



Financial Statements

For the Years Ended December 31, 2021 and 2020

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Independent Auditor's Report

To the Board of Directors
Washington STEM
Seattle, Washington

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Washington STEM (the Organization), which comprise the statements financial position as of December 31, 2021 and 2020, 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 Organization as of December 31, 2021 and 2020, and the change in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 the Organization 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.

Emphasis of Matter - Discontinued Operations

As discussed in Note 1 to the financial statements, during the year ended December 31, 2021, the Organization has determined it will transition activities of a program for which it serves as Program Administrator. Our opinion is not modified with respect to this matter.

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.



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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 the Organization's ability to continue as a going concern for 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 the Organization'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 the Organization's ability to continue as a going concern for a reasonable period of time.

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



Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The program-level information included in the statements of financial position, statements of activities and changes in net assets, and statement of cash flows on pages 4 through 9 and pages 10 and 11, as well as the accompanying schedules of functional expense by program shown on pages 25 through 26 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the summaries of functional expenses by percentage of total expenses, and sources of revenue by percentage of total revenues but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Clark Nuber P.S.

Certified Public Accountants
March 23, 2022

WASHINGTON STEM

Statement of Financial Position
December 31, 2021

	Washington STEM	WSOS - Discontinued Operations	Interfund Eliminations	Total
Assets				
Current Assets:				
Cash and cash equivalents	\$ 5,455,386	\$ 409,914	\$ -	\$ 5,865,300
Accounts receivable	316,508	137,998		454,506
Interfund receivable	44,804		(44,804)	
Current portion of pledges receivable, net	2,493,873	6,693,214		9,187,087
State match receivable, net		118,687		118,687
Prepaid expenses	71,775	45,590		117,365
Short-term portion of investments		10,434,689		10,434,689
Total Current Assets	8,382,346	17,840,092	(44,804)	26,177,634
Long-term portion of pledges receivable, net	1,455,428	20,922,118		22,377,546
Long-term portion of investments		96,376,008		96,376,008
Furniture, fixtures and equipment, net	19,837	11,058		30,895
Total Assets	\$ 9,857,611	\$ 135,149,276	\$ (44,804)	\$ 144,962,083
Liabilities and Net Assets				
Liabilities:				
Accounts payable	\$ 32,750	\$ 82,758	\$ -	\$ 115,508
Grants payable	65,977			65,977
Interfund payable		44,804	(44,804)	
Accrued liabilities and other	317,004	168,648		485,652
Current portion of scholarship liabilities, net		12,335,971		12,335,971
Total Current Liabilities	415,731	12,632,181	(44,804)	13,003,108
Long-term portion of scholarship liabilities, net		8,195,780		8,195,780
Total Liabilities	415,731	20,827,961	(44,804)	21,198,888
Net Assets:				
Net assets without donor restrictions	3,851,297			3,851,297
Net assets with donor restrictions	5,590,583	114,321,315		119,911,898
Total Net Assets	9,441,880	114,321,315		123,763,195
Total Liabilities and Net Assets	\$ 9,857,611	\$ 135,149,276	\$ (44,804)	\$ 144,962,083

See accompanying notes.

WASHINGTON STEM

Statement of Financial Position
December 31, 2020

	Washington STEM	WSOS - Discontinued Operations	Interfund Eliminations	Total
Assets				
Current Assets:				
Cash and cash equivalents	\$ 3,306,457	\$ 518,939	\$ -	\$ 3,825,396
Accounts receivable	382,646	62,904		445,550
Interfund receivable	34,957		(34,957)	
Current portion of pledges receivable, net	188,823	2,548,859		2,737,682
State match receivable, net		671,655		671,655
Prepaid expenses	58,684	72,583		131,267
Short-term portion of investments		15,231,757		15,231,757
Total Current Assets	3,971,567	19,106,697	(34,957)	23,043,307
Long-term portion of pledges receivable, net	97,991	12,004		109,995
Long-term portion of investments		96,113,373		96,113,373
Furniture, fixtures and equipment, net	14,980	19,868		34,848
Total Assets	\$ 4,084,538	\$ 115,251,942	\$ (34,957)	\$ 119,301,523
Liabilities and Net Assets				
Liabilities:				
Accounts payable	\$ 16,513	\$ 87,615	\$ -	\$ 104,128
Grants payable	67,032			67,032
Interfund payable		34,957	(34,957)	
Accrued liabilities	241,197	155,008		396,205
Current portion of scholarship liabilities, net		14,014,284		14,014,284
Total Current Liabilities	324,742	14,291,864	(34,957)	14,581,649
Long-term portion of scholarship liabilities, net		11,708,809		11,708,809
Total Liabilities	324,742	26,000,673	(34,957)	26,290,458
Net Assets:				
Net assets without donor restrictions	3,113,479			3,113,479
Net assets with donor restrictions	646,317	89,251,269		89,897,586
Total Net Assets	3,759,796	89,251,269		93,011,065
Total Liabilities and Net Assets	\$ 4,084,538	\$ 115,251,942	\$ (34,957)	\$ 119,301,523

See accompanying notes.

