

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS
AND RELATED ORGANIZATIONS

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

APRIL 30, 2026 AND 2025

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS
AND RELATED ORGANIZATIONS
APRIL 30, 2026 AND 2025

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INDEPENDENT AUDITOR'S REPORT

August 6, 2026

To the Board of Directors and
Members of the Society of Louisiana Certified
Public Accountants and Related Organizations
Metairie, Louisiana

Opinion

We have audited the accompanying combined financial statements of the Society of Louisiana Certified Public Accountants and Related Organizations (a nonprofit organization), which comprise the combined statements of financial position as of April 30, 2026 and 2025, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Society of Louisiana Certified Public Accountants and Related Organizations as of April 30, 2026 and 2025, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society of Louisiana Certified Public Accountants and Related Organizations' ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society of Louisiana Certified Public Accountants and Related Organizations' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society of Louisiana Certified Public Accountants and Related Organizations' ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combined statements of functional revenues and expenses are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Report on Summarized Comparative Information

We have previously audited the Society of Louisiana Certified Public Accountants and Related Organizations' 2025 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated August 4, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended April 30, 2025, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.



Metairie, Louisiana

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS
AND RELATED ORGANIZATIONS
COMBINED STATEMENTS OF FINANCIAL POSITION
APRIL 30, 2026 AND 2025

	<u>2026</u>	<u>2025</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 546,142	\$ 479,556
Accounts receivable, net of allowance for credit losses of \$1,000 and \$1,000, respectively	42,468	26,088
Prepaid expenses	88,168	63,337
Total current assets	<u>676,778</u>	<u>568,981</u>
Investments at fair value:		
Investments - Society	4,199,241	3,821,939
Investments - Education Foundation	661,593	570,704
Total investments at fair value	<u>4,860,834</u>	<u>4,392,643</u>
Other Assets:		
Operating lease right-of-use assets, net	831,885	953,480
Total other assets	<u>831,885</u>	<u>953,480</u>
Property and equipment:		
Leasehold improvements	37,873	37,873
Office furniture and equipment	492,153	475,161
Finance lease right-of-use assets	5,221	7,946
Less: accumulated depreciation and amortization	(407,456)	(333,424)
Property and equipment - net	<u>127,791</u>	<u>187,556</u>
TOTAL ASSETS	<u>\$ 6,497,288</u>	<u>\$ 6,102,660</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 279,727	\$ 343,095
Deferred revenue	264,442	221,162
Operating lease liabilities	134,022	128,548
Finance lease liabilities	2,822	2,729
Total current liabilities	<u>681,013</u>	<u>695,534</u>
Long-term liabilities:		
Operating lease liabilities	693,123	827,144
Finance lease liabilities	2,672	5,494
Total long-term liabilities	<u>695,795</u>	<u>832,638</u>
Total liabilities	<u>1,376,808</u>	<u>1,528,172</u>
NET ASSETS:		
Without donor restrictions:		
Undesignated	4,128,503	3,653,819
Board designated	718,869	658,561
With donor restrictions	273,108	262,108
Total net assets	<u>5,120,480</u>	<u>4,574,488</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,497,288</u>	<u>\$ 6,102,660</u>

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

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS
AND RELATED ORGANIZATIONS
COMBINED STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2026
WITH COMPARATIVE TOTALS FOR 2025

	Without <u>Restrictions</u>	With <u>Restrictions</u>	<u>Eliminations</u>	2026 <u>Total</u>	2025 Summarized Financial <u>Information</u>
Support and Revenues:					
Continuing professional education	\$ 1,964,661	\$ -	\$ -	\$ 1,964,661	\$ 2,263,559
Member dues	1,209,278	-	-	1,209,278	1,196,354
Peer review firm fees and CART fees	293,137	-	-	293,137	350,351
Income from investments	712,109	-	-	712,109	323,728
In-house CPE courses	29,783	-	-	29,783	60,326
Royalty income	12,027	-	-	12,027	21,496
Chapter functions income	103,669	-	-	103,669	101,371
Lagniappe ad sales	27,601	-	-	27,601	35,748
Education contributions	-	30,325	-	30,325	33,435
Miscellaneous	53,600	-	-	53,600	3,423
Application and late fees	10,190	-	-	10,190	12,470
Gain on disposal of assets	-	-	-	-	8,249
Net assets released from restrictions	19,325	(19,325)	-	-	-
Total support and revenue	<u>4,435,380</u>	<u>11,000</u>	<u>-</u>	<u>4,446,380</u>	<u>4,410,510</u>
Expenses:					
Program services:					
Member services	1,442,382	-	-	1,442,382	1,526,055
Continuing professional education	2,085,266	-	-	2,085,266	2,216,064
Peer review	298,128	-	-	298,128	348,215
Education foundation	53,147	-	-	53,147	43,169
Supporting services:					
Administrative and general	21,465	-	-	21,465	21,602
Total expenses	<u>3,900,388</u>	<u>-</u>	<u>-</u>	<u>3,900,388</u>	<u>4,155,105</u>
Change in net assets	534,992	11,000	-	545,992	255,405
Net assets at beginning of year	<u>4,312,380</u>	<u>262,108</u>	<u>-</u>	<u>4,574,488</u>	<u>4,319,083</u>
NET ASSETS AT END OF YEAR	<u>\$ 4,847,372</u>	<u>\$ 273,108</u>	<u>\$ -</u>	<u>\$ 5,120,480</u>	<u>\$ 4,574,488</u>

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

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS
AND RELATED ORGANIZATIONS
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED APRIL 30, 2026

