

**WASHINGTON SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS**

*Audited Consolidated Financial Statements  
and Supplementary Information*

May 31, 2022 and 2021

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

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and Supplementary Information

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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 "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, 2022 and 2021, 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, 2022 and 2021, 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 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:

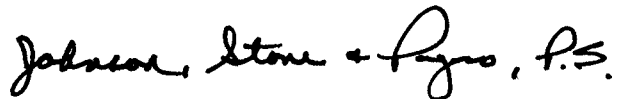
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures 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, 2022 and schedule of activities for the year ended May 31, 2022 on pages 23 through 25 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.**

September 16, 2022

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

May 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 739,473	\$ 1,201,490
Investments	11,347,025	6,333,971
Accounts receivable	54,580	16,678
Prepaid expenses	<u>167,549</u>	<u>254,502</u>
<b>Total Current Assets</b>	12,308,627	7,806,641
<b>NONCURRENT ASSETS</b>		
Endowment investments	2,297,833	2,427,899
Property and equipment, net	<u>137,259</u>	<u>797,885</u>
<b>Total Noncurrent Assets</b>	2,435,092	3,225,784
<b>OTHER ASSETS</b>		
Investments held under agency contract	<u>2,554,266</u>	<u>3,064,608</u>
<b>TOTAL ASSETS</b>	<u>\$ 17,297,985</u>	<u>\$ 14,097,033</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 470,151	\$ 459,349
Deferred revenue - continuing professional education programs	360,760	306,162
Deferred revenue - membership dues	855,741	942,819
Deferred revenue - other	8,773	4,974
Note payable		<u>299,070</u>
<b>Total Current Liabilities</b>	1,695,425	2,012,374
<b>OTHER LIABILITIES</b>		
Obligation under agency contract	<u>2,554,266</u>	<u>3,064,608</u>
<b>Total Liabilities</b>	4,249,691	5,076,982
<b>NET ASSETS</b>		
Without donor restrictions - the WSCPA	10,005,245	5,809,845
Without donor restrictions - the Foundation	<u>616,496</u>	<u>702,794</u>
<b>Total Net Assets without Donor Restrictions</b>	10,621,741	6,512,639
With donor restrictions	<u>2,426,553</u>	<u>2,507,412</u>
<b>Total Net Assets</b>	<u>13,048,294</u>	<u>9,020,051</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 17,297,985</u>	<u>\$ 14,097,033</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, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>						
Education programs	\$ 1,683,654		\$ 1,683,654	\$ 1,772,948		\$ 1,772,948
Membership dues	1,673,243		1,673,243	1,711,501		1,711,501
Peer review fees	219,467		219,467	240,075		240,075
Interest and dividend income, net of related expenses (2022 - \$38,090; 2021 - \$31,173)	71,486	\$ 27,993	99,479	44,033	\$ 30,345	74,378
Networking events	1,900		1,900	4,075		4,075
Advertising	43,765		43,765	30,675		30,675
Contributions	61,613	148,140	209,753	81,424	57,028	138,452
In-kind contributions	62,444		62,444			
Grant income	299,070		299,070			
Other	137,420		137,420	142,113		142,113
Net assets released from restrictions	75,293	(75,293)		175,728	(175,728)	
<b>Total Revenue</b>	<b>4,329,355</b>	<b>100,840</b>	<b>4,430,195</b>	<b>4,202,572</b>	<b>(88,355)</b>	<b>4,114,217</b>
<b>EXPENSES</b>						
Program services						
Education programs	1,562,279		1,562,279	1,554,476		1,554,476
Member services programs	894,473		894,473	818,559		818,559
Peer review expenses	277,773		277,773	221,387		221,387
Advocacy	385,641		385,641	445,020		445,020
<b>Total Program Expenses</b>	<b>3,120,166</b>		<b>3,120,166</b>	<b>3,039,442</b>		<b>3,039,442</b>
General and administrative	846,536		846,536	758,544		758,544
Foundation	236,565		236,565	188,261		188,261
<b>Total Expenses</b>	<b>4,203,267</b>		<b>4,203,267</b>	<b>3,986,247</b>		<b>3,986,247</b>
<b>Change in Net Assets Before Gain on Sale of Property and Equipment and Gain (Loss) on Investments</b>	<b>126,088</b>	<b>100,840</b>	<b>226,928</b>	<b>216,325</b>	<b>(88,355)</b>	<b>127,970</b>
Gain on sale of property and equipment	4,393,849		4,393,849			
Gain (loss) on investments	(410,835)	(181,699)	(592,534)	1,226,835	503,774	1,730,609
<b>CHANGE IN NET ASSETS</b>	<b>4,109,102</b>	<b>(80,859)</b>	<b>4,028,243</b>	<b>1,443,160</b>	<b>415,419</b>	<b>1,858,579</b>
<b>Net Assets at Beginning of Year</b>	<b>6,512,639</b>	<b>2,507,412</b>	<b>9,020,051</b>	<b>5,069,479</b>	<b>2,091,993</b>	<b>7,161,472</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 10,621,741</b>	<b>\$ 2,426,553</b>	<b>\$ 13,048,294</b>	<b>\$ 6,512,639</b>	<b>\$ 2,507,412</b>	<b>\$ 9,020,051</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, 2022 with Comparative Totals for 2021