WASHINGTON STEM

Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2021

	Washington STEM	WSOS - Discontinued Operations	Interfund Eliminations	Total
Activity Without Donor Restrictions				
Support and Revenue Without Donor Restrictions:				
Contributions	\$ 515,464	\$ -	\$ -	\$ 515,464
Contract revenue	1,861,459		(573,942)	1,287,517
Interest income	376			376
Other income	1,796	125,000		126,796
Release from time restrictions	2,877,323			2,877,323
Release from purpose restrictions	946,923	14,929,357		15,876,280
Total Support and Revenue Without Donor Restrictions	6,203,341	15,054,357	(573,942)	20,683,756
Expenses:				
Program services	3,840,748	13,454,297		17,295,045
Management and general	1,151,772	788,237	(573,942)	1,366,067
Fundraising	473,002	811,823		1,284,825
Total Expenses	5,465,522	15,054,357	(573,942)	19,945,937
Change in Net Assets Without Donor Restrictions	737,819			737,819
Activity With Donor Restrictions				
Contributions with donor restrictions	8,768,511	32,287,290		41,055,801
State match revenue		3,744,211		3,744,211
Investment return, net		3,967,902		3,967,902
Release from time restrictions	(2,877,323)			(2,877,323)
Release from purpose restrictions	(946,923)	(14,929,357)		(15,876,280)
Change in Net Assets With Donor Restrictions	4,944,265			4,944,265
Change in Net Assets From Discontinued Operations		25,070,046		25,070,046
Total Change in Net Assets	5,682,084	25,070,046		30,752,130
Net assets, beginning of year	3,759,796	89,251,269		93,011,065
Net Assets, End of Year	\$ 9,441,880	\$ 114,321,315	\$ -	\$ 123,763,195
Summary Information:				
Total Revenue and Investment Return	\$ 11,147,606	\$ 40,124,403	\$ (573,942)	\$ 50,698,067

See accompanying notes.

WASHINGTON STEM

Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2020

	Washington STEM	WSOS - Discontinued Operations	Interfund Eliminations	Total
Activity Without Donor Restrictions				
Support and Revenue Without Donor Restrictions:				
Contributions	\$ 332,486	\$ -	\$ -	\$ 332,486
Contract revenue	1,592,542		(547,780)	1,044,762
Interest income	6,312			6,312
Other income	2,435	375,000		377,435
Release from time restrictions	2,687,454			2,687,454
Release from purpose restrictions	1,832,372	13,321,743		15,154,115
Total Support and Revenue Without Donor Restrictions	6,453,601	13,696,743	(547,780)	19,602,564
Expenses:				
Program services	3,876,541	12,477,472		16,354,013
Management and general	1,113,352	732,921	(547,780)	1,298,493
Fundraising	510,431	486,350		996,781
Total Expenses	5,500,324	13,696,743	(547,780)	18,649,287
Change in Net Assets Without Donor Restrictions	953,277			953,277
Activity With Donor Restrictions				
Contributions with donor restrictions	889,081	2,460,634		3,349,715
State match revenue		4,388,605		4,388,605
Investment return, net		9,910,321		9,910,321
Release from time restrictions	(2,687,454)			(2,687,454)
Release from purpose restrictions	(1,832,372)	(13,321,743)		(15,154,115)
Change in Net Assets With Donor Restrictions	(3,630,745)			(3,630,745)
Change in Net Assets From Discontinued Operations		3,437,817		3,437,817
Total Change in Net Assets	(2,677,468)	3,437,817		760,349
Net assets, beginning of year	6,437,264	85,813,452		92,250,716
Net Assets, End of Year	\$ 3,759,796	\$ 89,251,269	\$ -	\$ 93,011,065
Summary Information:				
Total Revenue and Investment Return	\$ 2,822,856	\$ 17,134,560	\$ (547,780)	\$ 19,409,636

See accompanying notes.

WASHINGTON STEM

Statements of Functional Expenses
For the Years Ended December 31, 2021 and 2020

For the Year Ended December 31, 2021							
	Program Services			Supporting Services			
	Program Services - Scholarships	Program Services - Other	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Scholarships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and investments		1,547,776	1,547,776				1,547,776
Salaries, taxes and benefits		1,985,365	1,985,365	806,998	407,501	1,214,499	3,199,864
Consultants and professional services		134,884	134,884	159,462	24,595	184,057	318,941
Convenings, conferences and travel		10,085	10,085	6,888		6,888	16,973
Operating costs		162,638	162,638	178,424	40,906	219,330	381,968
Total Operating Expenses		3,840,748	3,840,748	1,151,772	473,002	1,624,774	5,465,522
Expenses from discontinued operations	13,454,297		13,454,297	214,295	811,823	1,026,118	14,480,415
Total Expenses	\$ 13,454,297	\$ 3,840,748	\$ 17,295,045	\$ 1,366,067	\$ 1,284,825	\$ 2,650,892	\$ 19,945,937

See accompanying notes.

WASHINGTON STEM

Statements of Functional Expenses
For the Years Ended December 31, 2021 and 2020

For the Year Ended December 31, 2020							
	Program Services			Supporting Services			Total
	Program Services - Scholarships	Program Services - Other	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Scholarships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and investments		1,655,639	1,655,639				1,655,639
Salaries, taxes and benefits		1,883,619	1,883,619	794,263	445,288	1,239,551	3,123,170
Consultants and professional services		162,396	162,396	133,465	24,900	158,365	320,761
Convenings, conferences and travel		30,072	30,072	9,054	802	9,856	39,928
Operating costs		144,815	144,815	176,570	39,441	216,011	360,826
Total Operating Expenses		3,876,541	3,876,541	1,113,352	510,431	1,623,783	5,500,324
Expenses from discontinued operations	12,477,472		12,477,472	185,141	486,350	671,491	13,148,963
Total Expenses	\$ 12,477,472	\$ 3,876,541	\$ 16,354,013	\$ 1,298,493	\$ 996,781	\$ 2,295,274	\$ 18,649,287

See accompanying notes.