	Member <u>Services</u>	Continuing Professional <u>Education</u>	Peer <u>Review</u>	Administrative and <u>General</u>	Education <u>Foundation</u>	Total <u>Expenses</u>
Continuing professional education	\$ -	\$ 1,093,061	\$ -	\$ -	\$ -	\$ 1,093,061
Salaries	561,057	392,311	-	-	-	953,368
Operating lease expense	51,253	94,741	-	9,319	-	155,313
Employee benefits	128,393	89,777	-	-	-	218,170
Travel and meeting	147,712	57,443	-	-	-	205,155
Postage and freight	20,022	18,481	-	-	-	38,503
Professional fees	29,007	26,776	-	-	4,822	60,605
Peer review and CART expenses	-	-	294,350	-	-	294,350
Public information and media relations	13,373	-	-	-	-	13,373
Payroll taxes	40,139	28,067	-	-	-	68,206
Office supplies	14,932	13,784	-	-	-	28,716
Miscellaneous	54,593	50,393	-	-	-	104,986
Service charges	51,687	47,711	-	-	-	99,398
Publications expense	1,746	1,612	-	-	-	3,358
Lagniappe publication expense	22,227	-	-	-	-	22,227
Telephone	18,803	17,357	-	-	-	36,160
Rentals and maintenance of equipment	138	128	-	-	-	266
Chapter function expenses	121,277	-	-	-	-	121,277
In-house CPE courses	-	18,780	-	-	-	18,780
Dues - Chapters' portion	48,874	-	-	-	-	48,874
Insurance	19,582	18,075	-	-	-	37,657
Scholarships	-	-	-	-	48,325	48,325
Computer services	58,363	60,900	-	7,612	-	126,875
Dues to associations	11,503	10,619	-	-	-	22,122
Awards	2,738	-	-	-	-	2,738
Finance lease interest	122	113	-	-	-	235
Total expenses before depreciation and amortization	1,417,541	2,040,129	294,350	16,931	53,147	3,822,098
Finance lease amortization	1,416	1,308	-	-	-	2,724
Depreciation and amortization	23,425	43,829	3,778	4,534	-	75,566
Total expenses	<u>\$ 1,442,382</u>	<u>\$ 2,085,266</u>	<u>\$ 298,128</u>	<u>\$ 21,465</u>	<u>\$ 53,147</u>	<u>\$ 3,900,388</u>

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

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS
AND RELATED ORGANIZATIONS
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED APRIL 30, 2025

	Member <u>Services</u>	Continuing Professional <u>Education</u>	Peer <u>Review</u>	Administrative and <u>General</u>	Education <u>Foundation</u>	Total <u>Expenses</u>
Continuing professional education	\$ -	\$ 1,247,541	\$ -	\$ -	\$ -	\$ 1,247,541
Salaries	619,327	388,527	-	-	-	1,007,854
Operating lease expense	52,876	97,740	-	9,614	-	160,230
Employee benefits	142,555	89,430	-	-	-	231,985
Travel and meeting	194,063	75,469	-	-	-	269,532
Postage and freight	16,224	14,976	-	-	-	31,200
Professional fees	25,239	23,298	-	-	4,169	52,706
Peer review and CART expenses	-	-	344,371	-	-	344,371
Public information and media relations	16,689	-	-	-	-	16,689
Payroll taxes	41,686	26,152	-	-	-	67,838
Office supplies	12,036	11,110	-	-	-	23,146
Miscellaneous	22,512	20,780	-	-	-	43,292
Service charges	55,618	51,340	-	-	-	106,958
Publications expense	1,632	1,506	-	-	-	3,138
Lagniappe publication expense	22,149	-	-	-	-	22,149
Telephone	18,458	17,038	-	-	-	35,496
Rentals and maintenance of equipment	401	370	-	-	-	771
Chapter function expenses	120,134	-	-	-	-	120,134
In-house CPE courses	-	20,761	-	-	-	20,761
Dues - Chapters' portion	52,121	-	-	-	-	52,121
Insurance	16,005	14,774	-	-	-	30,779
Scholarships	-	-	-	-	39,000	39,000
Computer services	56,550	59,009	-	7,376	-	122,935
Dues to associations	11,047	10,197	-	-	-	21,244
Awards	3,319	-	-	-	-	3,319
Finance lease interest	169	156	-	-	-	325
Total expenses before depreciation and amortization	1,500,810	2,170,174	344,371	16,990	43,169	4,075,514
Finance lease amortization	1,416	1,308	-	-	-	2,724
Depreciation and amortization	23,829	44,582	3,844	4,612	-	76,867
Total expenses	<u>\$ 1,526,055</u>	<u>\$ 2,216,064</u>	<u>\$ 348,215</u>	<u>\$ 21,602</u>	<u>\$ 43,169</u>	<u>\$ 4,155,105</u>

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

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS
AND RELATED ORGANIZATIONS
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2026 AND 2025

	<u>2026</u>	<u>2025</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 545,992	\$ 255,405
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	78,290	79,591
Operating lease rent abatement amortization	(6,952)	(6,953)
Credit loss expense	908	488
Realized gain on sale of investments	(180,585)	(46,259)
Unrealized gain on investments	(350,325)	(131,233)
Dividends reinvested	(44,202)	(18,450)
Gain on disposal of equipment	-	(8,249)
Change in assets and liabilities:		
Accounts receivable	(17,288)	(4,532)
Prepaid expenses	(24,831)	(5,683)
Accounts payable and accrued liabilities	(63,368)	(6,774)
Deferred revenue	43,280	(13,473)
Net cash provided (used) by operating activities	<u>(19,081)</u>	<u>93,878</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(1,712,059)	(2,683,164)
Proceeds from redemption of investments	1,818,980	2,434,661
Purchases of equipment	(18,525)	(88,393)
Net cash provided (used) by investing activities	<u>88,396</u>	<u>(336,896)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on finance lease liability	(2,729)	(2,638)
Net cash used by financing activities	<u>(2,729)</u>	<u>(2,638)</u>
Net change in cash and cash equivalents	66,586	(245,656)
Cash and cash equivalents at beginning of year	<u>479,556</u>	<u>725,212</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 546,142</u></u>	<u><u>\$ 479,556</u></u>
SUPPLEMENTAL DISCLOSURE:		
Interest paid	<u>\$ 235</u>	<u>\$ 325</u>
Taxes paid	<u>\$ -</u>	<u>\$ -</u>

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

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS
AND RELATED ORGANIZATIONS
NOTES TO THE COMBINED FINANCIAL STATEMENTS
APRIL 30, 2026 AND 2025

ORGANIZATION:

The Society of Louisiana Certified Public Accountants (the Society) was incorporated in 1911 and is located in Metairie, Louisiana. The mission of the organization is to serve the common needs of its members and to enhance the professional environment in which they work. The membership includes approximately 6,980 Certified Public Accountants (CPAs), CPA licensee candidates, and students. The CPAs and CPA licensee candidates primarily work in Louisiana in public practice, industry, government, and education. The primary sources of revenue to accomplish the purpose of the Society are membership dues and continuing professional education revenue.