	Education	Member Services	Peer Review	Advocacy	Total Programs	General and Administrative	Foundation	Total Expenses	
								2022	2021
Salaries and compensation	\$ 401,471	\$ 474,565	\$ 135,360	\$ 195,649	\$ 1,207,045	\$ 445,485	\$ 47,058	\$ 1,699,588	\$ 1,619,454
Employee benefits and taxes	117,539	138,939	39,630	57,281	353,389	130,426	13,777	497,592	443,473
<b>Total Compensation Expense</b>	519,010	613,504	174,990	252,930	1,560,434	575,911	60,835	2,197,180	2,062,927
Professional services	698,881	22,500	65,339	76,834	863,554		162,940	1,026,494	1,095,667
Facility costs	16,976	19,317			36,293			36,293	17,520
In-kind lease expense	34,969	11,240	624	3,747	50,580	11,240	624	62,444	
Food and beverage	13,362				13,362			13,362	
Credit card fees	54,406	36,928			91,334			91,334	102,310
Marketing, postage and printing	15,738	29,144			44,882		1,533	46,415	43,377
Repair and maintenance	25,012	8,040	447	2,680	36,179	8,040	447	44,666	27,483
Utilities and phone	22,625	16,284	3,748	6,405	49,062	15,526	1,444	66,032	71,903
Insurance and taxes	33,643	6,037	414	2,039	42,133	32,297	350	74,780	88,222
Supplies and subscriptions	25,477	23,736	1,912	5,474	56,599	8,359	711	65,669	60,238
Technology	63,560	69,730	11,426	16,515	161,231	37,603	3,972	202,806	185,885
Travel	824	1,590	8,957	1,908	13,279	1,454	194	14,927	3,194
Depreciation	27,248	28,413	7,778	11,602	75,041	26,757	2,756	104,554	119,947
Administrative and other	10,548	8,010	2,138	5,507	26,203	129,349	759	156,311	107,574
<b>TOTAL EXPENSES</b>	<b>\$ 1,562,279</b>	<b>\$ 894,473</b>	<b>\$ 277,773</b>	<b>\$ 385,641</b>	<b>\$ 3,120,166</b>	<b>\$ 846,536</b>	<b>\$ 236,565</b>	<b>\$ 4,203,267</b>	<b>\$ 3,986,247</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, 2021

	<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 2021</u>
Salaries and compensation	\$ 439,998	\$ 434,344	\$ 111,034	\$ 180,072	\$ 1,165,448	\$ 423,203	\$ 30,803	\$ 1,619,454
Employee benefits and taxes	<u>120,490</u>	<u>118,941</u>	<u>30,406</u>	<u>49,311</u>	<u>319,148</u>	<u>115,890</u>	<u>8,435</u>	<u>443,473</u>
<b>Total Compensation Expense</b>	560,488	553,285	141,440	229,383	1,484,596	539,093	39,238	2,062,927
Professional services	714,939	22,500	52,808	165,674	955,921		139,746	1,095,667
Facility costs	10,839	6,681			17,520			17,520
Credit card fees	44,348	57,962			102,310			102,310
Marketing, postage and printing	14,375	27,502			41,877		1,500	43,377
Repair and maintenance	15,390	4,947	275	1,649	22,261	4,947	275	27,483
Utilities and phone	26,309	17,212	3,554	6,793	53,868	16,879	1,156	71,903
Insurance and taxes	40,714	9,187	588	3,094	53,583	34,123	516	88,222
Supplies and subscriptions	25,022	22,350	1,216	4,692	53,280	6,575	383	60,238
Technology	59,374	58,861	10,081	16,349	144,665	38,423	2,797	185,885
Travel	316	153	1,924	260	2,653	534	7	3,194
Depreciation	35,682	31,224	7,595	12,788	87,289	30,473	2,185	119,947
Administrative and other	<u>6,680</u>	<u>6,695</u>	<u>1,906</u>	<u>4,338</u>	<u>19,619</u>	<u>87,497</u>	<u>458</u>	<u>107,574</u>
<b>TOTAL EXPENSES</b>	<u>\$ 1,554,476</u>	<u>\$ 818,559</u>	<u>\$ 221,387</u>	<u>\$ 445,020</u>	<u>\$ 3,039,442</u>	<u>\$ 758,544</u>	<u>\$ 188,261</u>	<u>\$ 3,986,247</u>