WASHINGTON STEM

Statement of Cash Flows
For the Year Ended December 31, 2021

	Washington STEM	WSOS - Discontinued Operations	Interfund Eliminations	Total
Cash Flows From Operating Activities:				
Change in net assets	\$ 5,682,084	\$ 25,070,046	\$ -	\$ 30,752,130
Adjustments to reconcile change in net assets to net cash used by operating activities-				
Depreciation and amortization	8,541	10,190		18,731
Realized and unrealized gains on investments		(3,988,482)		(3,988,482)
Change in assets and liabilities:				
Accounts receivable	66,138	(75,094)		(8,956)
Pledges receivable	(3,662,487)	(25,054,469)		(28,716,956)
State match receivable		552,968		552,968
Prepaid expenses	(13,091)	26,993		13,902
Accounts payable	16,237	(4,857)		11,380
Grants payable	(1,055)			(1,055)
Accrued liabilities and other	75,807	13,640		89,447
Interfund receivables/payables	(9,847)	9,847		
Scholarship liabilities		(5,191,342)		(5,191,342)
Net Cash Provided (Used) by Operating Activities	2,162,327	(8,630,560)		(6,468,233)
Cash Flows From Investing Activities:				
Purchase of investments		(6,563,837)		(6,563,837)
Sales of investments		15,086,752		15,086,752
Purchases of furniture, fixtures and equipment	(13,398)	(1,380)		(14,778)
Net Cash (Used) Provided by Investing Activities	(13,398)	8,521,535		8,508,137
Net Change in Cash and Cash Equivalents	2,148,929	(109,025)		2,039,904
Cash and cash equivalents, beginning of year	3,306,457	518,939		3,825,396
Cash and Cash Equivalents, End of Year	\$ 5,455,386	\$ 409,914	\$ -	\$ 5,865,300

See accompanying notes.

WASHINGTON STEM

Statement of Cash Flows
For the Year Ended December 31, 2020

	Washington STEM	WSOS - Discontinued Operations	Interfund Eliminations	Total
Cash Flows From Operating Activities:				
Change in net assets	\$ (2,677,468)	\$ 3,437,817	\$ -	\$ 760,349
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities-				
Depreciation and amortization	22,381	11,579		33,960
Realized and unrealized gains on investments		(9,862,227)		(9,862,227)
Receipt of donated fixed assets	8,670			8,670
Change in assets and liabilities:				
Accounts receivable	(120,101)	(59,000)		(179,101)
Pledges receivable	1,405,123	2,445,734		3,850,857
State match receivable		(459,573)		(459,573)
Prepaid expenses	1,913	5,567		7,480
Accounts payable	(36,767)	59,832		23,065
Grants payable	18,537			18,537
Accrued liabilities and other	(193,963)	(16,548)		(210,511)
Interfund receivables/payables	(3,669)	3,669		
Scholarship liabilities		(7,063,607)		(7,063,607)
Net Cash Used by Operating Activities	(1,575,344)	(11,496,757)		(13,072,101)
Cash Flows From Investing Activities:				
Purchase of investments		(820,550)		(820,550)
Sales of investments		11,658,130		11,658,130
Net Cash Provided by Investing Activities		10,837,580		10,837,580
Net Change in Cash and Cash Equivalents	(1,575,344)	(659,177)		(2,234,521)
Cash and cash equivalents, beginning of year	4,881,801	1,178,116		6,059,917
Cash and Cash Equivalents, End of Year	\$ 3,306,457	\$ 518,939	\$ -	\$ 3,825,396

See accompanying notes.

WASHINGTON STEM

Notes to Financial Statements For the Years Ended December 31, 2021 and 2020

Note 1 - Significant Accounting Policies

Organization - Washington STEM (WA STEM) is a nonprofit organization dedicated to advancing innovation, equity, and excellence in science, technology, engineering, and mathematics (STEM) education. WA STEM mobilizes education, business, and civic leaders to fulfill their shared responsibility to accelerate improvements in STEM instruction throughout the State of Washington and dramatically improve learning outcomes for all students.

As a nonprofit venture fund, WA STEM makes investments to test and validate scalable approaches for improving STEM teaching. WA STEM spurs and supports the delivery of effective real-world STEM learning opportunities to students in and out of school. WA STEM also identifies and generates knowledge, tools and resources to build capacity in the field and fuel advocacy efforts. All of its efforts are designed to increase student performance, college readiness and success, and the pursuit of STEM degrees and careers, including STEM teaching. Program services reflect the grants and investments made directly to tax-exempt organizations, as well as in-kind support provided, to support the generation, capture, sharing and application of promising practices to improve STEM teaching and learning at scale. This nonprofit venture model will dramatically expand the reach and impact of the Organization's strategy across the state and nation.

WSOS - Washington State Opportunity Scholarship (WSOS) is a public-private partnership established by the Washington State legislature in 2011 under the Revised Code of Washington (RCW) Title 28B.145, Opportunity Scholarship Act, to increase access to high-demand STEM and health care majors for low- and middle-income students through scholarships and academic support. The legislation describes in detail how the program is to be funded and administered. WA STEM is the fiscal sponsor for WSOS; therefore, the balances and activity of the WSOS program are included in the WA STEM financial statements.

During the year ended December 31, 2019, the Career and Technical Scholarship (CTS) was implemented to support students pursuing a certificate, apprenticeship, or associate degree in trade, STEM, and health care occupations at various community and technical colleges in the state, subject to various restrictions.

During the year ended December 31, 2020, the Rural Jobs Initiative (RJI) Scholarship was implemented within the CTS program to further support students located in rural counties in the state, subject to various restrictions.