The Society, through its Executive Committee, operates an Education Foundation. The Education Foundation has a fiscal reporting period of April 30. The objective of the Education Foundation is to promote accounting education and accounting careers to prospective CPAs, the public, and university faculty. The Education Foundation funds college scholarships for accounting students.

Effective May 1, 2017, the accounts of nine local chapters merged with the Society. Subsequent to the date of this merger, all operations of these nine local chapters are conducted by the Society. Current and prior year chapter function income and expenses are included in the combined statements of activities. The net assets transferred as of May 1, 2017, and the accumulated net income from the chapters since the date of transfer, have been designated by the Board for future chapter functions (see Note 6).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The Society and its related organizations recognize revenue and record expenses on the accrual basis of accounting.

Principles of Combination:

The combined financial statements include the accounts of the Society of Louisiana Certified Public Accountants Education Foundation, Inc. (Education Foundation) in accordance with FASB ASC 958-810-50.

Basis of Presentation:

The Society is required to report information regarding its financial position and activities according to two classes of net assets: net assets – with donor restrictions and net assets – without donor restrictions. Net assets – without donor restrictions are not subject to or are no longer subject to donor-imposed stipulations. Net assets – with donor restrictions are limited by donor-imposed time and/or purpose restrictions.

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS
AND RELATED ORGANIZATIONS
NOTES TO THE COMBINED FINANCIAL STATEMENTS
APRIL 30, 2026 AND 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Cash and Cash Equivalents:

For the combined statement of cash flows, the Society considers cash on deposit, cash on hand, and money market funds with original maturities less than three months to be cash equivalents.

Accounts Receivable:

Accounts receivable is stated at cost less an allowance for credit losses. Accounts are considered delinquent when 30 days past due (based on days since last payment). The allowance account consists of an estimate of uncollectible specifically identified accounts and a general reserve. Management's evaluation of the adequacy of the allowance is based on a continuing review of all accounts and includes a consideration of past member history, any adverse situations that might affect the member's ability to repay, and current economic conditions. The need for an adjustment to the allowance is considered at year-end to reflect any changes in credit risk since receivables were initially recorded. Amounts charged-off that are subsequently recovered are recorded as income.

Investments:

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values (based on quoted market prices) in the combined statement of financial position. Other investments include securities of a non-subsiary corporation for which there is no readily determinable fair market value. This investment has been carried at cost written down to \$100 based on management's estimate of it having minimal or no value. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Functional Allocation of Expenses:

The costs of providing various programs and other activities have been summarized on a functional basis in the combined statements of activities and in the combined statements of functional expenses. Certain expenses have been allocated among various programs based on time allocation of Society staff. Facility and depreciation expenses are allocated to each function based on square footage utilized by the function.

Property and Equipment:

Property and equipment are recorded at cost. The Society capitalizes assets with a cost of more than \$1,000 and an estimated useful life exceeding one year. Prior to May 1, 2025, the Society's capitalization threshold was \$500.

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS
AND RELATED ORGANIZATIONS
NOTES TO THE COMBINED FINANCIAL STATEMENTS
APRIL 30, 2026 AND 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property and Equipment: (Continued)

Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the respective assets, generally five years for office equipment, leasehold improvements, and automobiles, and three years for computer equipment and related software. Depreciation and amortization expense totaled \$75,566 and \$76,867 in the years ended April 30, 2026 and 2025, respectively. Finance lease amortization expense totaled \$2,724 and \$2,724 in the years ended April 30, 2026 and 2025, respectively.

Deferred Revenue:

Deferred revenue consists primarily of billings and payments received from the peer review program and registrants for continuing professional education seminars. The peer review program is billed on a calendar year basis with income recognized systematically over the same period as peer review services are performed. The deferred revenues and any related expenses from continuing professional education seminars are recognized as the seminars are held. Annual membership dues are recognized systematically over a twelve-month period.

Contributed Services:

During the years ended April 30, 2026 and 2025, the value of contributed services meeting the requirements for recognition in the combined financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the organization.

Income Taxes:

The Society and Education Foundation are exempt from income taxes as entities described in Section 501(c)(6) and Section 501(c)(3), respectively, of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the combined financial statements.

Unrelated business taxable income (UBTI) is derived from any activity that constitutes a trade or business that is regularly carried on and is not substantially related to the organization's tax-exempt purposes. During the years ended April 30, 2026 and 2025, the Society and the Education Foundation did not incur any income tax from UBTI.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination.

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS
AND RELATED ORGANIZATIONS
NOTES TO THE COMBINED FINANCIAL STATEMENTS
APRIL 30, 2026 AND 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Income Taxes: (Continued)

As of April 30, 2026 and 2025, the Society and its related organizations believe that they have no uncertain tax positions that qualify for either recognition or disclosure in the combined financial statements. Tax returns typically remain subject to examination by the taxing authorities for three years.

Advertising, Public Information Expense, and Media Relations Expense:

The Society records the costs of all advertising, public information expense, and media relations expense in the periods in which the advertising, public information, or media relations occurs. Such costs amounted to \$13,373 and \$16,689 in the years ended April 30, 2026 and 2025, respectively.

Use of Estimates:

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

2025 Financial Information:

The combined financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended April 30, 2025, from which the summarized information was derived.

Revenue Recognition:

The Society recognizes revenue following the five-step model outlined in Financial Accounting Standards Board (FASB) Accounting Standards Codification 606, *Revenue from Contracts with Customers*. The core principle of the standard is that revenue is recognized when (or as) control of the promised goods or services is transferred to the customer, at an amount reflecting the consideration the Society and its related organizations expect to receive in exchange for those goods or services.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Revenue Recognition: (Continued)

The five-step model to accomplish the core principle of the standard includes:

- 1) Identification of the contract with the customer;
- 2) Identification of the performance obligation(s) under the contract;
- 3) Determination of the transaction price;
- 4) Allocation of the transaction price to the identified performance obligation(s); and
- 5) Recognition of revenue as (or when) an entity satisfies the identified performance obligation(s).