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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from education programs	\$ 1,700,350	\$ 1,913,801
Cash received from membership dues	1,586,165	2,349,794
Cash received from other sources	977,618	559,563
Cash paid for employees	(2,212,359)	(2,081,621)
Cash paid to vendors and others	(2,125,759)	(1,988,605)
Interest and dividends received	137,569	105,551
	<u>63,584</u>	<u>858,483</u>
<b>Net Cash Flow Provided by Operating Activities</b>	<b>63,584</b>	<b>858,483</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	1,554,966	1,252,170
Purchase of investments	(7,030,488)	(2,056,484)
Proceeds from sale of property and equipment	4,998,314	
Purchases of property and equipment	(48,393)	(16,850)
	<u>(525,601)</u>	<u>(821,164)</u>
<b>Net Cash Flow Used by Investing Activities</b>	<b>(525,601)</b>	<b>(821,164)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from note payable	<u>                    </u>	<u>299,070</u>
	<u>                    </u>	<u>299,070</u>
<b>Net Cash Flow Provided by Financing Activities</b>	<b>                    </b>	<b>299,070</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(462,017)</b>	<b>336,389</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>1,201,490</u>	<u>865,101</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 739,473</u>	<u>\$ 1,201,490</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Change in net assets	\$ 4,028,243	\$ 1,858,579
Adjustments to reconcile change in net assets to net cash flow provided by operating activities		
Depreciation	104,554	119,947
(Gain) loss on investments	592,534	(1,730,609)
Gain on sale of property and equipment	(4,393,849)	
Paycheck Protection Program loan forgiveness	(299,070)	
Changes in operating assets and liabilities		
Accounts receivable	(37,902)	23,924
Prepaid expenses	86,953	(72,268)
Accounts payable and accrued expenses	10,802	(100,486)
Deferred revenue	(28,681)	759,396
<b>NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 63,584</u>	<u>\$ 858,483</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, 2022 and 2021

### 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 Asset without Donor Restrictions*

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

	<u>2022</u>	<u>2021</u>
Chapter use	\$ 57,938	\$ 61,478
Undesignated	<u>9,947,307</u>	<u>5,748,367</u>
Total WSCPAs Net Assets without Donor Restrictions	<u>\$ 10,005,245</u>	<u>\$ 5,809,845</u>

# WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2022 and 2021

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

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

Foundation net assets without donor restrictions at May 31, 2022 and 2021 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>2022</u>	<u>2021</u>
Restricted for purpose or passage of time		
Roy Polley Scholarship Fund	\$ 2,073,850	\$ 2,262,771
George J. Waterman Memorial Scholarship Fund	45,253	65,128
Bill Reed Family Scholarship Fund	<u>78,733</u>	<u>          </u>
Endowment (Note 6)	2,197,836	2,327,899
Other scholarship funds	19,756	22,659
PAC activities	<u>108,961</u>	<u>56,854</u>
	2,326,553	2,407,412
Donor restricted endowment funds	<u>100,000</u>	<u>100,000</u>
Total Net Assets with Donor Restrictions	\$ <u>2,426,553</u>	\$ <u>2,507,412</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, 2022 and 2021

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

#### ***Advertising***

Advertising costs are expensed as incurred. Advertising expenses were \$11,646 and \$14,245, respectively, and are included in the accompanying May 31, 2022, and 2021 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, 2022 by \$250,935. Cash equivalent investments held at a brokerage house exceeded the Securities Investor Protection Corporation ("SIPC") cash equivalent cash limit by \$208,432.

