

WASHINGTON STATE BAR ASSOCIATION

Budget & Audit Committee Meeting Agenda
May 5th 2021
1:00pm – 5:00pm
Via Zoom, Seattle

DISCUSSION/ACTION

1. Approve Minutes of the March 24th Budget and Audit Meeting
2. Review March Financials
3. Proposal to Increase the Facilities Funds Increase by \$500K
4. 2022 PMC Presentation for Approval (K. Plachy)
5. 2021 Budget Calendar and Assumptions (Preliminary Discussion)
 - a. Orca Cards
 - b. Insurance
 - c. Rent Estimate (Lease Tax)
6. Review of responses to Audit Services RFP
7. Sublease Update

MINUTES
WSBA Budget and Audit Committee Meeting
Various Remote Locations
Via ZOOM
March 24th, 2021

Attendance: All members attended via zoom. In virtual attendance were Treasurer Dan Clark, Governor Bryn Peterson, Governor PJ Grabicki, Governor Matthew Dresden, Governor Thomas McBride. Additionally attending were Nancy Hawkins representing Family Law. From the WSBA staff in virtual attendance were Executive Director Terra Nevitt, Chief Financial Officer Jorge Perez, General Counsel Julie Shankland, Chief Disciplinary Counsel Doug Ende, Director of Advancement Kevin Plachy, Director of Communications Sara Niegowski and Elizabeth Wick Manager of Budget and Planning.

Minutes pertaining to the Budget and Audit Committee meeting of February 24th were presented for approval. Governor Grabicki presented a motion to approve the minutes the same was seconded by Governor Peterson. A vote ensued on the motion, motion approved 5-0.

CFO Perez presented a summary of the February Financials, there was no discussion items.

A continuation of the discussion on decision to invest WSBA Funds was had. There was no general consensus on which direction to move on. Governor Grabicki discussed the advantages of CD investments. Various members noted that CDs earn less at this point than our current MMF accounts and don't allow for the same short term liquidity. A vote was taken to remain invested in MMF. The motion was presented by Governor Clark and Seconded by Governor Dresden. The motion passed with a vote of 4-1.

Chief Communications Officer Sara Niegowski presented the new contract for Lexis Nexis and the role they will play in the management of Deskbook activities. The Committee expressed appreciation for the plan and the potential savings opportunities that can be achieved starting in FY 2022

CFO Perez presented the latest 2021 Reforecast. The review included a deep dive of the CLE fund by Director Kevin Plachy. Also as part of the Reforecast, CFO Perez presented the inclusion of a 2 position increase. Discussion followed about the impact the positions and available offsetting savings. A motion was presented to favorably recommend the inclusion of the new positions. The motion was presented by Governor Grabicki and seconded by Governor Dresden. The vote was 5-0 in favor of recommending the position's inclusion in the Reforecast

A discussion with regards to increasing the facilities reserve by \$500K was had. It was agreed that CFO Perez will prepare an analysis for the May 5th Budget and Audit meeting in support of this request.

Adjournment

The meeting was adjourned by Treasurer Clark at 4:30 p.m.

Submitted by: Daniel Clark Treasurer

WASHINGTON STATE
B A R A S S O C I A T I O N

Financial Reports

(Unaudited)

Year to Date March 31, 2021

Prepared by Maggie Yu, Controller

Submitted by

Jorge Perez, Chief Financial Officer

April 19, 2021

**Washington State Bar Association
Analysis of Cash Investments
As of March 31, 2021**

Checking & Savings Accounts

General Fund

Checking

<u>Bank</u>	<u>Account</u>	<u>Amount</u>
Wells Fargo	General	\$ 458,400

Total

<u>Investments</u>	<u>Rate</u>	<u>Amount</u>
Wells Fargo Money Market	0.00%	\$ 15,276,402
UBS Financial Money Market	0.00%	\$ 1,081,112
Morgan Stanley Money Market	0.00%	\$ 3,353,765
Merrill Lynch Money Market	0.00%	\$ 1,983,271

General Fund Total \$ 22,152,950

Client Protection Fund

Checking

<u>Bank</u>	<u>Amount</u>
Wells Fargo	\$ 270,055

<u>Investments</u>	<u>Rate</u>	<u>Amount</u>
Wells Fargo Money Market	0.00%	\$ 4,406,826
Morgan Stanley Money Market	0.00%	\$ 106,909

Client Protection Fund Total \$ 4,783,790

Grand Total Cash & Investments \$ 26,936,740

WASHINGTON STATE BAR ASSOCIATION

To: Board of Governors
Budget and Audit Committee

From: Maggie Yu, Controller

Re: Key Financial Benchmarks for the Preliminary Fiscal Year to Date (YTD) through March 31, 2021

Date: April 19, 2021

	% of Year	Current Year % YTD	Current Year \$ Difference ¹	Prior Year YTD	Comments
Salaries	50.00%	49.89%	\$12,653 Under budget	49.82%	Under budget due to open positions
Benefits	50.00%	50.21%	(\$8,182) Over budget	47.26%	Slightly over budget due to higher than anticipated health insurance costs
Other Indirect Expenses	50.00%	47.43%	\$104,977 Under budget	50.69%	Trending under budget due to the timing of payments
Total Indirect Expenses	50.00%	49.44%	\$109,448 Under budget	49.46%	Under budget for the reasons described above

General Fund Revenues	50.00%	54.65%	\$958,421 Over budget	54.50%	Trending ahead of budget due to timing and higher than anticipated payments related to the bar exam, pro hac vice, law clerk and MCLE
General Fund Direct Expenses	50.00%	28.50%	\$555,140 Under budget	39.65%	Trending under budget because it's a timing of the payments and not incurring expenses due to COVID 19
General Fund Net	50.00%	788.83%	\$1,701,003 Over budget	168.73%	Trending ahead of budget for the reasons described above

CLE Revenue	50.00%	36.16%	(\$254,676) Under budget	44.43%	Under budget due to lower than anticipated attendance and Lower than anticipated product sales
CLE Direct Expenses	50.00%	21.13%	\$187,056 Under budget	20.44%	Trending under budget due to timing of payments
CLE Indirect Expenses	50.00%	49.62%	\$4,772 Under budget	47.64%	Trending slightly under budget due to the timing of payments
CLE Net	50.00%	-168.73%	(\$62,849) Under budget	360.25%	Trending under budget for the reasons described above

¹ Dollar difference is calculated based on pro-rated budget figures (total annual budget figures divided by 12 months) minus actual revenue and expense amounts as of September 30, 2021 (12 months into the fiscal year).

Indirects: Temporary salary line item under budget by 29.14%

Please see the details below:

Budgeted Temps:

Dept Code	FY21 Budget	As of March Actuals	YTD Actuals	Remaining Balance	Comments
ADMIN	24,237	3391.5	15,760.51	(8,476.66)	Licensing Season Temp
SC	9,663	-	-	(9,662.85)	Front Desk Receptionist - Licensing Season
DISC	46,400.00	-	-	(46,400.00)	Temp for Scanning and Two Law Student Int
LICMR	11,640.00	1,480.50	5,701.50	(5,938.50)	Licensing Temp
MCLE	28,342.84	-	-	(28,342.84)	Four MCLE Temps Reforecasted
TECH	12,675	504.00	12,432.00	(243.00)	Developer Temp
DIV	19,500			(19,500.00)	Work Study Intern
Total	152,457.86	5,376.00	33,894.01	118,563.85	

Unanticipated Temps:

Dept Code	FY21 Unanticipated Budget	As of March Actuals	YTD Actuals	Remaining Balance	Open Position Cost
	10,000	-	-	10,000.00	-
		-			-
		-			-
Total	10,000	-	-	10,000.00	-
Grand Total	162,457.86	5,376.00	33,894.01	128,563.85	

As of March Budget	As of March Budgeted Actuals	Budgeted Variance
\$81,228.93	\$5,376.00	\$75,852.93

Replacement Temps:

Dept Code	Budgeted Salary	As of March Actuals	YTD Actuals	Variance	Open Positions
HR	124,549.68	1,571.00	99,650.94	24,898.74	HR Specialist
TECH	37,499.94	152.71	5,001.08	32,498.86	Network and Systems Administrator
DISC	12,750.30		3,671.75	9,078.55	Legal Administrative Assistant II- Intake
DIV	33,969.00	4,494.68	7,780.66	26,188.34	Equity and Justice Lead -DEI
PSP	33,969.00		5,309.24	28,659.76	Equity and Justice Lead -DEI
ATJ	33,969.00	3,371.00	3,371.00	30,598.00	Equity and Justice Lead -DEI
CLES	13,578.75	5,411.00	9,478.00	4,100.75	Program Coordinator II-CLE
SECT	11,562.34	2,475.90	2,475.90	9,086.44	Sections Program Specialist II
Total	301,848.01	17,476.29	136,738.57	165,109.44	

Balance Sheet
March, 2021

ASSETS	Prior Year General, CLE, and Sections Funds	Current Year General, CLE, and Sections Funds	Prior Year CPF	Current Year CPF	Current Year TOTAL
Cash & cash equivalents	788,229	458,400			458,400
Amex credit card service fee	6,943	9,301			9,301
Investments- money market + CDs	19,137,700	21,694,551			21,694,551
Restricted Cash		-	1,152,965	270,055	270,055
Restricted Investments- money market + CDs			3,699,846	4,513,735	4,513,735
Due to/from GF-CPF	66,762	88,555	(66,762)	(88,555)	-
Accounts Receivable	(4,385)	55,820			55,820
A/R Misc	44,568	12,981			12,981
Accrued Interest Receivables	(1,019)	-	-	-	-
Allowance for Bad Debt	-	(994)	-	-	(994)
Allowance for Deskbooks	(372)	(1,016)	-	-	(1,016)
OP Backorders	8,242	8,534			8,534
Unapplied receipts	-	(200)			(200)
CLE inventory	277,026	258,295			258,295
Deferred seminar costs	12,935	14,500			14,500
Prepaid expenses	405,477	209,251			209,251
Other inventory	(0)	(281)			(281)
Property & equipment, net	384,956	314,260			314,260
Software Canned	227,962	146,304	-	-	146,304
Software Custom	344,675	180,536	-	-	180,536
TOTAL ASSETS	21,699,697	23,448,796	4,786,049	4,695,235	28,144,030
LIABILITIES					
Accounts payable	333,917	266,746			266,746
Accounts payable-year end/misc		2,646			2,646
Refunds payable	1,111	473			473
CPF committed gifts			20,480	199,264	199,264
Accrued expenses	623,431	807,984			807,984
Future rent obligations	1,102,469	1,084,820			1,084,820
Unearned seminar/other revenue	24,192	59,952			59,952
Deferred licensing fees	11,941,466	12,147,237			12,147,237
Amex credit card service fee	6,447	9,301			9,301
Other deferred revenue	11,420	12,531			12,531
Deferred grant revenue	47,870	47,870			47,870
LAW Fund/WSBF Contributions	10,760	16,275			16,275
TOTAL LIABILITIES	14,103,083	14,455,836	20,480	199,264	14,655,100
RETAINED EARNINGS					
GENERAL FUND BALANCE	5,735,268	7,127,846			7,127,846
CLE FUND BALANCE	610,273	375,313			375,313
CPF FUND BALANCE			4,765,569	4,495,970	4,495,970
WSBC FUND BALANCE					-
SECTIONS FUND BALANCE	1,251,074	1,489,801			1,489,801
TOTAL FUND BALANCE	7,596,615	8,992,960	4,765,569	4,495,970	13,488,930
TOTAL LIABILITIES AND RETAINED EARNINGS	21,699,697	23,448,795	4,786,049	4,695,234	28,144,030

Note* Total Retained Earnings must equal fund balance

Washington State Bar Association
Statement of Activities
For the Period from March 1, 2021 to March 31, 2021
50.00% OF YEAR COMPLETE

	MONTHLY BUDGET vs. ACTUAL			YEAR TO DATE BUDGET vs. ACTUAL			ANNUAL BUDGET COMPARISON		
	FISCAL 2021 BUDGET CURRENT MONTH	CURRENT MONTH ACTUAL	MONTHLY VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE	FISCAL 2021 BUDGET ANNUAL	REMAINING BALANCE OF YEAR	% USED OF ANNUAL BUDGET
LICENSE FEES									
REVENUE:									
LICENSE FEES	1,374,217.34	1,480,451.87	106,234.53	8,601,582.39	8,414,479.65	(187,102.74)	16,531,113.10	8,116,633.45	50.90%
TOTAL REVENUE:	1,374,217	1,480,452	106,235	8,601,582	8,414,480	(187,103)	16,531,113	8,116,633	50.90%

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ACCESS TO JUSTICE									
REVENUE:									
TOTAL REVENUE:	-	-	-	-	-	-	-	-	
DIRECT EXPENSES:									
ATJ BOARD RETREAT	-	-	-	-	-	-	2,000	2,000	0
LEADERSHIP TRAINING	667	-	667	2,000	-	2,000	2,000	2,000	0
ATJ BOARD EXPENSE	1,667	5,500	(3,833)	8,000	5,501	2,499	18,000	12,499	31%
STAFF TRAVEL/PARKING	292	-	292	1,750	-	1,750	3,500	3,500	0%
STAFF MEMBERSHIP DUES	-	-	-	120	-	120	120	120	0%
PUBLIC DEFENSE	417	0	417	1,900	0	1,900	4,400	4,400	0%
CONFERENCE/INSTITUTE EXPENSE	1,978	-	1,978	5,935	0	5,935	17,804	17,804	0%
RECEPTION/FORUM EXPENSE	-	-	-	9,000	-	9,000	9,000	9,000	0%
TOTAL DIRECT EXPENSES:	5,020	5,500	(480)	28,704	5,501	23,203	56,824	51,322	9.68%
INDIRECT EXPENSES:									
SALARY EXPENSE (1.60 FTE)	9,556	13,487	(3,931)	56,500	63,971	(7,471)	113,835	49,864	56.20%
BENEFITS EXPENSE	3,697	3,525	171	22,345	21,150	1,195	44,524	23,374	47.50%
OTHER INDIRECT EXPENSE	3,635	2,848	787	23,367	22,483	884	47,607	25,124	47.23%
TOTAL INDIRECT EXPENSES:	16,888	19,860	(2,973)	102,212	107,604	(5,392)	205,966	98,362	52.24%
TOTAL ALL EXPENSES:	21,907	25,360	(3,453)	130,917	113,105	17,811	262,790	149,684	43.04%
NET INCOME (LOSS):	(21,907)	(25,360)	(3,453)	(130,917)	(113,105)	17,811	(262,790)	(149,684)	43.04%

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ADMINISTRATION									
REVENUE:									
INTEREST INCOME	6,368	(1,281)	(7,649)	52,488	2,582	(49,906)	100,000	97,418	2.58%
TOTAL REVENUE:	6,368	(1,281)	(7,649)	52,488	2,582	(49,906)	100,000	97,418	2.58%
DIRECT EXPENSES:									
CONSULTING SERVICES	2,750	-	2,750	5,500	6,088	(588)	11,000	4,913	55.34%
STAFF TRAVEL/PARKING	350	-	350	2,100	1,340	760	4,200	2,860	31.90%
TOTAL DIRECT EXPENSES:	3,100	-	3,100	7,600	7,428	173	15,200	7,773	48.87%
INDIRECT EXPENSES:									
SALARY EXPENSE (6.92 FTE)	56,869	60,970	(4,100)	340,584	357,313	(16,728)	661,603	304,290	54.01%
BENEFITS EXPENSE	16,875	16,185	690	101,453	96,612	4,841	202,703	106,091	47.66%
OTHER INDIRECT EXPENSE	15,723	12,376	3,347	101,064	97,685	3,379	205,898	108,213	47.44%
TOTAL INDIRECT EXPENSES:	89,467	89,530	(64)	543,101	551,609	(8,508)	1,070,204	518,595	51.54%
TOTAL ALL EXPENSES:	92,567	89,530	3,036	550,701	559,037	(8,336)	1,085,404	526,367	51.50%
NET INCOME (LOSS):	(86,199)	(90,811)	(4,612)	(498,213)	(556,455)	(58,241)	(985,404)	(428,949)	56.47%

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ADMISSIONS									
REVENUE:									
EXAM SOFT REVENUE	-	-	-	-	-	-	31,500	31,500	0.00%
BAR EXAM FEES	284,309	284,265	(44)	879,414	820,505	(58,909)	1,053,235	232,730	77.90%
RULE 9/LEGAL INTERN FEES	373	250	(123)	3,727	2,450	(1,277)	12,000	9,550	20.42%
RPC BOOKLETS	-	-	-	-	5	5	-	(5)	
SPECIAL ADMISSIONS	5,000	2,780	(2,220)	32,545	33,425	880	37,640	4,215	88.80%
TOTAL REVENUE:	289,682	287,295	(2,387)	915,686	856,385	(59,302)	1,134,375	277,990	75.49%
DIRECT EXPENSES:									
POSTAGE	150	-	150	900	67	833	1,800	1,733	3.73%
STAFF TRAVEL/PARKING	1,417	357	1,059	8,500	490	8,010	17,000	16,510	2.88%
STAFF MEMBERSHIP DUES	400	-	400	400	-	400	800	800	0.00%
SUPPLIES	83	-	83	500	940	(440)	1,000	60	94.00%
FACILITY, PARKING, FOOD	-	20	(20)	38,050	5,202	32,848	64,700	59,498	8.04%
EXAMINER FEES	10,000	10,000	-	10,000	10,000	-	20,000	10,000	50.00%
UBE EXMINATIONS	-	-	-	-	-	-	115,900	115,900	0.00%
BOARD OF BAR EXAMINERS	500	-	500	500	-	500	6,000	6,000	0.00%
BAR EXAM PROCTORS	12,000	-	12,000	12,000	(133)	12,133	27,000	27,133	-0.49%
CHARACTER & FITNESS BOARD	225	-	225	12,000	-	12,000	12,000	12,000	0.00%
DISABILITY ACCOMMODATIONS	8,509	(694)	9,204	8,509	2,085	6,424	10,000	7,915	20.85%
CHARACTER & FITNESS INVESTIGATIONS	-	-	-	150	6	144	300	294	2.05%
LAW SCHOOL VISITS	-	-	-	95	-	95	920	920	0.00%
ILG EXAM FEES	-	10,450	(10,450)	-	10,450	(10,450)	-	(10,450)	
COURT REPORTERS	1,250	-	1,250	7,500	5,717	1,783	15,000	9,283	38.11%
DEPRECIATION-SOFTWARE	1,898	1,627	271	11,389	5,019	6,370	22,778	17,759	22.03%
CONFERENCE CALLS	-	7	(7)	-	7	(7)	-	(7)	
ONLINE LEGAL RESEARCH	372	307	65	1,115	1,527	(412)	3,345	1,818	45.65%
LAW LIBRARY	17	11	6	50	67	(16)	150	84	44.26%
TOTAL DIRECT EXPENSES:	36,821	22,085	14,736	111,658	41,445	70,213	318,693	277,248	13.00%
INDIRECT EXPENSES:									
SALARY EXPENSE (6.55 FTE)	40,226	40,112	114	237,842	227,451	10,391	479,196	251,745	47.47%
BENEFITS EXPENSE	14,417	13,761	656	87,223	82,584	4,640	173,728	91,144	47.54%
OTHER INDIRECT EXPENSE	14,882	11,688	3,194	95,660	92,258	3,402	194,889	102,631	47.34%
TOTAL INDIRECT EXPENSES:	69,525	65,561	3,964	420,726	402,293	18,433	847,813	445,520	47.45%
TOTAL ALL EXPENSES:	106,346	87,646	18,699	532,384	443,737	88,647	1,166,506	722,769	38.04%
NET INCOME (LOSS):	183,336	199,649	16,313	383,302	412,647	29,345	(32,131)	(444,778)	-1284.27%

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ADVANCEMENT FTE									
INDIRECT EXPENSES:									
SALARY EXPENSE (1.15 FTE)	13,403	14,048	(645)	79,248	81,848	(2,600)	159,666	77,818	51.26%
BENEFITS EXPENSE	3,524	3,408	116	20,867	20,059	808	42,009	21,951	47.75%
OTHER INDIRECT EXPENSE	2,613	2,063	550	16,795	16,281	515	34,217	17,936	47.58%
TOTAL INDIRECT EXPENSES:	19,540	19,519	21	116,910	118,187	(1,277)	235,893	117,705	50.10%
NET INCOME (LOSS):	(19,540)	(19,519)	21	(116,910)	(118,187)	(1,277)	(235,893)	(117,705)	50.10%

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BAR NEWS									
REVENUE:									
ROYALTIES	-	-	-	1,662	1,262	(400)	1,500	238	84.12%
DISPLAY ADVERTISING	27,974	36,461	8,487	142,909	203,415	60,506	300,000	96,585	67.81%
SUBSCRIPT/SINGLE ISSUES	-	-	-	103	72	(31)	350	278	20.57%
CLASSIFIED ADVERTISING	57	(2,676)	(2,733)	3,939	1,089	(2,850)	11,500	10,411	9.47%
GEN ANNOUNCEMENTS	638	1,760	1,122	5,391	3,110	(2,281)	15,000	11,890	20.73%
PROF ANNOUNCEMENTS	1,968	4,515	2,547	9,697	11,261	1,564	20,000	8,739	56.31%
JOB TARGET ADVERSTISING	-	16,655	16,655	66,850	69,812	2,962	120,000	50,188	58.18%
TOTAL REVENUE:	30,638	56,715	26,077	230,552	290,021	59,469	468,350	178,329	61.92%
DIRECT EXPENSES:									
BAD DEBT EXPENSE	-	-	-	-	-	-	750	750	0.00%
POSTAGE	9,622	10,576	(954)	47,747	51,842	(4,095)	95,000	43,158	54.57%
PRINTING, COPYING & MAILING	23,936	24,755	(820)	118,048	123,106	(5,058)	250,000	126,894	49.24%
DIGITAL/ONLINE DEVELOPMENT	917	1,399	(483)	5,500	5,749	(249)	11,000	5,251	52.27%
GRAPHICS/ARTWORK	125	-	125	750	-	750	1,500	1,500	0.00%
OUTSIDE SALES EXPENSE	9,104	19,887	(10,782)	46,919	58,554	(11,635)	90,000	31,446	65.06%
EDITORIAL ADVISORY COMMITTEE	-	-	-	600	-	600	800	800	0.00%
STAFF MEMBERSHIP DUES	-	-	-	-	-	-	615	615	0.00%
TOTAL DIRECT EXPENSES:	43,704	56,618	(12,914)	219,564	239,251	(19,687)	449,665	210,414	53.21%
INDIRECT EXPENSES:									
SALARY EXPENSE (2.83 FTE)	16,743	17,547	(804)	98,998	103,578	(4,580)	199,458	95,880	51.93%
BENEFITS EXPENSE	5,131	4,898	233	31,152	29,410	1,742	61,936	32,526	47.48%
OTHER INDIRECT EXPENSE	6,422	5,058	1,364	41,282	39,927	1,356	84,105	44,178	47.47%
TOTAL INDIRECT EXPENSES:	28,296	27,503	793	171,433	172,915	(1,482)	345,499	172,584	50.05%
TOTAL ALL EXPENSES:	72,000	84,121	(12,121)	390,996	412,166	(21,169)	795,164	382,998	51.83%
NET INCOME (LOSS):	(41,362)	(27,406)	13,956	(160,444)	(122,145)	38,299	(326,814)	(204,669)	37.37%

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	FISCAL 2021 BUDGET CURRENT MONTH	CURRENT MONTH ACTUAL	MONTHLY VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE	FISCAL 2021 BUDGET ANNUAL	REMAINING BALANCE OF YEAR	% USED OF ANNUAL BUDGET
BOARD OF GOVERNOR									
REVENUE:									
TOTAL REVENUE:	-	-	-	-	-	-	-	-	
DIRECT EXPENSES:									
BOG MEETINGS	17,542	108	17,434	105,250	142	105,108	210,500	210,358	0.07%
BOG COMMITTEES' EXPENSES	2,500	0	2,500	15,000	8	14,992	30,000	29,992	0.03%
BOG RETREAT	-	60	(60)	-	411	(411)	15,000	14,589	2.74%
BOG CONFERENCE ATTENDANCE	3,667	-	3,667	22,000	497	21,503	44,000	43,503	1.13%
BOG TRAVEL & OUTREACH	2,917	277	2,640	17,500	1,938	15,562	35,000	33,062	5.54%
LEADERSHIP TRAINING	4,167	-	4,167	25,000	-	25,000	50,000	50,000	0.00%
BOG ELECTIONS	-	-	-	-	24,340	(24,340)	12,000	(12,340)	202.83%
PRESIDENT'S DINNER	-	-	-	-	-	-	10,000	10,000	0.00%
TOTAL DIRECT EXPENSES:	30,792	445	30,346	184,750	27,336	157,414	406,500	379,164	6.72%
INDIRECT EXPENSES:									
SALARY EXPENSE (1.75 FTE)	9,783	10,425	(642)	57,844	61,551	(3,708)	116,541	54,990	52.82%
BENEFITS EXPENSE	3,475	3,311	164	21,074	19,883	1,191	41,926	22,043	47.42%
OTHER INDIRECT EXPENSE	3,976	3,118	858	25,558	24,615	943	52,070	27,455	47.27%
TOTAL INDIRECT EXPENSES:	17,234	16,854	380	104,476	106,050	(1,574)	210,537	104,487	50.37%
TOTAL ALL EXPENSES:	48,026	17,300	30,726	289,226	133,386	155,840	617,037	483,651	21.62%
NET INCOME (LOSS):	(48,026)	(17,300)	30,726	(289,226)	(133,386)	155,840	(617,037)	(483,651)	21.62%

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	FISCAL 2021 BUDGET CURRENT MONTH	CURRENT MONTH ACTUAL	MONTHLY VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE	FISCAL 2021 BUDGET ANNUAL	REMAINING BALANCE OF YEAR	% USED OF ANNUAL BUDGET
CLE - PRODUCTS									
REVENUE:									
SHIPPING & HANDLING	83	9	(74)	500	128	(372)	1,000	872	12.83%
COURSEBOOK SALES	667	70	(597)	4,000	1,811	(2,189)	8,000	6,189	22.64%
MP3 AND VIDEO SALES	68,333	23,680	(44,654)	410,000	238,582	(171,418)	820,000	581,418	29.10%
TOTAL REVENUE:	69,083	23,759	(45,325)	414,500	240,521	(173,979)	829,000	588,479	29.01%
DIRECT EXPENSES:									
DEPRECIATION	399	109	290	2,391	2,532	(141)	3,188	656	79.42%
STAFF MEMBERSHIP DUES	50	-	50	300	573	(273)	600	27	95.43%
TRANSCRIPTION SERVICES	-	-	-	-	270	(270)	-	(270)	
COST OF SALES - COURSEBOOKS	125	2	123	750	133	617	1,500	1,367	8.88%
A/V DEVELOP COSTS (RECORDING)	167	-	167	1,000	-	1,000	2,000	2,000	0.00%
ONLINE PRODUCT HOSTING EXPENSES	4,000	4,039	(39)	24,000	22,674	1,326	48,000	25,326	47.24%
POSTAGE & DELIVERY-COURSEBOOKS	42	60	(19)	250	169	81	500	331	33.80%
TOTAL DIRECT EXPENSES:	4,782	4,211	571	28,691	26,351	2,340	55,788	29,437	47.23%
INDIRECT EXPENSES:									
SALARY EXPENSE (1.45 FTE)	7,855	9,107	(1,252)	46,443	48,702	(2,260)	93,571	44,869	52.05%
BENEFITS EXPENSE	3,128	2,978	150	18,942	17,875	1,066	37,712	19,837	47.40%
OTHER INDIRECT EXPENSE	3,294	2,578	716	21,177	20,351	826	43,143	22,792	47.17%
TOTAL INDIRECT EXPENSES:	14,278	14,663	(385)	86,561	86,929	(368)	174,427	87,498	49.84%
TOTAL ALL EXPENSES:	19,059	18,873	186	115,252	113,279	1,973	230,215	116,935	49.21%
NET INCOME (LOSS):	50,024	4,885	(45,139)	299,248	127,241	(172,007)	598,785	471,544	21.25%

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	FISCAL 2021 BUDGET CURRENT MONTH	CURRENT MONTH ACTUAL	MONTHLY VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE	FISCAL 2021 BUDGET ANNUAL	REMAINING BALANCE OF YEAR	% USED OF ANNUAL BUDGET
CLE - SEMINARS									
REVENUE:									
SEMINAR REGISTRATIONS	68,750	88,654	19,904	412,500	317,442	(95,058)	825,000	507,558	38.48%
SEMINAR-EXHIB/SPNSR/ETC	-	-	-	1,500	-	(1,500)	28,000	28,000	0.00%
TOTAL REVENUE:	68,750	88,654	19,904	414,000	317,442	(96,558)	853,000	535,558	37.21%
DIRECT EXPENSES:									
BAD DEBT EXPENSE	54	-	54	325	-	325	650	650	0.00%
STAFF TRAVEL/PARKING	1,250	-	1,250	7,500	73	7,427	15,000	14,927	0.49%
STAFF MEMBERSHIP DUES	71	-	71	426	763	(337)	853	90	89.50%
SUPPLIES	83	-	83	500	-	500	1,000	1,000	0.00%
COURSEBOOK PRODUCTION	125	-	125	750	-	750	1,500	1,500	0.00%
POSTAGE - FLIERS/CATALOGS	667	-	667	4,000	-	4,000	8,000	8,000	0.00%
POSTAGE - MISC./DELIVERY	67	-	67	400	-	400	800	800	0.00%
ACCREDITATION FEES	250	(36)	286	1,500	2,640	(1,140)	3,000	360	88.00%
SEMINAR BROCHURES	1,667	-	1,667	10,000	-	10,000	20,000	20,000	0.00%
FACILITIES	23,250	6,800	16,450	139,500	15,200	124,300	279,000	263,800	5.45%
SPEAKERS & PROGRAM DEVELOP	4,167	49	4,118	25,000	1,164	23,836	50,000	48,836	2.33%
SPLITS TO SECTIONS	-	3,611	(3,611)	100,000	3,611	96,389	100,000	96,389	3.61%
CLE SEMINAR COMMITTEE	21	-	21	125	-	125	250	250	0.00%
CONFERENCE CALLS	4	-	4	25	-	25	50	50	0.00%
TOTAL DIRECT EXPENSES:	31,675	10,423	21,252	290,052	23,452	266,600	480,103	456,651	4.88%
INDIRECT EXPENSES:									
SALARY EXPENSE (6.97 FTE)	39,856	40,025	(169)	235,658	242,066	(6,408)	474,795	232,729	50.98%
BENEFITS EXPENSE	15,143	14,432	711	91,654	86,618	5,036	182,511	95,893	47.46%
OTHER INDIRECT EXPENSE	15,836	12,449	3,387	101,794	98,266	3,528	207,386	109,120	47.38%
TOTAL INDIRECT EXPENSES:	70,835	66,906	3,929	429,106	426,950	2,156	864,692	437,742	49.38%
TOTAL ALL EXPENSES:	102,510	77,330	25,181	719,158	450,402	268,756	1,344,795	894,393	33.49%
NET INCOME (LOSS):	(33,760)	11,324	45,084	(305,158)	(132,960)	172,197.83	(491,795)	(358,835.01)	27.04%