See additional information relating to revenue recognition in Note 11.

Leases:

The Society determines if an agreement is a lease or contains a lease at inception. Under ASU 2016-02, an agreement is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset. The Society only reassesses its determination if the terms and conditions of the contract are changed.

The lease term for accounting purposes may include options to extend or terminate the lease when it is reasonably certain that the Society will exercise the option. Right-of-use assets and the corresponding lease liabilities are recorded at the commencement date based on the present value of lease payments over the expected lease term. The Society uses the risk-free borrowing rate to calculate the present value of the lease payments for its operating and finance leases unless the lease has a rate implicit in the lease agreement. Leases with a term of twelve months or less or month-to-month are excluded from this standard. Leases with a contract value of less than \$10,000 are recorded in the same manner as a short-term lease.

2. ACCOUNTS RECEIVABLE:

Accounts receivable consisted of the following as of April 30, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
CPE, Peer Review, CART	\$ 23,365	\$ 17,875
Other	20,103	9,213
Less: allowance for credit losses	<u>(1,000)</u>	<u>(1,000)</u>
Accounts receivable, net of allowance	<u>\$ 42,468</u>	<u>\$ 26,088</u>

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2. ACCOUNTS RECEIVABLE: (Continued)

The Society writes off receivables when there is information that indicates that there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they are recognized in income or as an offset to credit loss expense in the year of recovery, in accordance with the Society's accounting policy election. During the years ended April 30, 2026 and 2025, the Society recorded income of \$488 and \$239, respectively, from the recovery of credit losses/bad debts written off in prior years. Adjustments to the provision for credit losses resulted in expense of \$908 and \$488, respectively, for the years ended April 30, 2026 and 2025.

3. INVESTMENTS AT FAIR VALUE:

Investments consisted of the following as of April 30, 2026:

Fair Value						
	Money Market Funds	Marketable Securities Equities	Marketable Securities Fixed Income	Marketable Securities Other	Other	Total
<u>April 30, 2026</u>						
Society	\$ -	\$ 2,693,263	\$ 1,290,679	\$ 215,199	\$ 100	\$ 4,199,241
Education Foundation	17,978	474,690	168,925	-	-	661,593
Total Fair Value	<u>\$ 17,978</u>	<u>\$ 3,167,953</u>	<u>\$ 1,459,604</u>	<u>\$ 215,199</u>	<u>\$ 100</u>	<u>\$ 4,860,834</u>
Cost						
	Money Market Funds	Marketable Securities Equities	Marketable Securities Fixed Income	Marketable Securities Other	Other	Total
<u>April 30, 2026</u>						
Society	\$ -	\$ 2,304,929	\$ 1,283,552	\$ 175,000	\$ 20,343	\$ 3,783,824
Education Foundation	17,978	340,244	171,779	-	-	530,001
Total Cost	<u>\$ 17,978</u>	<u>\$ 2,645,173</u>	<u>\$ 1,455,331</u>	<u>\$ 175,000</u>	<u>\$ 20,343</u>	<u>\$ 4,313,825</u>
Unrealized Appreciation (Depreciation)						
	Money Market Funds	Marketable Securities Equities	Marketable Securities Fixed Income	Marketable Securities Other	Other	Total
<u>April 30, 2026</u>						
Society	\$ -	\$ 388,334	\$ 7,127	\$ 40,199	\$ (20,243)	\$ 415,417
Education Foundation	-	134,446	(2,854)	-	-	131,592
Total Unrealized Appreciation (Depreciation)	<u>\$ -</u>	<u>\$ 522,780</u>	<u>\$ 4,273</u>	<u>\$ 40,199</u>	<u>\$ (20,243)</u>	<u>\$ 547,009</u>

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3. INVESTMENTS AT FAIR VALUE: (Continued)

Investments consisted of the following as of April 30, 2025:

	Fair Value					Total
	Money Market Funds	Marketable Securities Equities	Marketable Securities Fixed Income	Marketable Securities Other	Other	
<u>April 30, 2025</u>						
Society	\$ -	\$ 2,144,970	\$ 1,496,738	\$ 180,131	\$ 100	\$ 3,821,939
Education Foundation	19,172	408,277	143,255	-	-	570,704
Total Fair Value	<u>\$ 19,172</u>	<u>\$ 2,553,247</u>	<u>\$ 1,639,993</u>	<u>\$ 180,131</u>	<u>\$ 100</u>	<u>\$ 4,392,643</u>

	Cost					Total
	Money Market Funds	Marketable Securities Equities	Marketable Securities Fixed Income	Marketable Securities Other	Other	
<u>April 30, 2025</u>						
Society	\$ -	\$ 2,008,900	\$ 1,489,078	\$ 175,000	\$ 20,343	\$ 3,693,321
Education Foundation	19,172	330,440	146,187	-	-	495,799
Total Cost	<u>\$ 19,172</u>	<u>\$ 2,339,340</u>	<u>\$ 1,635,265</u>	<u>\$ 175,000</u>	<u>\$ 20,343</u>	<u>\$ 4,189,120</u>

	Unrealized Appreciation (Depreciation)					Total
	Money Market Funds	Marketable Securities Equities	Marketable Securities Fixed Income	Marketable Securities Other	Other	
<u>April 30, 2025</u>						
Society	\$ -	\$ 136,070	\$ 7,660	\$ 5,131	\$ (20,243)	\$ 128,618
Education Foundation	-	77,837	(2,932)	-	-	74,905
Total Unrealized Appreciation (Depreciation)	<u>\$ -</u>	<u>\$ 213,907</u>	<u>\$ 4,728</u>	<u>\$ 5,131</u>	<u>\$ (20,243)</u>	<u>\$ 203,523</u>