During the year ended December 31, 2021, the Graduate Scholarship (GRD) was implemented to support students pursuing advanced health care degrees in Washington who plan to work in a medically underserved area when they graduate, subject to various restrictions.

The financial account balances and activities of WA STEM and WSOS, collectively, are referred to throughout these financial statements as "the Organization."

Discontinued Operations - Effective February 1, 2017, the Board of WA STEM approved an interagency contract with the State of Washington's Washington Student Achievement Council (WSAC) and the WSOS Board of Directors for professional services whereby WA STEM serves as Program Administrator to the WSOS program. The interagency contract currently expires on June 30, 2022.

During the year ended December 31, 2021, the WA STEM and WSOS Boards mutually agreed to allow the current interagency contract to expire on June 30, 2022, and the WSAC Board has engaged a new administrator for the WSOS program. The current interagency contract with WA STEM will be extended to August 31, 2022, and a new program administrator is expected to assume responsibility September 1, 2022. WA STEM will continue to earn its administration fee throughout the remainder of the extended interagency contract and will negotiate a fee for transition assistance.

WASHINGTON STEM

Notes to Financial Statements For the Years Ended December 31, 2021 and 2020

Note 1 - Continued

The assets of WSOS consist primarily of cash and investments reported at fair value, and pledges and State match receivable reported at their net realizable value. WSOS liabilities consist primarily of scholarship commitments reported at their net present value. All WSOS assets and liabilities will remain with the WSOS program and will transfer to the new fiscal sponsor and program administrator. Therefore, no loss was recognized in 2021 due to the discontinued operation. The accounts and activities of WSOS are reported in the accompanying financial statements and identified as discontinued operations.

Forgiven Loan - On February 25, 2021, the Organization obtained a loan under the Paycheck Protection Program (PPP) with a principal balance of \$501,170 and an annual interest rate of 1%. During the year ended December 31, 2021, the entirety of this balance was forgiven. The Organization accounted for the loan as a conditional grant, and contribution revenue with donor restrictions was recognized, and immediately released from restriction, on the statement of activities and changes in net assets for the year ended December 31, 2021.

Basis of Presentation - The financial statements of the Organization are presented on the accrual basis of accounting. Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to or are no longer subject to donor-imposed restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or passage of time.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets are limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets.

Revenue Recognition -

Cost Reimbursement Grants - Grants, cost-reimbursement grants, and contributions from public and private funders, foundations, and others are recognized as revenue when the donor-imposed conditions, if any, have been met. Unconditional cash contributions are recorded as revenue in the period received, in accordance with donor restrictions. Unconditional promises to give (pledges) are recorded at fair value in the period the promise is received, in accordance with donor-imposed restrictions. In-kind contributions, including donated goods and certain services, are recognized at their fair values on the date received or pledged. Program grants are recorded as purpose-restricted revenue with release of restrictions upon incurring related expenses. Conditional contributions are recognized as revenue in the period in which the conditions have been satisfied.

WSOS receives private gifts that are matched by contributions to the program from the State of Washington, subject to meeting certain conditions.

WASHINGTON STEM

Notes to Financial Statements For the Years Ended December 31, 2021 and 2020

Note 1 - Continued

Contract Revenue - WA STEM provides professional services to educational institutions, including providing technical assistance and support, leading evaluation activities, and developing processes. Contract revenue also includes fees paid by sponsored programs, including WSOS, to WA STEM for administration of the programs. Revenue from contracts with customers is recognized over time as the service is provided. For cost-reimbursement contracts, the output method is used, whereby revenue is recognized as expenses are incurred under the contract. For flat-fee contracts, revenue is recognized ratably over the term of the contract. For contracts with milestone performance obligations, revenue is recognized when each performance obligation is met.

Contracts receivable are included in accounts receivable on the statements of financial position as follows:

	2020		2021
	January 1	December 31	December 31
Contract accounts receivable	\$ 261,663	\$ 382,514	\$ 310,726

Other Revenue - Program or seminar registration fees that are recognized at a point in time when the event occurs.

Cash and Cash Equivalents - The Organization considers all highly liquid investments purchased with an original maturity of three months or less, other than those held in the Organization's investment portfolio, to be cash equivalents.

Pledges Receivable - Pledges receivable, including unconditional promises to give, that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in revenue and support in the statements of activities and changes in net assets. Conditional promises to give are recognized when the conditions on which they depend are met. See Note 2.

Management provides for probable uncollectible amounts through a charge to revenues and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable.

Investments and Investment Income - Investments generally consist of bonds, treasury securities, money market funds, and commingled index and intermediate credit funds. Returns on investment, including unrealized gains and losses, are recognized in the period earned. Investment return is reported net of related fees.

Investment securities, in general, are exposed to various risks, including interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is possible that the value of these investments will fluctuate in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

WASHINGTON STEM

Notes to Financial Statements For the Years Ended December 31, 2021 and 2020

Note 1 - Continued

Furniture, Fixtures and Equipment - The Organization capitalizes furniture, fixtures and equipment with a value greater than \$2,500, at cost, or at fair value on the date received if donated. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets, ranging from four to seven years. Leasehold improvements are depreciated over the shorter of their useful life or the lease term.

Scholarship Liabilities - Scholarship liabilities for the WSOS program, which includes the baccalaureate, CTS, RJI, and GRD scholarships, are estimated using the number of students enrolled in the scholarship program and assumptions regarding retention rates, transfer rates, average spending year-by-year based on historical data, and award amounts. It is reasonably possible that the Organization's estimates used to calculate scholarship commitments will change in the near term. Scholarship liabilities due in subsequent years are reported at their present value, using risk-adjusted rates applicable to the year in which the liabilities were originally accrued. See Note 6.

