Financial Statements

World Affairs Councils of America

For the Years Ended
June 30, 2025 and 2024

World Affairs Councils of America

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
World Affairs Councils of America
Washington, D.C.

Opinion

We have audited the accompanying financial statements of World Affairs Councils of America (WACA), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the WACA as of June 30, 2025 and 2024, and the results of its changes in net assets and its 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 (GAAS). 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 WACA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 WACA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WACA's ability to continue as a going concern for a reasonable period of time.

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

January 20, 2026

World Affairs Councils of America

Statements of Financial Position
As of June 30, 2025 and 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	$ 49,718	$ 41,952
Investments	12,898,744	12,058,035
Contributions and grants receivable	2,000	1,699
Prepaid expenses	11,736	3,659
Total current assets	12,962,198	12,105,345
FIXED ASSETS		
Website	7,809	7,809
Less: Accumulated depreciation and amortization	(7,809)	(7,809)
Net fixed assets	-	-
NONCURRENT ASSETS		
Security deposits	5,746	5,746
Operating lease right-of-use assets, net	91,306	157,509
Investments, for donor-restricted endowment	1,128,492	1,050,389
Total noncurrent assets	1,225,544	1,213,644
TOTAL ASSETS	$ 14,187,742	$ 13,318,989

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 48,478	$ 14,415
Accrued salaries and related benefits	25,279	19,557
Deferred revenue	88,577	90,108
Operating lease liability	71,393	64,663
Total current liabilities	233,727	188,743
LONG-TERM LIABILITES		
Operating lease liabilities, noncurrent	24,661	96,053
Total liabilities	258,388	284,796
NET ASSETS		
Without donor restrictions:		
Board designated	13,080,782	12,153,861
Undesignated (deficit)	(279,920)	(170,057)
Total net assets without donor restrictions	12,800,862	11,983,804
With donor restrictions	1,128,492	1,050,389
Total net assets	13,929,354	13,034,193
TOTAL LIABILITIES AND NET ASSETS	$ 14,187,742	$ 13,318,989

See accompanying notes to financial statements.

World Affairs Councils of America

Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Net investment return	$ 1,434,363	$ 125,627	$ 1,559,990
Contributions and grants	336,262	-	336,262
Conference and events	180,700	-	180,700
Membership	116,170	-	116,170
Other revenue	1,775	-	1,775
Net assets released from donor restrictions	47,524	(47,524)	-
Total support and revenue	2,116,794	78,103	2,194,897
EXPENSES			
Program Services:			
Program Services	984,207	-	984,207
Supporting Services:			
Management and General	283,356	-	283,356
Fundraising	32,173	-	32,173
Total supporting services	315,529	-	315,529
Total expenses	1,299,736	-	1,299,736
Changes in net assets	817,058	78,103	895,161
Net assets at beginning of year	11,983,804	1,050,389	13,034,193
NET ASSETS AT END OF YEAR	$ 12,800,862	$ 1,128,492	$ 13,929,354

See accompanying notes to financial statements.

World Affairs Councils of America

Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Net investment return	$ 1,521,156	$ 138,914	$ 1,660,070
Contributions and grants	191,292	-	191,292
Membership	137,958	-	137,958
Conference and events	172,139	-	172,139
Other revenue	98,136	-	98,136
Net assets released from donor restrictions	35,000	(35,000)	-
Total support and revenue	2,155,681	103,914	2,259,595
EXPENSES			
Program Services:			
Program Services	871,152	-	871,152
Supporting Services:			
Management and General	209,968	-	209,968
Fundraising	17,306	-	17,306
Total supporting services	227,274	-	227,274
Total expenses	1,098,426	-	1,098,426
Changes in net assets	1,057,255	103,914	1,161,169
Net assets at beginning of year	10,926,549	946,475	11,873,024
NET ASSETS AT END OF YEAR	$ 11,983,804	$ 1,050,389	$ 13,034,193

See accompanying notes to financial statements.