Fair value is determined using a hierarchy which has three levels based on the reliability of the inputs. These levels include: Level 1, unadjusted quoted prices in active markets for identical assets and liabilities; Level 2, directly or indirectly observable inputs other than quoted prices for the asset or liability; and Level 3, unobservable inputs for use when little or no market data exists. All investments of the Society recorded at fair value are within Level 1 of the fair value hierarchy. Although the Society believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following schedule summarizes the investment return and its classification in the combined statement of activities for the years ended April 30, 2026 and 2025:

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3. INVESTMENTS AT FAIR VALUE: (Continued)

	April 30, 2026	
	Without donor <u>restrictions</u>	With donor <u>restrictions</u>
Interest and dividends	\$ 118,456	\$ -
Net realized and unrealized gain	593,653	-
Total investment return	<u>\$ 712,109</u>	<u>\$ -</u>

	April 30, 2025	
	Without donor <u>restrictions</u>	With donor <u>restrictions</u>
Interest and dividends	\$ 111,049	\$ -
Net realized and unrealized gain	212,679	-
Total investment return	<u>\$ 323,728</u>	<u>\$ -</u>

4. CONCENTRATIONS AND RISKS:

The Society maintained cash accounts at local banks during the years ended April 30, 2026 and 2025. The Federal Deposit Insurance Corporation (FDIC) provides insurance coverage up to \$250,000 in the aggregate, per financial institution. In the event of a failure of the bank, the FDIC is not obligated to pay uninsured deposits. At various times during the years ended April 30, 2026 and 2025, the Society had funds on deposit in excess of the insured amount. As of April 30, 2026 and 2025, the Society had bank balances in excess of insurance coverage of \$-0- and \$104,564, respectively.

Investments represent a significant portion of total assets. Such investments are subject to interest rate and other risks including the possible loss of principal as reflected in the combined statement of financial position. Future changes in the financial markets could affect the future earnings from these investments.

5. LEASES:

During the years ended April 30, 2026 and 2025, the Society maintained lease agreements for the rental of office space for its operations which are classified as operating leases. The Society also maintained a lease for the use of a copy machine that is classified as a finance lease.

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5. LEASES: (Continued)

During the year ended April 30, 2022, the Society entered into a 64-month lease agreement for an office in Metairie, Louisiana through May 31, 2027. This lease included abatement of four months of rent from February through May of 2022. The lease includes a security deposit equal to the first month's rent payment. There are no variable lease payments under this lease. The lease includes a renewal option for five years upon expiration of the initial 64-month lease agreement. The Society anticipated exercising this renewal option; therefore, the additional five-year renewal period is included in the calculation of the right-of-use asset and operating lease liability. The lease agreement did not specify an explicit interest rate; therefore, the Society used the ten-year risk-free rate of 2.89% in calculating the right-of-use asset and liability. Upon commencement of the lease, the Society recognized a right-of-use lease asset and lease liability of \$1,125,433 and \$1,150,001, respectively. As of April 30, 2026 and 2025, the balance of the right-of-use asset was \$748,865 and \$852,265, respectively. As of April 30, 2026 and 2025, the balance of the lease liability was \$745,624 and \$855,977, respectively.

The Society entered into a lease agreement on December 31, 2015, for the use of office space in Baton Rouge, Louisiana at a monthly rate of \$1,500 per month. The lease was subject to automatic renewal. If lessee, or lessor, desired to terminate the lease at the expiration of its term, he must give to the other written notice of at least 30 days prior to that date. The lease has been continually renewed on an annual basis, with the monthly rate increasing to \$1,600 per month beginning January 1, 2021. The lease was renewed on January 1, 2023 and on January 1, 2024, for one-year increments. The Society expected to maintain this lease through December 31, 2026, at the monthly rate of \$1,600. The lease agreement did not specify an explicit interest rate; therefore, the Society used the three-year risk-free rate of 2.87% in calculating the right-of-use asset and operating lease liability. Upon commencement of the lease, the Society recognized a right-of-use lease asset and lease liability of \$107,211 and \$105,711, respectively. Effective January 1, 2025, the Society entered into a new lease agreement for the Baton Rouge, Louisiana office and the original lease was terminated. The right-of-use asset and corresponding lease liability were removed from financial statements and a new right-of-use asset and lease liability were recorded.

The Society entered into a 60-month lease agreement for the Baton Rouge, Louisiana office space. The new lease was effective on January 1, 2025, and the right-of-use asset and operating lease liability were recalculated under the new agreement's terms. The lease is not subject to automatic renewal. If lessee desires that the lease term renew or extend, a mutual written agreement must be entered into between the lessee and lessor by the date of lease expiration of December 31, 2029. The lease has an initial monthly rent of \$1,850 for the first 2 years with rent increasing \$100 per month each subsequent year. The lease agreement did not specify an explicit interest rate; therefore, the Society used the five-year risk-free rate of 4.38% in calculating the right-of-use asset and operating lease liability. Upon commencement of the lease, the Society recognized a right-of-use asset and lease liability of \$107,106 and \$105,606, respectively. As of April 30, 2026 and 2025, the balance of the right-of-use asset was \$83,020 and \$101,215, respectively. As of April 30, 2026 and 2025, the balance of the lease liability was \$81,521 and \$99,715, respectively.

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5. LEASES: (Continued)

During the year ended April 30, 2023, the Society entered into a five-year lease agreement for a copy machine. The agreement is considered to be a finance lease agreement applicable under ASU 2016-02, *Leases* (Topic 842). The lease commenced on April 17, 2023, with monthly payments of \$247. There are no variable payments under the lease, and the Society does not have any right to extend or terminate the lease. The lease agreement did not specify an explicit interest rate; therefore, the Society used the five-year risk-free rate of 3.37% in calculating the right-of-use asset and finance lease liability. Upon commencement of the lease, the right-of-use lease asset and lease liability were \$13,621 and \$13,621, respectively. As of April 30, 2026 and 2025, the balance of the right-of-use asset was \$5,221 and \$7,946, respectively. As of April 30, 2026 and 2025, the balance of the lease liability was \$5,494 and \$8,223, respectively.