The Organization does not consider its scholarship commitments to be conditional, and as such, it records the liability for scholarships when each new cohort is awarded.

Grant and Investment Expense - The Organization awards cash and in-kind grants and contributions in the form of professional services and expertise to tax-exempt organizations to accelerate and support STEM education throughout Washington State. Grant and investment expense is recognized on the statements of activities and changes in net assets as program expense at the time an unconditional commitment is made by the Organization. For in-kind grants, the Organization recognizes as expense the value of granted goods and services at their fair values at the time the grants are made. Grants payable over more than one year are recorded at their discounted present value using a risk-adjusted rate of return. Changes in discounts are recognized over the period of the promise as adjustments to grant expense.

The Organization also makes grants and investments that are conditional upon the recipient organization achieving certain milestones. Conditional grants and investments are recognized as expense in the period the conditions have been satisfied. Conditional grants and investments outstanding at December 31, 2021 and 2020 totaled \$1,800,000 and \$2,650,000, respectively.

Vulnerability From Certain Concentrations - Financial instruments that potentially subject the Organization to concentrations of credit and market risk consist primarily of cash and cash equivalents. Cash and cash equivalents and investments held at financial institutions exceeded federally insured limits at times during the years ended December 31, 2021 and 2020.

For the Organization as a whole, for the year ended December 31, 2021, 82% of contribution revenue was from three donors and 88% of its pledges receivable were from two donors. For the year ended December 31, 2020, 54% of contribution revenue was from three donors and 88% of its pledges receivable were from one donor.

WA STEM - For the year ended December 31, 2021, 66% of the WA STEM contribution revenue was from two donors and 89% of its pledges receivable was from two donors. For the year ended December 31, 2020, 53% of the WA STEM contribution revenue was from two donors and 89% of its pledges receivable was from two donors.

WSOS - For the year ended December 31, 2021, 93% of the WSOS contribution revenue was from three donors and 90% of the WSOS pledges receivable balance was from two donors. For the year ended December 31, 2020, 61% of the WSOS contribution revenue was from two donors and 98% of the WSOS pledges receivable balance was from one donor.

WASHINGTON STEM

Notes to Financial Statements For the Years Ended December 31, 2021 and 2020

Note 1 - Continued

Federal Income Tax Status - The Internal Revenue Service has determined the Organization to be a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax has been made in these financial statements.

Methods Used for Allocation of Expenses Among Program and Support Functions - The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Organization. Those expenses include personnel, rent, travel and conferences, information technology costs, insurance, and depreciation. Personnel costs are allocated based on a time and cost study of where efforts are made. Rent is allocated based off of this personnel cost time study. All other costs are based on the benefit received.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results may differ from such estimates.

Note 2 - Pledges and State Match Receivable

Pledges receivable were as follows at December 31:

	Washington STEM	WSOS - Discontinued Operations	2021 Total
Pledges receivable expected in-			
Less than one year	\$ 2,493,873	\$ 6,693,214	\$ 9,187,087
One to five years	1,457,000	16,000,000	17,457,000
More than five years		5,000,000	5,000,000
	<u>3,950,873</u>	<u>27,693,214</u>	<u>31,644,087</u>
Present value discount	(1,572)	(77,882)	(79,454)
Pledges Receivable	<u>\$ 3,949,301</u>	<u>\$ 27,615,332</u>	<u>\$ 31,564,633</u>

	Washington STEM	WSOS - Discontinued Operations	2020 Total
Pledges receivable expected in-			
Less than one year	\$ 188,823	\$ 2,548,859	\$ 2,737,682
One to five years	100,000	12,083	112,083
	<u>288,823</u>	<u>2,560,942</u>	<u>2,849,765</u>
Present value discount	(2,009)	(79)	(2,088)
Pledges Receivable	<u>\$ 286,814</u>	<u>\$ 2,560,863</u>	<u>\$ 2,847,677</u>

WASHINGTON STEM

Notes to Financial Statements For the Years Ended December 31, 2021 and 2020

Note 2 - Continued

Pledges receivable with due dates extending beyond one year were discounted using discount rates based on risk adjusted rates of return between 0.10% and 2.05% at December 31, 2021. An allowance for uncollectible pledges was not considered necessary at December 31, 2021 or 2020. As of the year ended December 31, 2021, \$133,000 of conditional pledges were outstanding related to in-kind contributions.

From time to time, the Organization receives contributions from its board members or their related organizations. Contributions from WA STEM board members totaled approximately \$48,000 and \$83,000 for the years ended December 31, 2021 and 2020, respectively. Contributions from WSOS board members totaled approximately \$10,101,000 and \$1,086,000 for the years ended December 31, 2021 and 2020, respectively. Pledges outstanding from WA STEM board members totaled approximately \$2,000 and \$28,000 at December 31, 2021 and 2020, respectively. Pledges outstanding from WSOS board members totaled \$10,050,000 and \$2,500,000 at December 31, 2021 and 2020, respectively.