World Affairs Councils of America

Statement of Functional Expenses
For the Year Ended June 30, 2025

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total Supporting Services	Total Expenses
Personnel costs	$ 527,735	$ 117,351	$ 29,545	$ 146,896	$ 674,631
Grant expenses	45,459	-	-	-	45,459
Professional fees	2,722	132,552	-	132,552	135,274
Supplies	2,896	586	87	673	3,569
Telephone and telecommunication	12,048	4,390	376	4,766	16,814
Postage and shipping	1,133	201	31	232	1,365
Equipment rental and maintenance	2,688	429	82	511	3,199
Insurance	3,621	883	119	1,002	4,623
Occupancy	65,114	9,407	1,865	11,272	76,386
Meetings, conferences and travel	318,489	4,767	-	4,767	323,256
Dues and subscriptions	2,218	480	68	548	2,766
Other expenses	84	12,310	-	12,310	12,394
TOTAL	**$ 984,207**	**$ 283,356**	**$ 32,173**	**$ 315,529**	**$ 1,299,736**

See accompanying notes to financial statements.

World Affairs Councils of America

Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total Supporting Services	Total Expenses
Personnel costs	$ 366,379	$ 58,733	$ 14,762	$ 73,495	$ 439,874
Grant expenses	51,617	5,000	-	5,000	56,617
Professional fees	1,963	105,597	-	105,597	107,560
Supplies	2,011	1,009	56	1,065	3,076
Telephone and telecommunication	11,843	13,889	352	14,241	26,084
Postage and shipping	263	30	6	36	299
Equipment rental and maintenance	1,425	1,716	27	1,743	3,168
Insurance	3,616	433	100	533	4,149
Depreciation and amortization	-	1,972	-	1,972	1,972
Occupancy	72,939	6,776	1,957	8,733	81,672
Meetings, conferences and travel	355,808	6,483	-	6,483	362,291
Dues and subscriptions	1,659	-	46	46	1,705
Interest	-	83	-	83	83
Other expenses	1,629	8,247	-	8,247	9,876
TOTAL	**$ 871,152**	**$ 209,968**	**$ 17,306**	**$ 227,274**	**$ 1,098,426**

See accompanying notes to financial statements.

World Affairs Councils of America

Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 895,161	$ 1,161,169
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Depreciation and amortization	-	1,972
Realized and unrealized gain on investments	(1,213,523)	(1,350,127)
Amortization of operating lease right-of-use asset	66,203	64,404
(Increase) decrease in:		
Contributions and grants receivable	(301)	(1,699)
Prepaid expenses	(8,077)	4,808
Security deposits	-	3,322
Increase (decrease) in:		
Accounts payable and accrued liabilities	34,063	(31,979)
Deferred revenue	(1,531)	(6,334)
Accrued salaries and related benefits	5,722	7,130
Operating lease liability	(64,662)	(61,197)
Net cash used by operating activities	(286,945)	(208,531)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(370,341)	(1,475,358)
Proceeds from sale of investments	665,052	1,695,818
Net cash provided by investing activities	294,711	220,460
Net increase in cash and cash equivalents	7,766	11,929
Cash and cash equivalents at beginning of year	41,952	30,023
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 49,718	$ 41,952
SUPPLEMENTAL INFORMATION		
Interest Paid	$ -	$ 83
SCHEDULE OF NONCASH INVESTING AND FINANCING TRANSACTION		
Operating Lease Right-of-Use Asset	$ -	$ 221,913
Operating Lease Liability for Right-of-Use Asset	$ -	$ 221,913

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies

Organization

The World Affairs Councils of America (WACA) is a non-profit organization, incorporated and located in the District of Columbia. WACA was established to improve the quantity and quality of American education in world affairs by (1) increasing the competence of officers and staff of its member organizations through the exchange of ideas and practices, the organization of cooperative workshops and study tours, and such other missions as appropriate, and (2) encouraging cooperative programs and other activities by member organizations.

The World Affairs Councils of America National Conference inspires diverse Councils from 90 communities to sustain the conversation on critical global issues and contribute to a stronger network and informed American public.