The following summarizes the line items in the combined statements of financial position for operating and finance leases as of April 30:

<u>Leases</u>	<u>Classification</u>	<u>2026</u>	<u>2025</u>
Assets:			
Operating	Right-of-use assets - office leases	\$ 831,885	\$ 953,480
Finance	Right-of-use assets - equipment	5,221	7,946
		<u>\$ 837,106</u>	<u>\$ 961,426</u>
<u>Leases</u>	<u>Classification</u>	<u>2026</u>	<u>2025</u>
Current Liabilities:			
Operating	Operating lease liability - office leases	\$ 134,022	\$ 128,548
Finance	Finance lease liability - equipment	2,822	2,729
		<u>\$ 136,844</u>	<u>\$ 131,277</u>
Non-current Liabilities:			
Operating	Operating lease liability - office leases	\$ 693,123	\$ 827,144
Finance	Finance lease liability - equipment	2,672	5,494
		<u>\$ 695,795</u>	<u>\$ 832,638</u>

The following summarizes the weighted average remaining lease term and discount rate as of April 30:

Weighted Average Remaining Lease Term	<u>2026</u>	<u>2025</u>
Operating leases	5.74 Years	6.74 Years
Finance leases	1.92 Years	2.92 Years
Weighted Average Discount Rate		
Operating leases	3.04%	3.05%
Finance leases	3.37%	3.37%

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5. LEASES: (Continued)

The maturities of lease liabilities as of April 30, 2026, were as follows:

Year Ending <u>April 30,</u>	<u>Operating</u>	<u>Finance</u>
2027	\$ 157,250	\$ 2,964
2028	158,450	2,717
2029	159,650	-
2030	151,850	-
2031	134,650	-
Thereafter	140,260	-
Total Lease Payments	902,110	5,681
Less: Interest	(74,965)	(187)
Present Value of Lease Liabilities	<u>\$ 827,145</u>	<u>\$ 5,494</u>

The following summarizes the line items in the combined statements of activities which include the components of lease expense for the years ended April 30:

<u>Lease Cost</u>	<u>Classification</u>	<u>2026</u>	<u>2025</u>
Operating leases	Included in member services	\$ 51,253	\$ 52,876
	Included in continuing professional education	94,741	97,740
	Included in administrative and general	9,319	9,614
Total operating lease costs		<u>\$ 155,313</u>	<u>\$ 160,230</u>
Finance leases	Amortization of lease assets:		
	Included in member services	\$ 1,416	\$ 1,416
	Included in continuing professional education	1,308	1,308
	Interest on lease liabilities:		
	Included in member services	122	169
	Included in continuing professional education	113	156
Total finance lease costs		<u>\$ 2,959</u>	<u>\$ 3,049</u>
Short-term leases	Included in member services	\$ 138	\$ 401
	Included in continuing professional education	128	370
Total short-term leases		<u>\$ 266</u>	<u>\$ 771</u>

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5. LEASES: (Continued)

The following summarizes cash flow information related to leases for the years ended April 30, 2026 and 2025. Cash paid for amounts included in the measurement of lease liabilities for the years ended April 30:

	<u>2026</u>	<u>2025</u>
Operating cash flows from operating leases	\$ 148,888	\$ 145,541
Operating cash flows from finance leases	\$ 235	\$ 325
Financing cash flows from finance leases	\$ 2,729	\$ 2,638

Lease assets obtained in exchange for lease liabilities at inception of leases for the years ended April 30:

	<u>2026</u>	<u>2025</u>
Operating lease - office leases	\$ -	\$ 105,606
Finance lease - equipment	\$ -	\$ -

6. BOARD DESIGNATED NET ASSETS:

The Education Foundation has designated investment income and unrealized gains (losses) on endowment assets for the purpose of awarding scholarships. Designated net assets for this purpose totaled \$402,792 and \$330,904 as of April 30, 2026 and 2025, respectively.

The Society has designated net assets for the purpose of conducting the activities of the individual chapters. Designated net assets for this purpose totaled \$316,077 and \$327,657 as of April 30, 2026 and 2025, respectively.

7. NET ASSETS WITH DONOR RESTRICTIONS:

Donations with donor-imposed restrictions for the purpose of awarding scholarships are considered restricted until the scholarships are awarded. Students are selected to be given scholarships based on academic merit and achievement and an essay. They must be at least a fifth semester student enrolled in an accounting program in a Louisiana four-year college or university. The income is expendable to support the purpose of scholarship awards (see Note 8). These net assets with donor restrictions totaled \$273,108 and \$262,108 for the years ended April 30, 2026 and 2025, respectively.

Net assets totaling \$19,325 and \$6,135 were released from restrictions in the years ended April 30, 2026 and 2025, respectively, by incurring expenses satisfying the restricted purpose.

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS
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8. ENDOWMENT ASSETS:

As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment fund assets consist of six separate funds. The principal investment is restricted in perpetuity (see Note 7). Investment income and unrealized gains or losses are Board designated for the purpose of awarding scholarships. Dues contributions from members are restricted until funds are released for the purpose of awarding scholarships (see Note 6). Contributions with restrictions totaled \$11,000 and \$21,000 for the years ended April 30, 2026 and 2025, respectively.

Interpretation of Relevant Law:

The Board of Trustees of the Education Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Education Foundation classifies as net assets with restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with restrictions until those amounts are appropriated for expenditures by the organization in a manner consistent with the standard for prudence prescribed by SPMIFA.