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	FISCAL 2021 BUDGET CURRENT MONTH	CURRENT MONTH ACTUAL	MONTHLY VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE	FISCAL 2021 BUDGET ANNUAL	REMAINING BALANCE OF YEAR	% USED OF ANNUAL BUDGET
CONTINUING LEGAL EDUCATION (CLE)									
REVENUE:									
SEMINAR REGISTRATIONS	68,750	88,654	19,904	412,500	317,442	(95,058)	825,000	507,558	38.48%
SEMINAR-EXHIB/SPNSR/ETC	-	-	-	1,500	-	(1,500)	28,000	28,000	0.00%
SHIPPING & HANDLING	83	9	(74)	500	128	(372)	1,000	872	12.83%
COURSEBOOK SALES	667	70	(597)	4,000	1,811	(2,189)	8,000	6,189	22.64%
MP3 AND VIDEO SALES	68,333	23,680	(44,654)	410,000	238,582	(171,418)	820,000	581,418	29.10%
TOTAL REVENUE:	137,833	112,412	(25,421)	828,500	557,963	(270,537)	1,682,000	1,124,037	33.17%
DIRECT EXPENSES:									
COURSEBOOK PRODUCTION	125	-	125	750	-	750	1,500	1,500	0.00%
POSTAGE - FLIERS/CATALOGS	667	-	667	4,000	-	4,000	8,000	8,000	0.00%
POSTAGE - MISC./DELIVERY	67	-	67	400	-	400	800	800	0.00%
DEPRECIATION	399	109	290	2,391	2,532	(141)	3,188	656	79.42%
ONLINE EXPENSES	4,000	4,039	(39)	24,000	22,674	1,326	48,000	25,326	47.24%
ACCREDITATION FEES	250	(36)	286	1,500	2,640	(1,140)	3,000	360	88.00%
SEMINAR BROCHURES	1,667	-	1,667	10,000	-	10,000	20,000	20,000	0.00%
FACILITIES	23,250	6,800	16,450	139,500	15,200	124,300	279,000	263,800	5.45%
TRANSACTION SERVICES	-	-	-	-	270	(270)	-	(270)	
SPEAKERS & PROGRAM DEVELOP	4,167	49	4,118	25,000	1,164	23,836	50,000	48,836	2.33%
SPLITS TO SECTIONS	-	3,611	(3,611)	100,000	3,611	96,389	100,000	96,389	3.61%
CLE SEMINAR COMMITTEE	21	-	21	125	-	125	250	250	0.00%
BAD DEBT EXPENSE	54	-	54	325	-	325	650	650	0.00%
STAFF TRAVEL/PARKING	1,250	-	1,250	7,500	73	7,427	15,000	14,927	0.49%
STAFF MEMBERSHIP DUES	121	-	121	726	1,336	(610)	1,453	117	91.95%
SUPPLIES	83	-	83	500	-	500	1,000	1,000	0.00%
CONFERENCE CALLS	4	-	4	25	-	25	50	50	0.00%
COST OF SALES - COURSEBOOKS	125	2	123	750	133	617	1,500	1,367	8.88%
A/V DEVELOP COSTS (RECORDING)	167	-	167	1,000	-	1,000	2,000	2,000	0.00%
POSTAGE & DELIVERY-COURSEBOOKS	42	60	(19)	250	169	81	500	331	33.80%
TOTAL DIRECT EXPENSES:	36,457	14,634	21,823	318,743	49,803	268,940	535,891	486,088	9.29%
INDIRECT EXPENSES:									
SALARY EXPENSE (8.4 FTE)	47,710.87	49,132	(1,421)	282,101	290,768	(8,667)	568,366	277,598	51.16%
BENEFITS EXPENSE	18,271	17,410	862	110,595	104,493	6,102	220,223	115,730	47.45%
OTHER INDIRECT EXPENSE	19,131	15,028	4,103	122,971	118,617	4,354	250,529	131,912	47.35%
TOTAL INDIRECT EXPENSES:	85,113	81,569	3,543	515,667	513,879	1,789	1,039,119	525,240	49.45%
TOTAL ALL EXPENSES:	121,570	96,203	25,367	834,410	563,681	270,729	1,575,010	1,011,328	35.79%
NET INCOME (LOSS):	16,263	16,209	(54)	(5,910)	(5,719)	191	106,990	112,709	-5.35%

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	FISCAL 2021 BUDGET CURRENT MONTH	CURRENT MONTH ACTUAL	MONTHLY VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE	FISCAL 2021 BUDGET ANNUAL	REMAINING BALANCE OF YEAR	% USED OF ANNUAL BUDGET
COMMUNICATION STRATEGIES									
REVENUE:									
TOTAL REVENUE:	-	-	-	-	-	-	-	-	
DIRECT EXPENSES:									
STAFF TRAVEL/PARKING	392	548	(156)	2,350	1,538	812	4,700	3,162	32.72%
STAFF MEMBERSHIP DUES	99	-	99	591	380	211	1,183	803	32.12%
SUBSCRIPTIONS	254	570	(316)	1,526	1,890	(364)	3,052	1,162	61.93%
DIGITAL/ONLINE DEVELOPMENT	67	214	(148)	400	214	186	800	586	26.79%
APEX DINNER	-	-	-	-	837	(837)	25,000	24,163	3.35%
50 YEAR MEMBER TRIBUTE LUNCH	-	-	-	10,708	-	10,708	10,708	10,708	0.00%
COMMUNICATIONS OUTREACH	2,083	535	1,549	12,500	2,500	10,000	25,000	22,500	10.00%
TELEPHONE	25	88	(63)	150	535	(385)	300	(235)	178.24%
CONFERENCE CALLS	25	-	25	151	-	151	302	302	0.00%
MISCELLANEOUS	417	-	417	2,500	-	2,500	5,000	5,000	0.00%
TOTAL DIRECT EXPENSES:	3,361	1,955	1,407	30,877	7,893	22,983	76,045	68,152	10.38%
INDIRECT EXPENSES:									
SALARY EXPENSE (3.80 FTE)	21,598	22,390	(792)	127,706	133,050	(5,344)	257,297	124,247	51.71%
BENEFITS EXPENSE	6,910	6,589	321	41,966	39,567	2,399	83,426	43,858	47.43%
OTHER INDIRECT EXPENSE	8,641	6,777	1,864	55,546	53,494	2,052	113,165	59,671	47.27%
TOTAL INDIRECT EXPENSES:	37,150	35,756	1,394	225,218	226,111	(893)	453,887	227,776	49.82%
TOTAL ALL EXPENSES:	40,511	37,711	2,800	256,095	234,005	22,090	529,932	295,928	44.16%
NET INCOME (LOSS):	(40,511)	(37,711)	2,800	(256,095)	(234,005)	22,090	(529,932)	(295,928)	44.16%

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	FISCAL 2021 BUDGET CURRENT MONTH	CURRENT MONTH ACTUAL	MONTHLY VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE	FISCAL 2021 BUDGET ANNUAL	REMAINING BALANCE OF YEAR	% USED OF ANNUAL BUDGET
COMMUNICATION STRATEGIES FTE									
INDIRECT EXPENSES:									
SALARY EXPENSE (1.00 FTE)	12,555	13,072	(517)	74,234	75,741	(1,507)	149,565	73,824	50.64%
BENEFITS EXPENSE	3,653	3,530	123	21,384	20,519	865	43,303	22,784	47.38%
OTHER INDIRECT EXPENSE	2,272	1,793	480	14,605	14,149	456	29,754	15,605	47.55%
TOTAL INDIRECT EXPENSES:	18,480	18,394	86	110,222	110,408	(186)	222,622	112,214	49.59%
NET INCOME (LOSS):	(18,480)	(18,394)	86	(110,222)	(110,408)	(186)	(222,622)	(112,214)	49.59%

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	FISCAL 2021 BUDGET CURRENT MONTH	CURRENT MONTH ACTUAL	MONTHLY VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE	FISCAL 2021 BUDGET ANNUAL	REMAINING BALANCE OF YEAR	% USED OF ANNUAL BUDGET
CLIENT PROTECTION FUND									
REVENUE:									
CPF RESTITUTION	1,957	4,798	2,840	2,949	54,734	51,784	4,000	(50,734)	1368.34%
CPF MEMBER ASSESSMENTS	29,606	6,010	(23,596)	341,435	348,650	7,215	515,540	166,890	67.63%
INTEREST INCOME	833	(72)	(906)	5,000	2,771	(2,229)	10,000	7,229	27.71%
TOTAL REVENUE:	32,397	10,735	(21,662)	349,384	406,154	56,770	529,540	123,386	76.70%
DIRECT EXPENSES:									
BANK FEES - WELLS FARGO	141	164	(23)	620	1,080	(460)	1,000	(80)	107.99%
GIFTS TO INJURED CLIENTS	-	24,628	(24,628)	30,223	25,015	5,208	500,000	474,985	5.00%
CPF BOARD EXPENSES	30	28	3	892	49	843	1,200	1,151	4.10%
STAFF MEMBERSHIP DUES	-	-	-	200	-	200	200	200	0.00%
TOTAL DIRECT EXPENSES:	172	24,820	(24,648)	31,935	26,144	5,791	502,400	476,256	5.20%
INDIRECT EXPENSES:									
SALARY EXPENSE (1.23 FTE)	7,091	7,431	(340)	41,929	43,528	(1,599)	84,478	40,950	51.53%
BENEFITS EXPENSE	2,880	2,744	136	17,346	16,393	953	34,624	18,231	47.34%
OTHER INDIRECT EXPENSE	2,795	2,185	609	17,964	17,250	714	36,598	19,348	47.13%
TOTAL INDIRECT EXPENSES:	12,766	12,361	405	77,239	77,171	68	155,699	78,529	49.56%
TOTAL ALL EXPENSES:	12,937	37,181	(24,243)	109,173	103,314	5,859	658,099	554,785	15.70%
NET INCOME (LOSS):	19,459	(26,446)	(45,905)	240,211	302,840	62,629	(128,559)	(431,399)	-235.56%

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	FISCAL 2021 BUDGET CURRENT MONTH	CURRENT MONTH ACTUAL	MONTHLY VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE	FISCAL 2021 BUDGET ANNUAL	REMAINING BALANCE OF YEAR	% USED OF ANNUAL BUDGET
DESKBOOKS									
REVENUE:									
SHIPPING & HANDLING	250	162	(88)	1,500	2,122	622	3,000	878	70.72%
DESKBOOK SALES	8,333	7,441	(892)	50,000	74,032	24,032	100,000	25,968	74.03%
SECTION PUBLICATION SALES	417	300	(117)	2,500	9,890	7,390	5,000	(4,890)	197.80%
CASEMAKER ROYALTIES	4,167	-	(4,167)	25,000	21,317	(3,683)	50,000	28,683	42.63%
TOTAL REVENUE:	13,167	7,903	(5,264)	79,000	107,361	28,361	158,000	50,639	67.95%
DIRECT EXPENSES:									
COST OF SALES - DESKBOOKS	4,740	3,561	1,179	28,440	37,300	(8,860)	56,880	19,580	65.58%
COST OF SALES - SECTION PUBLICATION	167	147	19	1,000	3,003	(2,003)	2,000	(1,003)	150.16%
SPLITS TO SECTIONS	1,250	-	1,250	7,500	3,193	4,307	15,000	11,807	21.29%
DESKBOOK ROYALTIES	-	-	-	274	199	75	500	301	39.87%
POSTAGE & DELIVER-DESKBOOKS	250	364	(114)	1,500	2,984	(1,484)	3,000	16	99.47%
FLIERS/CATALOGS	125	-	125	750	2,507	(1,757)	1,500	(1,007)	167.15%
ONLINE LEGAL RESEARCH	151	153	(3)	453	763	(311)	1,672	909	45.65%
POSTAGE - FLIERS/CATALOGS	63	-	63	375	936	(561)	750	(186)	124.83%
COMPLIMENTARY BOOK PROGRAM	83	-	83	500	-	500	1,000	1,000	0.00%
OBSOLETE INVENTORY	1,750	16,893	(15,143)	10,500	31,619	(21,119)	21,000	(10,619)	150.57%
BAD DEBT EXPENSE	8	-	8	50	-	50	100	100	0.00%
RECORDS STORAGE - OFF SITE	675	-	675	4,050	4,450	(400)	8,100	3,650	54.94%
STAFF MEMBERSHIP DUES	-	-	-	-	-	-	220	220	0.00%
MISCELLANEOUS	17	-	17	100	-	100	200	200	0.00%
SUBSCRIPTIONS	-	-	-	-	185	(185)	185	0	99.98%
TOTAL DIRECT EXPENSES:	9,278	21,118	(11,840)	55,492	87,141	(31,649)	112,107	24,967	77.73%
INDIRECT EXPENSES:									
SALARY EXPENSE (1.52 FTE)	10,472	10,976	(504)	61,920	65,438	(3,518)	124,754	59,316	52.45%
BENEFITS EXPENSE	3,744	3,580	163	22,599	21,478	1,121	45,062	23,584	47.66%
OTHER INDIRECT EXPENSE	3,454	2,726	728	22,199	21,514	685	45,226	23,712	47.57%
TOTAL INDIRECT EXPENSES:	17,670	17,282	387	106,718	108,430	(1,712)	215,042	106,612	50.42%
TOTAL ALL EXPENSES:	26,948	38,401	(11,453)	162,210	195,571	(33,361)	327,149	131,579	59.78%
NET INCOME (LOSS):	(13,781)	(30,498)	(16,716)	(83,210)	(88,210)	(5,000)	(169,149)	(80,940)	52.15%

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	FISCAL 2021 BUDGET CURRENT MONTH	CURRENT MONTH ACTUAL	MONTHLY VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE	FISCAL 2021 BUDGET ANNUAL	REMAINING BALANCE OF YEAR	% USED OF ANNUAL BUDGET
DISCIPLINE									
REVENUE:									
COPY FEES	-	-	-	-	60	60	-	(60)	
AUDIT REVENUE	208	80	(128)	1,250	739	(511)	2,500	1,761	29.55%
RECOVERY OF DISCIPLINE COSTS	6,667	19,712	13,045	40,000	59,695	19,695	80,000	20,305	74.62%
DISCIPLINE HISTORY SUMMARY	1,250	1,935	1,935	7,500	9,135	1,635	15,000	5,865	60.90%
TOTAL REVENUE:	8,125	21,727	14,852	48,750	69,629	20,879	97,500	27,871	71.41%
DIRECT EXPENSES:									
PUBLICATIONS PRODUCTION	21	-	21	125	181	(56)	250	69	72.24%
STAFF TRAVEL/PARKING	2,917	396	2,521	17,500	8,316	9,184	35,000	26,684	23.76%
STAFF MEMBERSHIP DUES	420	350	70	2,517	3,430	(913)	5,035	1,605	68.12%
TELEPHONE	242	184	58	1,450	1,085	365	2,900	1,815	37.43%
COURT REPORTERS	2,917	797	2,120	17,500	6,334	11,166	35,000	28,666	18.10%
OUTSIDE COUNSEL/AIC	417	-	417	2,500	-	2,500	5,000	5,000	0.00%
LITIGATION EXPENSES	2,917	746	2,170	17,500	2,961	14,539	35,000	32,039	8.46%
DISABILITY EXPENSES	833	-	833	5,000	4,900	100	10,000	5,100	49.00%
ONLINE LEGAL RESEARCH	4,441	4,450	(9)	26,644	22,140	4,503	53,288	31,147	41.55%
LAW LIBRARY	1,000	81	919	6,000	3,024	2,976	12,000	8,976	25.20%
TRANSLATION SERVICES	83	500	(417)	500	500	(0)	1,000	500	50.00%
CONFERENCE CALLS	-	(2)	2	-	-	-	-	-	
TOTAL DIRECT EXPENSES:	16,206	7,502	8,704	97,236	52,872	44,365	194,473	141,601	27.19%
INDIRECT EXPENSES:									
SALARY EXPENSE (37.00 FTE)	301,968	309,545	(7,577)	1,785,559	1,827,062	(41,503)	3,627,767	1,800,705	50.36%
BENEFITS EXPENSE	91,622	87,976	3,646	547,982	522,044	25,938	1,097,713	575,669	47.56%
OTHER INDIRECT EXPENSE	84,065	66,101	17,964	540,372	521,762	18,610	1,100,901	579,139	47.39%
TOTAL INDIRECT EXPENSES:	477,655	463,622	14,033	2,873,913	2,870,868	3,045	5,826,381	2,955,513	49.27%
TOTAL ALL EXPENSES:	493,861	471,124	22,737	2,971,149	2,923,739	47,410	6,020,854	3,097,114	48.56%
NET INCOME (LOSS):	(485,736)	(449,397)	36,339	(2,922,399)	(2,854,110)	68,289	(5,923,354)	(3,069,243)	48.18%

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	FISCAL 2021 BUDGET CURRENT MONTH	CURRENT MONTH ACTUAL	MONTHLY VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE	FISCAL 2021 BUDGET ANNUAL	REMAINING BALANCE OF YEAR	% USED OF ANNUAL BUDGET
DIVERSITY									
REVENUE:									
DONATIONS	10,417	-	(10,417)	62,500	135,000	72,500	125,000	(10,000)	108.00%
WORK STUDY GRANTS	865	-	(865)	5,187	-	(5,187)	10,374	10,374	0.00%
TOTAL REVENUE:	11,281	-	(11,281)	67,687	135,000	67,313	135,374	374	99.72%
DIRECT EXPENSES:									
STAFF TRAVEL/PARKING	333	-	333	2,000	-	2,000	4,000	4,000	0.00%
STAFF MEMBERSHIP DUES	-	-	-	-	-	-	640	640	0.00%
COMMITTEE FOR DIVERSITY	500	0	500	1,900	17	1,883	4,900	4,883	0.35%
DIVERSITY EVENTS & PROJECTS	1,438	-	1,438	8,625	750	7,875	17,250	16,500	4.35%
TOTAL DIRECT EXPENSES:	2,271	0	2,271	12,525	767	11,758	26,790	26,023	2.86%
INDIRECT EXPENSES:									
SALARY EXPENSE (2.46 FTE)	16,197	10,277	5,920	95,912	53,270	42,642	193,096	139,826	27.59%
BENEFITS EXPENSE	4,904	4,679	225	29,726	28,092	1,634	59,149	31,057	47.49%
OTHER INDIRECT EXPENSE	5,589	4,395	1,194	35,927	34,694	1,234	73,195	38,501	47.40%
TOTAL INDIRECT EXPENSES:	26,691	19,352	7,339	161,565	116,055	45,510	325,440	209,385	35.66%
TOTAL ALL EXPENSES:	28,961	19,352	9,609	174,090	116,822	57,268	352,230	235,408	33.17%
NET INCOME (LOSS):	(17,680)	(19,352)	(1,672)	(106,403)	18,178	124,581	(216,856)	(235,034)	-8.38%

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	FISCAL 2021 BUDGET CURRENT MONTH	CURRENT MONTH ACTUAL	MONTHLY VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE	FISCAL 2021 BUDGET ANNUAL	REMAINING BALANCE OF YEAR	% USED OF ANNUAL BUDGET
FOUNDATION									
REVENUE:									
TOTAL REVENUE:	-	-	-	-	-	-	-	-	
DIRECT EXPENSES:									
CONSULTING SERVICES	-	-	-	3,000	3,000	-	3,000	-	100.00%
PRINTING & COPYING	75	-	75	450	-	450	900	900	0.00%
STAFF TRAVEL/PARKING	-	-	-	500	-	500	500	500	0.00%
SUPPLIES	21	-	21	125	-	125	250	250	0.00%
SPECIAL EVENTS	-	-	-	-	-	-	5,000	5,000	0.00%
BOARD OF TRUSTEES	-	25	(25)	362	25	337	2,000	1,975	1.25%
POSTAGE	-	-	-	500	-	500	500	500	0.00%
TOTAL DIRECT EXPENSES:	96	25	71	4,937	3,025	1,912	12,150	9,125	24.90%
INDIRECT EXPENSES:									
SALARY EXPENSE (1.00 FTE)	6,443	6,753	(310)	38,098	39,596	(1,498)	76,759	37,163	51.58%
BENEFITS EXPENSE	1,309	1,257	53	8,007	7,553	454	15,863	8,310	47.61%
OTHER INDIRECT EXPENSE	2,272	1,793	480	14,605	14,149	456	29,754	15,605	47.55%
TOTAL INDIRECT EXPENSES:	10,025	9,802	222	60,710	61,298	(587)	122,376	61,078	50.09%
TOTAL ALL EXPENSES:	10,121	9,827	293	65,647	64,323	1,325	134,526	70,203	47.81%
NET INCOME (LOSS):	(10,121)	(9,827)	293	(65,647)	(64,323)	1,325	(134,526)	(70,203)	47.81%

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HUMAN RESOURCES									
REVENUE:									
TOTAL REVENUE:	-	-	-	-	-	-	-	-	
DIRECT EXPENSES:									
STAFF TRAVEL/PARKING	396	-	396	440	-	440	741	741	0.00%
STAFF MEMBERSHIP DUES	-	-	-	-	-	-	193	193	0.00%
SUBSCRIPTIONS	1,951	-	1,951	2,525	173	2,352	3,505	3,332	4.93%
STAFF TRAINING- GENERAL	8,333	1,265	7,068	50,000	1,474	48,526	100,000	98,526	1.47%
RECRUITING AND ADVERTISING	583	1,977	(1,393)	3,500	17,287	(13,787)	7,000	(10,287)	246.96%
PAYROLL PROCESSING	3,735	3,745	(10)	20,308	21,439	(1,132)	49,000	27,561	43.75%
SALARY SURVEYS	242	-	242	1,450	-	1,450	2,900	2,900	0.00%
CONSULTING SERVICES	-	883	(883)	-	24,083	(24,083)	37,500	13,417	64.22%
CONFERENCE CALLS	-	-	-	-	13	(13)	-	(13)	
TRANSFER TO INDIRECT EXPENSE	(15,240)	(7,870)	(7,370)	(78,223)	(64,469)	(13,753)	(200,839)	(136,370)	32.10%
TOTAL DIRECT EXPENSES:	(0)	-	(0)	(0)	-	(0.01)	-	-	
INDIRECT EXPENSES:									
SALARY EXPENSE (3.00 FTE)	24,214	25,628	(1,414)	143,169	122,415	20,754	288,452	166,037	42.44%
BENEFITS EXPENSE	7,081	6,801	279	42,757	40,806	1,951	85,241	44,435	47.87%
OTHER INDIRECT EXPENSE	6,494	5,353	1,141	42,126	42,253	(127)	84,930	42,677	49.75%
TOTAL INDIRECT EXPENSES:	37,788	37,782	6	228,051	205,473	22,578	458,623	253,150	44.80%
TOTAL ALL EXPENSES:	37,788	37,782	6	228,051	205,473	22,578	458,623	253,150	44.80%
NET INCOME (LOSS):	(37,788)	(37,782)	6	(228,051)	(205,473)	22,578	(458,623)	(253,150)	44.80%

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LAW CLERK PROGRAM									
REVENUE:									
LAW CLERK FEES	3,069	16,806	13,737	158,575	169,713	11,138	190,000	20,287	89.32%
LAW CLERK APPLICATION FEES	703	1,000	297	1,758	2,000	242	3,000	1,000	66.67%
TOTAL REVENUE:	3,772	17,806	14,034	160,333	171,713	11,380	193,000	21,287	88.97%
DIRECT EXPENSES:									
SUBSCRIPTIONS	-	-	-	-	-	-	250	250	0.00%
CHARACTER & FITNESS INVESTIGATIONS	-	-	-	-	-	-	100	100	0.00%
LAW CLERK BOARD EXPENSE	267	-	267	3,792	24	3,769	7,000	6,976	0.34%
STAFF TRAVEL/PARKING	-	-	-	40	-	40	300	300	0.00%
LAW CLERK OUTREACH	-	-	-	2,252	-	2,252	3,000	3,000	0.00%
TOTAL DIRECT EXPENSES:	267	-	267	6,084	24	6,061	10,650	10,626	0.22%
INDIRECT EXPENSES:									
SALARY EXPENSE (0.90 FTE)	4,146	4,795	(649)	24,515	28,177	(3,661)	49,392	21,215	57.05%
BENEFITS EXPENSE	1,569	1,489	80	9,543	8,942	601	18,957	10,015	47.17%
OTHER INDIRECT EXPENSE	2,045	1,596	449	13,144	12,598	546	26,779	14,181	47.05%
TOTAL INDIRECT EXPENSES:	7,760	7,880	(120)	47,203	49,717	(2,514)	95,128	45,411	52.26%
TOTAL ALL EXPENSES:	8,027	7,880	147	53,287	49,740	3,547	105,778	56,038	47.02%
NET INCOME (LOSS):	(4,255)	9,926	14,181	107,046	121,973	14,926	87,222	(34,751)	139.84%

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LEGISLATIVE									
REVENUE:									
TOTAL REVENUE:	-	-	-	-	-	-	-	-	
DIRECT EXPENSES:									
STAFF TRAVEL/PARKING	660	-	660	3,560	-	3,560	4,550	4,550	0.00%
STAFF MEMBERSHIP DUES	-	-	-	450	-	450	450	450	0.00%
SUBSCRIPTIONS	-	-	-	2,000	1,982	18	2,000	18	99.09%
OLYMPIA RENT	1,039	-	1,039	1,104	-	1,104	2,500	2,500	0.00%
CONTRACT LOBBYIST	3,333	4,333	(1,000)	10,000	13,000	(3,000)	20,000	7,000	65.00%
LEGISLATIVE COMMITTEE	-	-	-	-	10	(10)	2,500	2,490	0.39%
BOG LEGISLATIVE COMMITTEE	-	-	-	-	-	-	250	250	0.00%
TOTAL DIRECT EXPENSES:	5,033	4,333	699	17,114	14,992	2,122	32,250	17,258	46.49%
INDIRECT EXPENSES:									
SALARY EXPENSE (1.00 FTE)	5,902	2,831	3,071	34,898	28,469	6,429	70,311	41,842	40.49%
BENEFITS EXPENSE	2,228	2,125	103	13,477	12,750	727	26,844	14,094	47.50%
OTHER INDIRECT EXPENSE	2,272	1,793	480	14,605	14,149	456	29,754	15,605	47.55%
TOTAL INDIRECT EXPENSES:	10,402	6,748	3,654	62,979	55,368	7,612	126,909	71,541	43.63%
TOTAL ALL EXPENSES:	15,435	11,081	4,353	80,093	70,359	9,734	159,159	88,800	44.21%
NET INCOME (LOSS):	(15,435)	(11,081)	4,353	(80,093)	(70,359)	9,734	(159,159)	(88,800)	44.21%

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LICENSING & MEMBERSHIP RECORDS									
REVENUE:									
STATUS CERTIFICATE FEES	2,192	2,750	558	15,921	16,430	508	26,300	9,870	62.47%
INVESTIGATION FEES	1,822	2,200	378	12,348	10,800	(1,548)	24,000	13,200	45.00%
PRO HAC VICE	22,900	48,090	25,190	137,400	211,138	73,738	274,800	63,662	76.83%
MEMBER CONTACT INFORMATION	399	801	402	8,642	2,403	(6,240)	11,000	8,597	21.84%
PHOTO BAR CARD SALES	-	-	-	174	120	(54)	350	230	34.29%
TOTAL REVENUE:	27,314	53,841	26,528	174,486	240,890	66,404	336,450	95,560	71.60%
DIRECT EXPENSES:									
DEPRECIATION	96	-	96	576	1,151	(575)	1,151	0	99.98%
POSTAGE	7,915	10,134	(2,219)	12,422	16,342	(3,920)	18,300	1,958	89.30%
LICENSING FORMS	-	-	-	2,500	2,845	(345)	2,500	(345)	113.81%
TOTAL DIRECT EXPENSES:	8,011	10,134	(2,123)	15,498	20,338	(4,840)	21,951	1,613	92.65%
INDIRECT EXPENSES:									
SALARY EXPENSE (3.80 FTE)	29,662	30,685	(1,023)	176,380	179,683	(3,303)	343,552	163,869	52.30%
BENEFITS EXPENSE	10,572	10,115	457	63,698	60,655	3,043	127,131	66,476	47.71%
OTHER INDIRECT EXPENSE	8,634	6,777	1,857	55,498	53,494	2,003	113,066	59,572	47.31%
TOTAL INDIRECT EXPENSES:	48,868	47,577	1,291	295,576	293,832	1,744	583,749	289,917	50.34%
TOTAL ALL EXPENSES:	56,879	57,712	(833)	311,074	314,170	(3,096)	605,700	291,530	51.87%
NET INCOME (LOSS):	(29,565)	(3,871)	25,695	(136,588)	(73,279)	63,308	(269,250)	(195,971)	27.22%

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LIMITED LICENSE LEGAL TECHNICIAN PROGRAM									
REVENUE:									
SEMINAR REGISTRATIONS	114	-	(114)	341	796	455	1,750	954	45.49%
LLLT LICENSE FEES	1,082	769	(312)	5,615	4,051	(1,564)	10,905	6,854	37.14%
LLLT LATE LICENSE FEES	-	-	-	412	206	(206)	412	206	50.02%
INVESTIGATION FEES	-	-	-	133	-	(133)	300	300	0.00%
LLLT EXAM FEES	413	7,650	7,237	5,417	15,150	9,733	9,600	(5,550)	157.81%
LLLT WAIVER FEES	-	300	300	-	300	300	300	-	100.00%
TOTAL REVENUE:	1,608	8,719	7,111	11,918	20,503	8,585	23,267	2,764	88.12%
DIRECT EXPENSES:									
STAFF TRAVEL/PARKING	-	-	-	49	-	49	200	200	0.00%
LLLT BOARD	-	-	-	2,765	-	2,765	7,000	7,000	0.00%
LLLT OUTREACH	-	-	-	468	-	468	1,000	1,000	0.00%
LLLT EXAM WRITING	-	1,413	(1,413)	-	1,413	(1,413)	-	(1,413)	
LICENSING FORMS	-	-	-	-	-	-	3	3	0.00%
TOTAL DIRECT EXPENSES:	-	1,413	(1,413)	3,282	1,413	1,869	8,203	6,791	17.22%
INDIRECT EXPENSES:									
SALARY EXPENSE (1.00 FTE)	5,249	4,124	1,125	31,037	25,756	5,281	62,533	36,777	41.19%
BENEFITS EXPENSE	1,952	1,858	94	11,844	11,157	688	23,558	12,401	47.36%
OTHER INDIRECT EXPENSE	2,272	1,793	480	14,605	14,149	456	29,754	15,605	47.55%
TOTAL INDIRECT EXPENSES:	9,474	7,774	1,699	57,486	51,062	6,425	115,845	64,783	44.08%
TOTAL ALL EXPENSES:	9,474	9,187	287	60,768	52,474	8,294	124,048	71,574	42.30%
NET INCOME (LOSS):	(7,865)	(467)	7,398	(48,850)	(31,972)	16,879	(100,781)	(68,809)	31.72%

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50.00% OF YEAR COMPLETE

	MONTHLY BUDGET vs. ACTUAL			YEAR TO DATE BUDGET vs. ACTUAL			ANNUAL BUDGET COMPARISON		
	FISCAL 2021 BUDGET CURRENT MONTH	CURRENT MONTH ACTUAL	MONTHLY VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE	FISCAL 2021 BUDGET ANNUAL	REMAINING BALANCE OF YEAR	% USED OF ANNUAL BUDGET
LIMITED PRACTICE OFFICERS									
REVENUE:									
INVESTIGATION FEES	-	100	100	151	700	549	1,000	300	70.00%
LPO EXAMINATION FEES	1,979	10,600	8,621	10,302	20,600	10,298	18,400	(2,200)	111.96%
LPO LICENSE FEES	14,618	15,315	697	85,713	87,270	1,557	171,400	84,130	50.92%
LPO LATE LICENSE FEES	-	-	-	865	-	(865)	4,500	4,500	0.00%
LPO LICENSE FEES - REINSTATES	-	200	200	-	200	200	-	(200)	
TOTAL REVENUE:	16,597	26,215	9,618	97,032	108,770	11,739	195,300	86,530	55.69%
DIRECT EXPENSES:									
FACILITY, PARKING, FOOD	-	-	-	-	-	-	100	100	0.00%
EXAM WRITING	4,875	4,875	-	4,875	4,875	-	9,750	4,875	50.00%
ONLINE LEGAL RESEARCH	151	153	(3)	453	763	(311)	1,672	909	45.65%
LAW LIBRARY	183	268	(85)	549	1,621	(1,072)	3,663	2,042	44.26%
LPO BOARD	187	-	187	996	4	992	3,000	2,996	0.15%
LPO OUTREACH	-	-	-	34	-	34	4,000	4,000	0.00%
PRINTING & COPYING	-	-	-	100	-	100	100	100	0.00%
STAFF TRAVEL/PARKING	62	-	62	62	-	62	500	500	0.00%
TOTAL DIRECT EXPENSES:	5,458	5,296	162	7,069	7,264	(195)	22,785	15,521	31.88%
INDIRECT EXPENSES:									
SALARY EXPENSE (0.50 FTE)	2,454	2,537	(83)	14,512	15,106	(594)	29,238	14,132	51.66%
BENEFITS EXPENSE	921	875	46	5,592	5,253	340	11,115	5,862	47.26%
OTHER INDIRECT EXPENSE	1,136	884	252	7,302	6,978	325	14,877	7,899	46.90%
TOTAL INDIRECT EXPENSES:	4,511	4,296	215	27,406	27,336	70	55,230	27,894	49.49%
TOTAL ALL EXPENSES:	9,969	9,592	377	34,475	34,600	(124)	78,015	43,415	44.35%
NET INCOME (LOSS):	6,628	16,623	9,995	62,556	74,171	11,615	117,285	43,114	63.24%

