\$ (35,637)	\$ 487,727
Deferred revenue - continuing professional education programs	189,814				189,814
Deferred revenue - membership dues	504,163				504,163
Deferred revenue - other	24,627				24,627
Current portion of operating lease liability	<u>80,926</u>				<u>80,926</u>
<b>Total Current Liabilities</b>	<b>1,101,954</b>	<b>219,500</b>	<b>1,440</b>	<b>(35,637)</b>	<b>1,287,257</b>
<b>LONG-TERM LIABILITIES</b>					
Obligation under agency contract		2,239,138			2,239,138
Operating lease liability, less current portion	<u>651,795</u>				<u>651,795</u>
<b>Total Liabilities</b>	<b>1,753,749</b>	<b>2,458,638</b>	<b>1,440</b>	<b>(35,637)</b>	<b>4,178,190</b>
<b>NET ASSETS</b>					
Without donor restrictions - the WSCPA	11,430,522				11,430,522
Without donor restrictions - the Foundation		<u>536,552</u>			<u>536,552</u>
<b>Total Net Assets without Donor Restrictions</b>	<b>11,430,522</b>	<b>536,552</b>			<b>11,967,074</b>
With donor restrictions		<u>2,685,073</u>	<u>70,323</u>		<u>2,755,396</u>
<b>Total Net Assets</b>	<b>11,430,522</b>	<b>3,221,625</b>	<b>70,323</b>		<b>14,722,470</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 13,184,271</u></b>	<b><u>\$ 5,680,263</u></b>	<b><u>\$ 71,763</u></b>	<b><u>\$ (35,637)</u></b>	<b><u>\$ 18,900,660</u></b>

# WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## CONSOLIDATING SCHEDULE OF ACTIVITIES

For the Year Ended May 31, 2025

	Washington Society of CPAs	Washington CPA Foundation	Washington CPA/PAC	Eliminations	Total
<b>REVENUES</b>					
Education programs	\$ 1,594,545				\$ 1,594,545
Membership dues	1,548,128				1,548,128
Interest and dividend income, net of related expenses (\$56,660)	236,781	\$ 61,765	\$ 273		298,819
Networking events	4,465				4,465
Advertising	35,102				35,102
Contributions		68,733	51,640		120,373
Other	113,169	30,000		\$ (1,440)	141,729
<b>Total Revenue</b>	<b>3,532,190</b>	<b>160,498</b>	<b>51,913</b>	<b>(1,440)</b>	<b>3,743,161</b>
<b>EXPENSES</b>					
Program services					
Education programs	1,515,339				1,515,339
Member services programs	1,036,959				1,036,959
Advocacy	564,960				564,960
Foundation	73,682	298,789			372,471
<b>Total Program Expenses</b>	<b>3,190,940</b>	<b>298,789</b>			<b>3,489,729</b>
General and administrative	<u>907,948</u>		<u>100,940</u>	<u>(1,440)</u>	<u>1,007,448</u>
<b>Total Expenses</b>	<b><u>4,098,888</u></b>	<b><u>298,789</u></b>	<b><u>100,940</u></b>	<b><u>(1,440)</u></b>	<b><u>4,497,177</u></b>
<b>Change in Net Assets Before Gain on Investments</b>	<b>(566,698)</b>	<b>(138,291)</b>	<b>(49,027)</b>		<b>(754,016)</b>
Gain on investments	<u>855,300</u>	<u>235,020</u>			<u>1,090,320</u>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 288,602</b>	<b>\$ 96,729</b>	<b>\$ (49,027)</b>	<b>\$ </b>	<b>\$ 336,304</b>