The following is a description of WACA's significant programs:

Academic WorldQuest (AWQ) inspires high school students and teachers across the United States to embrace a culture of global engagement. Nationwide, World Affairs Councils host community Academic WorldQuest competitions throughout the year, engaging over 3,000 students in schools across diverse geographic and economic lines.

Through Engage America, the WACA National Office partners with think tanks, foundations, NGOs, corporations, and occasionally government entities to arrange timely “national conversations” at several World Affairs Councils across the country on critical international topics.

The WACA Student Scholars Program empowers 25 undergraduate students to join the WACA National Conference each year, catalyzing interest in global issues by exposing scholars to diverse viewpoints. Through thoughtful conversations, exciting experiences, and interactive activities, the program extends education beyond conventional classrooms, honing critical thinking and nurturing proactive engagement with real-world global challenges.

Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to non-profit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

Descriptions of the two net asset categories are as follow:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions. See Note 6 for details on Board designated net assets.

1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

Cash and Cash Equivalents

WACA considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to a limit of $250,000. At times during the year, WACA maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in Net
investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statements of Activities and Changes in Net Assets.

Contributions and Grants Receivable

Contributions and grants receivable include unconditional promises to give that are expected to be collected in future years. Contributions and grants receivable are recorded at their fair value, which is measured as the present value of the future cash flows. Management considers all amounts to be fully collectable within one year. Accordingly, an allowance for doubtful accounts and a discount have not been established.

Fixed Assets

Fixed assets in excess of $2,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years.

The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense during the years ended June 30, 2025 and 2024 totaled $0 and $1,972, respectively.

1. Summary of Significant Accounting Policies (Continued)

Income Taxes

WACA is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. WACA is not a private foundation.

Revenue from Contracts with Customers

WACA's conference and events and membership revenues are the most significant revenue streams that are treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met. WACA has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Transaction price is based on cost and/or sales price. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. WACA's contracts with customers generally have initial terms of one year or less.

Conferences and events are recognized as revenue during the period of time when the related events are held.

Membership dues include general member benefits that are a series of distinct obligations. Membership dues revenue is recognized ratably over the membership period. There are several benefits received that are individual distinct obligations such as discounted rates to conferences and meetings. However, these benefits are immaterial in comparison to the membership benefits provided and, as a result, they are included with the general member benefits.

Support from Contributions and Grants

Contributions and grants are recognized in the appropriate category of net assets in the period received. WACA performs an analysis of the individual contribution or grant agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

Support from contributions and grants is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions and grants with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, WACA had no refundable advances as of June 30, 2025 and 2024.

1. Summary of Significant Accounting Policies (Continued)

Support from Contributions and Grants (Continued)

In addition, WACA may obtain funding source agreements related to conditional contributions, which will be received in future years. However, WACA had no conditional contributions to be received in future years as of June 30, 2025 and 2024.

Use of Estimates

The preparation of the 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing WACA's programs and supporting services have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets.

Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area are reported as direct expenses within that functional area and expenses that benefited more than one functional area, such as personnel costs, were allocated based on estimated time and effort.

Risks and Uncertainties

WACA invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Reclassification

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. The reclassifications primarily result from the reclassification of donor endowment balances. The reclassifications had no effect on the previously reported changes in net assets.

2. Investments and Fair Value Measurements

In accordance with FASB ASC 820, *Fair Value Measurement*, WACA has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

2. Investments and Fair Value Measurements (Continued)

If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the accompanying Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market WACA has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the years ended June 30, 2025 and 2024. Transfers between levels are recorded at the end of the reporting period, if applicable.

Mutual Funds - Valued at the daily closing price as reported by the fund. Mutual funds held by WACA are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by WACA are deemed to be actively traded.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of June 30, 2025:

	Level 1	Level 2	Level 3	Total June 30, 2025
Investments:				
Mutual Funds	$ 14,027,236	$ -	$ -	$ 14,027,236

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of June 30, 2024:

	Level 1	Level 2	Level 3	Total June 30, 2024
Investments:				
Mutual Funds	$ 13,108,424	$ -	$ -	$ 13,108,424

2. Investments and Fair Value Measurements (Continued)

Net investment return consisted of the following for the years ended June 30, 2025 and 2024:

	2025	2024
Interest and dividends	$ 346,467	$ 309,943
Realized and unrealized gains on investments	1,213,523	1,350,127
NET INVESTMENT RETURN	$ 1,559,990	$ 1,660,070

3. Contract Liabilities

Contract liabilities consisted of the following revenue streams as of:

	June 30, 2025	June 30, 2024	July 1, 2023
Conferences and events	$ -	$ 6,341	$ 9,500
Membership	88,577	83,767	86,942
TOTAL CONTRACT LIABILITIES	$ 88,577	$ 90,108	$ 96,442

4. Lease Commitments

WACA follows FASB ASC 842 for leases. WACA has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. WACA has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

During the year ended June 30, 2023, WACA entered into a lease for new office space in Washington, D.C. The lease commenced on July 1, 2023 and will expire October 31, 2026. The initial base monthly rent is $5,745, increasing by 2.50% each year. Rent for March 2025 and March 2024 will be abated by 50%.

On July 1, 2023, WACA recorded a right-of-use asset in the amount of $221,913. WACA also recorded an operating lease liability in the amount of $221,913 by calculating the present value using the discount rate of 2.86%. For the years ended June 30, 2025, and 2024 total lease costs was $69,782 and $69,782, respectively. For the years ended June 30, 2025 and 2024 total cash paid under lease agreements was $68,240 and $66,575, respectively.

4. Lease Commitments (Continued)

The following is a schedule of the future minimum lease payments due under the operating lease, net of imputed interest, as of June 30, 2025:

Year Ending June 30,	
2026	$ 73,040
2027	24,749
	97,789
Less: Imputed interest	(1,735)
Less: Current portion	(71,393)
OPERATING LEASE LIABILITY, LONG-TERM PORTION	$ 24,661

5. Liquidity and Availability

WACA has a policy to structure its financial assets to be available and liquid as its obligations become due. In addition, WACA has Board designated net assets without donor restrictions that were established by the Board of Directors that may be drawn upon in the event of financial distress or an immediate liquidity need.

Financial assets available for use for general expenditures within one year of the Statements of Financial Position date comprise the following as of June 30, 2025 and 2024:

	2025	2024
Cash and cash equivalents	$ 49,718	$ 41,952
Investments	12,898,744	12,058,035
Contributions and grants receivable	2,000	1,699
Subtotal financial assets available within one year	12,950,462	12,101,686
Less: Board designated funds	(13,080,782)	(12,153,861)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	$ (130,320)	$ (52,175)

6. Board Designated Net Assets

As of June 30, 2025 and 2024, net assets without donor restrictions have been designated by the Board of Directors for the following purposes:

	2025	2024
Future infrastructure and investment projects	$ 1,735,642	$ 1,432,180
Board designated endowment	11,345,140	10,721,681
BOARD DESIGNATED NET ASSETS	$ 13,080,782	$ 12,153,861

During the year ended June 30, 2022, WACA received a $10,000,000 gift (without restrictions) from a donor which was designated by the Board of Directors (with donor approval) to be treated as a fund acting as an endowment. The gift was invested in mutual funds and money market funds in order to ensure prudent investment of the assets.

7. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following as of June 30, 2025 and 2024:

	2025	2024
Subject to Expenditure for Specified Purpose:		
Accumulated investment earnings on AWQ endowment assets	$ 483,342	$ 405,239
Endowment to be Invested in Perpetuity:		
Principal balance in AWQ endowment assets	645,150	645,150
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	$ 1,128,492	$ 1,050,389

The following net assets with donor restrictions were released for donor restrictions either by incurring expenses which satisfied the restricted purposes specified by the donors or through the passage of time during the years ended June 30, 2025 and 2024:

	2025	2024
Purpose Restrictions Accomplished:		
Academic WorldQuest National Competition	$ 47,524	$ 35,000

8. Retirement Plan

WACA provides retirement benefits to its employees through a 401(k) defined contribution plan. In accordance with the provisions of the Plan, WACA contributes a percentage of a participant’s salary to the Plan. WACA's contributions to the Plan totaled $9,992 for the year ended June 30, 2025, and have been included as Benefits in the accompanying Statement of Functional Expenses.