Washington State Bar Association
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	MONTHLY BUDGET vs. ACTUAL			YEAR TO DATE BUDGET vs. ACTUAL			ANNUAL BUDGET COMPARISON		
	FISCAL 2021 BUDGET CURRENT MONTH	CURRENT MONTH ACTUAL	MONTHLY VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE	FISCAL 2021 BUDGET ANNUAL	REMAINING BALANCE OF YEAR	% USED OF ANNUAL BUDGET
MEMBER ASSISTANCE PROGRAM									
REVENUE:									
DIVERSIONS	-	1,500	1,500	6,000	5,676	(324)	8,000	2,324	70.95%
TOTAL REVENUE:	-	1,500	1,500	6,000	5,676	(324)	8,000	2,324	70.95%
DIRECT EXPENSES:									
STAFF MEMBERSHIP DUES	-	-	-	-	-	-	225	225	0.00%
PROF LIAB INSURANCE	-	-	-	811	825	(14)	850	25	97.06%
TOTAL DIRECT EXPENSES:	-	-	-	811	825	(14)	1,075	250	76.74%
INDIRECT EXPENSES:									
SALARY EXPENSE (0.50 FTE)	4,394	4,606	(212)	25,979	27,008	(1,028)	52,342	25,335	51.60%
BENEFITS EXPENSE	2,052	1,964	88	12,308	11,769	539	24,619	12,850	47.80%
OTHER INDIRECT EXPENSE	1,136	884	252	7,302	6,978	325	14,877	7,899	46.90%
TOTAL INDIRECT EXPENSES:	7,582	7,454	128	45,590	45,754	(164)	91,838	46,084	49.82%
TOTAL ALL EXPENSES:	7,582	7,454	128	46,401	46,579	(178)	92,913	46,334	50.13%
NET INCOME (LOSS):	(7,582)	(5,954)	1,628	(40,401)	(40,903)	(502)	(84,913)	(44,010)	48.17%

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	MONTHLY BUDGET vs. ACTUAL			YEAR TO DATE BUDGET vs. ACTUAL			ANNUAL BUDGET COMPARISON		
	FISCAL 2021 BUDGET CURRENT MONTH	CURRENT MONTH ACTUAL	MONTHLY VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE	FISCAL 2021 BUDGET ANNUAL	REMAINING BALANCE OF YEAR	% USED OF ANNUAL BUDGET
MEMBERSHIP BENEFITS									
REVENUE:									
SPONSORSHIPS	-	-	-	1,358	-	(1,358)	9,000	9,000	0.00%
INTERNET SALES	-	392	392	-	4,361	4,361	19,000	14,639	22.95%
TOTAL REVENUE:	-	392	392	1,358	4,361	3,003	28,000	23,639	15.58%
DIRECT EXPENSES:									
TRANSCRIPTION SERVICES	-	-	-	-	-	-	1,500	1,500	0.00%
CONFERENCE CALLS	-	-	-	2,000	-	2,000	2,000	2,000	0.00%
LEGAL LUNCHBOX SPEAKERS & PROGRAM	167	1,321	(1,155)	1,000	1,321	(321)	2,000	679	66.06%
WSBA CONNECTS	10,347	10,440	(93)	37,938	31,040	6,898	46,560	15,520	66.67%
CASEMAKER & FASTCASE	5,558	-	5,558	106,410	98,394	8,016	136,436	38,042	72.12%
TOTAL DIRECT EXPENSES:	16,071	11,761	4,310	147,348	130,755	16,592	188,496	57,741	69.37%
INDIRECT EXPENSES:									
SALARY EXPENSE (1.16 FTE)	6,522	6,991	(469)	38,562	38,781	(219)	77,694	38,913	49.92%
BENEFITS EXPENSE	1,868	1,781	86	11,374	10,703	672	22,582	11,879	47.39%
OTHER INDIRECT EXPENSE	2,636	2,063	573	16,941	16,281	661	34,515	18,234	47.17%
TOTAL INDIRECT EXPENSES:	11,025	10,835	191	66,878	65,764	1,114	134,790	69,026	48.79%
TOTAL ALL EXPENSES:	27,096	22,596	4,500	214,226	196,520	17,706	323,286	126,767	60.79%
NET INCOME (LOSS):	(27,096)	(22,204)	4,892	(212,867)	(192,159)	20,709	(295,286)	(103,128)	65.08%

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	FISCAL 2021 BUDGET CURRENT MONTH	CURRENT MONTH ACTUAL	MONTHLY VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE	FISCAL 2021 BUDGET ANNUAL	REMAINING BALANCE OF YEAR	% USED OF ANNUAL BUDGET
MANDATORY CONTINUING LEGAL EDUCATION									
REVENUE:									
ACCREDITED PROGRAM FEES	40,000	61,000	21,000	240,000	278,600	38,600	480,000	201,400	58.04%
FORM 1 LATE FEES	12,500	25,350	12,850	75,000	119,150	44,150	150,000	30,850	79.43%
MEMBER LATE FEES	225	296	71	1,350	2,246	896	2,700	454	83.19%
ANNUAL ACCREDITED SPONSOR FEES	-	250	250	42,250	42,500	250	42,250	(250)	100.59%
ATTENDANCE LATE FEES	6,667	10,850	4,183	40,000	62,350	22,350	80,000	17,650	77.94%
COMITY CERTIFICATES	265	1,500	1,235	12,377	10,287	(2,090)	13,000	2,713	79.13%
TOTAL REVENUE:	59,656	99,246	39,590	410,977	515,134	104,156	767,950	252,816	67.08%
DIRECT EXPENSES:									
DEPRECIATION	11,920	5,532	6,388	71,522	109,864	(38,341)	143,045	33,181	76.80%
STAFF MEMBERSHIP DUES	-	-	-	500	-	500	500	500	0.00%
ONLINE LEGAL RESEARCH	186	153	33	558	763	(206)	1,672	909	45.65%
LAW LIBRARY	17	11	6	50	67	(16)	150	84	44.27%
MCLE BOARD	-	-	-	1,300	-	1,300	2,600	2,600	0.00%
STAFF TRAVEL/PARKING	4	-	4	25	-	25	50	50	0.00%
TOTAL DIRECT EXPENSES:	12,127	5,696	6,431	73,955	110,694	(36,738)	148,018	37,324	74.78%
INDIRECT EXPENSES:									
SALARY EXPENSE (3.80 FTE)	20,010	22,109	(2,098)	146,659	127,093	19,566	266,722	139,629	47.65%
BENEFITS EXPENSE	7,800	7,421	378	47,236	44,522	2,714	94,034	49,512	47.35%
OTHER INDIRECT EXPENSE	8,634	6,777	1,857	55,498	53,494	2,004	113,066	59,572	47.31%
TOTAL INDIRECT EXPENSES:	36,444	36,307	137	249,392	225,109	24,283	473,822	248,713	47.51%
TOTAL ALL EXPENSES:	48,571	42,004	6,568	323,348	335,803	(12,455)	621,840	286,037	54.00%
NET INCOME (LOSS):	11,085	57,243	46,157	87,629	179,331	91,701	146,110	(33,220)	122.74%

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	FISCAL 2021 BUDGET CURRENT MONTH	CURRENT MONTH ACTUAL	MONTHLY VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE	FISCAL 2021 BUDGET ANNUAL	REMAINING BALANCE OF YEAR	% USED OF ANNUAL BUDGET
MEMBER SERVICES & ENGAGEMENT									
REVENUE:									
ROYALTIES	10,288.30	12,092.69	1,804.39	26,426.37	34,308.49	7,882.12	49,250.00	14,941.51	69.66%
NMP PRODUCT SALES	2,823	1,624	(1,199)	59,331	9,608	(49,723)	80,000	70,392	12.01%
SEMINAR REGISTRATIONS	3,090	(17,169)	(20,259)	6,398	25	(6,373)	15,000	14,975	0.17%
TRIAL ADVOCACY PROGRAM	-	-	-	-	-	-	10,000	10,000	0.00%
TOTAL REVENUE:	16,202	(3,452)	(19,654)	92,155	43,941	(48,214)	154,250	110,309	28.49%
DIRECT EXPENSES:									
STAFF TRAVEL/PARKING	208	-	208	1,250	-	1,250	2,500	2,500	0.00%
SUBSCRIPTIONS	42	32	10	250	92	159	500	408	18.30%
CONFERENCE CALLS	-	-	-	35	-	35	300	300	0.00%
YLL SECTION PROGRAM	-	30	(30)	948	800	148	1,500	700	53.33%
WYLC CLE COMPS	-	-	-	-	-	-	1,000	1,000	0.00%
WYLC OUTREACH EVENTS	-	-	-	150	-	150	2,500	2,500	0.00%
WYL COMMITTEE	153	-	153	9,493	-	9,493	12,500	12,500	0.00%
TRIAL ADVOCACY EXPENSES	-	-	-	0	-	0	5,000	5,000	0.00%
RECEPTION/FORUM EXPENSE	-	-	-	1,699	67	1,632	4,000	3,933	1.67%
WYLC SCHOLARSHIPS/DONATIONS/GRANT	1,212	-	1,212	1,212	-	1,212	5,000	5,000	0.00%
STAFF MEMBERSHIP DUES	-	-	-	148	-	148	490	490	0.00%
LENDING LIBRARY	132	20	112	2,955	60	2,895	6,200	6,140	0.97%
NMP SPEAKERS & PROGRAM DEVELOPMENT	-	-	-	541	-	541	1,500	1,500	0.00%
TOTAL DIRECT EXPENSES:	1,747	82	1,665	18,682	1,018	17,664	42,990	41,972	2.37%
INDIRECT EXPENSES:									
SALARY EXPENSE (4.13 FTE)	24,009	24,371	(362)	141,958	111,407	30,550	286,011	174,604	38.95%
BENEFITS EXPENSE	7,274	6,941	333	44,204	41,690	2,514	87,848	46,158	47.46%
OTHER INDIRECT EXPENSE	9,384	7,366	2,017	60,317	58,146	2,171	122,884	64,738	47.32%
TOTAL INDIRECT EXPENSES:	40,666	38,678	1,988	246,479	211,243	35,236	496,743	285,500	42.53%
TOTAL ALL EXPENSES:	42,413	38,760	3,653	265,160	212,261	52,899	539,733	327,472	39.33%
NET INCOME (LOSS):	(26,211)	(42,212)	(16,001)	(173,005)	(168,320)	4,685	(385,483)	(217,163)	43.66%

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	FISCAL 2021 BUDGET CURRENT MONTH	CURRENT MONTH ACTUAL	MONTHLY VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE	FISCAL 2021 BUDGET ANNUAL	REMAINING BALANCE OF YEAR	% USED OF ANNUAL BUDGET
OFFICE OF THE EXECUTIVE DIRECTOR									
REVENUE:									
TOTAL REVENUE:	-	-	-	-	-	-	-	-	
DIRECT EXPENSES:									
WASHINGTON LEADERSHIP INSTITUTE	6,667	-	6,667	40,000	-	40,000	80,000	80,000	0.00%
ABA DELEGATES	417	-	417	2,500	-	2,500	5,000	5,000	0.00%
SECTION/COMMITTEE CHAIR MTGS	-	-	-	500	-	500	500	500	0.00%
VOLUNTEER SUPPORT	917	-	917	5,500	-	5,500	11,000	11,000	0.00%
BOG ELECTIONS	-	-	-	1	-	1	1	1	0.00%
ED TRAVEL & OUTREACH	417	16	401	2,500	16	2,484	5,000	4,984	0.32%
LAW LIBRARY	15	11	4	120	67	53	150	84	44.27%
STAFF MEMBERSHIP DUES	-	-	-	-	50	(50)	-	(50)	
TOTAL DIRECT EXPENSES:	8,432	27	8,405	51,121	133	50,988	101,651	101,519	0.13%
INDIRECT EXPENSES:									
SALARY EXPENSE (3.00 FTE)	33,547	36,534	(2,987)	198,354	210,707	(12,353)	399,638	188,931	52.72%
BENEFITS EXPENSE	10,743	10,351	392	61,442	58,481	2,961	125,357	66,876	46.65%
OTHER INDIRECT EXPENSE	6,816	5,353	1,463	43,814	42,253	1,561	89,262	47,009	47.34%
TOTAL INDIRECT EXPENSES:	51,106	52,238	(1,132)	303,610	311,441	(7,831)	614,257	302,816	50.70%
TOTAL ALL EXPENSES:	59,538	52,265	7,273	354,731	311,574	43,157	715,908	404,335	43.52%
NET INCOME (LOSS):	(59,538)	(52,265)	7,273	(354,731)	(311,574)	43,157	(715,908)	(404,335)	43.52%

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OFFICE OF GENERAL COUNSEL									
REVENUE:									
COPY FEES	-	-	-	-	117	117	-	(117)	
RECORDS REQUEST FEES	-	540	540	-	540	540	-	(540)	
TOTAL REVENUE:	-	540	540	-	657	657	-	(657)	
DIRECT EXPENSES:									
DEPRECIATION	139	-	139	834	-	834	1,668	1,668	0.00%
STAFF TRAVEL/PARKING	8	-	8	50	-	50	100	100	0.00%
STAFF MEMBERSHIP DUES	-	-	-	1,500	25	1,475	1,500	1,475	1.67%
ONLINE LEGAL RESEARCH	1,115	921	194	3,345	4,581	(1,235)	10,034	5,454	45.65%
LAW LIBRARY	-	22	(22)	-	1,826	(1,826)	-	(1,826)	
COURT RULES COMMITTEE	-	29	(29)	1,055	31	1,024	2,250	2,219	1.39%
DISCIPLINE ADVISORY ROUNDTABLE	-	-	-	-	-	-	375	375	0.00%
CUSTODIANSHIPS	-	439	(439)	870	2,189	(1,320)	2,500	311	87.57%
ADMIN HEARINGS	-	-	-	-	7	(7)	-	(7)	
LITIGATION EXPENSES	21	-	21	125	-	125	250	250	0.00%
SUPPLIES	-	-	-	-	0	(0)	-	(0)	
CONFERENCE CALLS	-	-	-	-	17	(17)	-	(17)	
TOTAL DIRECT EXPENSES:	1,283	1,411	(127)	7,779	8,677	(898)	18,677	10,000	46.46%
INDIRECT EXPENSES:									
SALARY EXPENSE (6.38 FTE)	50,179	47,157	3,023	296,695	270,165	26,530	597,771	327,606	45.20%
BENEFITS EXPENSE	13,817	13,276	541	82,022	77,876	4,146	164,926	87,050	47.22%
OTHER INDIRECT EXPENSE	14,490	11,393	3,097	93,141	89,932	3,209	189,757	99,825	47.39%
TOTAL INDIRECT EXPENSES:	78,487	71,826	6,660	471,858	437,973	33,885	952,454	514,481	45.98%
TOTAL ALL EXPENSES:	79,770	73,237	6,533	479,637	446,650	32,987	971,131	524,481	45.99%
NET INCOME (LOSS):	(79,770)	(72,697)	7,073	(479,637)	(445,993)	33,644	(971,131)	(525,138)	45.93%

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OFFICE OF GENERAL COUNSEL - DISCIPLINARY BOARD									
REVENUE:									
TOTAL REVENUE:	-	-	-	-	-	-	-	-	
DIRECT EXPENSES:									
STAFF MEMBERSHIP DUES	-	-	-	100	-	100	100	100	0.00%
LAW LIBRARY	-	67	(67)	-	402	(402)	-	(402)	
DISCIPLINARY BOARD EXPENSES	28	10	18	388	143	245	1,500	1,357	9.52%
CHIEF HEARING OFFICER	2,619	2,500	119	15,714	15,000	714	33,000	18,000	45.45%
HEARING OFFICER EXPENSES	(129)	-	(129)	1,500	-	1,500	1,500	1,500	0.00%
HEARING OFFICER TRAINING	-	-	-	229	-	229	550	550	0.00%
OUTSIDE COUNSEL	4,252	4,000	252	25,764	24,000	1,764	55,000	31,000	43.64%
TOTAL DIRECT EXPENSES:	6,770	6,577	194	43,696	39,545	4,150	91,650	52,105	43.15%
INDIRECT EXPENSES:									
SALARY EXPENSE (1.30 FTE)	7,840	8,217	(376)	46,357	49,001	(2,645)	93,398	44,397	52.46%
BENEFITS EXPENSE	2,710	2,586	123	16,307	15,404	904	32,566	17,163	47.30%
OTHER INDIRECT EXPENSE	2,954	2,333	621	18,986	18,413	573	38,680	20,267	47.60%
TOTAL INDIRECT EXPENSES:	13,504	13,136	368	81,650	82,818	(1,167)	164,644	81,827	50.30%
TOTAL ALL EXPENSES:	20,274	19,712	562	125,346	122,363	2,983	256,294	133,931	47.74%
NET INCOME (LOSS):	(20,274)	(19,712)	562	(125,346)	(122,363)	2,983	(256,294)	(133,931)	47.74%

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OUTREACH & ENGAGEMENT									
REVENUE:									
TOTAL REVENUE:	-	-	-	-	-	-	-	-	
DIRECT EXPENSES:									
STAFF TRAVEL/PARKING	117	-	117	700	-	700	1,400	1,400	0.00%
STAFF MEMBERSHIP DUES	-	-	-	-	-	-	1,152	1,152	0.00%
ABA DELEGATES	948	-	948	1,896	-	1,896	5,600	5,600	0.00%
ANNUAL CHAIR MEETINGS	-	-	-	541	-	541	600	600	0.00%
JUDICIAL RECOMMENDATIONS COMMITTEE	375	-	375	2,250	-	2,250	4,500	4,500	0.00%
BAR OUTREACH	1,250	-	1,250	7,500	522	6,978	15,000	14,478	3.48%
TOTAL DIRECT EXPENSES:	2,690	-	2,690	12,887	522	12,365	28,252	27,730	1.85%
INDIRECT EXPENSES:									
SALARY EXPENSE (2.00 FTE)	12,549	9,797	2,752	74,200	69,316	4,883	149,495	80,178	46.37%
BENEFITS EXPENSE	4,313	4,119	194	26,101	24,721	1,380	51,981	27,260	47.56%
OTHER INDIRECT EXPENSE	4,544	3,560	984	29,209	28,104	1,105	59,508	31,404	47.23%
TOTAL INDIRECT EXPENSES:	21,407	17,477	3,929	129,510	122,141	7,369	260,983	138,843	46.80%
TOTAL ALL EXPENSES:	24,096	17,477	6,619	142,397	122,663	19,734	289,235	166,573	42.41%
NET INCOME (LOSS):	(24,096)	(17,477)	6,619	(142,397)	(122,663)	19,734	(289,235)	(166,573)	42.41%

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	FISCAL 2021 BUDGET CURRENT MONTH	CURRENT MONTH ACTUAL	MONTHLY VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE	FISCAL 2021 BUDGET ANNUAL	REMAINING BALANCE OF YEAR	% USED OF ANNUAL BUDGET
PRACTICE OF LAW BOARD									
REVENUE:									
TOTAL REVENUE:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
DIRECT EXPENSES:									
PRACTICE OF LAW BOARD	139	-	139	2,651	-	2,651	9,000	9,000	0.00%
TOTAL DIRECT EXPENSES:	<u>139</u>	<u>-</u>	<u>139</u>	<u>2,651</u>	<u>-</u>	<u>2,651</u>	<u>9,000</u>	<u>9,000</u>	<u>0.00%</u>
INDIRECT EXPENSES:									
SALARY EXPENSE (0.15 FTE)	2,200	2,307	(107)	13,005	13,300	(295)	26,203	12,903	50.76%
BENEFITS EXPENSE	543	528	16	2,949	2,800	149	6,209	3,409	45.09%
OTHER INDIRECT EXPENSE	341	270	71	2,191	2,132	59	4,463	2,331	47.77%
TOTAL INDIRECT EXPENSES:	<u>3,084</u>	<u>3,104</u>	<u>(20)</u>	<u>18,145</u>	<u>18,232</u>	<u>(87)</u>	<u>36,875</u>	<u>18,643</u>	<u>49.44%</u>
TOTAL ALL EXPENSES:	<u>3,223</u>	<u>3,104</u>	<u>119</u>	<u>20,796</u>	<u>18,232</u>	<u>2,564</u>	<u>45,875</u>	<u>27,643</u>	<u>39.74%</u>
NET INCOME (LOSS):	<u>(3,223)</u>	<u>(3,104)</u>	<u>119</u>	<u>(20,796)</u>	<u>(18,232)</u>	<u>2,564</u>	<u>(45,875)</u>	<u>(27,643)</u>	<u>39.74%</u>

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PROFESSIONAL RESPONSIBILITY PROGRAM									
REVENUE:									
TOTAL REVENUE:	-	-	-	-	-	-	-	-	
DIRECT EXPENSES:									
STAFF TRAVEL/PARKING	250	-	250	1,500	-	1,500	3,000	3,000	0.00%
STAFF MEMBERSHIP DUES	31	-	31	188	250	(63)	375	125	66.67%
LAW LIBRARY	-	45	(45)	-	269	(269)	-	(269)	
CPE COMMITTEE	-	-	-	1,977	31	1,945	3,750	3,719	0.84%
TOTAL DIRECT EXPENSES:	281	45	237	3,664	551	3,114	7,125	6,574	7.73%
INDIRECT EXPENSES:									
SALARY EXPENSE (1.69 FTE)	13,521	14,922	(1,400)	79,948	87,547	(7,599)	161,077	73,530	54.35%
BENEFITS EXPENSE	5,438	5,206	232	32,645	31,143	1,502	65,273	34,130	47.71%
OTHER INDIRECT EXPENSE	3,845	3,020	825	24,718	23,840	879	50,359	26,519	47.34%
TOTAL INDIRECT EXPENSES:	22,805	23,148	(343)	137,312	142,530	(5,218)	276,709	134,179	51.51%
TOTAL ALL EXPENSES:	23,086	23,193	(107)	140,976	143,081	(2,105)	283,834	140,753	50.41%
NET INCOME (LOSS):	(23,086)	(23,193)	(106)	(140,976)	(143,081)	(2,105)	(283,834)	(140,753)	50.41%

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PUBLIC SERVICE PROGRAMS									
REVENUE:									
DONATIONS & GRANTS	-	-	-	130,000.00	103,000.00	(27,000.00)	130,000.00	27,000.00	79.23%
PSP PRODUCT SALES	-	-	-	132	-	(132)	200	200	0.00%
TOTAL REVENUE:	-	-	-	130,132	103,000	(27,132)	130,200	27,200	79.11%
DIRECT EXPENSES:									
DONATIONS/SPONSORSHIPS/GRANTS	19,433	-	19,433	116,597	-	116,597	233,193	233,193	0.00%
STAFF TRAVEL/PARKING	167	-	167	1,000	-	1,000	2,000	2,000	0.00%
PRO BONO & PUBLIC SERVICE COMMITTEE	233	-	233	1,100	46	1,054	2,500	2,454	1.84%
PUBLIC SERVICE EVENTS AND PROJECTS	-	-	-	-	-	-	27,000	27,000	0.00%
PRO BONO CERTIFICATES	317	-	317	1,900	-	1,900	3,800	3,800	0.00%
TOTAL DIRECT EXPENSES:	20,149	-	20,149	120,597	46	120,551	268,493	268,447	0.02%
INDIRECT EXPENSES:									
SALARY EXPENSE (1.00 FTE)	6,104	3,356	2,748	36,089	37,274	(1,185)	72,710	35,436	51.26%
BENEFITS EXPENSE	2,112	2,016	96	12,785	12,100	685	25,457	13,357	47.53%
OTHER INDIRECT EXPENSE	2,272	1,793	480	14,605	14,149	456	29,754	15,605	47.55%
TOTAL INDIRECT EXPENSES:	10,488	7,164	3,323	63,479	63,523	(44)	127,921	64,398	49.66%
TOTAL ALL EXPENSES:	30,637	7,164	23,473	184,075	63,569	120,507	396,414	332,845	16.04%
NET INCOME (LOSS):	(30,637)	(7,164)	23,473	(53,943)	39,431	93,374	(266,214)	(305,645)	-14.81%

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PUBLICATION & DESIGN SERVICES									
REVENUE:									
TOTAL REVENUE:	-	-	-	-	-	-	-	-	
DIRECT EXPENSES:									
EQUIPMENT, HARDWARE & SOFTWARE	25	-	25	150	-	150	300	300	0.00%
SUBSCRIPTIONS	17	-	17	100	200	(100)	200	0	99.99%
SUPPLIES	13	-	13	75	-	75	150	150	0.00%
IMAGE LIBRARY	-	-	-	4,744	4,100	644	5,080	980	80.71%
TOTAL DIRECT EXPENSES:	54	-	54	5,069	4,300	769	5,730	1,430	75.04%
INDIRECT EXPENSES:									
SALARY EXPENSE (0.87 FTE)	4,529	4,746	(217)	26,779	28,181	(1,403)	53,952	25,771	52.23%
BENEFITS EXPENSE	1,574	1,497	76	9,562	8,993	569	19,005	10,012	47.32%
OTHER INDIRECT EXPENSE	1,977	1,547	430	12,706	12,211	495	25,886	13,675	47.17%
TOTAL INDIRECT EXPENSES:	8,079	7,790	289	49,046	49,385	(339)	98,843	49,458	49.96%
TOTAL ALL EXPENSES:	8,134	7,790	344	54,116	53,685	431	104,573	50,888	51.34%
NET INCOME (LOSS):	(8,134)	(7,790)	344	(54,116)	(53,685)	431	(104,573)	(50,888)	51.34%

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REGULATORY SERVICES FTE									
INDIRECT EXPENSES:									
SALARY EXPENSE (2.70 FTE)	27,832	19,388	8,444	164,561	112,340	52,220	331,552	219,212	33.88%
BENEFITS EXPENSE	7,873	7,593	280	47,361	45,520	1,841	94,598	49,078	48.12%
OTHER INDIRECT EXPENSE	6,135	4,813	1,322	39,433	37,989	1,444	80,336	42,348	47.29%
TOTAL INDIRECT EXPENSES:	41,839	31,794	10,046	251,354	195,849	55,505	506,486	310,637	38.67%
NET INCOME (LOSS):	(41,839)	(31,794)	10,046	(251,354)	(195,849)	55,505	(506,486)	(310,637)	38.67%

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SERVICE CENTER									
REVENUE:									
TOTAL REVENUE:	-	-	-	-	-	-	-	-	
DIRECT EXPENSES:									
TRANSLATION SERVICES	650	300	350	4,600	2,749	1,851	8,500	5,751	32.34%
TOTAL DIRECT EXPENSES:	650	300	350	4,600	2,749	1,851	8,500	5,751	32.34%
INDIRECT EXPENSES:									
SALARY EXPENSE (6.71 FTE)	31,234	29,231	2,002	194,339	177,639	16,700	381,740	204,101	46.53%
BENEFITS EXPENSE	12,921	12,265	657	78,426	73,647	4,779	155,954	82,307	47.22%
OTHER INDIRECT EXPENSE	15,245	11,983	3,263	97,997	94,584	3,413	199,650	105,066	47.37%
TOTAL INDIRECT EXPENSES:	59,400	53,478	5,922	370,762	345,870	24,892	737,344	391,474	46.91%
TOTAL ALL EXPENSES:	60,050	53,779	6,272	375,362	348,619	26,743	745,844	397,225	46.74%
NET INCOME (LOSS):	(60,050)	(53,779)	6,272	(375,362)	(348,619)	26,743	(745,844)	(397,225)	46.74%

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SECTIONS ADMINISTRATION									
REVENUE:									
REIMBURSEMENTS FROM SECTIONS	3,440	3,891	450	267,029	277,245	10,216	300,000	22,755	92.42%
TOTAL REVENUE:	3,440	3,891	450	267,029	277,245	10,216	300,000	22,755	92.42%
DIRECT EXPENSES:									
STAFF TRAVEL/PARKING	43	-	43	559	-	559	1,740	1,740	0.00%
SUBSCRIPTIONS	34	-	34	205	410	(205)	410	0	99.90%
CONFERENCE CALLS	-	-	-	13	8	5	300	292	2.81%
MISCELLANEOUS	-	-	-	-	-	-	300	300	0.00%
SECTION/COMMITTEE CHAIR MTGS	-	-	-	457	-	457	1,000	1,000	0.00%
DUES STATEMENTS	-	-	-	5,866	5,935	(69)	6,000	65	98.92%
STAFF MEMBERSHIP DUES	-	-	-	-	-	-	125	125	0.00%
TOTAL DIRECT EXPENSES:	77	-	77	7,100	6,353	747	9,875	3,522	64.33%
INDIRECT EXPENSES:									
SALARY EXPENSE (2.68 FTE)	13,661	11,084	2,578	80,776	82,661	(1,885)	162,744	80,083	50.79%
BENEFITS EXPENSE	3,834	3,648	186	23,424	21,930	1,494	46,430	24,500	47.23%
OTHER INDIRECT EXPENSE	6,089	4,788	1,301	39,140	37,795	1,346	79,741	41,946	47.40%
TOTAL INDIRECT EXPENSES:	23,585	19,520	4,065	143,340	142,386	955	288,915	146,529	49.28%
TOTAL ALL EXPENSES:	23,662	19,520	4,142	150,440	148,739	1,701	298,790	150,051	49.78%
NET INCOME (LOSS):	(20,222)	(15,630)	4,592	116,589	128,506	11,917	1,210	(127,296)	10620.36%

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SECTIONS OPERATIONS									
REVENUE:									
SECTION DUES	5,167.93	6,100.00	932.07	398,791.43	433,917.94	35,126.51	439,445.00	5,527.06	98.74%
SEMINAR PROFIT SHARE	721	114,811	114,090	71,029	114,811	43,782	98,364	(16,447)	116.72%
INTEREST INCOME	13	-	(13)	80	-	(80)	1,470	1,470	0.00%
PUBLICATIONS REVENUE	-	-	-	1,827	3,976	2,148	6,000	2,024	66.26%
OTHER	1,293	1,105	(188)	20,957	27,070	6,113	40,500	13,430	66.84%
TOTAL REVENUE:	7,195	122,016	114,821	492,685	579,774	87,089	585,779	6,005	98.97%
DIRECT EXPENSES:									
DIRECT EXPENSES OF SECTION ACTIVITIES	18,504	5,747	12,757	143,669	22,938	120,731	584,594	561,656	3.92%
REIMBURSEMENT TO WSBA FOR INDIRECT I	3,302	3,891	(589)	255,195	277,245	(22,050)	280,573	3,328	98.81%
TOTAL DIRECT EXPENSES:	21,806	9,638	12,169	398,864	300,183	98,681	865,167	564,984	34.70%
NET INCOME (LOSS):	(14,611)	112,378	126,989	93,821	279,592	185,771	(279,388)	(558,980)	-100.07%