In accordance with SPMIFA, the Education Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the organization
- 7) The investment policies of the Education Foundation

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8. ENDOWMENT ASSETS: (Continued)

Financial Summary:

The following summarizes the financial activity for the Education Foundation for the years ended April 30, 2026 and 2025:

Endowment Net Asset Composition by Type of Fund
as of April 30, 2026

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 273,108	\$ 273,108
Board-designated endowment funds	<u>402,792</u>	<u>-</u>	<u>402,792</u>
Endowment net assets, end of year	<u>\$ 402,792</u>	<u>\$ 273,108</u>	<u>\$ 675,900</u>

Changes in Foundation Endowment Net Assets
for the Fiscal Year Ended April 30, 2026

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	<u>\$ 330,904</u>	<u>\$ 262,108</u>	<u>\$ 593,012</u>
Investment return:			
Investment income	49,024	-	49,024
Net appreciation (realized and unrealized)	<u>56,686</u>	<u>-</u>	<u>56,686</u>
Total investment return	105,710	-	105,710
Reclassification	-	-	-
Contributions	19,325	11,000	30,325
Appropriation for investment fees	(4,822)	-	(4,822)
Appropriation of endowment assets for scholarships	<u>(48,325)</u>	<u>-</u>	<u>(48,325)</u>
Endowment net assets, end of year	<u>\$ 402,792</u>	<u>\$ 273,108</u>	<u>\$ 675,900</u>

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8. ENDOWMENT ASSETS: (Continued)

Financial Summary: (Continued)

Endowment Net Asset Composition by Type of Fund
as of April 30, 2025

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 262,108	\$ 262,108
Board-designated endowment funds	<u>330,904</u>	<u>-</u>	<u>330,904</u>
Endowment net assets, end of year	<u>\$ 330,904</u>	<u>\$ 262,108</u>	<u>\$ 593,012</u>

Changes in Foundation Endowment Net Assets
for the Fiscal Year Ended April 30, 2025

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	<u>\$ 321,439</u>	<u>\$ 234,808</u>	<u>\$ 556,247</u>
Investment return:			
Investment income	22,620	-	22,620
Net appreciation (realized and unrealized)	<u>23,879</u>	<u>-</u>	<u>23,879</u>
Total investment return	46,499	-	46,499
Reclassification	(6,300)	6,300	-
Contributions	12,435	21,000	33,435
Appropriation for investment fees	(4,169)	-	(4,169)
Appropriation of endowment assets for scholarships	<u>(39,000)</u>	<u>-</u>	<u>(39,000)</u>
Endowment net assets, end of year	<u>\$ 330,904</u>	<u>\$ 262,108</u>	<u>\$ 593,012</u>

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS
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8. ENDOWMENT ASSETS: (Continued)

Funds with Deficiencies:

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Education Foundation to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in net assets without restrictions. These deficiencies may result from unfavorable market fluctuations occurring after the investment of new permanently restricted contributions and continued appropriation for scholarships that was deemed prudent by the Board of Trustees. There were no such deficiencies as of April 30, 2026 or 2025.

Return Objectives and Risk Parameters:

The Education Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to scholarships supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets may include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to preserve the principal of the endowment assets.

Strategies Employed for Achieving Objectives:

To satisfy its long-term rate-of-return objectives, the Education Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Education Foundation targets a diversified asset allocation that places an emphasis on equities and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy:

The Education Foundation has a policy of appropriating for distribution each year a target of 2% - 5% of the value of the total portfolio's preceding 3-year average market value. Accordingly, over the long-term, the Education Foundation expects the current spending policy to allow for preservation of the principal.

SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS
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APRIL 30, 2026 AND 2025

9. PENSION PLAN:

Substantially all Society employees meeting certain minimum service and age requirements are covered by a defined contribution plan and are 100% vested upon entrance into the plan after these eligibility requirements are met. The Society's contribution to the plan is calculated as 10% of the eligible employee's compensation. The eligible employees are also allowed to make contributions to the plan up to a maximum of 15% of their compensation. Plan funding is made in accordance with the provisions of the plan. The Society contributed \$96,675 and \$102,065 in the years ended April 30, 2026 and 2025, respectively.

10. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The Society manages its liquidity by operating within a prudent range of financial stability and maintaining adequate liquidity to fund near-term operations. The primary sources of revenue are members' dues and continuing professional education. The Society utilizes operating cash and reserves for any annual cash requirements, if any.

The following table reflects the Society's financial assets (cash and cash equivalents, accounts receivable, investments and other assets) as April 30, 2026 and 2025, reduced by amounts not available for expenses within one year of balance sheet date:

	<u>2026</u>	<u>2025</u>
Financial assets:		
Cash and equivalents	\$ 546,142	\$ 479,556
Investments	4,860,834	4,392,643
Accounts receivable, net	<u>42,468</u>	<u>26,088</u>
Total financial assets	<u>5,449,444</u>	<u>4,898,287</u>
Less: those unavailable for expenses within one year, due to:		
Board-designated endowment fund	(402,792)	(330,904)
Board-designated individual chapters' activity	(316,077)	(327,657)
Donor-restricted endowment fund	<u>(273,108)</u>	<u>(262,108)</u>
Financial assets available to meet cash needs for expenses in one year	<u>\$ 4,457,467</u>	<u>\$ 3,977,618</u>

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11. REVENUE RECOGNITION:

Membership dues are charged to members and recognized over time on a monthly basis as the performance obligation is satisfied. Any amounts not earned are recorded as a contract liability. CPE revenue consists of fees for events and classes that are recognized when the event occurs and the performance obligation is satisfied. Any amounts received for these classes that have not yet been earned are recorded as a contract liability. Peer review fees consist of fees for the performance of peer reviews for participating accounting firms and are recognized monthly when the peer review is performed. Any amounts received for peer reviews that have not yet been earned are recorded as a contract liability. Lagniappe ad sales revenue is recorded over time as the Lagniappe is published and distributed and the performance obligation is satisfied. The above sources of revenue are considered exchange transactions.

Contract assets consist of accounts receivable for CPE and peer review revenue. Contract liabilities consist of deferred revenue for CPE revenue, peer review revenue, and Lagniappe ad sales.

Revenue from contracts with customers included the following for the years ended April 30, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
Membership dues	\$ 1,209,278	\$ 1,196,354
CPE revenue	1,994,444	2,323,885
Peer review fees	293,137	350,351
Lagniappe ad sales	27,601	35,748
	<u>\$ 3,524,460</u>	<u>\$ 3,906,338</u>
 Contract assets	 <u>\$ 22,365</u>	 <u>\$ 16,875</u>
 Contract liabilities	 <u>\$ 264,442</u>	 <u>\$ 221,162</u>

12. SUBSEQUENT EVENTS:

Management of the Society has evaluated subsequent events through August 6, 2026, the date that the financial statements were available to be issued.