State match receivable related to WSOS - discontinued operations was as follows as of and for the years ended December 31:

	<u>2021</u>	<u>2020</u>
State match receivable, beginning balance	\$ 671,655	\$ 212,082
State match revenue recognized	3,744,211	4,388,605
Cash collected	(4,231,748)	(3,929,515)
Adjustments to allowance	<u>(65,431)</u>	<u>483</u>
State Match Receivable, Ending Balance	<u>\$ 118,687</u>	<u>\$ 671,655</u>
State match receivable, gross	\$ 118,687	\$ 929,567
Less allowance		<u>(257,912)</u>
State Match Receivable, Net	<u>\$ 118,687</u>	<u>\$ 671,655</u>

State match receivable is recorded as revenue when the applicable conditions are met, which may not reflect the full amount awarded. The total amount of unrecognized State match receivable pending related to WSOS discontinued operations was \$4,048,643 at December 31, 2021. The total amount of unrecognized State match receivable pending was \$506,345 at December 31, 2020.

WASHINGTON STEM

Notes to Financial Statements For the Years Ended December 31, 2021 and 2020

Note 3 - Investments - WSOS Discontinued Operations

Investments as presented in the statements of financial position related to WSOS discontinued operations consisted of the following at December 31:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 14,679,658	\$ 17,629,095
Commingled equity index funds	28,445,304	28,877,801
Commingled intermediate credit	<u>63,685,735</u>	<u>64,838,234</u>
Total Investments	<u>\$ 106,810,697</u>	<u>\$ 111,345,130</u>

The WA STEM Board and the WSOS Board approved the investment policies for WSOS investments. The investments are sourced from both private and public funds. These investment policies were guided by and are designed to comply with various State policies which govern the investment of State funds. All WSOS long-term investments are managed by the Washington State Investment Board (WSIB) as of December 31, 2021 and 2020. The investment allocation is reviewed periodically based on program spending forecasts and other considerations.

Investment return related to WSOS discontinued operations is classified as follows for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 39,791	\$ 112,146
Realized and unrealized gains	3,988,482	9,862,228
Investment fees	<u>(60,371)</u>	<u>(64,053)</u>
Total Investment Return, Net	<u>\$ 3,967,902</u>	<u>\$ 9,910,321</u>

Note 4 - Fair Value Measurements

Valuation Techniques - U.S. GAAP provides a consistent model for determining fair value measurements for financial assets and liabilities and identifies three levels of inputs that are available for measuring fair value. Financial assets and liabilities valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and liabilities valued using Level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets and liabilities using Level 3 inputs are primarily valued using management's assumptions about the assumptions market participants would utilize in pricing the asset or liability. Valuation techniques utilized to determine fair value are consistently applied.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2021 or 2020:

Cash and Cash Equivalents - Valued at cost, which approximates fair value.

WASHINGTON STEM

Notes to Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 3 - Continued

Commingled Funds - Valued based on the market prices of the underlying investments as determined by quoted market prices. The commingled funds are managed and held by the Washington State Investment Board (WSIB) and have no redemption restrictions.

Fair Values Measured on a Recurring Basis - Fair values of assets related to discontinued operations measured on a recurring basis were as follows:

	December 31, 2021			Total
	Level 1	Level 2	Level 3	
Cash and cash equivalents	\$ 14,679,658	\$ -	\$ -	\$ 14,679,658
Commingled equity index funds		28,445,304		28,445,304
Commingled intermediate credit		63,685,735		63,685,735
Total Investments at December 31, 2021	\$ 14,679,658	\$ 92,131,039	\$ -	\$ 106,810,697

	December 31, 2020			Total
	Level 1	Level 2	Level 3	
Cash and cash equivalents	\$ 17,629,095	\$ -	\$ -	\$ 17,629,095
Commingled equity index funds		28,877,801		28,877,801
Commingled intermediate credit		64,838,234		64,838,234
Total Investments at December 31, 2020	\$ 17,629,095	\$ 93,716,035	\$ -	\$ 111,345,130

Note 5 - Furniture, Fixtures and Equipment

Furniture, fixtures and equipment consisted of the following at December 31:

	Washington STEM	WSOS - Discontinued Operations	2021 Total
Office equipment	\$ 141,570	\$ 36,565	\$ 178,135
Furniture and fixtures	16,967	19,504	36,471
Leasehold improvements	4,768		4,768
	163,305	56,069	219,374
Less accumulated depreciation	(143,468)	(45,011)	(188,479)
Furniture, Fixtures and Equipment, Net	\$ 19,837	\$ 11,058	\$ 30,895

WASHINGTON STEM

Notes to Financial Statements For the Years Ended December 31, 2021 and 2020

Note 5 - Continued

	Washington STEM	WSOS - Discontinued Operations	2020 Total
Office equipment	\$ 128,172	\$ 35,185	\$ 163,357
Furniture and fixtures	16,967	19,504	36,471
Leasehold improvements	4,768		4,768
	149,907	54,689	204,596
Less accumulated depreciation	(134,927)	(34,821)	(169,748)
Furniture, Fixtures and Equipment, Net	\$ 14,980	\$ 19,868	\$ 34,848

Note 6 - Scholarship Commitments Liability - WSOS Discontinued Operations

The WSOS program awards scholarships to qualifying students under the following programs:

Baccalaureate Scholarship - Supports students pursuing four-year degrees in STEM and health care-oriented majors at various institutions of higher education in the state, beginning as early as freshman year and continuing through graduation, which may be in year five or six, subject to various restrictions.

Career and Technical Scholarship (CTS) - Supports students pursuing a certificate, apprenticeship, or associate degree in trade, STEM, and health care occupations at various community and technical colleges in the state, subject to various restrictions.

Rural Jobs Initiative (RJI) - Supports students within the CTS program by providing additional funding to those who live in rural communities in Washington State.

Graduate Scholarship (GRD) - Supports students pursuing advanced health care degrees in Washington who plan to work in a medically underserved area upon graduation.