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TECHNOLOGY									
REVENUE:									
TOTAL REVENUE:	-	-	-	-	-	-	-	-	
DIRECT EXPENSES:									
CONSULTING SERVICES	9,167	10,910	(1,743)	55,000	44,787	10,213	110,000	65,213	40.72%
STAFF TRAVEL/PARKING	208	-	208	1,250	-	1,250	2,500	2,500	0.00%
STAFF MEMBERSHIP DUES	-	-	-	150	-	150	450	450	0.00%
TELEPHONE	1,450	1,383	67	9,578	7,588	1,990	22,000	14,412	34.49%
COMPUTER HARDWARE	5,000	540	4,460	30,000	18,404	11,596	60,000	41,596	30.67%
COMPUTER SOFTWARE	9,350	73	9,277	56,100	68,636	(12,536)	112,200	43,564	61.17%
HARDWARE SERVICE & WARRANTIES	-	1,524	(1,524)	38,537	20,480	18,056	55,000	34,520	37.24%
SOFTWARE MAINTENANCE & LICENSING	15,179	4,995	10,183	150,902	144,969	5,933	336,600	191,631	43.07%
TELEPHONE HARDWARE & MAINTENANCE	-	350	(350)	427	350	77	7,000	6,650	5.00%
COMPUTER SUPPLIES	833	-	833	5,000	982	4,018	10,000	9,018	9.82%
THIRD PARTY SERVICES	10,833	1,066	9,767	65,000	55,243	9,757	130,000	74,757	42.49%
TRANSFER TO INDIRECT EXPENSES	(52,020)	(20,841)	(31,180)	(411,944)	(361,439)	(50,504)	(845,750)	(484,311)	42.74%
TOTAL DIRECT EXPENSES:	(0)	-	(0)	(0)	-	(0)	-	-	
INDIRECT EXPENSES:									
SALARY EXPENSE (12.00 FTE)	95,113	89,187	5,926	562,557	522,643	39,914	1,120,558	597,915	46.64%
BENEFITS EXPENSE	29,848	28,624	1,224	180,104	171,702	8,402	359,195	187,493	47.80%
CAPITAL LABOR & OVERHEAD	(13,333)	(3,235)	(10,099)	(80,000)	74,715	(154,715)	(160,000)	(234,715)	-46.70%
OTHER INDIRECT EXPENSE	25,974	21,461	4,513	168,502	169,398	(896)	339,721	170,323	49.86%
TOTAL INDIRECT EXPENSES:	137,602	136,038	1,564	831,163	938,458	(107,294)	1,659,474	721,016	56.55%
TOTAL ALL EXPENSES:	137,602	136,038	1,564	831,163	938,458	(107,294)	1,659,474	721,016	56.55%
NET INCOME (LOSS):	(137,602)	(136,038)	1,564	(831,163)	(938,458)	(107,294)	(1,659,474)	(721,016)	56.55%

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INDIRECT EXPENSES:									
SALARIES	985251.89	985,389	(137)	5,825,494	5,754,938	70,556	11,737,007	5,982,069	49.03%
ALLOWANCE FOR OPEN POSITIONS	(16,667)	-	(16,667)	(100,000)	-	(100,000)	(200,000)	(200,000)	0.00%
TEMPORARY SALARIES	11,070	5,376	5,694	109,308	33,894	75,414	162,458	128,564	20.86%
CAPITAL LABOR & OVERHEAD	(13,333)	(3,235)	(10,099)	(80,000)	74,715	(154,715)	(160,000)	(234,715)	-46.70%
EMPLOYEE ASSISTANCE PLAN	448	1,200	(752)	2,688	2,800	(112)	5,376	2,576	52.08%
EMPLOYEE SERVICE AWARDS	152	-	152	910	-	910	1,820	1,820	0.00%
FICA (EMPLOYER PORTION)	61,034	69,231	(8,197)	349,793	405,804	(56,011)	715,455	309,651	56.72%
L&I INSURANCE	4,181	-	4,181	25,085	10,447	14,638	50,169	39,722	20.82%
WA STATE FAMILY MEDICAL LEAVE (EMPLC	1,406	1,354	52	8,436	7,863	572	16,871	9,008	46.61%
FFCRA LEAVE (EMPLOYER PORTION)	-	-	-	-	(1,456)	1,456	-	1,456	-
MEDICAL (EMPLOYER PORTION)	120,388	114,302	6,087	716,434	684,421	32,013	1,438,763	754,342	47.57%
PARKING BENEFITS	-	1,631	(1,631)	-	11,907	(11,907)	-	(11,907)	-
RETIREMENT (EMPLOYER PORTION)	127,679	117,644	10,035	754,918	698,006	56,912	1,520,993	822,986	45.89%
TRANSPORTATION ALLOWANCE	-	-	-	35,620	(23,777)	59,397	35,620	59,397	-66.75%
UNEMPLOYMENT INSURANCE	4,167	574	3,593	25,000	26,383	(1,383)	50,000	23,617	52.77%
STAFF DEVELOPMENT-GENERAL	525	-	525	3,150	-	3,150	6,300	6,300	0.00%
TOTAL SALARY & BENEFITS EXPENSE:	1,286,302	1,293,464	(7,163)	7,676,834	7,685,945	(9,110)	15,380,832	7,694,887	49.97%
WORKPLACE BENEFITS	3,250	650	2,600	19,500	6,567	12,933	39,000	32,433	16.84%
HUMAN RESOURCES POOLED EXP	15,240	7,870	7,370	78,222	64,469	13,753	200,838	136,369	32.10%
MEETING SUPPORT EXPENSES	1,250	160	1,091	5,625	1,132	4,493	13,125	11,993	8.63%
RENT	162,583	147,048	15,535	975,500	1,052,672	(77,172)	1,951,000	898,328	53.96%
PERSONAL PROP TAXES-WSBA	958	527	432	5,750	3,390	2,360	11,500	8,110	29.48%
FURNITURE, MAINT, LH IMP	2,500	453	2,047	15,000	4,772	10,228	30,000	25,228	15.91%
OFFICE SUPPLIES & EQUIPMENT	3,584	5,328	(1,744)	22,495	9,896	12,599	44,000	34,104	22.49%
FURN & OFFICE EQUIP DEPRECIATION	4,294	4,683	(389)	25,766	27,297	(1,531)	51,533	24,236	52.97%
COMPUTER HARDWARE DEPRECIATION	4,315	2,949	1,366	25,891	18,151	7,740	51,782	33,632	35.05%
COMPUTER SOFTWARE DEPRECIATION	11,091	10,417	674	66,545	64,035	2,509	133,089	69,054	48.11%
INSURANCE	16,275	18,810	(2,535)	97,650	111,928	(14,278)	195,300	83,372	57.31%
PROFESSIONAL FEES-AUDIT	-	-	-	46,000	32,000	14,000	46,000	14,000	69.57%
PROFESSIONAL FEES-LEGAL	20,833	9,369	11,465	125,000	74,917	50,083	250,000	175,083	29.97%
TELEPHONE & INTERNET	2,750	6,918	(4,168)	16,500	33,770	(17,270)	33,000	(770)	102.33%
POSTAGE - GENERAL	2,333	1,075	1,258	14,000	7,949	6,051	28,000	20,051	28.39%
RECORDS STORAGE	3,500	1,714	1,786	21,000	12,896	8,104	42,000	29,104	30.71%
STAFF TRAINING	1,776	1,725	51	23,966	8,416	15,550	57,922	49,506	14.53%
BANK FEES	4,208	3,010	1,199	25,250	33,005	(7,755)	50,500	17,495	65.36%
PRODUCTION MAINTENANCE & SUPPLIES	1,000	2,002	(1,002)	6,000	5,492	508	12,000	6,508	45.76%
COMPUTER POOLED EXPENSES	52,020	20,841	31,179	411,943	365,438	46,505	845,750	480,312	43.21%
TOTAL OTHER INDIRECT EXPENSES:	313,762	245,548	68,215	2,027,603	1,938,193	89,410	4,086,339	2,148,146	47.43%
TOTAL INDIRECT EXPENSES:	1,600,064	1,539,012	61,052	9,704,437	9,624,138	80,299	19,467,171	9,843,033	49.44%

Washington State Bar Association
Statement of Activities
For the Period from March 1, 2021 to March 31, 2021
50.00% OF YEAR COMPLETE

	MONTHLY BUDGET vs. ACTUAL			YEAR TO DATE BUDGET vs. ACTUAL			ANNUAL BUDGET COMPARISON	
	FISCAL 2021 BUDGET CURRENT MONTH	CURRENT MONTH ACTUAL	MONTHLY VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE	FISCAL 2021 BUDGET ANNUAL	REMAINING BALANCE OF YEAR
SUMMARY PAGE								
ACCESS TO JUSTICE	(21,907)	(25,360)	(3,453)	(130,917)	(113,105)	17,811	(262,790)	(149,684)
ADMINISTRATION	(86,199)	(90,811)	(4,612)	(498,213)	(556,455)	(58,241)	(985,404)	(428,949)
ADMISSIONS/BAR EXAM	183,336	199,649	16,313	383,302	412,647	29,345	(32,131)	(444,778)
ADVANCEMENT FTE	(19,540)	(19,519)	21	(116,910)	(118,187)	(1,277)	(235,893)	(117,705)
BAR NEWS	(41,362)	(27,406)	13,956	(160,444)	(122,145)	38,299	(326,814)	(204,669)
BOARD OF GOVERNORS	(48,026)	(17,300)	30,726	(289,226)	(133,386)	155,840	(617,037)	(483,651)
CLE - PRODUCTS	50,024	4,885	(45,139)	299,248	127,241	(172,007)	598,785	471,544
CLE - SEMINARS	(33,760)	11,324	45,084	(305,158)	(132,960)	172,198	(491,795)	(358,835)
CLIENT PROTECTION FUND	19,459	(26,446)	(45,905)	240,211	302,840	62,629	(128,559)	(431,399)
COMMUNICATIONS	(40,511)	(37,711)	2,800	(256,095)	(234,005)	22,090	(529,932)	(295,928)
COMMUNICATIONS FTE	(18,480)	(18,394)	86	(110,222)	(110,408)	(186)	(222,622)	(112,214)
DESKBOOKS	(13,781)	(30,498)	(16,716)	(83,210)	(88,210)	(5,000)	(169,149)	(80,940)
DISCIPLINE	(485,736)	(449,397)	36,339	(2,922,399)	(2,854,110)	68,289	(5,923,354)	(3,069,243)
DIVERSITY	(17,680)	(19,352)	(1,672)	(106,403)	18,178	124,581	(216,856)	(235,034)
FOUNDATION	(10,121)	(9,827)	293	(65,647)	(64,323)	1,325	(134,526)	(70,203)
HUMAN RESOURCES	(37,788)	(37,782)	6	(228,051)	(205,473)	22,578	(458,623)	(253,150)
LAW CLERK PROGRAM	(4,255)	9,926	14,181	107,046	121,973	14,926	87,222	(34,751)
LEGISLATIVE	(15,435)	(11,081)	4,353	(80,093)	(70,359)	9,734	(159,159)	(88,800)
LICENSE FEES	1,374,217	1,480,452	106,235	8,601,582	8,414,480	(187,103)	16,531,113	8,116,633
LICENSING AND MEMBERSHIP	(29,565)	(3,871)	25,695	(136,588)	(73,279)	63,308	(269,250)	(195,971)
LIMITED LICENSE LEGAL TECHNICIAN	(7,865)	(467)	7,398	(48,850)	(31,972)	16,879	(100,781)	(68,809)
LIMITED PRACTICE OFFICERS	6,628	16,623	9,995	62,556	74,171	11,615	117,285	43,114
MANDATORY CLE ADMINISTRATION	11,085	57,243	46,157	87,629	179,331	91,701	146,110	(33,220)
MEMBER ASSISTANCE PROGRAM	(7,582)	(5,954)	1,628	(40,401)	(40,903)	(502)	(84,913)	(44,010)
MEMBER BENEFITS	(27,096)	(22,204)	4,892	(212,867)	(192,159)	20,709	(295,286)	(103,128)
MEMBER SERVICES & ENGAGEMENT	(26,211)	(42,212)	(16,001)	(173,005)	(168,320)	4,685	(385,483)	(217,163)
OFFICE OF GENERAL COUNSEL	(79,770)	(72,697)	7,073	(479,637)	(445,993)	33,644	(971,131)	(525,138)
OFFICE OF THE EXECUTIVE DIRECTOR	(59,538)	(52,265)	7,273	(354,731)	(311,574)	43,157	(715,908)	(404,335)
OGC-DISCIPLINARY BOARD	(20,274)	(19,712)	562	(125,346)	(122,363)	2,983	(256,294)	(133,931)
OUTREACH & ENGAGEMENT	(24,096)	(17,477)	6,619	(142,397)	(122,663)	19,734	(289,235)	(166,573)
PRACTICE OF LAW BOARD	(3,223)	(3,104)	119	(20,796)	(18,232)	2,564	(45,875)	(27,643)
PROFESSIONAL RESPONSIBILITY PROGRAM	(23,086)	(23,193)	(106)	(140,976)	(143,081)	(2,105)	(283,834)	(140,753)
PUBLIC SERVICE PROGRAMS	(30,637)	(7,164)	23,473	(53,943)	39,431	93,374	(266,214)	(305,645)
PUBLICATION & DESIGN SERVICES	(8,134)	(7,790)	344	(54,116)	(53,685)	431	(104,573)	(50,888)
REGULATORY SERVICES FTE	(41,839)	(31,794)	10,046	(251,354)	(195,849)	55,505	(506,486)	(310,637)
SECTIONS ADMINISTRATION	(20,222)	(15,630)	4,592	116,589	128,506	11,917	1,210	(127,296)
SECTIONS OPERATIONS	(14,611)	112,378	126,989	93,821	279,592	185,771	(279,388)	(558,980)
SERVICE CENTER	(60,050)	(53,779)	6,272	(375,362)	(348,619)	26,743	(745,844)	(397,225)
TECHNOLOGY	(137,602)	(136,038)	1,564	(831,163)	(938,458)	(107,294)	(1,659,474)	(721,016)
INDIRECT EXPENSES	(1,600,064)	(1,539,012)	61,052	(9,704,437)	(9,624,138)	80,299	(19,467,171)	(9,843,033)
TOTAL OF ALL	(1,471,299)	(982,767)	488,532	(8,506,972)	(7,536,022)	970,950	(20,140,059)	(12,604,037)
NET INCOME (LOSS)	128,765	556,245	427,480	1,197,466	2,088,116	890,650	(672,889)	(2,761,004)

Washington State Bar Association Financial Summary
Compared to Fiscal Year 2021 Budget
For the Period from March 1, 2021 to March 31, 2021

Category	Actual Revenues	Budgeted Revenues	Actual Indirect Expenses	Budgeted Indirect Expenses	Actual Direct Expenses	Budgeted Direct Expenses	Actual Total Expenses	Budgeted Total Expenses	Actual Net Result	Budgeted Net Result
Access to Justice	-	-	107,604	205,966	5,501	56,824	113,105	262,790	(113,105)	(262,790)
Administration	2,582	100,000	551,609	1,070,204	7,428	15,200	559,037	1,085,404	(556,455)	(985,404)
Admissions/Bar Exam	856,385	1,134,375	402,293	847,813	41,445	318,693	443,737	1,166,506	412,647	(32,131)
Advancement FTE	-	-	118,187	235,893	-	-	118,187	235,893	(118,187)	(235,893)
Bar News	290,021	468,350	172,915	345,499	239,251	449,665	412,166	795,164	(122,145)	(326,814)
Board of Governors	-	-	106,050	210,537	27,336	406,500	133,386	617,037	(133,386)	(617,037)
Communications Strategies	-	-	226,111	453,887	7,893	76,045	234,005	529,932	(234,005)	(529,932)
Communications Strategies FTE	-	-	110,408	222,622	-	-	110,408	222,622	(110,408)	(222,622)
Discipline	69,629	97,500	2,870,868	5,826,381	52,872	194,473	2,923,739	6,020,854	(2,854,110)	(5,923,354)
Diversity	135,000	135,374	116,055	325,440	767	26,790	116,822	352,230	18,178	(216,856)
Foundation	-	-	61,298	122,376	3,025.00	12,150	64,323	134,526	(64,323)	(134,526)
Human Resources	-	-	205,473	458,623	-	-	205,473	458,623	(205,473)	(458,623)
Law Clerk Program	171,713	193,000	49,717	95,128	24	10,650	49,740	105,778	121,973	87,222
Legislative	-	-	55,368	126,909	14,992	32,250	70,359	159,159	(70,359)	(159,159)
Licensing and Membership Records	240,890	336,450	293,832	583,749	20,338	21,951	314,170	605,700	(73,279)	(269,250)
Licensing Fees	8,414,480	16,531,113	-	-	-	-	-	-	8,414,480	16,531,113
Limited License Legal Technician	20,503	23,267	51,062	115,845	1,412.50	8,203	52,474	124,048	(31,972)	(100,781)
Limited Practice Officers	108,770	195,300	27,336	55,230	7,264	22,785	34,600	78,015	74,171	117,285
Mandatory CLE	515,134	767,950	225,109	473,822	110,694	148,018	335,803	621,840	179,331	146,110
Member Assistance Program	5,676	8,000	45,754	91,838	825.00	1,075	46,579	92,913	(40,903)	(84,913)
Member Benefits	4,361	28,000	65,764	134,790	130,755	188,496	196,520	323,286	(192,159)	(295,286)
Member Services & Engagement	43,941	154,250	211,243	496,743	1,018	42,990	212,261	539,733	(168,320)	(385,483)
Office of General Counsel	657	-	437,973.08	952,454	8,677.02	18,677.37	446,650.10	971,131	(445,993)	(971,131)
Office of the Executive Director	-	-	311,441	614,257	133	101,651	311,574	715,908	(311,574)	(715,908)
OGC-Disciplinary Board	-	-	82,818	164,644	39,545	91,650	122,363	256,294	(122,363)	(256,294)
Outreach and Engagement	-	-	122,141	260,983	522	28,252	122,663	289,235	(122,663)	(289,235)
Practice of Law Board	-	-	18,232	36,875	-	9,000	18,232	45,875	(18,232)	(45,875)
Professional Responsibility Program	-	-	142,530	276,709	551	7,125	143,081	283,834	(143,081)	(283,834)
Public Service Programs	103,000	130,200	63,523	127,921	46	268,493	63,569	396,414	39,431	(266,214)
Publication and Design Services	-	-	49,385	98,843	4,300	5,730	53,685	104,573	(53,685)	(104,573)
Regulatory Services FTE	-	-	195,849	506,486	-	-	195,849	506,486	(195,849)	(506,486)
Sections Administration	277,245	300,000	142,386	288,915	6,353	9,875	148,739	298,790	128,506	1,210
Service Center	-	-	345,870	737,344	2,749	8,500	348,619	745,844	(348,619)	(745,844)
Technology	-	-	938,458	1,659,474	-	-	938,458	1,659,474	(938,458)	(1,659,474)
Subtotal General Fund	11,259,985	20,603,129	8,924,659	18,224,201	735,715	2,581,710	9,660,373	20,805,911	1,599,612.17	(202,782)
Expenses using reserve funds							9,660,373		-	-
Total General Fund - Net Result from Operations									1,599,612.17	(202,782)
Percentage of Budget	54.65%		48.97%		28.50%		46.43%			
CLE-Seminars and Products	557,963	1,682,000	513,879	1,039,119	49,803	535,891	563,681	1,575,010	(5,719)	106,990
CLE - Deskbooks	107,361	158,000	108,430	215,042	87,141	112,107	195,571	327,149	(88,210)	(169,149)
Total CLE	665,324	1,840,000	622,309	1,254,161	136,943	647,998	759,252	1,902,159	(93,928)	(62,159)
Percentage of Budget	36.16%		49.62%		21.13%		39.92%			
Total All Sections	579,774	585,779	-	-	300,183	865,167	300,183	865,167	279,592	(279,388)
Client Protection Fund-Restricted	406,154	529,540	77,171	155,699	26,144	502,400	103,314	658,099	302,840	(128,559)
Totals	12,911,238	23,558,448	9,624,138	19,634,061	1,198,984	4,597,276	10,823,122	24,231,337	2,088,116	(672,889)
Percentage of Budget	54.81%		49.02%		26.08%		44.67%			

Summary of Fund Balances:	Fund Balances Sept. 30, 2020	2021 Budgeted Fund Balances	Fund Balances Year to date
Restricted Funds:			
Client Protection Fund	4,193,130	4,064,571	4,495,970
Board-Designated Funds (Non-General Fund):			
CLE Fund Balance	469,241	407,082	375,313
Section Funds	1,210,209	930,821	1,489,801
Board-Designated Funds (General Fund):			
Operating Reserve Fund	1,500,000	1,500,000	1,500,000
Facilities Reserve Fund	550,000	550,000	550,000
Unrestricted Funds (General Fund):			
Unrestricted General Fund	3,478,234	3,275,452	5,077,846
Total General Fund Balance	5,528,234	5,325,452	7,127,846
Net Change in general Fund Balance		(202,782)	1,599,612
Total Fund Balance	11,400,814.00	10,727,925	13,488,930
Net Change In Fund Balance		(672,889)	2,088,116

WASHINGTON STATE BAR ASSOCIATION

To: Section Chairs, Chair-Elects, and Treasurers

From: Kevin Plachy, Director of Advancement, Julianne Unite, Member Services and Engagement Manager,
Carolyn MacGregor, Sections Program Coordinator

Re: FY 2022 Section Per-Member Charge

Date: May 5, 2021

The Section Per-Member Charge is calculated as part of the WSBA annual budget process. It is based on the first draft of the budget for costs of the administrative support to WSBA Section leaders and executive committees for the upcoming fiscal year as reflected in the Sections Administration cost center. These costs include: (1) salaries and benefits, (2) overhead, and (3) direct expenses.

The Budget and Audit Committee of the Board of Governors reviewed the PMC charge calculation on May 5, 2021. The committee unanimously agreed not to increase the Per-Member Charge above the historical maximum of \$18.75. The FY2022 PMC will be \$18.75.

FY2022 PER-MEMBER CHARGE CALCULATION

1. SALARIES AND BENEFITS

The PMC includes the salaries and benefits of employees that directly support WSBA Sections: two-and-a-half full-time equivalent (FTE) Sections Team staff and a portion of an FTE in Finance and Administration for processing section financial transactions such as expense reports, invoice payments, and donations. *The PMC does not include any staff salaries or benefits for Mini-CLEs, sections' half-day, full-day, and multi-day CLEs, section membership dues processing, or any other work performed by WSBA employees in support of Sections.* Benefits are calculated as a percentage of total salaries. The percentage is derived from the WSBA's total salaries and benefits budget for the fiscal year. Items included in employee benefits are employer state and federal taxes and insurance, medical coverage, retirement plan contributions, employee bus passes, and employee service awards and assistance plan.

Direct Employee Support	Full Time Equivalent (FTE)
• Sections Administration Employees	2.5
• Administrative Employee Time ¹	0.08
Total FTE	2.58
• Salaries for 2.58 FTEs	\$161,848
• Benefits (29% of estimated salaries)	\$46,936

Total FY22 Salaries and Benefits Budgeted for Sections	\$208,784
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¹ Includes cost of employee time for processing accounts payable arising from section activities.

2. OVERHEAD

This charge includes expenses related to general operations attributable to all WSBA employees.

Overhead cost is calculated based on a per-FTE dollar amount, which is derived by taking the total cost of overhead divided by the total number of WSBA FTEs. This generates a per-FTE cost, which is multiplied by the total number of FTEs allocated to the Sections Administration cost center. Overhead costs in the FY2021 Reforecasted Budget consist of:

Overhead Category	Cost
• Rent	\$1,975,334
• Furniture, Maintenance & Leasehold Improvements	\$30,000
• Office Supplies & Equipment	\$44,000
• Computer Software Depreciation	\$131,925
• Telephone & Internet	\$63,000
• Production Services	\$18,056
• Workplace Benefits	\$27,748
• HR Expenses	\$211,299
• Personal Property Taxes	\$9,121
• Furniture & Equipment Depreciation	\$52,285
• Computer Hardware Depreciation	\$46,773
• Insurance	\$225,718
• Professional Fees-Audit	\$32,000
• Bank Fees	\$62,251
• Information Technology Department Expenses	\$899,711
Total Overhead Budgeted for FY21	\$3,829,221
• Budgeted WSBA FTEs for FY2021	139.5
• Overhead per FTE = \$3,829,221/139.5	\$27,450

Total Estimated FY22 overhead² to be charged to Sections (\$27,450 x 2.58 FTEs) = \$70,821

3. DIRECT EXPENSES

These are out-of-pocket costs for administering WSBA Sections, and include:

- Dues Statements (paper, postage, and printing of annual section membership dues statements)
- Sections Program Events/Meetings Expenses (e.g., fall & spring section leaders meeting costs for food, supplies, and conference calls)
- Employee Travel (costs for staff to attend executive committee meetings and other section events)
- Subscriptions (for the Survey Monkey account used to administer section elections)
- Other (e.g., staff membership dues, unanticipated expenses, etc.)

Direct expenses budgeted for all Sections = \$9,875

² Historically, there are small overhead differences between the estimated expenses and the final draft WSBA budget.

FY2022 PER-MEMBER CHARGE CALCULATION BASED ON FY2021 BUDGET	
1. Total Salaries and Benefits	\$208,784
2. Total Overhead	\$70,821
3. Direct Expenses	<u>\$9,875</u>
Total expenses for Sections Administration cost center	\$289,479
Estimated total # of section memberships for FY2022	15,300 members
Total 2022 Cost Per-Member: \$18.92/member	
<u>The FY2022 Per-Member Charge will be capped at \$18.75.</u>	

FY2022 SECTION BUDGETS

As a reminder, Section Budget Requests and Request to Change Dues are due on July 1st. You may make additional changes after the budget has been submitted until August 23rd. Please email all budget documents to your Sections Program Team at: sectionbudgets@wsba.org

If you have any questions about any of the information contained in this memo or need additional information, please feel free to contact your Sections Program Team for assistance.

Julianne Unite: julianneu@wsba.org
Carolyn MacGregor: carolynm@wsba.org

Deleted: Liz Wick

RESTRICTED FUNDS ANALYSIS

INCREASE OF FACILITIES FUND BY

\$USD								
<u>FISCAL YEAR</u>	<u>License Fee Rates</u>	<u>License Fee Revenue</u>	<u>Total General Fund Revenue</u>	<u>Total General Fund Expenses</u>	<u>Net Income/(Loss)</u>	<u>General Fund Reserves</u>	<u>Restricted Funds</u>	<u>Unrestricted Funds</u>
Actuals/Reforecast								
FY 2012 Ending Balance						8,745,117		
FY 2013	325	11,390,193	15,349,822	15,170,352	215,655	8,960,772	5,247,018	3,713,754
FY 2014	325	10,760,723	15,335,749	16,493,451	(1,157,702)	7,803,070	5,171,945	2,631,125
FY 2015	325	11,133,170	15,266,002	17,966,538	(2,679,372)	5,102,534	5,102,534	-
FY 2016	385	12,819,372	16,937,121	18,121,119	(1,723,998)	3,918,536	3,918,536	-
FY 2017	385	13,512,192	17,584,851	18,139,636	(554,785)	3,363,751	1,700,000	1,663,751
FY 2018	449	15,408,528	19,614,585	19,182,478	432,107	3,795,858	1,950,000	1,845,858
FY 2019	458	16,217,199	21,127,748	20,187,279	940,680	4,736,538	2,050,000	2,686,538
FY 2020	458	16,692,516	21,162,056	20,430,500	791,697	5,528,234	2,050,000	3,478,234
FY 2021 YTD March	458	8,414,480	11,259,985	9,660,373	1,599,612	7,127,846	2,050,000	5,077,846
FY 2021 Reforecast	458	16,318,000	20,227,000	20,341,000	(114,000)	5,414,234	2,050,000	3,364,234
FY 2021 Estimate	458	16,318,000	20,227,000	19,741,000	486,000	6,014,234	2,050,000	3,964,234
FY2021 Reforecast with Chg in Reserve	458	16,318,000	20,227,000	20,341,000	(114,000)	5,414,234	2,550,000	2,864,234
BUDGET								
FY 2021	458	16,713,418	20,603,129	20,805,908	(202,779)	5,276,456	2,050,000	3,226,456

GENERAL FUND FORECAST

<u>FISCAL YEAR</u>	<u>Total General Fund Revenue</u>	<u>Total General Fund Expenses</u>	<u>Net Income/(Loss)</u>	<u>General Fund Reserves</u>	<u>Restricted Funds</u>	<u>Unrestricted Funds</u>
Actuals/Reforecast						
FY2021 Reforecast	\$20,227,000	\$20,341,000	(\$114,000)	\$7,013,846	\$2,050,000	4,963,846
Estimate FY 2022	\$20,530,405	\$20,951,230	(\$420,825)	\$6,593,021	\$2,550,000	\$4,043,021
Estimate FY 2023	\$20,838,361	\$21,579,767	(\$741,406)	\$5,851,615	\$2,550,000	\$3,301,615
Estimate FY 2024	\$21,150,936	\$22,227,160	(\$1,076,223)	\$4,775,392	\$2,550,000	\$2,225,392
Estimate FY 2025	\$21,468,201	\$22,893,975	(\$1,425,774)	\$3,349,618	\$2,550,000	\$799,618
Estimate FY 2026	\$21,790,224	\$23,580,794	(\$1,790,570)	\$1,559,047	\$2,050,000	(\$490,953)

Revenues are assumed to grow at 1.5% annually
Expenses are assumed to grow at 3.0% annually

**LICENSE FEES WILL NEED TO INCREASED STARTING IN FY 25 AS UNRESTRICTED FUNDS
WILL BE LESS THAN \$2MM WHICH IS NOT ALLOWED BY POLICY**

2021 AUDIT SERVICES RFP'S

RFP's Requested

- Bader Martin
- Berntson Porter
- BDO
- Clark Nuber
- Larson Gross
- Moss Adams
- Shannon and Associates
- Sweeney Conrad

Reponses Received

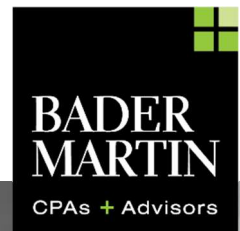
- Bader Martin
- BDO
- Clark Nuber
- Larson Gross

2021 AUDIT SERVICES OFFERINGS

<u>US \$</u> <u>Services</u>	<u>Larson</u>	<u>BDO</u>	<u>Clark Nuber</u>	<u>Bader Martin</u>
Financial Statements	35,000.00	31,500.00	27,500.00	35,000.00
Special Report	4,500.00	7,500.00	2,500.00	6,000.00
Total	39,500.00	39,000.00	30,000.00	41,000.00

<u>Staff</u>	<u>Larson</u>	<u>BDO</u>	<u>Clark Nuber</u>	<u>Bader Martin</u>
Partner	385.00	645.00	400.00 - 455.00	340.00
Senior Manager	280.00	440.00	260.00 - 385.00	260.00
Manager	220.00	230.00	-	220.00
Senior Associate	155.00	190.00	165.00 - 200.00	185.00

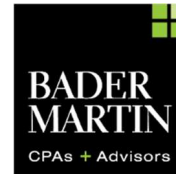
The logical choice is to continue with our current Auditors Clark Nuber, based on the economics, the lack of need for a transition and the current state of our books which is very good we don't see the need for changing auditors at a higher cost at this time.



Washington State Bar Association (WSBA)

Proposal for Professional Services

April 23, 2021



Jorge A. Perez
Chief Financial Officer
Washington State Bar Association
1325 Fourth Avenue, Suite 600
Seattle, WA 98101

Robert Nicklos

DIRECT PHONE
206.613.0248

E-MAIL
rnicklos@badermartin.com

Robert M. Nicklos

DIRECT PHONE
206.613.0248

E-MAIL
rnicklos@badermartin.com

Dear Mr. Perez:

Thank you for asking us to propose on providing Washington State Bar Association (WSBA) with assurance services. We're passionate about our work with not-for-profit organizations like yours and would be honored to have you as a client.

As a Bader Martin client, you'll find a proactive professional relationship based on solid expertise and timely, responsive service. You will also find trusted advisors with strong backgrounds in serving other not-for-profit organizations with similar needs and challenges. Not only will we provide you with a cost-effective, practical approach to the work but valuable insights to help you address the challenges that organizations like yours inevitably face.

While we are passionate about our work, we are also business people at heart. You can expect easy communication, efficient and minimally disruptive work plans and streamlined deliverables. You can also expect proactive year-round advice and savvy, value-added suggestions and insights.

We understand that successful client relationships demand exceptionally satisfied clients. As a result, we believe you will find us more responsive, more proactive and generally easier to work with than many other firms. And you'll receive exceptional services delivered on time, on budget and at a competitive cost.

We look forward to your decision. If you have questions in the meantime, please give us a call.

Very truly yours,

Bader Martin, P.S.