#### ***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, 2022 and 2021

### **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 a reserve for doubtful accounts (if required). Uncollectible accounts are written off against the reserve. No allowance for doubtful accounts was considered necessary by management at May 31, 2022 and 2021, 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 \$3,000. Assets must have estimated useful lives of at least one year to be considered for capitalization. Depreciation expense was \$104,554 and \$119,947 for the years ended May 31, 2022 and 2021, 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 years ended May 31, 2022 and 2021, the Society also contributed an additional 3.5% and 7%, respectively, 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 \$118,073 and \$100,795 for the years ended May 31, 2022 and 2021, 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 that originated during the year ended May 31, 2016. 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 sixty days in advance of the expiration date.

# WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2022 and 2021

### 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, 2022 or 2021.

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, 2022 or 2021.

#### ***New Accounting Pronouncement***

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2016-02 *Leases* (Topic 842). The purpose of the new standard is to increase the transparency and comparability in financial reporting by requiring lessees to report an asset and a corresponding liability on the statement of financial position for most leases. Lessor accounting for leases was substantially unchanged. The ASU's requirements are broadly applicable, will be effective for years beginning after December 15, 2021, and will require a modified retrospective application approach for existing leases whereby the effects of implementing the new standard will be applied to the earliest period presented. Management is currently evaluating how the new requirements will affect the Society's consolidated financial statements.

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

The management of the Society evaluated for subsequent events and transactions for potential recognition and disclosure through September 16, 2022, the date the financial statements were available to be issued.

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2022 and 2021

**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 balance sheet date, comprise the following at May 31:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 739,473	\$ 1,201,490
Investments	11,347,025	6,333,971
Accounts receivable	<u>54,580</u>	<u>16,678</u>
Total Financial Assets	12,141,078	7,552,139
Cash restricted for Foundation scholarships	(19,756)	(22,657)
Cash and receivables restricted for PAC	<u>(108,961)</u>	<u>(56,854)</u>
	<u>\$ 12,012,361</u>	<u>\$ 7,472,628</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>	<u>Fair Value Measurements</u>	
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
<u>May 31, 2022</u>			
Money market accounts	\$ 5,463,383	\$ 5,463,383	
Equity mutual funds			
Real estate index funds	1,259,992	1,259,992	
Value index funds	142,734	142,734	
Growth index funds	2,002,856	2,002,856	
Small cap index funds	723,636	723,636	
Large cap index funds	<u>2,678,197</u>	<u>2,678,197</u>	
Total Equity Mutual Funds	6,807,415	6,807,415	
Fixed income mutual funds			
Corporate bond index funds	719,519		\$ 719,519
Treasury bill index funds	1,090,278		1,090,278
Ultrashort bond fund	454,733		454,733
Intermediate term bond	896,464		896,464
Inflation protection securities fund	<u>767,332</u>		<u>767,332</u>
Total Fixed Income Mutual Funds	<u>3,928,326</u>		<u>3,928,326</u>
Total Investments	<u>\$ 16,199,124</u>	<u>\$ 12,270,798</u>	<u>\$ 3,928,326</u>

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2022 and 2021

**NOTE 4 - INVESTMENTS (Continued)**

	<u>Fair Value</u>	<u>Fair Value Measurements</u>	
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
<u>May 31, 2021</u>			
Money market accounts	\$ 314,143	\$ 314,143	
Equity mutual funds			
Real estate index funds	1,372,162	1,372,162	
Value index funds	154,610	154,610	
Growth index funds	2,302,955	2,302,955	
Small cap index funds	889,823	889,823	
Large cap index funds	<u>2,915,816</u>	<u>2,915,816</u>	
Total Equity Mutual Funds	7,635,366	7,635,366	
Fixed income mutual funds			
Corporate bond index funds	769,968		\$ 769,968
Treasury bill index funds	1,329,669		1,329,669
Ultrashort bond fund	596,357		596,357
Intermediate term bond	1,021,901		1,021,901
Inflation protection securities fund	<u>159,074</u>		<u>159,074</u>
Total Fixed Income Mutual Funds	<u>3,876,969</u>		<u>3,876,969</u>
Total Investments	\$ <u>11,826,478</u>	\$ <u>7,949,509</u>	\$ <u>3,876,969</u>

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

	<u>2022</u>	<u>2021</u>
Investments	\$ 11,347,025	\$ 6,333,971
Endowment investments	2,297,833	2,427,899
Investments held under agency contract	<u>2,554,266</u>	<u>3,064,608</u>
Total Investments	\$ <u>16,199,124</u>	\$ <u>11,826,478</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, 2022</u>			
Realized gain	\$ 205,057	\$ 86,736	\$ 291,793
Unrealized loss	<u>(568,835)</u>	<u>(315,492)</u>	<u>(884,327)</u>
Total Investment Loss	\$ <u>(363,778)</u>	\$ <u>(228,756)</u>	\$ <u>(592,534)</u>

# WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2022 and 2021

### NOTE 4 - INVESTMENTS (Continued)

	<u>Washington Society of CPAs</u>	<u>Washington CPA Foundation</u>	<u>Total</u>
<u>May 31, 2021</u>			
Realized gain	\$ 219,142	\$ 149,507	\$ 368,649
Unrealized gain	<u>856,685</u>	<u>505,275</u>	<u>1,361,960</u>
Total Investment Gain	\$ <u>1,075,827</u>	\$ <u>654,782</u>	\$ <u>1,730,609</u>

### NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at May 31:

	<u>2022</u>	<u>2021</u>
Land		\$ 571,500
Buildings and improvements		1,706,126
Furniture and equipment	\$ 371,918	368,644
Computer equipment	<u>732,436</u>	<u>732,436</u>
	1,104,354	3,378,706
Less accumulated depreciation	<u>(1,012,215)</u>	<u>(2,580,821)</u>
	92,139	797,885
Fixed assets not yet in service	<u>45,120</u>	<u>          </u>
Property and Equipment, net	\$ <u>137,259</u>	\$ <u>797,885</u>

On March 7, 2022, the WSCPA sold its building and land, located in Bellevue Washington for a sales price of \$5.4 million, resulting in a net gain of \$4.4 million, which has been classified as gain on sale of property and equipment. In accordance with ASU 2014-08, the sale was not considered a discontinued operation.

### 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.

# WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2022 and 2021

### NOTE 6 - ENDOWMENT (Continued)

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

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2022 and 2021

**NOTE 6 - ENDOWMENT (Continued)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>May 31, 2022</u>			
Endowment investments at beginning of year		\$ 2,427,899	\$ 2,427,899
Contribution		93,000	93,000
Investment return (loss), net	\$ 10,000	(168,063)	(158,063)
Appropriation of endowment investments for expenditure	<u>(10,000)</u>	<u>(55,000)</u>	<u>(65,000)</u>
Total Endowment Investments	\$ _____	\$ <u>2,297,836</u>	\$ <u>2,297,836</u>
<u>May 31, 2021</u>			
Endowment investments at beginning of year		\$ 1,957,139	\$ 1,957,139
Investment return, net	\$ <u>10,000</u>	<u>525,760</u>	<u>535,760</u>
Accrued scholarship payable		(5,000)	(5,000)
Appropriation of endowment investments for expenditure	<u>(10,000)</u>	<u>(50,000)</u>	<u>(60,000)</u>
Total Endowment Investments	\$ _____	\$ <u>2,427,899</u>	\$ <u>2,427,899</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, 2022 and 2021

#### **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, 2022 or 2021.

#### **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, 2022, 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, 2022 and 2021

### NOTE 7 - AGENCY CONTRACT (Continued)

Changes in agency investments for the years ended May 31:

	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 3,064,608	\$ 2,763,768
Transfer of funds	36,880	33,001
Investment return		
Investment income	39,739	41,459
Net appreciation (depreciation) (realized and unrealized)	<u>(167,680)</u>	<u>627,481</u>
Total Investment Return (Loss)	(127,941)	668,940
Scholarships	(383,000)	(365,000)
Investment fees	(11,281)	(11,101)
Agency fee	<u>(25,000)</u>	<u>(25,000)</u>
Total Investments Held under Agency Contract	\$ <u>2,554,266</u>	\$ <u>3,064,608</u>

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

	<u>2022</u>	<u>2021</u>
Scholarships awarded	\$ 400,000	\$ 390,000
Uncommitted	<u>2,154,266</u>	<u>2,674,608</u>
Total Obligation under Agency Contract	\$ <u>2,554,266</u>	\$ <u>3,064,608</u>

### NOTE 8 - RISKS AND UNCERTAINTIES

As of May 31, 2022, the world was in the midst of the COVID-19 pandemic. Significant uncertainty remains regarding the wide-ranging effects of the pandemic subsequent to year-end. The WSCPA is closely monitoring its operations, liquidity, capital and financial resources, and is actively working to minimize the current and future effects of this unprecedented situation. As of the date of issuance of these financial statements, the full impact of the pandemic to the WSCPA's financial position or operations is not known.

In January 2021, the WSCPA received a Paycheck Protection Program ("PPP") loan in the amount of \$299,070. In June 2021, the Organization was released from its obligation, and has obtained forgiveness for the balance of the PPP loan note payable in full. The WSCPA recorded the funds as grant income in the accompanying statement of activities for the year ended May 31, 2022.