9. Commitments

WACA is committed under agreements for conference space through the fiscal year ending 2027. The total commitments under the agreements are not determinable as it depends upon attendance and other unknown factors. There are cancellation penalties that would be due if the agreements were cancelled prior to the event date. The amount of the cancellation penalties increases through the date of the event.

10. Endowment Funds

WACA's endowment funds consist of both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments (quasi-endowments). As required by GAAP, 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.

Interpretation of Relevant Law -

WACA has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted by the District of Columbia as requiring the preservation of the fair value of the original gift made to the donor-restricted endowment funds, absent explicit donor stipulations to the contrary.

As a result, of this interpretation, WACA classifies as net assets with donor 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.

Additionally, in accordance with UPMIFA, WACA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the organization and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the organization.

Return Objectives and Risk Parameters -

WACA has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that WACA must hold in perpetuity or for a donor specified period(s) as well as Board designated funds.

10. Endowment Funds (Continued)

Return Objectives and Risk Parameters (continued) -

The endowment assets are invested in a conservative manner that is intended to achieve real growth over time through capital appreciation and earnings with a moderate amount of risk to provide funds to sustain and enhance the mission; to manage and mitigate risk and volatility through diversification of assets; and to focus on capital appreciation and total return, with a long-term time horizon (greater than ten years). Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives -

To satisfy its long-term rate-of-return objectives, WACA 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). WACA targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

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

The spending policy permits spending on the Board designated portion of the fund. In determining earnings available for spending, the prior three year-end market values (which includes the original corpus, any realized and unrealized gains and losses, interest and dividends, less related expenses, and prior year distributions) will be averaged and 5% of this average balance will be available for distribution. To the extent that earnings available for spending for any year are not spent during that year, they are to be added to the corpus; not carried over for spending in a subsequent year. In no case will a distribution be made if the year-end value of the fund is less than the original value.

Funds with Deficiencies -

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires WACA to maintain as a fund of perpetual duration. However, there were no donor-restricted endowment funds with deficiencies as of June 30, 2025 or 2024.

For the years ended June 30, 2025, and 2024 WACA maintains a Board designated quasi-endowment of $11,345,140 and $10,721,681. In addition, donor-restricted endowment funds total $1,128,492 and $1,050,389 for the years ended 2025 and 2024, respectively, of which $645,150 is invested in perpetuity, while the remaining $483,342 and $405,239 are available for use at the Board’s discretion.

10. Endowment Funds (Continued)

Endowment funds consisted of the following as of June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated funds	$ 11,345,140	$ -	$ 11,345,140
Donor-restricted funds	-	1,128,492	1,128,492
TOTAL ENDOWMENT FUNDS	$ 11,345,140	$ 1,128,492	$ 12,473,632

Changes in endowment funds consisted of the following as of and for the year ended June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds, beginning of year	$ 10,721,681	$ 1,050,389	$ 11,772,070
Net investment return	1,130,254	125,627	1,255,881
Appropriations	(506,795)	(47,524)	(554,319)
ENDOWMENT FUNDS, END OF YEAR	$ 11,345,140	$ 1,128,492	$ 12,473,632

Endowment funds consisted of the following as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated funds	$ 10,721,681	$ -	$ 10,721,681
Donor-restricted funds	-	1,050,389	1,050,389
TOTAL ENDOWMENT FUNDS	$ 10,721,681	$ 1,050,389	$ 11,772,070

Changes in endowment funds consisted of the following as of and for the year ended June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds, beginning of year	$ 9,999,994	$ 946,475	$ 10,946,469
Net investment return	1,186,687	138,914	1,325,601
Appropriations	(465,000)	(35,000)	(500,000)
ENDOWMENT FUNDS, END OF YEAR	$ 10,721,681	$ 1,050,389	$ 11,772,070

11. Subsequent Events

In preparing these financial statements, WACA has evaluated events and transactions for potential recognition or disclosure through January 20, 2026, the date the financial statements were issued.