Robert Nicklos, CPA
Principal, and Director of Audit and Assurance Services

Steven B. Bishop, CPA, CGMA, CVA, CFF
Principal, Audit and Assurance Practice

Bader Martin, P.S. Certified Public Accountants + Business Advisors

1000 Second Avenue, 34th Floor, Seattle, Washington 98104-1022 | 206.621.1900 | FAX 206.682.1874 | www.badermartin.com



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1. Firm

Bader Martin is a nationally and regionally recognized CPA and business advisory firm located in downtown Seattle.

We have been named among the best accounting firms in the nation and the best accounting firm employers in the region and the nation. We're also ranked among the region's largest local public accounting firms.



1.1 Firm History and Overview

Formerly the Seattle office of a national CPA firm, Bader Martin became an independent firm in 1990. Since then, we've grown to encompass more than 100 Seattle-based principals and staff. We are not a small or minority-owned business.

Our firm is structured along major service lines, including assurance, tax and advisory. We're also structured around client- and industry-focused practice areas, including [not-for-profit organizations](#).

We combine national-firm expertise with a reputation for responsiveness and personal attention. Collaborative and hands-on, our professionals maintain close, working relationships with our clients.

Because of these relationships, we are able to proactively provide advice throughout the year — and we become much more than once-a-year accountants.

1.2 Commitment to Diversity, Equity and Inclusion

Diversity, Equity, Inclusion (DEI). They're more than just words at Bader Martin. We live them. Our principals and staff reflect the diverse culture of Seattle and we respect and value our differences. The firm's diversity committee — led by principals and including staff at all levels — ensures that we do.

Bader Martin's culture is one of inclusion, incorporating a diversity of backgrounds and perspectives. In fact, our incoming managing principal is a woman and person of color.

Our firm culture is one of inclusion, incorporating a diversity of backgrounds and perspectives.

In addition to English, our people speak 14 languages. They come from a broad range of backgrounds and heritages — American Indian, Caucasian/Eastern European, Tlingit, Polish, Norwegian, Macedonian, Chinese, Vietnamese, Korean and Mexican, to name a few. Some are first- and second-generation Americans.

Bader Martin's incoming managing principal (as of May 1, 2021) is a woman and a person of color. Our executive committee is 50 percent women and 30 percent people of color. The entire management group — from managers to senior managers and principals — is also more than 50 percent women.

Inside Public Accounting recognized Bader Martin for *making the development, advancement and retention of women leaders a priority within our firm*. They cited us as having one of the highest percentages for women in ownership and leadership positions among the largest CPA firms in the nation.

The 2020 Accounting MOVE Project named us to its nationwide list of firms with a large percentage of women in their partner/principal groups. With a leadership group that is 54 percent women, we were ranked fourth highest.

Our [DEI commitment](#) is available on our website.

Equal Employment Opportunity

The equal opportunity statement from our employee handbook is as follows:

EQUAL EMPLOYMENT OPPORTUNITY

Bader Martin is an equal opportunity employer. Equal Employment Opportunity has been, and will continue to be, a fundamental principle at Bader Martin where employment is based upon personal capabilities and qualifications without discrimination because of race, color, national origin, sex, age, the presence of any sensory, mental, or physical disability, marital status, sexual orientation, religion, military status, gender identity, political ideology, genetic information or any other protected basis as established by local, state or federal law. This policy of Equal Opportunity Employment applies to all policies and procedures related to, but not limited to: recruitment and hiring, compensation, benefits, training and apprenticeship, promotion, termination, and all other terms and conditions of employment except as provided by applicable federal, state or local laws.

1.3 Mix of Services

Our firm's major services lines are audit/assurance, tax and client accounting. The relative sizes based on revenue as a percentage of total revenue are as follows:

- audit/assurance: 19%
- tax: 74%
- client accounting: 7%

1.4 Overview of Client Base

We have experience serving organizations similar to the WSBA. The most similar client is the Washington State Dental Association.

Our not-for-profit practice is substantial for a firm of our size, with clients ranging from as small as \$500,000 to over \$35 million in revenue. They have diverse missions requiring audit, review, tax and other consulting services.

We serve the financial reporting, tax, and advisory needs of approximately 100 organizations in the not-for-profit sector, including associations. We have the expertise to provide timely and cost-effective services that meet your specific needs.

In total, our not-for-profit client practice represents approximately 35 percent of our audit and assurance revenue.

We do not provide services to any related industry associations or groups.

1.5 Not-for-Profit Audit Experience

Our not-for-profit practice group serves the specialized needs of the region's growing not-for-profit sector.

We offer not-for-profit clients a broad range of compliance and advisory services. In addition to providing them with financial statement audits and OMB Uniform Guidance single audits, we also audit their 401(k), 403(b) and defined benefit plans, and provide tax and consulting services.

We also assist most of our not-for-profit clients with tax filings for federal, state and local taxing authorities.

We've helped strengthen controls, implement new accounting and reporting rules, develop policies, enhance operations and even assisted with capital campaigns.

We currently serve approximately 100 not-for-profit organizations for whom we have the expertise and capacity to provide exceptional services delivered on time and on budget. In fact, we've served some for more than two decades without interruption, supporting the vital work they do in our community.

We ensure the expertise of our not-for-profit professionals through a combination of continuing professional education and access to resources and tools that support and enhance their skills.

1.6 Staff Turnover

Our firm's turnover for professional staff is consistently less than the average for our industry—in our case, 14.28 percent over the last three years.

These changes predominantly occur among the most junior members of the staff, often to transition to private industry.

1.7 Peer Review Report

Bader Martin's most recent peer review was conducted in 2018. We received the highest possible ratings and there were no comments.

We've included a copy of the report in an appendix.

2. Team

We staff our client service teams to suit each client's needs based on such factors as experience, subject matter expertise, credentials, education and practice emphasis.

We understand the importance of experience and long-term relationships, so we emphasize continuity in our service teams.

That means, as a Bader Martin client, you'll work with a stable team of not-for-profit professionals who have significant, relevant experience.

We also understand that client relationships grow in value with experience and over time, so we emphasize continuity in our service teams. This enhances the efficiency of our services and minimizes disruption for you and your staff.

2.1 Key Members of the Team

Your team will be led by principals Rob Nicklos and Steve Bishop. Assisting Rob and Steve will be senior associate Keli Nelson as the team's in-charge accountant.

They will be your primary contacts and will supervise work performed by other members of our professional staff.

There have been no complaints or regulatory issues involving the firm or firm personnel that have been made by the Washington Board of Accountancy, the SEC or any other regulatory authority.

Brief bios for team leaders are provided below and complete resumes are included in an appendix.



Robert Nicklos, CPA

Principal, Audit and Assurance Practice

Director of Audit and Assurance Services

Not-for-Profit Practice Group

31 years of professional experience

Rob Nicklos will have overall responsibility for Bader Martin's relationship with the WSBA. He will be your primary contact and principal advisor and will coordinate the activities of other members of your engagement team.

He is also a key resource for you throughout the year regarding best practices, accounting, financial reporting, budgeting and cash management, processes and procedures, internal controls and financing matters.

Rob directs the Bader Martin audit practice. He is a big-picture advisor with a reputation for creative strategies and proactive advice. He's known for his strong interpersonal skills and plain-English communications, as well as the long-term relationships he develops with his clients.

Prior to joining Bader Martin, Rob spent more than two decades with the audit practices of PricewaterhouseCoopers LLP and Grant Thornton.

Rob has a combination of public accounting and private industry experience that provides him with practical insights and real-world expertise in best practices, operational processes and procedures, and internal controls.

He also has a history of volunteering time and expertise to assist Seattle's not-for-profit community. He has served on the board and/or finance/audit committee for various not-for-profit organizations in the region.



Steven Bishop, CPA, CGMA, CFF, CVA

Principal, Audit and Assurance Practice

39 years of professional experience

Steve Bishop will serve as a second-review partner and an additional resource for the WSBA engagement. He will also be available to provide advice throughout the year.

Steve has over three decades of professional experience in serving not-for-profit organizations and privately held companies. In addition to being a CPA, Steve has earned credentials in management accounting (CGMA), financial forensics (CFF) and valuation (CVA).

Steve is known for his hands-on approach and active involvement in managing assurance engagements. Potential problems are identified and resolved quickly, and the work stays on time and on budget.

Steve has a combination of public accounting and private industry experience. As a result, he brings solid expertise and a practical, value-adding business perspective to his work with you.



Senior Accountant, Audit and Assurance Practice
Not-for Profit Practice Group
Four years of professional experience

Keli Nelson will supervise the work for your annual financial audit. She will assist in developing the work plan and reviewing the workpapers of assigned staff.

Keli has four years of professional experience in public accounting providing assurance services, including not-for-profit organizations. She has a Master's in Accountancy from Gonzaga University.

Before joining Bader Martin, Keli worked for three and a half years for KPMG, initially as an intern followed by three years as an audit staff and senior associate.

2.2 Commitment to Staff Continuity

We understand that client relationships grow in value with experience and over time, so we emphasize continuity in our service teams.

We do not expect our clients to answer basic or repetitive questions or otherwise train our staff. In fact, we ensure that our audit documentation provides substantial detail of the nature of your accounts and operations — providing a roadmap should service team members change.

Further, our senior team leaders are very active on our engagements, acquiring intimate understanding of your business, to help mitigate the effects when continuity of the service team cannot be avoided due to staff departures.

Once a client service team is in place, it is rare for a principal to be replaced unless they retire or otherwise leave the firm. In the event that we do experience a change in senior staff, we commit to the following:

- We will notify you of the change as soon as possible and introduce you to the new member of the team.
- The new team member will have similar skills and expertise.
- We will do everything we can to minimize the impact on your organization.
- You will not be charged for any additional time, if incurred, as a result of such a change.

3. Approach

The WSBA audit will be conducted virtually or if preferred onsite and in accordance with auditing standards generally accepted in the United States of America.

We believe an audit should be a transparent and collaborative process that ultimately provides value for our client.

Our approach to engagements like yours is a customized and risk-based one that emphasizes up-front communication, planning and risk assessment.

Ultimately, we believe in a transparent and collaborative process.

3.1 WSBA's Service Needs

Bader Martin will provide you with the following services, in accordance with your timeline:

- Audit of Washington State Bar Association's financial statements for the fiscal year ending September 30, 2021, including concomitant analysis of controls, management and systems
- Meetings and ongoing communications with management and the budget/audit committee and/or board, as necessary
- Preparation of management letter, if applicable
- Formal presentation of the financial statements/audit report to the budget/audit committee of the board
- Preparation of Special Report on Budget Summary
- Mid-year update meeting, at no charge
- Attending board meetings, as appropriate

- Advice and guidance during the year on tax, financial accounting and reporting matters

Bader Martin will provide WSBA with the requested services in accordance with your timeline.

We will keep you informed regarding best practices in accounting and financial reporting matters.

We can also assist in implementing any new or revised accounting standards.

3.2 Professional Independence

Bader Martin maintains an affirmative quality control program that includes stringent attention to monitoring and maintaining independence.

We are independent with respect to the WSBA as defined by all applicable professional standards and there are no issues that would prevent our firm from accepting you as a client. We will monitor the services provided and any new service requests will be vetted to ensure independence is maintained with AICPA Professional Standards.

3.3 Audit Approach

Bader Martin's approach is distinguished by the degree to which we collaborate with our clients — including providing accountability for schedule and budget. It also helps to ensure that we remain alert for opportunities to improve your operations and enhance your ability to achieve your mission.

Our approach is also distinguished by the following key elements, which offer a number of important benefits:

- effective communication as to goals and expectations, work plan and schedule
- minimal disruption to client operations
- a flexible methodology, enhancing efficiency and effectiveness
- accountability for schedule and budget
- the use of technology to enhance quality and efficiency
- relationship orientation, with a focus on adding value outside of the parameters of the audit

We believe the focus on proactive relationships is the most important factor.

Our goal for every audit client is to add value beyond the audit engagement itself. Whether it is identifying process improvements to enhance efficiencies, or recommendations to tighten internal controls to help mitigate risks associated with financial reporting or fraud, we are constantly looking for value added ideas.

Please see Appendix I for additional value-added services that we can provide, subject to our need for independence.

Process for an Annual Audit

Our approach to engagements like yours is a customized and risk-based one that emphasizes planning and communication. We typically begin our engagement by scheduling a meeting with management and key staff to establish expectations and discuss the elements of a mutually agreed-upon work plan, including the schedule and budget.

Each year, based on our initial planning meeting with you, we design a customized work plan to minimize disruption and ensure that all work is performed on a mutually agreed upon schedule.

We understand the importance our clients place on work schedules and deadlines and we have a history of meeting them.

We'll schedule our fieldwork on consecutive days to enhance efficiency and we can adapt many of our standard practices to suit your requirements.

To enhance the efficiency and cost-effectiveness of our services, we'll rely on your staff to provide necessary information to support our work. To minimize disruption, we'll use the formats you already prepare for internal use, where possible.

Our engagements are planned to ensure adequacy of supervision and the overall quality of the audit. All work performed by the members of the team is led by an immediate supervisor. Senior team members are very active and involved with the engagement.

And because we're familiar with the structure and operations of not-for-profits, we can tailor our work to your specific requirements and, in turn, maximize cost effectiveness.

Then we stay in contact throughout the year, not just during the audit, so that we can remain informed and to share recommendations or impart knowledge based on our experience.

We will not use any association or affiliate member personnel in the course of our work.

Primary Emphasis

Our work during the audit is directed toward areas of high risk or exposure, emphasizing procedures in areas where significant misstatements or noncompliance might occur.

We anticipate performing standard procedures — including confirmation of selected balances, review of reconciliations, statements and roll-forward schedules at year end and predictive tests of amounts and account balances.

Areas of emphasis based on preliminary risk and expected materiality include:

- revenue recognition
- deferred licensing fees
- classification of net assets
- restricted cash and client protection fund
- classification and allocation of expenses

Proposed Schedule and Work Plan

We understand the importance our clients place on work schedules and deadlines and we have a history of meeting them. We also understand the potential impact of our work on your organization.

The general framework and preliminary schedule for our work plan is outlined below, based on the timing in your RFP.

Work Plan Element	Anticipated Schedule
Planning meeting with management and key staff to establish expectations and finalize the work plan	At a mutually convenient time after accounting firm selection – no later than August
Audit Services	Anticipated Schedule
Meeting with prior auditors	As soon as is mutually convenient
Engagement letter	July
Planning meeting with Treasurer/Audit Committee of the Board of Governors	At a mutually convenient time prior to your fiscal year end
interim fieldwork	August and September
Fieldwork	Approximately one week in late November Receipt of client-prepared materials due at least one week prior to start of fieldwork

Exit conference, including meeting with management	Upon completion of fieldwork
Meeting to present draft financial statements and management comments	Date to be determined. We will provide draft financial statements and required communications to management no later than one week prior to the budget and audit committee in early January
Issuance of financial statements and management letter	Upon final approval
Special Review Report	Anticipated Schedule
Planning coordinated with audit	At a mutually convenient time at or near your fiscal year end
Preparation	Coordinated with audit, however, timing of work will be performed in October

3.4 New Procedures and Requirements

We will assist you with the implementation of Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), which it is our understanding you elected to defer until the year ending September 30, 2021. Assistance for the implementation of Topic 606, will be billed as an additional service, outside the scope of the audit, based on the level of assistance needed to evaluate the effect of the standard on the WSBA.

3.5 Use of Technology

Our professionals are skilled in the use of leading technologies that maximize quality and efficiency, including those that support virtual audits. We also use technology to facilitate and secure collaboration and communications, including options for web-based collaboration.

Our process incorporates paperless procedures and data sharing, and we can import data from most common file formats. We use an encrypted and firewall-protected local area network in the field to share data and increase efficiency. We also use sophisticated software to automate our fieldwork procedures. We can even access the analytical capabilities of data mining software programs that enable us to look for opportunities to enhance your overall efficiency.

We protect the security and confidentiality of our clients' information by safeguarding it against unsecured access. To protect client data and workpapers from loss, we maintain third-party certified business continuity and disaster recovery plans and use offsite backups to ensure access to current data.

3.6 Communication with Management and the Board

Our work process emphasizes proactive communication. We begin our engagement each year by scheduling a meeting to discuss expectations and finalize a work plan, including a mutually agreed upon schedule and budget.

Throughout the course of your engagement, we will keep you advised of our progress and remain alert for issues that could cause additional work or delays, or that might affect our findings.

By keeping you advised of our progress, identifying issues early in the process and making recommendations for corrective action, we can avoid surprises that are difficult to correct and can impact the schedule.

We'll present any recommendations we have for improving internal controls and operating efficiency at the conclusion of fieldwork. We'll also prepare a formal management letter.

Upon conclusion of fieldwork for the audit, we'll arrange an exit conference to discuss our findings and to present any recommendations we have for improving internal controls and operating efficiency.

Any adjustments we identify during the course of our work are immediately discussed with management to confirm whether the adjustments are correct or valid.

Upon completion of fieldwork, we discuss a summary of the adjustments identified with management to determine whether they should be recorded. We prefer that known adjustments are recorded, unless clearly immaterial to the financial statements.

Management letter comments are addressed in the same way. We discuss and confirm with management any matters we identify before we include them in a formal letter to management and the board of trustees.

At the conclusion of the engagement each year, we'll meet to discuss the year's engagement and any ways we can enhance the value of our services in the following year. Then we'll check in with you from time to time during the year to stay current with your operations.

At your option, we will schedule an informal mid-year update meeting, at no charge to you. Also at your option and upon request, we can attend budget and audit committee and board of governors meetings. We can even present changes in regulatory requirements and best practices, as well as their impact on the WBSA for discussion.

3.7 Why Bader Martin

At Bader Martin, we can perform your audit and frankly, so can a number of other CPA firms. Our clients typically seek and deserve more than an audit or financial report that reflects the past.

We believe you'll find us more responsive, more proactive and more engaged beyond the compliance service.

Here, traditional accounting services are typically just the beginning of our work.

As a client, you'll find a creative and proactive professional relationship based on responsive service and solid expertise. And you'll find trusted advisors who consider it their responsibility to provide insights for your future, not simply to report on your past.

As a result, and for the reasons summarized below, we believe that choosing Bader Martin would be the best decision you could make.

A Proactive and Strategic Focus

We understand the importance of supplementing our clients' compliance services with critical strategy development and planning.

Because of the nature of our work with you, we'll naturally develop insight into your goals and operations. This insight — coupled with our experience and independent perspective — will allow us to act as a sounding board for strategic tax, financial and business planning, as well as governance matters.

Experience and Expertise to Help You Succeed

The members of your proposed service team offer sophisticated expertise and a depth and breadth of experience not typically available outside of a national firm. Their backgrounds provide them with a working knowledge of technically complex financial and business matters.

They have the nuanced understanding that comes from years of experience in supporting educational organizations with sophisticated needs, challenges and opportunities.

Collaborative Partnerships that Provide Value

Frequent, proactive communications are part of the culture at Bader Martin. Our professionals respond quickly, communicate in plain language, and are available for advice whenever you need them.

We'll keep up with changes in your operations and generally ensure that we're in the best position to inform you of regulatory changes and other time-sensitive matters by checking in with you at various times during the year.

Frequent, proactive communications are part of the culture at Bader Martin. As a result, we don't charge for every quick question or brief call.

And because we don't want to discourage vital communication, we don't charge for every quick question or brief phone call. We want to hear from you on a regular basis so that we can provide support and guidance in real time, when it's needed and when it provides the most value to you. Ultimately, our value proposition is based on the quality of our relationships, which we believe provide the foundation of our work as your trusted advisor.

Ultimately, we believe in a transparent and collaborative process that provides value for our client.

3.8 Work Process During the Transition and Initial Year of Service

As a new audit client, we'll review your current documents and invest time developing and documenting our initial understanding of the WSBA's operations and its systems and controls, at no additional cost to you.

We invest significant resources in this effort as we know that a detailed understanding of your organization and its business risk profile is essential if we are to provide you with quality audits that are efficient and cost-effective, and tailored to your specific requirements.

We'll start our learning process after you announce your decision. As soon as practical, we'll meet with your management and key staff — and members of the budget and audit committee and/or board of governors — to discuss your organization and its operations, as well as your expectations for the audit.

We'll also speak with your prior auditors, review their work papers and request copies of important documents to begin building our permanent file for the WSBA. To complete this file, we may need additional documents from you.

Then, during our planning visit, we'll conduct walk-throughs and perform other activities designed to provide us with a detailed understanding of your processes and procedures.

As part of the transition, we'll invest time developing and documenting our understanding of your operations and systems and controls, at no additional cost to you.

To plan our audit procedures, and in conformance with current audit standards, we'll thoroughly document our understanding of your systems of internal control.

To assist, we'll ask that you share with us any documentation you may have regarding your policies and procedures, including flowcharts and other graphics.

Our initial meetings and communications with you are critical ones. They help us assess audit risk and the likelihood of material misstatements on the financial statements — and form the basis for our work plan for the WSBA. The plan will be designed and staffed to ensure that your transition to Bader Martin will be a smooth and minimally disruptive one and that your first audit with us is efficient and cost-effective.

As a result of these activities, we quickly become knowledgeable regarding your organization and its requirements, and we can provide more meaningful comments and suggestions.

4. Client Retention and References

4.1 Client Retention Rate

Over the last three years, our client retention rate has been, on average, approximately 95 percent.

4.2 Largest Clients Lost

Client losses typically stem from the sale or acquisition of the underlying business or from clients that go out for bid on a regular basis, especially not-for-profit entities. Within the last several years, we have not lost a client due to a disagreement or unresolved auditing or accounting matter, or due to a service-related issue.

We encourage our clients to present opposing viewpoints and are open to exploring different perspectives at any time. If a difference of opinion does arise, the leaders of your service team will work directly with you to reach an acceptable outcome. By discussing any differences of opinion as they arise, we have the opportunity to resolve them on a timely basis.

4.3 References

Ultimately, clients provide the most independent and credible source of information available in selecting an accounting firm.

We encourage you to contact ours.

Reference	Contact Information
Washington State Dental Association Peter Aaron Administrative Director	https://www.wsda.org Phone 206.973.5224 Email peter@wsda.org
Committee for Children Kelsie Longbrake VP Finance & Operations	https://cfchildren.org Phone 206.438.6640 Email klongbrake@cfchildren.org
Humanities Washington Eric Sanders Associate Director	https://humanities.org Phone 206.682.1770 Email eric@humanities.org
Homeward Pet Adoption Center Nanette McCann Executive Director	https://homewardpet.org Phone 425.488.4444 ext. 4005 Email nanette@homewardpet.org
Schroeter Goldmark & Bender, P.S. Shiloh deVera Firm Administrator	https://sgb-law.com Phone 206.622.8000 Email devera@sgb-law.com

5. Proposed Engagement Terms

At Bader Martin, we deliver our professional services at fees that are competitive and commensurate with the value our clients receive.

Startup Costs and Not-for-Profit Discount

WSBA will be a valued client for our firm. As an investment in a long-term relationship we will absorb the normal startup costs for our proposed services. We would hope this would facilitate your transition from your existing CPA firm. We estimate these costs at approximately \$6,000.

In addition to our absorption of the start-up costs, we offer the WSBA a minimum 20 percent discount off our standard hourly rates for our services. This discount would be reflected on our invoices as an in-kind contribution to WSBA for professional services.

5.1 Fees

Based on our understanding of your requirements, we believe we can provide your services for the amounts itemized below.

Service	Fixed Fee
Audited financial statements, including expenses	\$35,000
Special Report on Budget Summary	\$6,000
Advisory services as needed during the year, other than quick questions and brief calls	Billed at our discounted not-for-profit hourly billing rates, with advance fee estimates for well-defined projects

We anticipate modest annual fee increases of approximately four to six percent, barring changes in scope. Increases are primarily the result of increased labor costs.

Overruns

We've provided you with a fixed-fee quote for the audit and special report, *assuming there are no significant changes to the nature or scope of the engagement*. If we are able to perform the services for less than the quoted amount, all savings accrue to you.

That said, our fee quote assumes that you'll have adequate resources to assist us during fieldwork. It also assumes that your accounting records will be fully adjusted and closed and that the prior year's financial statement balances will be reconciled to the accounting records.

Additionally, it assumes that we receive all requested information and assistance on a timely basis, as delays can cause inefficiencies that impact our work.

If we encounter significant changes to the nature or scope of the engagement, we will advise you of the situation and discuss any potential impact on fees and timing *before* we proceed. It is our policy to reach a mutual agreement regarding any significant changes. You won't receive a surprise billing.

5.2 Not-For-Profit Billing Rates

Our (discounted) not-for-profit billing rates are provided below. They have not changed during the requested three-year period.

Professional	2019 - 2021 Hourly Rates
Principals	\$340
Senior Managers	\$260
Managers	\$220
Seniors	\$185
Staff	\$115 – \$140

5.3 Engagement Letter

A copy of our standard engagement letter is included in an appendix.

Client Satisfaction Policy

Our client satisfaction policy is simple: If for any reason the quality of our services was not as expected or you didn't receive the anticipated value, let us know.

Your satisfaction is our priority. If you're ever unhappy with our services or the value you receive, let's talk.

We'll discuss your concerns and adjust our fees.

Appendices

Appendix 1 Additional Value-Added Services

Appendix 2 Peer Review Report

Appendix 3 Resumes

Appendix 4 Sample Engagement Letter

Additional Value-Added Services

We offer our not-for-profit clients a comprehensive array of value-added compliance and consulting services designed to address the challenges and opportunities they face throughout the year.

Following is a partial list of additional services that we can offer you outside of the scope of the proposed work.

Tax Services

- Tax planning and preparation with regard to federal, state, and local authorities
- Unrelated business income tax (UBIT) consulting
- Not-for-profit status
- Federal tax controversies, including representation and audit assistance

SALT Services

- State and local tax compliance and consulting, including income, property, gross receipts, and sales and use taxes
- Post-Wayfair nexus evaluation and management; risk analysis
- Income sourcing
- Credits and incentives
- Allocation and apportionment calculations
- State and local tax controversies, including representation and audit assistance
- Legislative and tax policy updates

Accounting and Assurance Services

- GAAP consulting
- Internal control evaluations and implementation of new policies
- Accounting and bookkeeping services
- Due diligence
- Financial modeling
- Agreed upon procedures

Advisory Services

- Not-for-profit best practices
- Governance consulting
- Budgeting and forecasting, cash flow analysis
- Operational analysis
- Process enhancement, including development of templates and other tools
- Cost allocations
- Compensation and benefits planning
- Retirement plan structure and operations
- Policies, including investment, spending, fundraising, donation and endowment

Training

- Board training, including financial and governance topics
- Staff training, including accounting and bookkeeping

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

To the Shareholders of
Bader Martin, P.S. and the Peer Review Committee of the
Washington Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Bader Martin, P.S. (Firm) in effect for the year ended June 30, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

FIRM'S RESPONSIBILITY

The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The Firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and remediating weaknesses in its system of quality control, if any.

PEER REVIEWER'S RESPONSIBILITY

Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review.

REQUIRED SELECTIONS AND CONSIDERATIONS

Engagements selected for review consisted of an engagement performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act and audits of employee benefit plans.

As part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

OPINION

In our opinion, the system of quality control for the accounting and auditing practice of Bader Martin, P.S. in effect for the year ended June 30, 2018 has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional

standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Bader Martin, P.S. has received a peer review rating of *pass*.

Ellin & Tucker

ELLIN & TUCKER

Certified Public Accountants

Baltimore, Maryland

November 9, 2018



Rob Nicklos, CPA

Principal, Accounting and Assurance Practice

Director of Audit and Assurance Services

Not for Profit | Real Estate |
Distribution/Manufacturing

Robert Nicklos is a principal in Bader Martin's accounting and assurance practice and its Director of Audit and Assurance Services. He leads the firm's audit practice and its not-for-profit practice group.

Rob's client work focuses on audits and advisory services for privately held businesses and their benefit plans, as well as not-for-profit organizations. He has deep expertise in U.S. GAAP, internal controls, identifying and proactively managing risk, process and profitability enhancement, mergers and acquisitions, including quality of earnings, private and public offerings and related due diligence.

Prior to joining Bader Martin, Rob spent more than two decades with the audit practices of PricewaterhouseCoopers and Grant Thornton.

Rob also worked as a senior financial executive for a privately held company. His combination of public accounting and private industry experience provides him with practical insights and real-world expertise in financial and accounting best practices, operational processes, procedures and internal controls.

Affiliations

American Institute of Certified Public Accountants
AICPA Employee Benefit Plan Audit Quality Center
AICPA Government Audit Quality Center
Washington Society of Certified Public Accountants
Past Board Member and Finance Committee Member, O'Dea High School
Past Finance Committee Member, United Way of King County
Past Board Member, Kinderling Center
Past Chair, Oregon Board of Accountancy Complaints Committee

Contacts

206.613.0248
rnicklos@badermartin.com
linkedin.com/in/robnicklos

Practice Focus

Audit and Assurance Services for
Closely Held Businesses
Not-for-Profit Organizations
Real Estate
Employee Benefit Plans
Business Consulting and Process
Improvement
Internal Controls
Distribution and Manufacturing
Quality of Earnings
Transaction Advisory/Mergers and
Acquisitions

Certifications

Certified Public Accountant [CPA],
Washington, Oregon

Education

BA in Business
Administration/Accounting, University
of Washington

Years of Experience 30



Steven Bishop, CPA, CGMA, CVA, CFF

Principal, Accounting and Assurance

Steven Bishop is a principal in the Bader Martin audit and assurance practice.

Steve provides a blend of audit, assurance, tax, business consulting and forensic accounting services. He serves clients in a range of industries, including the not-for-profit, manufacturing, distribution and employee benefit plan sectors.

Steve has earned specialty credentials in management accounting, business valuation and financial forensics. He's investigated numerous theft claims and has significant testimony experience in litigated matters.

Steve also has work experience as a senior financial executive in private industry. This experience has proven invaluable in serving organizations in the areas of financial management and operations, forecasting, and governance.

Affiliations

American Institute of Certified Public Accountants, Employee Benefit Plan Audit Quality Center, Forensic Valuation Section

Washington Society of Certified Public Accountants; Accounting, Auditing, and Review Services Committee (Past Chair)

National Association of Certified Valuators and Analysts

Rotary International, various leadership positions at District, Club, and Foundation levels

North Seattle Community College, Accounting Department Technical Advisory Committee

Mustangs Northwest Past Board Member and Judge Committee

DFK International, Chair of US Manufacturing Committee

Contacts

206.613.0240

sbishop@badermartin.com

[linkedin.com/in/stevenbbishop](https://www.linkedin.com/in/stevenbbishop)

Practice Focus

Audit and Assurance Services

Not-for-Profit Organizations

Distribution and Manufacturing

Employee Benefit Plan Audits

Forensic Accounting

Litigation Support/Expert Witness

Certifications

Certified Public Accountant [CPA],
Washington

Chartered Global Management
Accountant [CGMA]

Certified Valuation Analyst [CVA]

Certified in Financial Forensics [CFF]

Education

BA in Business Administration and
Accounting, University of Washington

Years of Experience 39

Sample Engagement Letter

Robert Nicklos

DIRECT PHONE
206.613.0248

E-MAIL
rnicklos@badermartin.com

April 23, 2021

Jorge A. Perez
Chief Financial Officer
Washington State Bar Association
1325 Fourth Avenue, Suite 600
Seattle, WA 98101

Dear Mr. Perez:

Thank you for selecting Bader Martin, P.S. as your business advisors and independent auditors. This letter confirms our understanding of the terms and objectives of our engagement and clarifies the nature and extent of our professional services.

We will audit the consolidated financial statements of the Washington State Bar Association (the Association), which comprise the consolidated statement of financial position as of September 30, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Audit Objective

The objective of our audit is the expression of an opinion about whether your consolidated financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of the Association's consolidated financial statements. Our report will be addressed to the Board of Governors. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

Audit Procedures

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement,

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and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the consolidated financial statements and related matters. Because of the importance of management's representations to an effective audit, the Association agrees to release Bader Martin, P.S. and its personnel from any liability and costs relating to the services under this letter attributable to any misrepresentation or nondisclosure by management.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Association or to acts by management or employees acting on behalf of the Association.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the consolidated financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the Association and its environment, including internal control, sufficient to assess the risks of material misstatement of the consolidated financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

Management Responsibilities

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America. You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the consolidated financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the

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Association from whom we determine it necessary to obtain audit evidence. Your responsibilities include adjusting the consolidated financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the consolidated financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Association involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the consolidated financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Association received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring the Association complies with applicable laws and regulations.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

We understand that your employees will prepare all cash, accounts receivable, debt and other confirmations we request and will locate any documents selected by us for testing.