Scholarship commitments outstanding for the WSOS discontinued operations programs are as follows at December 31, 2021:

	Baccalaureate	CTS	RJI	GRD	Total
Expected to be paid in-					
2022	\$ 9,916,069	\$ 2,199,546	\$ 117,254	\$ 103,102	\$ 12,335,971
2023 through 2026	8,257,214	1,282,883	82,195	10,722	9,633,014
Total scholarship commitments	18,173,283	3,482,429	199,449	113,824	21,968,985
Less discounts to present value (rate of 3%)	(1,348,524)	(82,668)	(5,426)	(616)	(1,437,234)
Scholarship Commitments, Net	\$ 16,824,759	\$ 3,399,761	\$ 194,023	\$ 113,208	\$ 20,531,751

WASHINGTON STEM

Notes to Financial Statements For the Years Ended December 31, 2021 and 2020

Note 7 - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at December 31:

	Washington STEM	WSOS - Discontinued Operations	2021 Total
Purpose and time restricted	\$ 4,018,894	\$ 27,733,921	\$ 31,752,815
Purpose restricted	1,571,689	86,587,394	88,159,083
Total Net Assets With Donor Restrictions	\$ 5,590,583	\$ 114,321,315	\$ 119,911,898

	Washington STEM	WSOS - Discontinued Operations	2020 Total
Purpose and time restricted	\$ 431,876	\$ 3,295,018	\$ 3,726,894
Purpose restricted	214,441	85,956,251	86,170,692
Total Net Assets With Donor Restrictions	\$ 646,317	\$ 89,251,269	\$ 89,897,586

Note 8 - Office Space Agreements

In July 2010, the Organization entered into a commercial office license agreement for its office facilities with a related party. The original license agreement was for five years and has been subsequently amended several times. The agreement extends through September 30, 2023.

Effective February 1, 2017, the Organization leases office space for the WSOS program. Rent expense under the terms of the lease is approximately \$50,000 per year and will increase by 4% per year through the five-year term of the lease, through 2022.

The total minimum payments due under each of these agreements for future years are as follows:

	WA STEM Office License	WSOS - Discontinued Operations Office Lease	Total
For the Year Ending December 31,			
2022	\$ 165,568	\$ 4,860	\$ 170,428
2023	126,950		126,950
Total Future Minimum License Payments	\$ 292,518	\$ 4,860	\$ 297,378

WASHINGTON STEM

Notes to Financial Statements For the Years Ended December 31, 2021 and 2020

Note 8 - Continued

Facilities expense incurred under the office license agreement totaled \$164,095 and \$153,873 for the years ended December 31, 2021 and 2020, respectively. Facilities expense incurred under the WSOS leased office space totaled \$53,636 and \$70,301 for the years ended December 31, 2021 and 2020, respectively.

Note 9 - Retirement Plan

The Organization sponsors a 401(k) employee benefit retirement plan (the Plan) covering all full-time employees who have completed one month of service. Participating employees may make voluntary contributions, and the Organization makes matching contributions equal to 100% of the first 3% of an employee's elective salary deferral, and then 50% of the elective salary deferral in excess of 3% to a maximum of 5%, for a total possible match of 4%. These matching contributions vest immediately. The Organization may also elect to make discretionary contributions to participants pending board approval; however, no such contributions were made for the years ended December 31, 2021 or 2020.

The Organization's matching contributions to the Plan are as follows for the years ended December 31:

	<u>WA STEM</u>	<u>WSOS - Discontinued Operations</u>	<u>2021 Total</u>
Total Matching Contributions	\$ 103,503	\$ 76,486	\$ 179,989

	<u>WA STEM</u>	<u>WSOS - Discontinued Operations</u>	<u>2020 Total</u>
Total Matching Contributions	\$ 98,734	\$ 58,726	\$ 157,460

Note 10 - Liquidity and Availability of Financial Assets

WA STEM - WA STEM regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds in a money market account. WA STEM has various sources of liquidity at its disposal, including cash and cash equivalents, contracts receivable and pledges receivable. WA STEM is supported by both time and purpose restricted contributions from donors.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, WA STEM considers all expenditures related to its ongoing activities of advancing innovation, policy and advocacy efforts, convening education, business and civic leaders as well as grants and investments undertaken to support those activities to be general expenditures. In addition to financial assets available to meet general expenditures over the next 12 months, WA STEM anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

WASHINGTON STEM

Notes to Financial Statements For the Years Ended December 31, 2021 and 2020

Note 10 - Continued

WA STEM received several new multi-year grants in 2021, with the top six grants totaling \$7,770,000 that will continue to accelerate regional impacts in historically underrepresented communities. Of this amount, \$2,729,500 was internally budgeted for use and spent in 2021 and the remaining amount is intended to be spent as follows: 2022 - \$3,183,500; 2023 - \$1,803,000; 2024 - \$54,000. Of the \$7,770,000, \$4,012,500 was received in 2021, and the remaining is expected to be received in the following manner: 2022 - \$2,300,500; 2023 - \$1,403,000; and 2024 - \$54,000. Of these six grants, one that was fully paid in 2021 has a time restriction beyond 2022 of \$200,000.

WA STEM is also party to several state and local contracts in 2022 and beyond. The anticipated 2022 earned revenues stemming from these existing contracts is approximately \$1,500,000.

Including all financial assets, as of December 31, 2021, Washington STEM has a working capital surplus of approximately \$7,900,000 and average cash on hand of 12 months.