**SUPPLEMENTARY INFORMATION**

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

May 31, 2022

	<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	\$ 539,800	\$ 95,702	\$ 103,971		\$ 739,473
Investments	10,671,824	675,201			11,347,025
Accounts receivable	57,054	10,056	6,760	\$ (19,290)	54,580
Prepaid expenses	<u>167,549</u>				<u>167,549</u>
<b>Total Current Assets</b>	<b>11,436,227</b>	<b>780,959</b>	<b>110,731</b>	<b>(19,290)</b>	<b>12,308,627</b>
<b>NONCURRENT ASSETS</b>					
Endowment investments		2,297,833			2,297,833
Property and equipment, net	<u>137,259</u>				<u>137,259</u>
<b>Total Noncurrent Assets</b>	<b>137,259</b>	<b>2,297,833</b>			<b>2,435,092</b>
<b>OTHER ASSETS</b>					
Investments held under agency contract		<u>2,554,266</u>			<u>2,554,266</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 11,573,486</u></b>	<b><u>\$ 5,633,058</u></b>	<b><u>\$ 110,731</u></b>	<b><u>\$ (19,290)</u></b>	<b><u>\$ 17,297,985</u></b>

**WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION (Continued)

May 31, 2022

	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	\$ 342,967	\$ 144,704	\$ 1,770	\$ (19,290)	\$ 470,151
Deferred revenue - continuing professional education programs	360,760				360,760
Deferred revenue - membership dues	855,741				855,741
Deferred revenue - other	8,773				8,773
<b>Total Current Liabilities</b>	1,568,241	144,704	1,770	(19,290)	1,695,425
<b>OTHER LIABILITIES</b>					
Obligation under agency contract		2,554,266			2,554,266
<b>Total Liabilities</b>	1,568,241	2,698,970	1,770	(19,290)	4,249,691
<b>NET ASSETS</b>					
Without donor restrictions - the WSCPA	10,005,245				10,005,245
Without donor restrictions - the Foundation		616,496			616,496
<b>Total Net Assets without Donor Restrictions</b>	10,005,245	616,496			10,621,741
With donor restrictions		2,317,592	108,961		2,426,553
<b>Total Net Assets</b>	10,005,245	2,934,088	108,961		13,048,294
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 11,573,486</b>	<b>\$ 5,633,058</b>	<b>\$ 110,731</b>	<b>\$ (19,290)</b>	<b>\$ 17,297,985</b>

# WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## CONSOLIDATING SCHEDULE OF ACTIVITIES

For the Year Ended May 31, 2022

	Washington Society of CPAs	Washington CPA Foundation	Washington CPA/PAC	Eliminations	Total
<b>REVENUES</b>					
Education programs	\$ 1,683,654				\$ 1,683,654
Membership dues	1,673,243				1,673,243
Peer review fees	219,467				219,467
Interest and dividend income, net of related expenses (\$38,090)	67,818	\$ 31,654	\$ 7		99,479
Networking events	1,900				1,900
Advertising	43,765				43,765
Contributions		151,713	58,040		209,753
In-kind donations	62,444				62,444
Grant income	299,070				299,070
Other	113,860	25,000		\$ (1,440)	137,420
<b>Total Revenue</b>	<u>4,165,221</u>	<u>208,367</u>	<u>58,047</u>	<u>(1,440)</u>	<u>4,430,195</u>
<b>EXPENSES</b>					
Program services					
Education programs	1,562,279				1,562,279
Member services programs	894,473				894,473
Peer review expenses	277,773				277,773
Advocacy	385,641				385,641
<b>Total Program Expenses</b>	<u>3,120,166</u>				<u>3,120,166</u>
General and administrative	842,036		5,940	(1,440)	846,536
Foundation	37,690	198,875			236,565
<b>Total Expenses</b>	<u>3,999,892</u>	<u>198,875</u>	<u>5,940</u>	<u>(1,440)</u>	<u>4,203,267</u>
<b>Change in Net Assets Before Gain on Sale of Property and Equipment and Loss on Investments</b>	165,329	9,492	52,107		226,928
Gain on sale of property and equipment	4,393,849				4,393,849
Loss on investments	(363,778)	(228,756)			(592,534)
<b>CHANGE IN NET ASSETS</b>	<u>\$ 4,195,400</u>	<u>\$ (219,264)</u>	<u>\$ 52,107</u>	<u>\$</u>	<u>\$ 4,028,243</u>