Agreed Upon Procedures

You will agree to the procedures described in the attachment to this letter and will acknowledge that the procedures to be performed are appropriate for the intended purpose of the engagement, which is to assist you in evaluating the consistency of the presentation of the Fiscal Year 2022 Budget Summary of revenues and expenses by budget category (2022 Budget) with certain prior year's budget and audit data and your compliance with Keller vs. State Bar of California, 496 U.S.1 (1990). Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we obtain your written agreement to the procedures to be applied and your acknowledgment that those procedures are appropriate for the intended purpose of the engagement, as described in this letter. The agreement and acknowledgment are contained within this letter. A refusal to provide such agreement and acknowledgment will result in our withdrawal from the engagement. We make no representation that the procedures we will perform are appropriate for the intended purpose of the engagement or for any other purpose.

Because the agreed-upon procedures do not constitute an examination or review, we will not express an opinion or conclusion on the presentation of the Fiscal Year 2022 Budget Summary of revenues and expenses. In addition, we have no obligation to perform any procedures beyond those to which you agree.

We plan to begin our procedures on approximately January 3, 2022 and, unless unforeseeable problems are encountered, the engagement should be completed by January 28, 2022.

We will issue a written report upon completion of our engagement that lists the procedures performed and our findings. Our report will be addressed to the Board of Governors of the Washington State Bar

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Association. If we encounter restrictions in performing our procedures, we will discuss the matter with you. If we determine the restrictions are appropriate we will disclose the restrictions in our report. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

There may exist circumstances that, in our professional judgment, will require we withdraw from the engagement. Such circumstances include the following:

- You refuse to provide written agreement to the procedures and acknowledge that they are appropriate for the intended purpose of the engagement.
- You fail to provide requested written representations, or we conclude that there is sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representations, or we conclude that the written representations provided are otherwise not reliable.
- We determine that the description of the procedures performed or the corresponding findings are misleading in the circumstances of the engagement.
- We determine that restrictions on the performance of procedures are not appropriate.

An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulations; however, should any such matters come to our attention, we will communicate them in accordance with professional standards and applicable law. In addition, if, in connection with this engagement, matters come to our attention that contradict the requisite criteria relating to the presentation of the 2022 Budget, we will communicate such matters to you.

You agree to the procedures to be performed and acknowledge that they are appropriate for the intended purpose of the engagement.

You are responsible for the 2022 and 2021 Budgets and the 2020 Statement of Activities. In addition, you are responsible for providing us with (1) access to all information of which you or the appropriate party are aware that is relevant to the performance of the agreed-upon procedures on the subject matter, (2) additional information that we may request from the appropriate party for the purpose of performing the agreed-upon procedures, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence relating to performing those procedures.

At the conclusion of our engagement, we will require certain written representations in the form of a representation letter from management that, among other things, will confirm management's responsibility for 2022 and 2021 Budgets and the 2020 Statement of Activities in accordance with the requisite criteria.

Administration, Fees, and Other

I am the engagement principal, and I am responsible for supervising the audit and agreed upon procedures engagements and signing the reports.

In providing our services to you, we may send data over the Internet, or store electronic data via computer software applications hosted remotely on the Internet or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. We may use third party service providers to store or transmit this data, such as providers of tax return preparation software. In using

these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with our obligations under applicable laws, regulations, and professional standards. We require our third party vendors to do the same.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all commercially reasonable security measures employed by us or our third party vendors. You consent to our use of these electronic applications and submission of confidential client information to third party service providers during this engagement.

We also periodically produce promotional materials that may list selected client names. Please let us know if you are not willing to allow us to use your name in such materials.

If you intend to publish or otherwise reproduce the consolidated financial statements together with our report (or otherwise make reference to our firm) in a document that contains other information, you agree to provide us with a draft of the document to read and comment on before it is printed and distributed. Furthermore, you agree that the terms of this engagement do not encompass an undertaking by us (1) to consent, by means of a separate letter or otherwise, to the inclusion of our auditors' report on the consolidated financial statements referred to above in a filing with a federal or state regulatory agency or otherwise reissue our report for purposes of a securities offering or other financing transaction, or (2) to acknowledge reliance on our report by others.

We estimate that our fees for these services will be approximately \$35,000 for the audit, and \$6,000 for the special report plus out-of-pocket costs. This estimate is based on anticipated cooperation from your personnel, the full cooperation of your previous auditor, and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We will plan and schedule the engagement assuming that your personnel will be available to provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. We anticipate providing this initial request list a month before fieldwork. *We will need to receive the requested information at least one week in advance of the scheduled field work start date, otherwise we may have to reschedule the start date of field work to another week.* If for whatever reason your personnel are unable to provide the necessary assistance in a timely manner, it may substantially increase the work we must do to complete the engagement, resulting in an increase in fees over our original fee estimate and may result in our inability to meet your deadlines.

Invoices for these services plus out-of-pocket costs will be sent as work progresses and are due on receipt. Invoices not paid within 30 days will be assessed a late charge at the rate of 1% per month. We reserve the right to suspend or terminate our work if you are late in making payments. In such an event, our engagement will be deemed to have been completed even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. The suspension or termination of our work may result in adverse consequences to you including your failure to meet deadlines imposed by governmental agencies, lenders, or other third parties. You agree that we will not be responsible for your failure to meet such deadlines, or for any penalties or interest that may be assessed as a result.

Jorge A. Perez
Washington State Bar Association
Seattle, WA

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If any dispute occurs arising out of or relating to our engagement, the Association agrees that the dispute will be submitted to mediation administered by Judicial Dispute Resolution in Seattle, Washington. The costs of any mediation proceeding will be shared equally. If that mediation is not successful, the Association agrees that if either of us makes a claim, that claim will be decided through binding arbitration with a single arbitrator administered by Judicial Dispute Resolution. The cost of that arbitration shall be shared equally. If we cannot agree on an arbitrator, one will be appointed by Judicial Dispute Resolution. The Association must assert any claim against us within three years of the date a return is first filed or our report is issued. The Association agrees that it may not recover more in damages than the available amount of Bader Martin, P.S.'s errors and omissions insurance, which currently is a maximum of \$5 million.

If any portion of this letter is held to be void or otherwise unenforceable, in whole or in part, the remaining portions of this letter remain in effect.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please contact us.

If you agree with the terms of our engagement as described in this letter, please sign this letter in the space provided and return it to us.

Very truly yours,

BADER MARTIN, P.S.

Robert Nicklos
Director of Audit Services

The foregoing agrees with our understanding of your engagement to provide audit and agreed up procedures to the Washington State Bar Association. We agree and accept the terms described in this letter.

AGREED TO AND ACCEPTED:

Officer Signature: _____

Title: _____

Date: _____

April 23, 2021

Jorge A. Perez, Chief Financial Officer
Washington State Bar Association
1325 Fourth Avenue, Suite 600
Seattle, WA 98101

Dear Jorge,

Thank you for the invitation to propose our services to Washington State Bar Association. We would very much welcome the opportunity to work with you.

I've appreciated getting to learn more about your organization and how it would like to work with a service provider. It's our goal that this document will illustrate who we are, how we would approach building a relationship with you, and how we can create value for your organization.

We come with the basic qualifications to complete your organization's financial statements. What we want to express to you is what sets us apart from other providers. Our desire is not only to perform services that meet the independent assurance needs you are looking for. We want to be a resource you can utilize in your operations and fulfillment of the service you provide your members.

Our team understands your needs and knows you are looking for a CPA relationship team that:

- Understands member-based organizations and industry associations through active involvement, serving similar organizations, and alerting you to trends and issues.
- Provides timely reporting and partners with you as a trusted business advisor.
- Delivers a proactive, high touch level of client service by assigning a dedicated and experienced team that will understand your organization, provide close attention, and be responsive to your needs.
- Invests time understanding your objectives and applies that knowledge in delivering quality services, identifying opportunities, alerting you to issues, and making recommendations.
- Develops long-term, personal and professional relationships.

There is little comparison in the comprehensiveness and timeliness in which we conduct the work. We have a team of professionals devoted primarily to working with government and nonprofit organizations, with specialized training and knowledge in their unique needs. The value we deliver through the course of our relationship should clearly surpass the cost of our service, and we believe this is one of the many advantages of working with us.

We believe we have much to offer Washington State Bar Association and stand committed to exceeding your expectations of a professional service firm. We look forward to the opportunity to work with your organization as a supporting team member. We are genuinely excited at the prospect of working with you! If you have any questions regarding this proposal, please call us at your convenience.

Sincerely,



Ben Hancock, CPA
Senior Manager

April 23, 2021

A proposal to provide services for:

Washington State Bar Association



Who we are.

“

We aspire to be an innovative, forward-looking team creating clarity around the future and celebrating success together.”

Kelli Visser - CEO, Partner



Our purpose.

Making lives better,
businesses stronger.



Our vision.

To be connected in genuine relationship with our team members, clients and community creating healthy organizations, secure financial futures and meaningful legacies.

Larson Gross is a full-service public accounting firm providing comprehensive audit & assurance, accounting, bookkeeping, tax, and consulting services to clients throughout the United States and Canada. Founded as a single office in Bellingham in 1949, we have grown to three physical offices and have experienced staff working throughout the Western United States. As the tenth largest CPA firm in the Western Washington State area, our 120-plus team members proudly serve clients in this region.

Our firm is a member of the American Institute of Certified Public Accountants as well as the Washington Society of Certified Public Accountants, an organization that recognized us as Firm of the Year in 2019.



Our values.

Connected, Invested,
Initiative, Integrity,
Personal, Successful



What sets us apart.

What Sets Us Apart



We go beyond the compliance.

We don't run your numbers and check boxes. Our highest and best use is to serve as your advisory team to spearhead discussion of key topics, facilitate conversations regarding financial issues that are important to you, and grow a relationship that allows us to help you achieve your goals. You receive this level of service without additional cost to you because we believe in investing in the success of our clients.



We think differently.

If we have the opportunity to work together, you'll notice that we're not thinking about your tax return, financial statement or bookkeeping needs in silos. Instead, our unique approach integrates services to provide you a cohesive experience. Our team will take a practical approach when providing services, offering only those services you need and delivering them efficiently and thoroughly. Our firm has a proven process of client service supported by innovative systems, technology, and accountability to help us think differently and help our clients.



We dig deep.

Individual relationships are the heart of our work. Our approach to service means building a genuine relationship with you. Communication throughout the year. A deep curiosity for your organization's operations. More asking and less telling. Understanding what keeps you up at night. Collaborating and co-developing solutions. That's what you can expect from our high-touch, highly personal team.



We believe in communication.

With more than 72 years of experience, we know that honest, timely communication is fundamental in growing lasting relationships and providing excellent service to our clients. We always encourage open and sincere dialogue, making you aware of our requests or findings as soon as possible. With us, you won't be caught off-guard by something because it's our mission to continuously keep you informed as we perform our services.



We provide a dedicated & invested team.

We have 120 team members with expertise in a wide variety of areas. We approach client service as a team, while paying thoughtful attention to matching your specific needs with our best suited team members. This means more resources and horsepower without losing accessibility and personal service. We understand the importance of maintaining these client teams from year to year because we believe it is the best way to develop a long-term relationship with you. This continuity provides reliability for you and efficiency for both of us.



Government & Nonprofit

GOVERNMENT & NONPROFIT

Our Experience

Government and nonprofit organizations have unique challenges and opportunities in their operation. That's why we've dedicated an entire team to serving them. We currently work with more than 180 government agencies and nonprofits in a variety of ways, including:

- ▶ Financial statement engagements (audits, reviews, compilations);
- ▶ Audits performed in accordance with Government Auditing Standards and Single Audit requirements of the Uniform Guidance;
- ▶ Preparation and consultation on Form 990;
- ▶ Monthly financial statements or custom financial report development;
- ▶ Ongoing bookkeeping support and training including payroll;
- ▶ State and local tax issues;
- ▶ Internal accounting system reviews; and
- ▶ Board and staff training.

Our ongoing attention to the challenges that tax-exempt organizations often face enables us to quickly spot changing regulatory issues that may affect you, allowing us to proactively keep you informed. Our diversely skilled team provides us with the ability to lend business, process and financial recommendations to our clients consistently and effectively.

In addition to our awareness of the general government and nonprofit industries, we recognize our need to understand the unique aspects of *your* organization. The dynamics between key employees, the involvement of the board and your long-term goals all have a significant impact on your organization. We commit to working collaboratively to ensure you receive the comprehensive services and resources you need.



**Following are some of the types
of government and nonprofit organizations
we serve:**



**Arts &
Humanities**



Foundations



**Youth
Organizations**



Education



Environment



Animals



**Health &
Human Services**



**Membership
Organizations**



Associations

Your Specific Questions

Our Commitment to Diversity, Inclusion and Equity

Larson Gross commits itself to building a culture and work environment where all its team members feel a sense of belonging, respect and value. Our core values of — Connected, Invested, Initiative, Integrity, Personal, Successful — are the backbone of our organization and how we want to behave toward each other and our clients.

Our firm's eleven partners recognize that the commitment to diversity, inclusion and equity is one that requires constant education. That's why they engage with an external consultant to assist them with the ongoing learning of what it means to be inclusive leaders. We have also implemented learning communities for our team members that have highlighted sessions on diversity and inclusion, unconscious bias and a leader's role in fostering diverse teams.

An additional way to model our support for diversity, we have created and underwritten a sponsorship with Western Washington University that awards a first-generation college student who has flourished in their academic career. The eligible first-generation scholarship recipients are most often under-represented students.

Our Mix of Services

Larson gross is a full-service firm that focuses on providing an integrated service model to our clients, centered around the following three lines of business:

- **Audit & Attest** (approximately 20% of total annual revenue)
 - Audited, Reviewed and Compiled Financial Statements including Single Audits
 - Agreed-Upon Procedures and Various Consulting
- **Consulting** (approximately 25% of total annual revenue)
 - Accounting Services, including implementation of accounting software, payroll reporting and benefits, monthly closing and reporting and financial analysis.
 - Business Advisory Services, including budget and cash flow planning, business valuation, ownership transition planning, strategic management consulting and IT Managed Services.
 - Personal Financial Advisory Services, including personal financial planning and estate planning.
- **Tax** (approximately 55% of total annual revenue)
 - U.S. Individual and Business tax preparation and planning
 - Estate, Trust and Gift tax preparation
 - International tax preparation, planning and consulting
 - State and Local tax preparation, analysis studies and consulting

Our Client Base

Our client base represents individuals, businesses and nonprofit organizations. We serve a mix of businesses, including owner-operated businesses that are often multi-generation as well as professionally managed enterprises with complex entity structures. We specialize in serving the agribusiness, construction, international and nonprofit industries; which account for approximately 60% of our total annual revenue.

Within the nonprofit sector, we serve a variety of types of organizations with different missions. These include but are not limited to, industry associations, membership organizations, health and human services, youth organizations, foundations, educational organizations and nonprofits focused in the arts, environment and animal sectors.

To learn more about our work with industry associations and groups, we encourage you to visit the References section of this proposal and contact our current clients about their experience.

Client Retention

Client confidentiality precludes us from disclosing specific former client names. What we can share is that, the five largest departures from our firm have been a result of mergers and acquisitions, whereby the acquiring entity did not retain Larson Gross as the auditor. This was not due to a lack of expertise nor any unresolved accounting matters, but rather a strong relationship with the incumbent public accounting firm. If you would like to discuss specific instances of client departure, we would be happy to have a follow-up conversation that protects the integrity of our client relationships but provides your organization the information it needs.

Our firm's client retention rates for the past three years are as follows:

- ▶ 2018: 80%
- ▶ 2019: 90%
- ▶ 2020: 85%



Client Service Team

Invest PERSONAL

OUR VALUES

With 120-plus employees, all with diverse sets of skills and specialties, we're able to provide you comprehensive service with the proficiency your organization needs. We've thoughtfully selected the following team members to lead your service team. None of our team members have been the subject of a complaint by the state board of accountancy or other regulatory authority.



Daniel Obbink CPA/ABV
Partner, A&A Director

Daniel Obbink joined Larson Gross in 2010 following a decade of experience in public accounting with Moss Adams. Today, he serves as a Larson Gross owner and the firm's Audit and Attest Director, overseeing all financial statement services offered.

Daniel is highly experienced in financial statements and specializes in serving large enterprises and complex entity structures. In addition to being a Certified Public Accountant, Daniel has also received the Accredited in Business Valuation credential by the American Institute of Certified Public Accountants.

Daniel and his wife, Tanya, have three children: Amber, Chantel, and Micah. Outside of work, Daniel enjoys playing basketball, working on home improvement projects, and camping with his family.

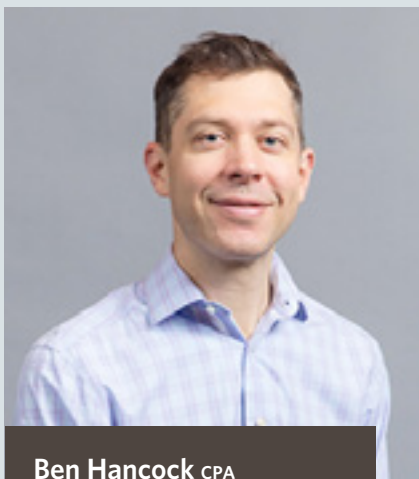


Bethany Andrew CPA/ABV
Senior Manager

Bethany Andrew joined Larson Gross in 2009. She previously worked for a local firm in Bellevue, Wash., where she completed complex compilations, reviews, audits and research, as well as supervised staff and conducted training on audit and accounting functions.

In addition to audit and quality control, Bethany specializes in the valuation of closely held business interest for purposes of litigation support, estate planning and taxation, and financial reporting purposes. Bethany currently leads the firm's valuation practice, which includes three other ABV credentialed team members.

Bethany has served in several Board Member positions, including for LAW Advocates of Whatcom County, Skagit Women's Alliance and Network and The Anacortes Family Center. She and her husband, Brad, stay busy keeping their young daughters, Annabelle and Abigail, entertained.

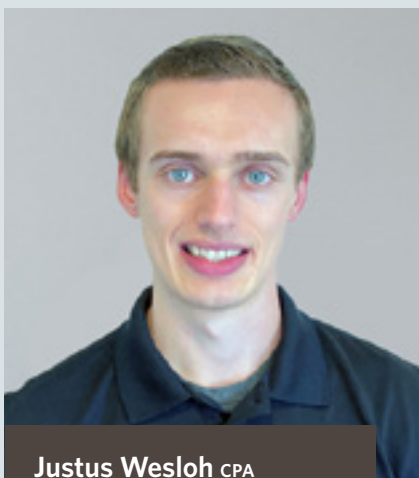


Ben Hancock CPA
Senior Manager

Ben has practiced public accounting since 2004 and recently joined Larson Gross following a 13-year career with Moss Adams and working at a housing authority. Ben works collaboratively with nonprofits to understand their goals and objectives and define organizational and programmatic changes to better position them to achieve their mission. Ben has also led single audits ranging from \$750,000 to \$50 million in federal expenditures.

Aside from financial statement audits and single audits, Ben's specific areas of expertise include policy development, organizational assessments and performance audits, internal control risk assessments and creating training programs for our clients' staff members.

He is a member of the AICPA and a licensed CPA in Washington and California and holds BBA and Master's in Accounting degrees from Gonzaga University. Ben and his wife Wendy have two young sons, Terrence and Silas, who keep them on their toes. Outside of work, Ben enjoys basketball, golf, and biking.



Justus Wesloh CPA
Senior Associate

Justus joined the Larson Gross team in 2021 but isn't new to public accounting. Like your other thoughtfully selected client service team members, Justus has experience working on nonprofit audits with a large regional firm. He graduated from University of Kentucky, where he earned a bachelor's degree in accounting.

Justus has experience preparing financial statements and leading single audits for nonprofit organizations and Tribal Governments, including performing fieldwork remotely or onsite at clients' locations.

Justus enjoys hiking, kayaking, biking, autocross, baking and running – previously volunteering with a running club.

Our Commitment to Staff Continuity

We understand the importance of maintaining these client teams from year to year because we believe it is the best way to develop a long-term relationship with you. This continuity provides reliability for you and efficiency for both of us. In the past three years our staff turnover was 9.45% which includes voluntary and involuntary transitions. The Larson Gross average is well below the industry turnover average of 17-20%.

Our firm has achieved steady year-over-year growth for more than a decade, due in large part to our ability to retain and develop our people. While we cannot guarantee the tenure of an employee, we can confidently speak to our commitment to continuity within the client service team. Continuity is crucial to building a relationship with you and creates efficiencies for us both.



Statement of Work

Scope of Work

We have carefully read and express agreement to meet the requirements of the engagement as stated in the “Required Services” sections of your Request for Proposal. This includes audited financial statements of Washington State Bar Association and Affiliated Foundation, including analysis of controls, management and systems for the September 30, 2021 year-end. Additionally, we understand your request for a special review in October each year to provide analysis on the WSBA’s budget-to-actual results and prior year’s budget.

In addition to the expectations clearly defined in your guidelines, our service also includes the following:

- ▶ Year-round access to your service team and 24-hour response to any email or phone call inquiry.
- ▶ Quarterly planning meetings, scheduled at your convenience to discuss your organization and proactively plan for service delivery, organization changes, economic forces and industry developments.
- ▶ Complimentary articles and invitations to hosted CPE and other relevant events.
- ▶ Access to our preferred professional referral network.

Currently, we believe we have no issues of independence that would prevent us from serving Washington State Bar Association. Inherent in our risk management policies, our Audit & Attest Director provides approval of all financial statement engagements across the firm and will have continued visibility on our level of independence as our relationship continues, if we are selected.

Our Approach to Your Audit

We believe in a collaborative approach to your audit. We begin with a joint meeting of the Larson Gross team members who will be providing service to your organization along with your team members to discuss and ensure that we will efficiently meet your objectives. We take a robust approach to testing, validation and confirmation of your records. We are equally effective at performing our work in-person or virtually, depending on your preferences and in accordance with Washington State guidelines.

Our audits are conducted in accordance with generally accepted auditing standards (GAAS). These standards require that we document an understanding of your organization and your internal controls. Gaining this understanding involves several conversations with management as well as testing individual transactions against the understanding that we have received. Based on the information we gather during this process; we are able to provide recommendations on how to implement best practices within each area.

Our scope of audit process goes beyond accounting transactions to your management culture, tone and approach to ethics. Our objective is to identify risks of financial statement misstatement and to identify risks of fraud. These risks impact our decisions on how to audit your organization.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control.

Our delivery of final audited financial statements includes an in-person or virtual presentation from our team to your management team. This is standard practice for our firm, as we believe it’s the best opportunity for us to openly communicate our findings and address any questions your organization may have.

Use of Technology

Our firm believes in the power of technology and its ability to create efficiencies in the work we perform for our clients. Use of a secure portal is standard practice for our firm, which provides a medium for you and us to receive and send documents without the risks that traditional email presents. Additionally, our firm has implemented CaseWare IDEA, a data analysis software that allows us to test and analyze large datasets, import data from various sources and identify anomalies more efficiently. We will be using this software as part of our audit procedures for Washington State Bar Association, should we be selected.

Communication Process

Ben Hancock will serve as your main point of contact for all the services we provide, however, there will be multiple team members working with your organization who are able to answer any questions you may have. We are dedicated to being available to our clients and answering their questions whenever they arise.

We believe in clear and timely communication of issues to avoid last minute surprises and to enable smooth and timely reporting. We will also provide feedback to management in ways that controls can be improved as early as possible, to help management in performing its responsibilities to maintain effective controls, and leverage any changes made by management early in our audit process.

Lastly, we do not design our audit to look for fraud or errors within your organization. However, if evidence of fraud or errors does come up throughout our process, we contact you immediately. If our discovery is something we need to professionally disclose in the delivery of our financial statements, we find it necessary to disclose this information to you beforehand as to avoid any surprises later.

Fee Proposal

We believe that the value we deliver through the course of our relationship surpasses the cost of our service. The fees assume the full cooperation of Washington State Bar Association, its employees, and agents in all aspects necessary for the completion of these services.

Service	Year Ended 9/30/2021	Year Ended 9/30/2022	Year Ended 9/30/2023
Audited Financial Statements	\$35,000	\$36,000	\$37,000
Special Report on Budget Summary	\$4,500	\$4,600	\$4,700

**This fee assumes that the accounting records and support are in good order. If audit adjustments are required, we will charge an additional \$250 per audit adjustment up to a maximum of \$2,500.*

Staff	2021 Hourly Rate	2020 Hourly Rate	2019 Hourly Rate
Partner	\$385	\$325	\$300
Senior Manager	\$280	\$260	\$240
Manager	\$220	\$210	\$200
Senior Associate	\$155	\$145	\$135

Your Resource Throughout the Year

Being a resource for your organization means being present all year long. We expect that you may have questions that come up throughout the year that may even be unrelated to your financial statements. We are dedicated to being available to our clients and answering their questions whenever they arise, at no additional cost to the fees listed in this proposal. If a question leads to a larger project, we will openly discuss with you the required time it will take us to complete it, and provide an additional fee associated with that project. We believe this effectively eliminates any inadvertent "surprise" billings.

Timeline

We commit to having your financial statements completed by January 31, 2022. We have proposed a timeline of our work below for your consideration, which is aligned with the timeline you requested in your Request for Proposal. If we are selected as your provider, we will collaboratively decide on a timeline that best suits your needs.

JULY 2021	Larson Gross selected and provides agreement letter
AUG / SEPT 2021	Audit planning meeting between Washington State Bar Association and Larson Gross service team members
NOV 2021	Audit fieldwork (Virtual or On-site to be discussed)
DEC / JAN 2021	Larson Gross presents draft financial statements for discussion
JAN 2022	Larson Gross presents final financial statements

Transition

We recognize that changing accounting firms can be a daunting proposition for any organization. We are committed to a smooth transition process with minimal disruption to you, your staff, and the organization. We consider it an initial investment into our long-term relationship. The transition process outline is listed below:

- ▶ Schedule an introduction meeting between Washington State Bar Association and Larson Gross
- ▶ Prepare document request and release letter
- ▶ Schedule a meeting with your prior accountants
- ▶ Review and copy applicable financial statement workpapers including detailed transaction records
- ▶ Obtain copies of permanent records
- ▶ Review and copy applicable documentation for prior tax returns
- ▶ Review initial client service plan and task lists with you and modify accordingly
- ▶ Schedule dates for planning meetings
- ▶ Coordinate compliance services schedule
- ▶ Other steps to be determined

References

Who better to speak to our effectiveness than our clients? The following references are included, with the permission of the client, to provide additional sources of input regarding our services. We encourage you to contact these organizations to learn more about their experience working with us.

Korean Women's Association

Contact: Hwaja Lee, Director of Finance

Email: HLee@kwacares.org

Building Industry Association of Whatcom County

Contact: Gretta Millard, Accounting Director

Email: GrettaM@BIAWC.com

Whatcom Family YMCA

Contact: Bill Ziels, CEO

Email: bziels@whatcomymca.org

Skagit Valley Family YMCA

Contact: Dean Snider, CEO

Email: d.snider@skagitymca.org

Olympic Peninsula YMCA

Contact: Sam Wilton, Finance Director

Email: sam@olympicpeninsulaymca.org

Supplemental Documents

Following the conclusion of this proposal, you will find the requested documents:

- ▶ Most recent peer review report with letter of comments; and
- ▶ A copy of our standard financial statement engagement letter.



Report on the Firm's System of Quality Control

October 12, 2018

To the Members of Larson Gross, PLLC
And the Peer Review Committee of the Washington Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Larson Gross, PLLC (the firm) in effect for the year ended July 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards* including a compliance audit under the Single Audit Act and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Larson Gross, PLLC in effect for the year ended July 31, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Larson Gross, PLLC has received a peer review rating of *pass*.

Gregory, Sharer & Stuart, P.A.

Date

Contact Name

Client Name

Address 1

Address 2

The purpose of this letter is to confirm our agreement for services Larson Gross PLLC is to perform for CLIENT for the year ended XXX. It is always our goal to exceed your expectations, and we hope that by clearly describing in advance the nature and scope of our services we can better ensure our success.

The Objective and Scope of the Audit of the Financial Statements

You have requested that we audit the financial statements of CLIENT (the Organization), which comprise the statement of financial position as of XXX and the related annual statements of activities, functional expenses, and cash flows for the period then ended, as well as the related notes to the financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audit will be conducted with the objective of expressing an opinion on the financial statements.

You have informed us that you have not expended federal funding in excess of \$750,000 during the year ended XXX and thus are not required to follow the audit requirements imposed by the Single Audit Act and the U. S. Office of Management and Budget (OMB) Uniform Guidance.

The Responsibilities of the Auditor

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Due to the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. Also, an audit is not designed to detect errors or fraud that are immaterial to the financial statements.



In making our risk assessments, we consider internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

We also will communicate to the board of directors (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

We will maintain our independence in accordance with the standards of the American Institute of Certified Public Accountants (AICPA).

Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Our audit will be conducted on the basis that management and where appropriate, those charged with governance, acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP);
- b. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not conclude on subsequent events earlier than the date of the management representation letter referred to below;
- c. For establishing and maintaining effective internal control over financial reporting and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge; and
- d. To provide us with:
 - 1) Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
 - 2) Additional information that we may request from management for the purpose of the audit;
 - 3) Unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and where appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit, including among other items:

- a. That management has fulfilled its responsibilities as set out in the terms of this letter; and

- b. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for identifying and ensuring that the Organization complies with the laws and regulations applicable to its activities and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements. Management also is responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, analysts, regulators or others.

Management is responsible for the preparation of the supplementary information, if any, in accordance with GAAP. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and that indicates that the auditor has reported on such supplementary information. Management also agrees to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

The board of directors is responsible for informing us of its views about the risks of fraud within the Organization and its knowledge of any fraud or suspected fraud affecting the Organization.

Organization's Records and Assistance

If circumstances arise relating to the condition of the Organization's records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion, declining to issue a report, or withdrawing from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the Organization's books and records. The Organization will determine that all such data, if necessary, will be so reflected. Accordingly, the Organization will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by Organization personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with CONTACT. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

Accounting and Tax Services

In connection with our audit, you have requested us to perform the following accounting services:

- a. Preparation of book and tax depreciation schedules
- b. Drafting the financial statements

CONTACT NAME, will oversee the services, make all significant judgments that are the proper responsibility of management, evaluate the adequacy of the services, make an informed judgment about the results of the services, and accept responsibility for them. You also agree to establish and maintain internal control over these services, including ongoing monitoring activities. At the conclusion of our audit, we will ask you to provide written representations to that effect.

Our services under this Arrangement Letter do not include services for tax return preparation, tax advice or representation in any tax matter. Nevertheless, we may discuss with you certain tax considerations or provide you with tax information that may be relevant to our services. Any such discussions or information would be based upon limited tax research, limited due diligence and limited analysis regarding the underlying facts. Because additional research or a more complete review of the facts could affect our analysis and conclusions, the information provided during these discussions shall not be used as the basis for proceeding with any transaction or any tax return reporting.

Separate arrangements, including fee arrangements, are required for tax preparation, tax advice or tax representation services.

Reporting

We will issue a written report upon completion of our audit of the Organization's financial statements. Our report will be addressed to the board of directors of the Organization. We cannot provide assurance that an unmodified opinion will be expressed. If our opinion is other than unmodified, we will discuss the reasons with you in advance. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

General Business Terms and Conditions

The following terms will govern the services Larson Gross PLLC provides to you in association with this Agreement Letter. If you have any questions about these terms, please contact us. We would be happy to discuss them with you.