On June 19, 2026, the Society entered into a lease renewal agreement for its office space in Metairie, Louisiana, extending the lease term for an additional five years beginning June 1, 2027. The renewal term had previously been included in the measurement of the Society's right-of-use asset and lease liability, as of April 30, 2026, based on management's determination that exercise of the renewal option was reasonably certain. Accordingly, execution of the renewal option did not materially affect the Society's lease-related balances as of April 30, 2026.

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	2026								2025
	Society				Society Total	Education Foundation	Eliminations	2026 Total	2025 Summarized Financial Information
	Member Services	Continuing Professional Education	Peer Review	Administrative and General					
Support and revenues:									
Continuing professional education	\$ -	\$ 1,964,661	\$ -	\$ -	\$ 1,964,661	\$ -	\$ -	\$ 1,964,661	\$ 2,263,559
Member dues	1,209,278	-	-	-	1,209,278	-	-	1,209,278	1,196,354
Peer review firm fees and CART fees	-	-	293,137	-	293,137	-	-	293,137	350,351
Unrealized gain on investments	96,901	196,738	-	-	293,639	56,686	-	350,325	131,233
In-house CPE courses	-	29,783	-	-	29,783	-	-	29,783	60,326
Royalty income	12,027	-	-	-	12,027	-	-	12,027	21,496
Income from investments	103,211	209,549	-	-	312,760	49,024	-	361,784	192,495
Chapter functions income	103,669	-	-	-	103,669	-	-	103,669	101,371
Lagniappe ad sales	27,601	-	-	-	27,601	-	-	27,601	35,748
Education contributions	-	-	-	-	-	30,325	-	30,325	33,435
Miscellaneous	50,384	3,216	-	-	53,600	-	-	53,600	3,423
Application and late fees	10,190	-	-	-	10,190	-	-	10,190	12,470
Gain on disposal of assets	-	-	-	-	-	-	-	-	8,249
Total support and revenues	<u>1,613,261</u>	<u>2,403,947</u>	<u>293,137</u>	<u>-</u>	<u>4,310,345</u>	<u>136,035</u>	<u>-</u>	<u>4,446,380</u>	<u>4,410,510</u>

(Continued)

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COMBINED STATEMENTS OF FUNCTIONAL REVENUES AND EXPENSES
FOR THE YEAR ENDED APRIL 30, 2026 WITH COMPARATIVE TOTALS FOR 2025

	2026								2025
	Society								
	Member	Continuing	Peer	Administrative	Society	Education		2026	Summarized
	<u>Services</u>	<u>Professional</u>	<u>Review</u>	<u>and</u>	<u>Total</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>	<u>Financial</u>
		<u>Education</u>		<u>General</u>					<u>Information</u>
Expenses:									
Continuing professional education	\$ -	\$ 1,093,061	\$ -	\$ -	\$ 1,093,061	\$ -	\$ -	\$ 1,093,061	\$ 1,247,541
Salaries	561,057	392,311	-	-	953,368	-	-	953,368	1,007,854
Operating lease expense	51,253	94,741	-	9,319	155,313	-	-	155,313	160,230
Employee benefits	128,393	89,777	-	-	218,170	-	-	218,170	231,985
Travel and meeting	147,712	57,443	-	-	205,155	-	-	205,155	269,532
Postage and freight	20,022	18,481	-	-	38,503	-	-	38,503	31,200
Professional fees	29,007	26,776	-	-	55,783	4,822	-	60,605	52,706
Peer review and CART expenses	-	-	294,350	-	294,350	-	-	294,350	344,371
Public information and media relations	13,373	-	-	-	13,373	-	-	13,373	16,689
Payroll taxes	40,139	28,067	-	-	68,206	-	-	68,206	67,838
Office supplies	14,932	13,784	-	-	28,716	-	-	28,716	23,146
Miscellaneous	54,593	50,393	-	-	104,986	-	-	104,986	43,292
Service charges	51,687	47,711	-	-	99,398	-	-	99,398	106,958
Publications expense	1,746	1,612	-	-	3,358	-	-	3,358	3,138
Lagniappe publication expense	22,227	-	-	-	22,227	-	-	22,227	22,149
Telephone	18,803	17,357	-	-	36,160	-	-	36,160	35,496
Rentals and maintenance of equipment	138	128	-	-	266	-	-	266	771
Chapter function expenses	121,277	-	-	-	121,277	-	-	121,277	120,134
In-house CPE courses	-	18,780	-	-	18,780	-	-	18,780	20,761
Dues - Chapters' portion	48,874	-	-	-	48,874	-	-	48,874	52,121
Insurance	19,582	18,075	-	-	37,657	-	-	37,657	30,779
Scholarships	-	-	-	-	-	48,325	-	48,325	39,000
Computer services	58,363	60,900	-	7,612	126,875	-	-	126,875	122,935
Dues to associations	11,503	10,619	-	-	22,122	-	-	22,122	21,244
Awards	2,738	-	-	-	2,738	-	-	2,738	3,319
Finance lease interest	122	113	-	-	235	-	-	235	325
Total expenses before depreciation and amortization	1,417,541	2,040,129	294,350	16,931	3,768,951	53,147	-	3,822,098	4,075,514

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COMBINED STATEMENTS OF FUNCTIONAL REVENUES AND EXPENSES
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	2026								2025
	Society							2025	
	Member	Continuing	Peer	Administrative	Society	Education		2026	2025
	<u>Services</u>	<u>Professional</u>	<u>Review</u>	<u>and</u>	<u>Total</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>	<u>Summarized</u>
Expenses: (Continued)									<u>Financial</u>
Finance lease amortization	\$ 1,416	1,308	-	-	\$ 2,724	\$ -	-	\$ 2,724	\$ 2,724
Depreciation and amortization	23,425	43,829	3,778	4,534	75,566	-	-	75,566	76,867
Total expenses	<u>1,442,382</u>	<u>2,085,266</u>	<u>298,128</u>	<u>21,465</u>	<u>3,847,241</u>	<u>53,147</u>	<u>-</u>	<u>3,900,388</u>	<u>4,155,105</u>
TOTAL CHANGE IN NET ASSETS	\$ 170,879	\$ 318,681	\$ (4,991)	\$ (21,465)	\$ 463,104	\$ 82,888	\$ -	\$ 545,992	\$ 255,405