WSOS - Discontinued Operations - The WSOS program's working capital and cash flows are closely monitored throughout the year to fund scholarship disbursements, program enhancements and general operating expenditures while maximizing investment earnings of its available funds. WSOS has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities, commercial paper facilities, state match receivable and pledges receivable.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, WSOS considers all expenditures related to scholarship disbursements, near-peer mentoring program enhancements, and the Opportunity Talks event as well as the services undertaken to support those activities to be general expenditures. In addition to financial assets currently available to meet general expenditures over the next 12 months, WSOS anticipates collecting additional revenue and anticipates the level of state appropriation to match the estimated new revenues and pledge payments in order to nominate Cohort 11 of Baccalaureate Opportunity Scholars, Cohort 4 of the Career and Technical Scholars, Cohort 3 of the Rural Jobs Initiative Scholars, and Cohort 2 of the Graduate Degree Scholars. Both the Baccalaureate and Career and Technical programs will see increased cohort sizes in 2022 compared to 2021 due to additional funding.

The state appropriation needed to match private contributions received in 2022 but not yet pledged or received by February 1, 2022 may not be available until July 1, 2023. This is due to the 2018 changes to the legislation whereby WSOS can request appropriations up to the amount of unmatched private contributions plus pledge payments received within the current fiscal year. Prior to this legislative change, WSOS could include an estimated projection of unknown pledge payments and other private cash donations.

WSOS received several new multi-year grants in 2021, with the top four grants totaling \$31,000,000 that will provide scholarship opportunities for low- and middle-income students in the Baccalaureate, Career and Technical, and Rural Jobs Initiative programs ranging from 2022 - 2031. Of these four grants, two paid WSOS in 2021 a total of \$3,500,000. These funds were invested at WSIB in 2021 and are included as part of long-term portion of investments (outside of the portion to be used to support 2022 scholarship disbursements) on the statement of financial position.

Including all financial assets, as of December 31, 2021, WSOS has a working capital surplus of approximately \$5,200,000 and average cash on hand of 9 months. WSOS has the ability to utilize long-term investments for use in short-term scholarship needs as approved by the WSOS board of directors.

WASHINGTON STEM

Notes to Financial Statements For the Years Ended December 31, 2021 and 2020

Note 10 - Continued

Financial assets available for general expenditure within one year of December 31, 2021 consists of the following:

	<u>WA STEM</u>	<u>WSOS - Discontinued Operations</u>	<u>2021 Total</u>
Cash and cash equivalents	\$ 5,455,386	\$ 409,914	\$ 5,865,300
Accounts receivable	316,508	137,998	454,506
Interfund receivable	44,804		44,804
Current portion of pledge receivables, net	2,493,873	6,693,214	9,187,087
State match receivable, net		118,687	118,687
Short-term portion of investments		10,434,689	10,434,689
Less: cash limited as to use	<u>(200,000)</u>		<u>(200,000)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 8,110,571</u>	<u>\$ 17,794,502</u>	<u>\$ 25,905,073</u>

Financial assets available for general expenditure within one year of December 31, 2020 consisted of the following:

	<u>WA STEM</u>	<u>WSOS - Discontinued Operations</u>	<u>2020 Total</u>
Cash and cash equivalents	\$ 3,306,457	\$ 518,939	\$ 3,825,396
Accounts receivable	382,646	62,904	445,550
Interfund receivable	34,957		34,957
Current portion of pledge receivables, net	188,823	2,548,859	2,737,682
State match receivable, net		671,655	671,655
Short-term portion of investments		<u>15,231,757</u>	<u>15,231,757</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 3,912,883</u>	<u>\$ 19,034,114</u>	<u>\$ 22,946,997</u>

Note 11 - Subsequent Events

The Organization has evaluated subsequent events through March 23, 2022, the date on which the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any events occurred, the nature of which would require disclosure.

SUPPLEMENTARY INFORMATION

WASHINGTON STEM

Schedule of Functional Expenses - Washington STEM Program
For the Year Ended December 31, 2021

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Total Supporting Services	
Grants and investments	\$ 1,547,776	\$ -	\$ -	\$ -	\$ 1,547,776
Salaries, taxes and benefits	1,985,365	806,998	407,501	1,214,499	3,199,864
Consultants and professional services	134,884	159,462	24,595	184,057	318,941
Convenings, conferences and travel	10,085	6,888		6,888	16,973
Operating costs	162,638	178,424	40,906	219,330	381,968
Total expenses for the WA STEM program	3,840,748	1,151,772	473,002	1,624,774	5,465,522
Less costs reimbursed by the WSOS program		(573,942)		(573,942)	(573,942)
Total Expenses for the WA STEM Program, Net of Costs Reimbursed By the WSOS Program	\$ 3,840,748	\$ 577,830	\$ 473,002	\$ 1,050,832	\$ 4,891,580

See independent auditor's report.

WASHINGTON STEM

Schedule of Functional Expenses - Washington State Opportunity Scholarship (WSOS) Discontinued Program
For the Year Ended December 31, 2021

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Total Supporting Services	
Scholarships	\$ 11,125,411	\$ -	\$ -	\$ -	\$ 11,125,411
Salaries, taxes and benefits	1,887,330	133,073	483,636	616,709	2,504,039
Consultants and professional services	330,728	613,398	260,344	873,742	1,204,470
Convenings, conferences and travel	751	6,788	7,302	14,090	14,841
Operating costs	110,077	34,978	60,541	95,519	205,596
Total Expenses for the WSOS Program	\$ 13,454,297	\$ 788,237	\$ 811,823	\$ 1,600,060	\$ 15,054,357

See independent auditor's report.