Parties' Understandings Concerning Situation Around COVID-19

Larson Gross PLLC and CLIENT acknowledge that, at the time of the execution of this arrangement letter, federal, state and local governments, both domestic and foreign, have restricted travel and/or the movement of their citizens due to the ongoing and evolving situation around COVID-19. In addition, like many organizations and companies in the United States and around the globe, Larson Gross PLLC has restricted its employees from travel and onsite work, whether at a client facility or Larson Gross PLLC's facility, to protect the health of both Larson Gross PLLC's and its clients' employees. Accordingly, to the extent that any of the services described in this arrangement letter requires or relies on Larson Gross PLLC or CLIENT personnel to travel and/or perform work onsite, either at CLIENT's or Larson Gross PLLC's facilities, including, but not limited to, maintaining business operations and/or IT infrastructure, Larson Gross PLLC and CLIENT acknowledge and agree that the performance of such work may be delayed, significantly or indefinitely, and thus certain services described herein may need to be rescheduled and/or suspended at either Larson Gross PLLC's or CLIENT's sole discretion. Larson Gross PLLC and CLIENT agree to provide the other with prompt written notice (email will be sufficient) in the event any of the services described herein will need to be rescheduled and/or suspended. Larson Gross PLLC and CLIENT also acknowledge and agree that any delays or workarounds due to the situation surrounding COVID-19 may increase the cost of the services described herein. Larson Gross PLLC will obtain CLIENT's prior written

approval (email will be sufficient) for any increase in the cost of Larson Gross PLLC services that may result from the situation surrounding COVID-19.

Fees and Expenses

Our fees for the audit and accounting services described above are based on the value of the services performed and the time required by the individuals assigned to the engagement plus direct expenses. We estimate that our fees will be \$XXX for the audit (described on page 1). If audit adjustments are required, we will charge an additional \$XXX per audit adjustment up to a maximum of \$XXX. Our fee estimate and completion of our work is based on the following criteria:

- a. Anticipated cooperation from the Organization personnel;
- b. Timely responses to our inquiries;
- c. Timely completion and delivery of client assistance requests;
- d. Timely communication of all significant accounting and financial reporting matters; and
- e. The assumption that unexpected circumstances will not be encountered during the engagement.

If any of the aforementioned criteria are not met, fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission.

Termination

Your failure to make full payment of any and all undisputed amounts invoiced in a timely manner constitutes a material breach for which we may refuse to provide deliverables and/or, upon written notice, suspend or terminate our services under this Arrangement Letter. We will not be liable to you for any resulting loss, damage or expense connected with the suspension or termination of our services due to your failure to make full payment of undisputed amounts invoiced in a timely manner.

In the event you terminate this engagement, you will pay Larson Gross PLLC for all services rendered (including deliverables and products delivered), expenses incurred, and noncancelable commitments made by Larson Gross PLLC on your behalf through the effective date of termination.

We will not be responsible for any delay or failure in our performance resulting from acts beyond our reasonable control or unforeseen or unexpected circumstances, such as, but not limited to, acts of God, government or war, riots or strikes, disasters, fires, floods, epidemics, pandemics or outbreaks of communicable disease, cyberattacks, and internet or other system or network outages. At your option, you may terminate this Arrangement Letter where our services are delayed more than 120 days; however, you are not excused from paying Larson Gross PLLC for all amounts owed for services rendered and deliverables provided prior to the termination of this Arrangement Letter.

When an engagement has been suspended at the request of management and work on that engagement has not recommenced within 120 days of the request to suspend our work, we may, at our sole discretion, terminate this Arrangement Letter without further obligation to CLIENT. Resumption of our work following termination may be subject to our client acceptance procedures and, if resumed, will require additional procedures not contemplated in this Arrangement Letter. Accordingly, the scope, timing and fee arrangement discussed in this

Arrangement Letter will no longer apply. In order for Larson Gross PLLC to recommence work, the execution of a new Arrangement Letter will be required.

We may terminate this Arrangement Letter upon written notice if we determine that our continued performance would result in a violation of law, regulatory requirements, applicable professional or ethical standards, or our client acceptance or retention standards.

Confidential Information

We will use all reasonable and appropriate care to protect your confidential information and will not disclose it unless required by law. "Confidential Information" means (i) information contained in your internal financial records, (ii) information reported on your tax return, and (iii) other information concerning you that is marked "confidential" or otherwise identified as "confidential" in writing at the time of disclosure. Confidential information does not include information (i) that is or becomes publicly available or generally known to persons without breach of our obligations under this section, or (ii) is received by us after the termination of the Agreement Letter. You agree and understand we may disclose your confidential information to our employees and third-party contractors as necessary to provide our services.

Document Production and Testimony

If we are requested or authorized by you, or if we are required by government regulation, subpoena or other legal process, to produce any documents or files or to make our personnel or the personnel of a third party available as witnesses in any proceeding in which our firm is not party, but which relates in any way to our services to you, you agree you will reimburse us for our professional time and expenses as well as the fees and expenses of our counsel incurred in responding to such requests.

Conflict of Interest

If we at any time determine in our sole discretion that a conflict of interest exists that prevents us from providing our services in accordance with applicable ethical rules, we will notify you of the conflict. You agree we may terminate our services if we conclude it is required and permitted by applicable professional standards.

Indemnification and Claim Resolution

We believe that most disagreements can be resolved to mutual satisfaction in a friendly, non-threatening environment. While neither of us expects there to be any problems with this relationship, misunderstandings can occur. Therefore, both the Organization and Larson Gross PLLC agree that any dispute arising under this agreement (including the scope, nature and quality of services performed, the fees charged and any other terms of this engagement) shall be submitted to mediation before either party initiates litigation of any kind against the other party.

An impartial third party acceptable to both of us shall be appointed to mediate. Both you and we shall pay an equal percentage of the mediator's fees and expenses. The mediation shall be confidential in all respects as allowed or required by law.

Because Larson Gross PLLC will rely on the Organization and its management to discharge the foregoing responsibilities, the Organization holds harmless and releases Larson Gross PLLC and its partners and employees from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Organization's management that has caused, in any respect, Larson Gross PLLC's breach of contract or negligence.

CLIENT

DATE

The Organization and Larson Gross PLLC agree that no claim arising out of services rendered pursuant to this agreement shall be filed more than two years after the date of the audit report issued by Larson Gross PLLC or the date of this agreement letter if no report has been issued. In no event shall either party be liable to the other for claims of punitive, consequential, special, or indirect damages. Larson Gross PLLC's liability for all claims, damages and costs of the Organization arising from this engagement is limited to the amount of fees paid by the Organization to Larson Gross PLLC for the services rendered under this Agreement Letter.

These provisions shall survive the termination of this arrangement for services.

Information Security

Larson Gross PLLC is committed to the safe and confidential treatment of Organization's proprietary information. Larson Gross PLLC is required to maintain the confidential treatment of client information in accordance with relevant industry professional standards which govern the provision of services described herein. The Organization agrees that it will be responsible for providing Larson Gross PLLC with any unencrypted electronic confidential or proprietary information, and the parties agree to utilize commercially reasonable measures to maintain the confidentiality of Organization information, including the use of collaborate sites to ensure the safe transfer of data between the parties.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature of a party to this agreement or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.

Choice of Law and Venue

This agreement is governed by the laws of the State of Washington. The parties expressly consent to the venue and jurisdiction of the Whatcom County Superior Court for the State of Washington for any legal disputes between them.

Statement of Agreement

This letter constitutes the complete and exclusive statement of agreement between Larson Gross PLLC and CLIENT for the services described herein superseding all proposals oral or written and all other communications with respect to the terms of the engagement between the parties.

If any term or provision of this arrangement letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken and all other terms and provisions will remain in full force and effect.

CLIENT

DATE

Please sign and return a copy of all pages of this letter to indicate your acknowledgment of and agreement with the arrangements for our audit of the financial statements, including our respective responsibilities.

Sincerely,

Daniel Obbink, CPA/ABV
Partner, Audit & Attest Director

Confirmed on behalf of addressee:

Print Name

Title

Signature

Date



Proposal to Provide Professional Services

Washington State Bar Association

April 22, 2021

Clark Nuber PS

10900 NE 4th Street, Suite 1400
Bellevue, WA 98004
clarknuber.com

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April 22, 2021

Jorge A. Perez, *Chief Financial Officer*
Washington State Bar Association
1325 Fourth Avenue, Suite 600
Seattle, WA 98101

Dear Jorge,

Thank you for this opportunity to present our qualifications to provide audit and other services to the Washington State Bar Association (WSBA). We are honored to be your service provider and would be pleased to continue to serve as a resource to you.

Attached is further information that may be helpful in assessing the qualifications of our firm to meet your needs. Please feel free to reach out to us by phone or email if we can answer any additional questions, or if you would like to meet to discuss your needs further.

Sincerely,



Mitchell Hansen, CPA, CMA, CFE, CIA
(425) 709-6697
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Executive Summary

History of Service

Clark Nuber has been pleased to serve as your auditors for the past six years, and we hope to continue this successful relationship into the future. Below are some key points for you to consider as you evaluate the selection of your accounting firm:

- Clark Nuber has maintained a strong working relationship with the Board and management team for the past six years. Audits have been completed efficiently, with minimal disruption to your staff, even during this pandemic year when we adapted on the fly to conduct the audit remotely.
- We have added value to the WSBA during the past six years. Best practice recommendations have included strengthening IT controls, monitoring vendors who hold sensitive WSBA data, improving expense reimbursement and travel policies, strengthening payroll controls over authorization of overtime and better defining the executive director's authority over payroll, and cleaning up the vendor master file which had numerous duplicate vendors.
- We are local. In our profession, the big regional and national firms are acquiring local firms at a high rate. Clark Nuber has been serving the Puget Sound for almost 70 years and is the largest local firm in the state. We also have the largest not-for-profit practice of any local firm in the state.
- Our shareholders are committed to supporting an inclusive workplace for our employees, our community, and for society at large. We provide Diversity, Equity, and Inclusion (DEI) training to all members of our firm and have implemented focus groups with participation sought from all areas of our firm to help ensure we foster and maintain an inclusive and supportive culture. Our CEO, Rob Wheeler, has signed the [CEO Action Pledge](#), the largest CEO-driven business commitment to advance diversity and inclusion in the workplace. This pledge outlines a specific set of actions the signatory CEOs will take to cultivate a trusting environment where all ideas are welcomed, and employees feel comfortable and empowered to have discussions about diversity and inclusion. Mitch Hansen serves on the Board of the WSCPA Foundation whose mission is to promote diversity within the accounting profession.

Firm Rotation

It is a best practice to review vendor performance to ensure you are getting good value for your fees, but is it a best practice to change accounting firms every few years? As you deliberate that question, we offer the following for you to consider:

- One argument often raised in favor of firm rotation is that you need a fresh set of eyes looking at your books. Clark Nuber's workforce of 200+ professionals allow us to provide that to you. In the past six years, we have rotated shareholders (due to Rob Fleming's retirement), we have changed managers during the period, and the senior and associates rotate every one to two years to ensure we have a fresh set of eyes without losing our institutional knowledge of the organization. Our not-for-profit practice is large enough to allow rotation and ensure experienced teams are sent out each year.
- Congress considered including firm rotation in the Sarbanes Oxley Act for publicly traded companies and mandating it for not-for-profits. The IRS also considered making it mandatory for all not-for-profits. Congress and IRS studied the issue and concluded it was not a best practice for these reasons:
 - If an organization has a good working relationship with a firm, they shouldn't be forced to abandon it
 - Bringing in a new firm can actually increase risk. Audit failures occur most frequently in the first two years with a new audit firm
 - In some markets, where only unqualified firms are present, an organization may be forced to engage with a less qualified firm.
- In the end, Congress believed rotation within the audit team was sufficient, which we have been doing. However, it is a best practice to evaluate any of your vendor relationships periodically, and the best time to evaluate your relationship with your accounting firm is right after the audit concludes. At that time, consider whether you are getting good service and whether there are changes that could be made by either the CPA firm or the organization's staff to improve the audit process.

The Institute of Internal Auditors (IAA), in a research study in 2012 about mandatory audit firm rotation, cited the following as disadvantages of rotation:

- Increased costs to the company and/or audit firm.
- A steep learning curve and loss of knowledge.
- Potential erosion in the quality of audits.
- Potential opportunities for opinion shopping.
- Potential mandatory rotation would diminish the role and influence of the audit committee.

In lieu of time-based mandatory rotation, the IIA suggested the PCAOB require a change in the external auditor when circumstances arise such as restatements, significant frauds in

Providing Professional Services to Washington State Bar Association

Clark Nuber PS

company's audited financial statements, or other indicators of audit failure which impact investors.

Fees

Our audit fees would be as follows:

- Audit = \$27,500 (PY fee less 15% COVID discount for our NFP clients)
- AUP = \$2,500

Please don't hesitate to contact us if you have any questions regarding any of these points.

1. Firm

About Clark Nuber PS

[Clark Nuber](#) is ranked among *Accounting Today's* national list of "Top 100 Firms," which includes the Big 4 and many multi-office, national firms.

We serve a broad range of clients who have operations throughout the world. These clients include not-for-profit and public sector organizations, privately held and family businesses, angel and venture-backed companies, and high net worth individuals and their families.



While we are not a minority or woman-owned business, women make up over half of our leadership team of shareholders, directors, and principals.

Diversity, Equity, and Inclusion

Clark Nuber is dedicated to cultivating an inclusive and diverse workplace. We strive to create an environment where employees are valued, empowered to positively support our business objectives and clients, and recognized for their individual and team contributions. We believe that building an inclusive culture is essential for all our employees to bring their authentic, whole selves to work and experience a sense of belonging and support. We believe we are stronger as a team when we welcome diverse perspectives, experiences, and approaches to foster a stronger, smarter, and more informed organization. Our culture is to lead with respect and acceptance of difference. We expect all employees to embrace this principle and to express it in workplace interactions and through everyday practices.

We believe that people enhance our culture because of the differences that provide unique perspectives, leading to better understanding and more creative and powerful ideas. To provide informed, authentic leadership for diversity and inclusion, we aspire to:

- Understand diversity and inclusion and their importance to ensuring the well-being of our staff and the communities we serve.
- Question the assumptions that may interfere with inclusiveness.

- Cultivate open-minded communication and cooperation between all employees and with clients.
- Foster teamwork and employee participation, encouraging the representation of all groups and employee perspectives.
- Contribute to the communities we serve to promote a greater understanding and respect for diversity.

Our shareholders are committed to supporting an inclusive workplace for our employees, our community, and for society at large. Our CEO, Rob Wheeler, has signed the [CEO Action Pledge](#); the largest CEO-driven business commitment to advance diversity and inclusion in the workplace. This pledge outlines a specific set of actions the signatory CEOs will take to cultivate a trusting environment where all ideas are welcomed, and employees feel comfortable and empowered to have discussions about diversity and inclusion. Mitch Hansen also serves on the Board of the Washington Society of CPAs Foundation whose mission is to increase diversity within our profession.

Services Offered

Clark Nuber's professional services include financial statement audits; internal audit support; risk management; internal control systems; merger and acquisition services; federal, state and local, and international tax planning and compliance; CFO/Controller/accounting services; and specialty audits, including agreed-upon procedures, retirement plans and government grants.

To best serve our clients, we employ over 200 accounting professionals, including 100+ in the Audit Department, 80+ in the Tax department, and 20+ in the Accounting and Consulting Services department. If buying local is of concern to you, we are currently the largest local firm in the state and have the largest not-for-profit practice of any of the local firms.

Serving Related Industry Associations or Groups

To be a better resource for our association clients, Clark Nuber has been active in the Washington Society of Association Executives (WSAE) and the American Society of Association Executives. The WSAE is an association for leaders in associations to come together to share best practices. We have been the only CPA firm members in WSAE and have been for several decades. Mitch Hansen has spoken at monthly meetings and annual conferences, written articles for their newsletter, and served as a Board member.

Relevant Experience

The WSBA is a complex and unusual organization. To properly serve WSBA, a firm needs experience serving not-for-profit organizations because the rules and regulations are complex and ever changing, and the cost of getting it wrong could result in the loss of your exempt status.

The firm also needs experience with associations. The WSBA is a member organization with many activities similar to those of a trade association. Finally, the firm needs experience serving quasi-governmental organizations. The WSBA was created by statute and must comply with certain rules and regulations that apply to governmental organizations (for instance, your dues setting process) that trade associations would not have to follow. Below is a description of our experience in each of these three areas.

Experience with Not-for-Profit Entities

With one of the largest Not-for-Profit practices out of a single office in the United States, our Not-for-Profit Services Group includes 80 people who specialize in serving more than 750 not-for-profit organizations (about 40% of our firm's revenue). We meet regularly to provide educational courses and updates on the not-for-profit sector. This ensures that the professionals working on your engagement have the most current information available to them.

We also believe in providing education to our clients and are proactive about helping them understand and work with regulatory changes that affect them. Examples that demonstrate our commitment to education include:

- We provide our clients with informational emails, articles, and workshops on up-to-the-minute changes to accounting and tax changes, enabling them to prepare for how the changes will affect their organizations.
- We use email alerts and our regularly monthly newsletter to keep over 1,500 not-for-profit clients and community members up to date on issues affecting them.
- We hold a semi-annual *Not-for-Profit Basics* training webinar as an introduction or refresher on not-for-profit accounting, tax, and federal grant compliance.

Although Clark Nuber is located in one office, our reach and impact in the not-for-profit community are felt nationally. Our shareholders serve on national level committees that focus on not-for-profit issues. Our team's participation in these national level activities, along with our

commitment to continuing professional education and other learning opportunities, allows us to stay abreast of emerging tax and accounting issues that are directly applicable to not-for-profit organizations:

- We have 13 shareholders and principals who work together as a team specializing in serving not-for-profits. This enables us to provide our clients with immediate access to our top professionals.
- Several of our shareholders and principals are highly regarded speakers and present regularly at local and national conferences on tax, accounting, and auditing issues. This allows our clients the benefit of being the first to know about any changes in tax laws and regulations or changes in accounting practices.

Experience with Associations

Clark Nuber's client base includes more than 60 different associations of varying sizes, including:

- SPIE – The Society of Optical Instrumentation Engineers
- International Association of Venue Managers
- Merchant Risk Council
- Master Builders Association of King and Snohomish Counties
- International Association of Microsoft Channel Partners
- International Association for the Study of Pain
- National Renal Administrators Association
- Society for Human Resource Management
- National Society of Tax Professionals
- Washington State Medical Association
- Washington State Hospital Association
- Washington Technology Industry Association
- Washington State Bar Association

As mentioned earlier, we are active in the American Society of Association Executives and the Washington Society of Association Executives, where we contribute informational articles and

speak at educational events. Mitch Hansen has also served on the conference planning committee and as a Board member.

Through our involvement with the associations listed, and our many other clients, we are well positioned to provide guidance on best practices, revenue enhancement, and cost saving ideas. We understand your need to demonstrate value to your members for the dues and fees they pay, the need for transparency with members, as well as the sensitive nature of fee increases to cover rising costs.

Experience with Quasi-Governmental Entities

Clark Nuber understands that not all not-for-profits are created equal. Some associations are considered quasi-governmental, either because they were formed by legal statute or because their members are made up of governmental employees. This designation can result in additional compliance issues such as being subject to public disclosure laws, being under the purview of the State Auditor's Office, or restrictions on dues or fee increases to name a few. We work with a number of these organizations, including the Washington State Association of Counties, Association of Washington Cities, Washington Association of Sheriffs and Police Chiefs, Washington Association of Sewer and Water Districts, Washington State Bar Association, and Cascade Water Alliance, to name a few.

Staff Turnover

Clark Nuber is successful in attracting and retaining some of the best and brightest in our market through working hard to maintain a stimulating and rewarding work environment. The benefit to our clients is highly motivated professionals and lower turnover. Although the average turnover rate in the accounting profession is 18%-22%, our three-year staff turnover rates are lower than industry standards: 2020: ~13%, 2019: ~ 15%, 2018: ~ 21%.

In addition to national recognition for three consecutive years as a "best company to work for" by the Society of Human Resource Management, Clark Nuber also made the 2020 Best Firms for Women in Public Accounting list for the seventh time. The list is compiled by the Accounting & Financial Women's Alliance and AWSCPA.

Peer Review

The American Institute of CPAs instituted a peer review program with the objective of improving the quality of the work in the profession. Peer reviews are held every three years and are conducted by a team of reviewers approved by the AICPA. Clark Nuber successfully completed

its triennial peer review with a passing report and no deficiencies reported. This review included a review of specific not-for-profit, Single Audit, retirement plan audit, and agreed-upon procedures engagements. The most current Peer Review Report is included in the Appendix.

2. Team

The people we have selected to serve you combine experience in the areas you need, technical experience, and outstanding communication skills. They understand that good communication and collaboration are hallmarks of good client service. All are properly licensed, and there are no complaints leveled against them by the State Board of Accountancy or other regulatory authority. Full résumés for your team are included in the Appendix.

Mitch Hansen, CPA, CMA, CFE, CIA, has been the shareholder in charge of the audit services provided to WSBA. Mitch is a member of our firm's not-for-profit group. He has 30+ years of experience planning and conducting financial, compliance, and operational audits. Mitch devotes 100% of his time working with not-for-profit and governmental entities. He heads up our association practice and works with most of our larger associations including the Washington State Medical Association, SPIE, and the Washington State Bar Association. He has also served as a Board member for several associations including the Washington Society of Association Executives, LeadingAge Washington, Centre Ice Sports, and Kent Valley Hockey Association. He has spoken at an international conference for scientific associations (CESSE) and at several state associations on accounting, auditing, and tax issues.

Prior to switching to public accounting, Mitch was an assistant controller at Yellowstone National Park for the company that ran all lodging, restaurants, and stores in the park giving him experience doing day-to-day accounting. He then served as an auditor for the U.S. Department of Commerce, Office of Inspector General conducting performance and financial audits of federal agencies, grantees, and contractors. The mission of the Agency was to find fraud, waste, and abuse, and serve as internal auditors for the Department.

Mitch's credentials as a certified fraud examiner, certified internal auditor, certified management accountant, and certified public accountant, and his diverse work history, make him well suited for financial statement and internal audit work. He is a frequent speaker and author on internal controls and fraud-related subjects.

Joseph Purvis, CPA, has served as audit senior manager on the WSBA audit for the past few years. He works extensively with not-for-profit organizations, including associations such as WSBA, and Master Builders Association. His technical skills, exceptional attention to detail, and

commitment to creating lasting relationships with his clients makes him an invaluable resource to the teams with which he works. His recent experience includes assisting clients with the implementation of the new FASB standards on revenue recognition, grants and contracts, leases, and the requirements for not-for-profit financial reporting. Joe regularly speaks and provides trainings on new accounting standards and compliance matters, including at the WSCPA Not-For-Profit Industry Conference.

Staff Continuity

Regarding staffing continuity, we are committed to keeping the manager position the same from year to year whenever possible. Shareholder positions generally do not change, and our clients benefit from long-term working relationships with them.

3. Approach

Understanding the Needs of WSBA

It is our understanding that WSBA is looking to partner with a qualified CPA firm to provide:

- Annual audit of financial statements, including concomitant analysis of controls, management, and systems; and
- Agreed-upon procedures report.

Independence

Clark Nuber is independent with respect to WSBA as defined by generally accepted auditing standards. We are not aware of any conflicts of interest between Clark Nuber and WSBA.

We have a comprehensive process for monitoring independence at our firm. This process includes annual independence verifications from all staff, as well as ongoing monitoring by engagement partners for the specific clients they serve.

Service Approach

A Clark Nuber differentiator is our commitment to timely and responsive service. We commit to the following goals on all of our engagements:

- Perform the senior manager and shareholder review of the financial statement draft, significant areas, and findings at the end of the fieldwork week, not several weeks later.

- Deliver draft financial statements to management for preliminary review within one to two weeks of the last scheduled day of fieldwork.
- Work with management to resolve open items and deliver final draft financial statements ready for Board approval within two to three weeks of completing our fieldwork.

In return, we ask that our clients give the following assistance to us:

- Have all accounting records for the year closed and reconciled before the first day of fieldwork.
- Have all schedules that we have requested and supporting documentation pulled and ready for the first day of fieldwork.
- Be available during fieldwork to answer questions and to provide additional information as required.
- Be responsive and communicative with us.

The following is a brief outline of the procedures we follow in completing the financial statement audit:

Financial Statement Audit Planning and Risk Assessment

- We begin by conducting a planning meeting with key personnel, and any others who are interested, to discuss current year events, provide an update on any significant accounting pronouncements issued, and finalize the project timeline for each engagement.
- Provide the Smartsheet project management and request listing tool, which identifies the documents that are needed for the audit process and when they are needed by. This tool also provide features that will help you manage the audit preparation process.
- Conduct preaudit inquiries with the Board of Governors or a representative from the Board.
- Prepare a comprehensive list of schedules we need in order to complete the financial audit.

Audit Fieldwork and Report Issuance

- Audit fieldwork for the engagement will be scheduled at a time that is convenient for you. Audit fieldwork will range from 4 to 5 days total. The audit team will start fieldwork and be ready to begin audit testing immediately. To capitalize on efficiency, we will pre-

design and populate our work papers. We thoroughly plan our audits well before fieldwork begins to enhance communication, minimize disruption to your team, and maximize the time allowed for your team to prepare for the audit. To adhere to best COVID-19 health practices, and to keep the audit fees down, the Clark Nuber team is currently performing all audits remotely.

- We believe the best results are timely and actionable. Therefore, we strive to complete all work paper reviews during fieldwork and leave your office with minimal open items. This facilitates our goal of providing you with a draft of the audited financial statements within two weeks from the end of the audit fieldwork period.
- Review the results of the audit with management and receive feedback on the draft of the financial statements, and management letter, if applicable.
- Present the results of the audit engagement to the Audit Committee and/or Board of Governors based on the needs of each group. The objective of these meetings would be to review the results of the audit and all relevant findings, observations, and recommendations made by Clark Nuber throughout the audit process. We value the opportunity to meet with WSBA's governing body and believe these communications to be a healthy and essential part of the audit process. Information for each meeting is provided well in advance of the meeting to allow the Board and Committee members time to review in advance of the meeting.
- Deliver final bound reports and provide final PDF copies of the financial statement reports.

Implementing Recently Adopted Standards

Clark Nuber believes that the best approach to implementing new standards is to provide clients with education and tools necessary to understand and effectively implement the standard.

When the new not-for-profit reporting standard became effective in FY2019 for WSBA, Clark Nuber provided education on the new standard through the audit planning process for the year, wrote educational articles on the standard and hosted educational events available to our clients.

Further, as the implementation year occurred, an example disclosure tool to help incorporate necessary edits into the financial statements was made available, and key Clark Nuber staff members were available for questions throughout the implementation process.

We will take a similar approach as WSBA implements the new revenue recognition standard in FY2021 and leasing standard in FY2023. This will include providing WSBA with tools to help

analyze revenue streams or calculate asset and liability balances associated with the new lease standard. These completed tools may also serve as the key necessary documentation associated with WSBA's implementation of the standards. Completing these documents will have an impact on the audit preparation. There are not any changes in auditing standards that will impact the scope of audit and required amount of preparation from prior years.

Using Technology

Clark Nuber has devoted substantial resources to the use of technology applications to streamline the audit process, both for our clients and for our professionals. We will continue to look for new and better ways to use technology in our audits to increase effectiveness and improve efficiency.

We have two key audit technology tools that we plan to use relevant to your audit:

- **Smartsheet** – We will use our internet-based tool Smartsheet to facilitate requests and to help manage the project.
- **DataShare** – We will use DataShare to extract data from your accounting systems to facilitate the preparation of trial balances, audit leadsheets, and to facilitate data analysis.

The goal of all these tools is to save your team time and increase the value of the audit process.

Our ongoing investment in technology has allowed us to keep client services moving forward during the COVID-19 pandemic. We do not expect the current crisis to interfere with our ability to perform this engagement.

Communicating Issues to Management and the Board

During the engagement, we may identify issues that need to be reported as audit findings or as other comments or recommendations. We prefer to work through issues during the engagement to ensure there are no surprises for our clients. We begin this process by collaboratively addressing any potential issues with the appropriate client staff. This approach ensures that we have all the facts, a full understanding of the issue, and can make sure the root cause of the issue has been identified.

Following that conversation, we determine how to report the issue in accordance with the applicable professional standards. Some issues must be reported in writing as findings, while other issues may only need to be verbally discussed.

Finally, during our report to the Audit and Budget Committee, we review all relevant findings, observations, and recommendations that warrant the Committee's attention to ensure full disclosure and transparency of the audit process. If a written letter is necessary, we also give you the option of including a management response to each of the findings. We strive to avoid surprises and ensure that any recommendations we make are based on an accurate understanding of the situation.

Why Partner with Clark Nuber?

Clark Nuber is passionate about serving public sector organizations. We have built the expertise necessary to set us apart from any other accounting firm when it comes to understanding and serving unique entities such as WSBA. You are an important client to Clark Nuber, and it would be an honor to continue to work with you.

At Clark Nuber, we adopt a holistic, collaborative approach based on providing solutions. As our references will tell you, when we say that we're responsive, flexible and a true thought partner, we follow through with actions.

- **Experience** – We have extensive experience with not-for-profits, associations, and quasi-governmental organizations. Our team also has extensive experience beyond just doing financial statement audits. We try to add value with every engagement we do, and work diligently throughout the year to keep you informed about changes that may impact your organization.
- **Good Working Relationship** – We have worked well with your team, resulting in efficient audits and timely reporting to the Committee and the Board. While we work great with the accounting team and management, we also understand that we work for the Board of Governors and have been a resource for that group in developing and executing on project specific work plans and providing best practice insights.
- **Responsiveness** - We're here when you need us and can produce results quickly. We are available to you throughout the entire year to provide information, respond to your questions, and help you accomplish your goals.
- **Flexibility** - Rather than hiring an individual, you are hiring our entire team. Our Not-for-Profit Services Group is large enough to accommodate your time schedules and adjust for changes or unexpected events. We also have the breadth of expertise to help support your team in a wide variety of roles, from advising on technical issues to designing work plans and rolling up our sleeves to get the work done.
- **Innovation** - Similar to WSBA, we value innovation and new technologies. It is because of this innovation that we were well positioned to transition to remote audits quickly when

the pandemic hit. Also, our IT and Audit teams have worked diligently with clients to shore up their systems as they shifted to this work from home environment.

- **Reliability** - You can count on us to provide high-quality assistance, on time, every time.
- **Thought partner** - The highest compliment we receive is being called a “thought partner.” This means that when we put our ideas together with our clients’, we achieve greater success than we could achieve separately. Clark Nuber excels in this area. We are able to listen to our partners’ thoughts and reflect them back in ways that provides multiple, rather than additive, returns.
- **Support** - Our goal is to provide the support you need so that you can better use your internal resources. We integrate expertise, commitment to excellence, and community service into a unique client service experience unlike that offered by other firms. We are large enough to possess breadth and depth in technical expertise, but we embrace a “high touch” approach that focuses on solutions and results for our clients so that they don’t feel like a number.

All of these factors result in excellent client service, on-time deliverables, and professionals who have deep technical knowledge and insights. We would be honored to continue to provide audit and review services to WSBA.

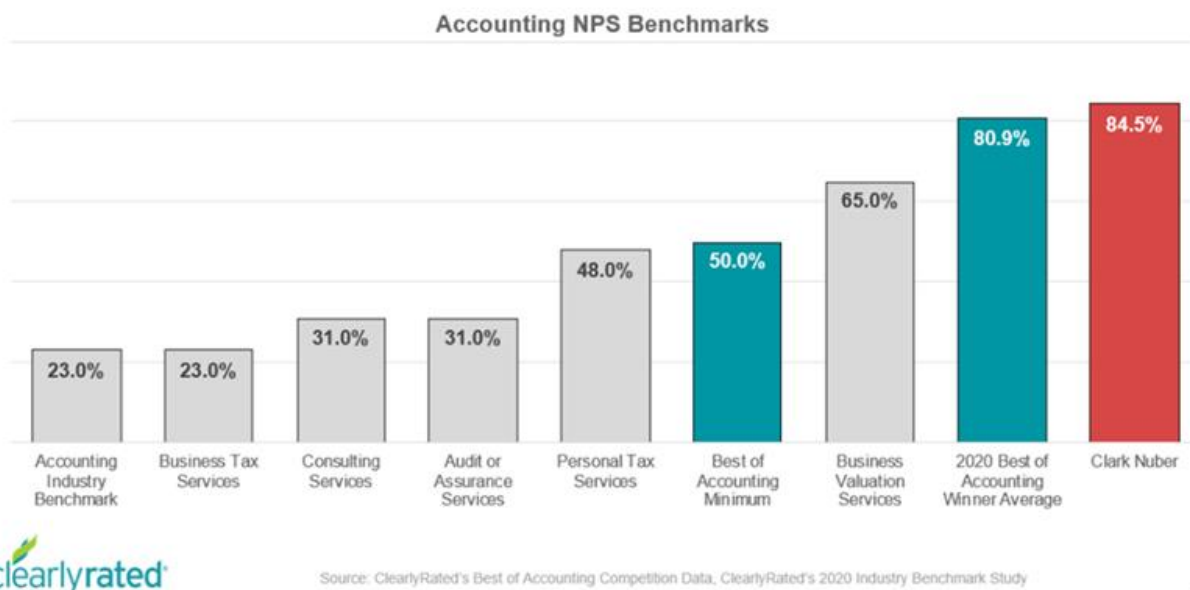
4. Client Retention and References

Client Retention Rate

This is not a metric we track because we have a robust consulting practice and many of these projects are one-time engagements. So, a lower retention rate could be a positive indicating a thriving consulting practice.

A core element of our mission is the success of our clients. We measure achievement of our mission in several ways, including an annual client satisfaction survey conducted by ClearlyRated. We take the results seriously and strive for continuous improvement. In 2020, we achieved 4.8 out of 5 stars and an overall net promoter score (NPS) of 84.5%. We are pleased that our clients ranked us among the top CPA firms in the country.

Net Promoter Score Benchmarks



Largest Clients Lost

Over the past three years, the largest audit clients we have lost include:

- American Civil Liberties Union WA—Board wanted a minority-owned firm.
- Eastside Retirement Association—client wanted a larger firm due to the growth they had experienced.
- Presbyterian Retirement Communities NW—expanded into Minnesota and wanted a firm with Minnesota offices.
- Institute of Flight—the County took over operations and eliminated the annual audit.
- A private foundation whose name we can't disclose due to privacy concerns —needed to implement cost cutting measures.

None of the clients were lost due to unresolved audit or accounting matters.

References

We place a high value on our client relationships and exercise complete discretion in discussing client operations. These clients have granted us permission to include their names and

Providing Professional Services to Washington State Bar Association

Clark Nuber PS

descriptions in our proposals. We have included these individuals as references as they work with some or all of your service team, and they have certain operations similar to WSBA.

Kim Goodman, *COO*

WA Association of Sheriffs and Police Chiefs

Olympia, WA

(360) 486-2380

kgoodman@waspc.org

Alicia Seegers Martinelli, *Deputy CEO/COO*

Association of Washington Cities

Olympia, WA

(360) 753-4137

aliciam@awcnet.org

Amy Fredericks, *CFO*

WA State Medical Association

Seattle, WA

(206) 956-3623

alf@wsma.org

Celeste Piette

WA Dairy Product Commission

Lynnwood, WA

(425) 921-0041

celeste@wadairy.org

Jerry Hall, *Chief Operating and Financial Officer*

Master Builder Association of King and Snohomish Counties

Bellevue, WA

(425) 278-0215

jhall@mbaks.com

5. Proposed Engagement Terms

Estimated Fees

Based on our understanding of the services desired, we propose the following all-inclusive fees for each service required. These fees are not-to-exceed fees:

Service	2021
Annual Financial Statement Audit *	\$27,500
Agreed-Upon Procedures Report	\$2,500
Annual Accounting and Tax Update Monthly NFP Newsletter 2 Attendees for our NFP Basics Training 2 Attendees for our NFP Board Training	No Charge
Brief calls during the year with technical questions**	No Charge
Total	\$30,000

*Included in the fees above is a 15% COVID discount we are offering our not-for-profit clients.

** We don't charge for brief calls during the year because we want our clients to call us about issues as they are happening rather than finding an issue during the audit that could have been avoided. If a technical question is more involved and will require some research we will discuss the estimate of time and cost with you before starting.

Out-of-pocket costs will be billed as incurred. The proposed fees are based on the understanding that: 1) all accounting records will be closed and reconciled before our arrival for fieldwork; 2) you and your staff will be available to provide documents for our review; 3) there will be no unusual issues encountered; and 4) we will prepare final bound financial statements, reports, and tax returns. All deliverables can be delivered as hard copies, electronic copies, or both upon request.

Providing Professional Services to Washington State Bar Association

Clark Nuber PS

Our fees for future years would increase only modestly, typically 3% to 5%. Changes in our fees due to changes in scope or significantly increased operations of WSBA would be discussed with and agreed to by WSBA.

Standard Hourly Billing Rates

Below are our standard hourly rates for audit, tax, and other services over the last three years:

Staff Level	2019	2020	2021
Associates	\$150 - \$180	\$160 - \$185	\$165 - \$200
Seniors	\$195 - \$230	\$195 - \$240	\$210 - \$250
Managers and Senior Managers	\$240 - \$350	\$250 - \$370	\$260 - \$380
Principals and Shareholders	\$365 - \$435	\$385 - \$455	\$400 - \$455

Standard Engagement Letter

A copy of our standard engagement letter can be found in the Appendix.



Providing Professional Services to
Washington State Bar Association

Clark Nuber ^{PS}

Appendix

Résumés

Representative List of Not-for-Profit Clients

Peer Review Report

Standard Engagement Letter

Mitch Hansen CPA, CMA, CFE, CIA



As a shareholder in our Audit and Assurance Services Group, Mitch primarily works with not-for-profit and governmental organizations. He specializes in financial statement audits, audits for federally funded programs, entrepreneur consulting, forensic audits, governance consulting and training, and best practice and internal control consulting. Mitch's previous experience as an auditor for the U.S. Department of Commerce and in the accounting department at Yellowstone National Park helped to create his exceptional knowledge base.

Practice Emphasis

- Leads the firm's governmental services practice
- Governmental entities
- Not-for-profit organizations
- Healthcare and senior living facilities
- Community colleges
- Associations
- Required audits for federally funded programs
- Forensic accounting
- Data mining
- Internal controls over financial reporting, fraud, and compliance
- Performance auditing, benchmarking, and operational reviews

Proven Results

- Performed internal audit services of the State Auditor's Office's compliance with State and agency requirements.
- Assisted numerous governmental entities by either preparing financial statements for audit by the State Auditor or by performing the audit in lieu of the State Auditor.
- Served as interim controller at a local hospital for four months.
- Consulted with numerous governmental and not-for-profit organizations to improve operations and compliance.
- Helped numerous start-ups (not-for-profit and governmental) with formation issues, policies and procedures, accounting systems, and governance and budgeting processes.
- Contributing writer/reviewer, *Practical Guide to Form 990* by Clark Nuber, an online treatise published by CCH

Education

- Utah State University, Bachelor's Degree in Accounting and Finance, minors in Economics and Geology

Activities

- American Institute of Certified Public Accountants
- Association of Certified Fraud Examiners
- Washington Society of Certified Public Accountants
- WSCPA Governmental Conference and Governmental Committee, co-chaired conference for two years
- WSCPA, Not-for-Profit Committee
- Washington Finance Officers Association
- Institute of Management Accountants
- Institute of Internal Auditors
- Leading Age Washington Finance Committee, member
- Make-A-Wish Foundation Alaska & Washington; The Hearthstone; Kent Valley Hockey Association; and Washington Society of Association Executives, former board member

Joseph Purvis^{CPA}



As a senior manager in the firm's Audit and Assurance Services Group, Joe focuses on serving clients in the healthcare industry and the not-for-profit sector. He also performs compliance audits. Joe's technical skills and exceptional attention to detail provide a valuable resource for clients with whom he works.

Practice Emphasis

- Provides audit, review, examination, and compilation services
- Specializes in not-for-profit organizations, including healthcare organizations, social service agencies, foundations, microfinance, and low-income housing
- Performs audits under the Single Audit Act and/or HUD requirements
- Conducts operational reviews
- Provides Uniform Guidance, internal control, and not-for-profit accounting trainings

Proven Results

- Performed and supervised audits and reviews for not-for-profit organizations and privately owned companies.
- Performed specialized engagements built to clients' specific needs.
- Assisted clients in strengthening their internal controls and operational processes.

Education

- Seattle University, Bachelor's Degree in Business Administration
- Seattle University, Master's Degree in Professional Accounting

Activities

- American Institute of Certified Public Accountants

Representative Not-for-Profit and Governmental Client List

Clark Nuber has the largest not-for-profit and governmental practice in the Northwest, with over 80 people in our local office well trained in the unique account aspects of not-for-profit and governmental organizations. We have highlighted some of our top clients in several key not-for-profit focus areas here.

Affordable Housing

Community Roots Housing (formerly,
Capitol Hill Housing)
Compass Housing Alliance Housing Hope
Puyallup Nation Housing Authority
Seattle Housing Authority LIHTC
properties
Yakama Nation Housing Authority

Arts and Recreation

5th Avenue Theatre
MoPOP
Pacific Science Center
Seattle Art Museum
Seattle Opera
Seattle Repertory Theatre
Seattle Symphony
Museum of Flight Foundation

Associations

ACLU of Washington
Master Builders Association
SPIE
Washington State Bar Association
Washington State Hospital Association
Washington State Medical Association

Governmental

Cascade Water Alliance
City of Bellevue
City of Burien
City of SeaTac
Eastside Fire and Rescue
King County Major League Baseball
Stadium Public Facilities District
Puyallup Tribe
Tacoma Community College

Healthcare Clinics and Specialty Groups

Moses Lake Community Health Center
Northwest Kidney Centers
SightLife
Tanana Valley Clinic
Trauma Trust

Higher Education

Montana University System
Northwest University
Seattle Pacific University
Seattle University
Western Washington University

Hospitals

Fairbanks Memorial Hospital
Overlake Hospital Medical Center
Seattle Cancer Care Alliance
Seattle Children's Hospital
UW Medicine Northwest (Northwest Hospital)

International

Global Partnerships
Health Alliance International
PATH
Relief International
The Asia Foundation
Village Reach
World Concern

Long-Term Care Facilities

Cristwood and CRISTA Shores
Denali Center
Horizon House
The Kline Galland Center

Behavioral Healthcare

Youth Eastside Services
Compass Health
Lutheran Community Services Northwest
Wellspring Family Services
Many Minds Collaborative
Thurston-Mason Behavioral Health Organization

Private and Corporate Foundations

We currently provide a wide array of services to more than 100 private foundations. Due to non-disclosure agreements and respect for their privacy, we do not disclose their names without specific, prior authorization.

Private Schools

Bear Creek School
Charles Wright Academy
Forest Ridge School
Lakeside School
Seattle Academy
Seattle Prep
The Northwest School

Public Foundations

Alliance for Education
Henry M. Jackson Foundation
Jewish Federation of Greater Seattle
Seattle Foundation
Yakima Valley Community Foundation

Religious Organizations

Churchome
Overlake Christian Church
St. Thomas Episcopal Church
University Presbyterian Church

Research Institutes

Allen Institute
Altius Institute for Biomedical Sciences
Fred Hutchinson Cancer Research Center
Institute for Systems Biology
Infectious Disease Research Institute
Pacific Northwest Research Institute

Social Services

Children's Home Society of Washington
Homage - Senior Services
Hopelink
Pioneer Human Services
United Way of King County
YWCA of Seattle-King County-Snohomish County
Youthcare

Report on the Firm's System of Quality Control

To the Partners of
Clark Nuber
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Clark Nuber (the firm) applicable to engagements in effect for the year ended May 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Clark Nuber in effect for the year ended May 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Clark Nuber has received a peer review rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
November 20, 2019

MASTER ASSURANCE, ACCOUNTING AND CONSULTING SERVICES AGREEMENT

(Date)

(Name)

(Client Name)

(Address)

(City, State Zip)

Dear _____:

This master services agreement (the "Agreement") confirms our mutual understanding of the terms and conditions under which Clark Nuber P.S. ("Clark Nuber" or "We") agrees to perform future assurance, accounting and consulting services to **[CLIENT NAME]**, (the "Client" or "You").

As specific projects and services are requested by you, we will outline the scope of those services and related fees on individual Statements of Work ("SOW") for your approval. All Statements of Work submitted will reference this Agreement and all terms and conditions contained in this Agreement will apply to those Statements of Work until such time as this Agreement is replaced or is discontinued by either party upon 30 days written notice.

If this Agreement correctly expresses your understanding of the agreement between Clark Nuber and the Client, please follow the link and prompts to electronically approve the terms of engagement. Alternatively, you may print, sign and return the Agreement.

We are pleased to have this opportunity to serve you.

Sincerely,

Certified Public Accountants

cc: _____

The terms and conditions of this Agreement are in accordance with the Client's requirements and are acceptable to and agreed to by the Client, which has authorized me to sign this Agreement on its behalf.

By: _____

Title: _____

Date: _____

(To Those Charged With Governance)
(Client Name)
(Date)
Page 2

Standard Terms and Conditions for Assurance, Accounting and Consulting Services

I. Introduction

Clark Nuber will provide assurance services, consulting, and other services from time to time described in Statements of Work. In the course of delivering the services we apply customary practices intended to provide the services in a cost-effective manner. This document describes certain of these customary practices, as well as other standard terms, conditions and limitations relating to our provision of the services.

GENERAL TERMS AND CONDITIONS

II. Indemnification, Limitation of Liability and Time Limitation on Claims

The Client agrees to indemnify and hold harmless Clark Nuber and its personnel from all actions, claims, liabilities, costs, expenses or losses asserted or alleged by any person(s) and/or entity(ies) not a party to this Agreement and further alleged to arise from, or actually arising or resulting from or relating to the services performed in this engagement and asserted by such third-party in any action in which Clark Nuber is not named as a party. The Client further agrees to indemnify and hold harmless Clark Nuber and its personnel from any legal expense incurred by them in order to respond to any request for information or documents, including but not limited to by subpoena and/or notice of deposition, relating to the services performed by Clark Nuber in this engagement and requested in any legal proceeding in which Clark Nuber and its personnel are not named as parties.

In the event that we fail to meet our obligations under an SOW or these Terms, you must notify us in writing and provide us with the opportunity to re-perform the services. If the services cannot be re-performed, or if re-performance will not cure the breach, then your sole remedy will be for us to refund our fees relating to these services up to the amount of your direct damages caused by our failure to meet our obligations. The Client agrees that Clark Nuber, its personnel, subcontractors, suppliers or licensors (each a "Clark Nuber Party") shall not be liable to the Client for any actions, claims, liabilities, costs, expenses or losses alleged to arise from or actually arising or resulting from or relating to the services performed by a Clark Nuber Party for an aggregate amount in excess of the total fees paid by the Client to Clark Nuber for services provided under the Agreement. The Parties to this Agreement expressly agree that this limitation of liability provision shall apply to the fullest extent permitted by law, whether by common law (including without limitation contract or tort) or by federal or state statute. The Client further agrees that under no circumstances, including even if a court of law does not enforce the preceding limitation of liability provision, shall a Clark Nuber Party be liable to the Client for consequential (including without limitation lost profits and opportunity costs), special, indirect, incidental, punitive or exemplary damages, attorneys' fees and/or other legal expense alleged to arise from or actually arising or resulting from or in any way relating to the services provided under this Agreement.

No claim or action by either party, regardless of whether the claim is in contract, in tort, at law or in equity, arising out of or relating to any matter under this Agreement or any statement of work may be brought by either party (i) more than 24 months after the party first knows or has reason to know that the claim or cause of action has accrued or (ii) more than 48 months following the completion of the Services, whichever period is shorter. This paragraph may shorten, but in no event will it extend, any period of limitation on actions otherwise provided by applicable law.

III. Disagreement Resolution, Mediation and Venue

We and the Client both believe that most disagreements can be resolved to mutual satisfaction in a friendly, nonthreatening environment. While the Client and Clark Nuber do not expect there to be any problems with their relationship, misunderstandings can occur. Therefore, the Client and Clark Nuber agree that any dispute arising from or relating in any way to services provided by Clark Nuber under this Agreement (including the scope, nature and quality of services performed by Clark Nuber, its fees and any other terms of this Agreement) shall first be submitted to mediation and neither the Client nor Clark Nuber will initiate legal proceedings of any kind until after mediation has occurred. The Client and Clark Nuber agree that an impartial third party, acceptable to both the Client and Clark Nuber, shall be appointed to mediate, the Client and Clark Nuber shall pay an equal percentage of the mediator's fees and expenses, and the mediation shall be confidential in all respects, as allowed or required by law.

The Client and Clark Nuber agree that this Agreement will be interpreted under the laws of the State of Washington or federal law, if applicable, and further agree that venue for any cause of action or claim for relief arising out of or relating in any way to services provided by Clark Nuber under this Agreement shall be in the Superior Court of King County, Washington, Seattle Case Assignment area, or the United States District Court for the Western District of Washington, if appropriate under federal law. ***The parties also waive trial by jury and agree that any dispute or claim should be resolved by a judge without a jury.*** _____/s/

IV. Management Responsibility Over Services

The Client shall make all management decisions and perform all management functions in connection with the services performed by Clark Nuber. Clark Nuber may assist the Client in rendering management decisions or carrying out management functions in connection with the services, including by providing advice, research material or recommendations, but Clark Nuber will not make any such decisions or perform any such functions. In its sole discretion, Clark Nuber may refuse to take any action to the extent it might be construed as a management decision or a management function.

The Client accepts responsibility for the results of the services. The Client's approval of any services shall not constitute a waiver of any of its rights under this Agreement. The Client further agrees to establish and maintain internal controls in

connection with the services, including monitoring Clark Nuber's performance under this Agreement.

The Client shall designate an employee possessing the skill, knowledge and/or experience (but not necessarily the experience to perform the services) to (1) oversee, (2) evaluate the effectiveness of, and (3) approve, the services.

As part of an assurance services engagement, we may propose standard, adjusting or correcting journal entries to your financial statements. Management, however, has final responsibility for reviewing the proposed entries and understanding the nature and impact of the proposed entries to the financial statements. Further, you agree that the Client is responsible to establish and maintain internal controls over nonattest services provided by Clark Nuber, to evaluate the adequacy and results of the nonattest services performed and to accept responsibility for the results of such services.

V. Management Consent, Confidentiality and Third-Party Service Providers

We may from time to time, and depending on the circumstances, use third-party service providers, including software vendors, in serving your account. We may share your Confidential Information about you with these service providers, but we remain committed to maintaining the confidentiality and security of your Confidential Information. Accordingly, we maintain internal policies, procedures, and safeguards to protect your Confidential Information. In addition, we will secure confidentiality agreements with all service providers to maintain your Confidential Information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your Confidential Information to others. In the event we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your Confidential Information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers. Either of us may use electronic media to correspond or transmit information and such use will not in itself constitute a breach of any confidentiality obligations under this agreement.

We will use reasonable precautions to protect your information, but we have no obligation to employ any measures that you do not regularly employ in protecting your information. Except as provided in the following sentence, "Confidential Information" means (i) information contained in your internal financial and business records, (ii) information reported on your tax returns and (iii) other information concerning you or your business that is marked "confidential" or otherwise identified as "confidential" in writing at the time of disclosure. Confidential Information does not include information (i) that is or becomes publicly available or generally known to persons in your industry without breach of our obligations under this section or (ii) received by us after the termination of this Agreement. The confidentiality provisions in this Agreement supersede any other confidentiality obligations contained in any prior agreement between the parties.

VI. Fees and Payment Terms

We will advise you promptly of any situation we encounter that could affect our total fees, and if appropriate will submit a change order for your review and approval reflecting the additional services and related costs. Items that may result in a change order include but are not limited to time delays, incomplete requested schedules identification of fraud risk factors, incomplete account reconciliations, unavailability of your accounting personnel, and difficult or unusual accounting issues. You acknowledge that time delays in completing the engagement may also delay our report date and could require additional procedures to be performed under the professional standards.

We will bill you for services on a monthly basis. Our invoices will be due 30 days after invoice date. Amounts not paid by month-end will accrue finance charges of 1% per month on the past due balance. In the event that you are unable or unwilling to complete periodic progress payments as they are due, you agree we may suspend our work and/or withdraw entirely from the engagement. If we do so, specific time deadlines incumbent to be met by the Client, including tax and government filings utilizing our work product, may go unmet. Further, the Client agrees to pay for all services rendered and expenses incurred up to the date of our withdrawal even if a report cannot be issued.

VII. Document Retention and Subpoena of Documents

We will retain our own documentation for our engagements so that we may be better able to assist you with your professional needs and, in some cases, to comply with legal or professional requirements. Under our firm's document retention policy, we will keep our documentation for a period of at least seven years after the engagement. The Client agrees we are free to destroy such records at our sole discretion after that seven-year period without any notice to the Client.

In the event that we receive a subpoena or summons requesting documents or other evidence relating to an engagement, we may be compelled to comply. We will notify you before responding to any request. You may, within the time permitted for our firm to respond to any request, take such action, as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request. In the event we are requested or authorized by the Client or required by government regulation, subpoena, or other legal process to produce our documentation or our personnel as witnesses with respect to our engagement for the Client, the Client will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such a request.

VIII. On-Site Internet Access and Electronic Document Transfers

We request that Internet access be available to our personnel while at your office, as we will retain some information electronically and sometimes access that information over the Internet. By signing this Agreement, you authorize us to

transmit, update and store information electronically and to transmit your information over the Internet. We may use a secure Internet portal for document transfer and collaboration with your personnel. The portal is intended for the transfer of data and should not be used for temporary or permanent document storage. Clark Nuber reserves the right to delete all documents in the portal at any time without prior notification. Under no circumstances will documents be retained on portals for more than 24 months. It is your responsibility to notify Clark Nuber P.S. when the Client's authorized portal users should no longer have access to the portal. If the Client has unique security needs, please bring that to our attention prior to the start of any engagement. Clark Nuber's Privacy and Confidentiality Statement and Security Overview are available on our website.

IX. Entirety of Agreement

This Agreement signed by all parties constitute the entire agreement between Clark Nuber and the Client, superseding all proposals, oral or written, and all other communications, with respect to the terms of this engagement between the parties. The parties intend and agree that this Agreement signed by all parties is a fully integrated agreement under Washington law and shall be interpreted as such by a court of law.

In the event that any portion of this Agreement shall be deemed invalid or unenforceable, the balance of this Agreement shall remain in full force and effect.

X. Non-Solicitation

The parties acknowledge that Clark Nuber has incurred significant expense related to the training, development and employment of professional staff assigned to assist on projects for the Client and would suffer damage if those employees were to terminate employment with Clark Nuber to accept an offer of employment with the Client. In the event that an employee terminates employment with Clark Nuber in order to accept an offer of employment with the Client, the Client agrees that Clark Nuber would suffer loss. The Client agrees that if an employee accepts employment with the Client, or any affiliated entities during the term of an engagement or within twelve months after the termination of an engagement, to pay Clark Nuber an amount equal to 40% of the annual Clark Nuber salary as reasonable compensation for our loss. This payment is in addition to the fees and expenses otherwise billable under this agreement. The parties further acknowledge that the solicitation for employment or actual employment of a Clark Nuber employee by the Client could impair Clark Nuber's independence with respect to the Client and could result in a delay of service delivery, additional costs, or the potential withdrawal from the engagement.

ASSURANCE SERVICES

XI. Engagement Limitations

If we are performing an audit engagement, our audit will be based primarily on tests of accounting records and related supporting data, and it will not involve testing of more than a sample of representative transactions. For example, our audit procedures will include tests of certain documentary evidence to support the transactions recorded in the accounts. We also may confirm with third parties outside the Client accounts

receivable and accounts payable as well as certain other assets and liabilities, including leased assets, through contact with selected customers, creditors, financial institutions, and your legal counsel. Due to the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with generally accepted auditing standards.

In other words, as auditors, we are not insurers or guarantors of the accuracy of financial statements and we cannot, as a result of our audit, tell you we are certain there are no material misstatements, illegal acts, defalcations, or other irregularities affecting the financial statements. As such, although our audit will be designed to provide reasonable assurance of detecting errors and fraud that are material to the financial statements, it is not designed and should not be relied on to disclose all fraud, illegal acts, or other irregularities affecting the financial statements. However, we will inform you of any material errors, and all illegal acts or irregularities, unless they are clearly inconsequential, that come to our attention. Our responsibility, as auditors, is limited to the period covered by our audit and does not extend to matters that might arise during any earlier periods or later periods for which we are not engaged as auditors.

If we are performing a review engagement, compilation or preparation engagement, we will not act as insurers or guarantors of the accuracy or the integrity of financial statements that we may prepare from your records. The financial statements we produce during a review, compilation, or preparation engagement are prepared from information provided by management utilizing data and records kept by management. These types of engagements do not include any procedures guaranteed or designed to discover fraud, material misstatements, material errors, illegal acts, theft, defalcations or other irregularities. You agree that we have no responsibility to discover same. However, we will inform you of any material errors and any evidence or information that comes to our attention during the performance of review or compilation procedures that fraud or an illegal act may have occurred unless they are clearly inconsequential.

XII. Use of Financial Statements

If we are performing an audit, review, compilation, or preparation engagement, our report is prepared for use by management and the board in conjunction with their evaluation of the Client's performance. We also understand that the audited, reviewed, compiled, or prepared financial statements may be provided to creditors, lenders, and others in the normal course of business for borrowing, insurance and other purposes. Investors, creditors, and others may use the financial statements in various ways to assess the prospects for cash flows. Information provided by the financial statements is limited, however, in a number of ways. For example, the information is often the result of approximate, rather than exact, measures, the information largely reflects the financial effects of transactions and events that have already happened, and the information is but one source of information needed by those who make decisions about the Client.

With regard to the electronic dissemination of audited, reviewed, compiled, or prepared financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

XIII. Management Responsibility for Internal Control, Fraud Prevention, and Compliance With Laws and Regulations

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States (or other applicable financial reporting framework); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. You agree that the Client is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Client involving management, employees who have significant roles in internal control and others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Client received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Client complies with laws and regulations applicable to its activities.

If we are performing an audit engagement, in making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we will not express an opinion on the effectiveness of the Client's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control, or other matters required to be communicated by professional standards, relevant to the audit of the financial statements that we have identified during the audit.

For review, compilation, and preparation engagements, we have no responsibility to identify and communicate deficiencies in your internal control.

XIV. Timely Access to Information

You agree that the Client will provide Clark Nuber with access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters; additional information that we may request from management for purposes of the engagement, and unrestricted access to persons within the Client from whom we determine it necessary to obtain evidence or to make inquiries. You agree that the Client will provide us with the information required for our engagement on a timely basis and that the

Client is responsible for the accuracy and completeness of that information. Any delays caused by third parties will also be the responsibility of the Client. You agree that delay in our originally scheduled start date or providing inaccurate or incomplete information may require us to charge additional professional fees and/or reschedule your engagement at our next available time. Should your engagement need to be rescheduled, your specific time deadlines, including tax and government filings, may go unmet.

You acknowledge that time delays in completing the engagement may also delay our report date and could require additional procedures to be performed under the professional standards and additional fees to be charged. Prior to the start of any project, your engagement manager from Clark Nuber will be contacting the applicable point person at the Client regarding the key project milestones and outlining the key dates.

In the event we encounter circumstances that lead us to believe we cannot continue to perform our services consistent with the requirements of the applicable professional standards, including but not limited to ethics rules, we will inform you of our concerns and, if those concerns cannot be addressed to our satisfaction, we may be compelled to withdraw from the engagement.

XV. Management and Legal Counsel Representations

At the conclusion of audit and review engagements, we will request certain written representations from the Client's management about the financial statements and related matters, which we will rely on in issuing our report. If the Client is unable to supply those representations, our report may be affected and, in some circumstances, we may be unable to issue a report.

If we are performing an audit engagement, we may also request written representations from your legal counsel as part of the audit procedures. In the event that we are unable to obtain appropriate responses from your legal counsel, a scope limitation may be deemed to have been imposed on our report which could result in an opinion other than unmodified or we may not be able to issue a report. Your legal counsel may bill you for responding to our inquiry.

STATEMENT OF WORK

[DATE]

[ADDRESS TO THOSE CHARGED WITH GOVERNANCE]

[CLIENT NAME]

[ADDRESS]

[ADDRESS]

Dear _____:

This Statement of Work is made pursuant to the Master Services Agreement, dated [DATE FROM MSA] (the "Agreement") between **CLIENT NAME** ("the Client") and Clark Nuber P.S. ("Clark Nuber" or "We") and is effective as of the date hereof. The terms and conditions of the Agreement are incorporated into this Statement of Work by reference.

We appreciate the opportunity to serve [COMPANY/ORGANIZATION NAME]. [SHAREHOLDER OR PRINCIPAL NAME] will be the [SHAREHOLDER OR PRINCIPAL] in charge of the work we perform for the Client, assisted by [MANAGER'S RANK] [MANAGER'S NAME] and other professionals. This Statement of Work confirms our understanding of the services you have asked Clark Nuber to provide to the Client and the terms and conditions under which our firm agrees to perform those services.

We will audit the [FINANCIAL STATEMENTS, CONSOLIDATED FINANCIAL STATEMENTS OR COMBINED FINANCIAL STATEMENTS] of the Client as of and for the year ended [YEAR-ENDED DATE], in accordance with applicable auditing standards generally accepted in the United States of America. Under these professional standards, the accuracy of the Client's financial statements is the responsibility of the Client's management, not our firm.

The [IDENTIFY ACCOMPANYING SUPPLEMENTAL INFORMATION] will be presented for purposes of additional analysis and is not a required part of the financial statements. Such information will be subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Our auditor's report will provide an opinion on the supplementary information in relation to the financial statements as a whole. With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

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The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles.

Our audit will include tests of accounting records and other procedures we consider necessary in our professional judgment and as required by the professional standards to enable us to express an unmodified opinion that the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles in the United States of America. Our audit objective and responsibility is limited to the expression of an opinion on those financial statements taken as a whole. If our opinion is other than unmodified, we will fully discuss it with you in advance. In the event we are unable to complete the audit, we will not issue an opinion as a result of this engagement.

The applicable professional standards for this audit require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit will include examining, on a test basis, evidence supporting the amounts stated and disclosures made in the financial statements. Our audit will also include an assessment of the accounting principles utilized by the Client and the significant estimates included by management in the financial statements, as well as an evaluation of the overall financial statement presentation. While we will advise the Client about appropriate accounting principles and their application and will assist in the preparation of the financial statements, the responsibility for the content and preparation of the financial statements remains solely with the Client's management, not our firm. This responsibility includes making all management decisions and performing all management functions such as maintaining adequate records, establishing and maintaining internal controls, monitoring ongoing activities, the selection and application of accounting principles, the determination and use of estimates, and the safeguarding of assets. The Client's management is also responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us in the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You agree that **[REPRESENTATIVE]**, your representative(s), will serve as our contact person(s) for your management responses to our audit inquiries, and that we may rely on such responses as being those of the Client. You also agree that **[REPRESENTATIVE]** will serve as the Client's representative(s) with suitable skill, knowledge and experience responsible for reviewing and approving all planned nonattest services to be provided by Clark Nuber including preparation of financial statements, along with any additional nonattest services that may be agreed to.

You also agree that, at our request, the Client's staff will prepare necessary supporting documentation prior to the expected commencement of our fieldwork. We may retain copies of such records in our workpapers. The original records remain the property of the Client and it is your responsibility to continue to maintain and preserve those records for the future needs of the Client, including any required governmental examination.

We estimate our fee for this engagement will be **\$(FEE)** plus any out-of-pocket expense we might incur, based on the assistance of your personnel and assuming no significant audit problems arise. If this Statement of Work correctly expresses your understanding of the agreement between Clark Nuber and the Client, please follow the link and prompts to electronically approve the terms of engagement. Alternatively, you may print, sign and return the Statement of Work.

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We are pleased to have this opportunity to serve you.

Sincerely,

Certified Public Accountants

cc: _____

The terms and conditions of this Statement of Work are in accordance with the Client's requirements and are acceptable to and agreed to by the Client, which has authorized me to sign this Statement of Work on its behalf.

By: _____

Title: _____

Date: _____