

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC  
ACCOUNTANTS, INC. AND RELATED ENTITIES

---

COMBINED AUDITED FINANCIAL STATEMENTS  
AND OTHER SUPPLEMENTARY INFORMATION

---

YEARS ENDED JUNE 30, 2019 AND 2018

WITH

INDEPENDENT AUDITORS' REPORT

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC  
ACCOUNTANTS, INC. AND RELATED ENTITIES

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COMBINED AUDITED FINANCIAL STATEMENTS  
AND OTHER SUPPLEMENTARY INFORMATION

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YEARS ENDED JUNE 30, 2019 AND 2018

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# THE BRITTINGHAM GROUP, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
South Carolina Association of Certified Public Accountants, Inc.  
1300 12<sup>th</sup> Street, Suite D  
Cayce, South Carolina 29033

We have audited the accompanying combined financial statements of the South Carolina Association of Certified Public Accountants, Inc. (a nonprofit organization) and Related Entities (the "Association"), which comprise the combined statement of financial position as of June 30, 2019 and 2018, and the related combined statement of activities and cash flows for the year then ended, and the related notes to the combined financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2019 and 2018, and its changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. Schedules I, II, and VII are presented for purposes of additional analysis of the combined financial statements and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the combined financial statements. The combining 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 combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Schedules III, IV, V, and VI, which are the responsibility of management, are of a non-accounting nature and have not been subjected to the auditing procedures applied in the audit of the combined financial statements. Accordingly, we do not express an opinion or provide assurance on them.

The Brittingham Group LLP

West Columbia, South Carolina  
October 17, 2019

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

COMBINED STATEMENTS OF FINANCIAL POSITION

	<b>June 30,</b>	
	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,385,709	\$ 1,506,068
Investments	1,706,671	1,630,781
Accounts receivable	11,539	23,742
Prepaid expenses	56,685	51,957
Total current assets	3,160,604	3,212,548
<b>Noncurrent Assets</b>		
Property and equipment, net	62,685	90,310
Total noncurrent assets	62,685	90,310
Total assets	\$ 3,223,289	\$ 3,302,858
 <b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 48,122	\$ 141,910
Unearned revenue	1,410,945	1,186,196
Total current liabilities	1,459,067	1,328,106
Total liabilities	1,459,067	1,328,106
Net assets		
Net assets without donor restrictions		
Undesignated	1,062,341	1,350,183
Designated for scholarships	323,971	306,948
Total net assets without donor restrictions	1,386,312	1,657,131
Net assets with donor restrictions	377,910	317,621
Total net assets	1,764,222	1,974,752
Total liabilities and net assets	\$ 3,223,289	\$ 3,302,858

*See accompanying notes.*

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

COMBINED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2019 AND 2018

	<b>June 30,</b>	
	<b>2019</b>	<b>2018</b>
<b>Net Assets Without Donor Restrictions</b>		
Support, revenue, and gains		
Membership	\$ 1,498,906	\$ 1,127,467
Registration and conference fees	900,053	1,249,631
Interest and dividends	27,683	22,650
Net appreciation in investments	33,910	36,597
Advertising	16,123	14,316
Product sales, net	9,226	17,514
Affinity program revenues	1,090	2,752
Marketing consulting fees	8,178	8,965
Exclusive partnership membership	46,710	35,800
AICPA Student pipeline project	6,265	2,461
Contributions	26,625	13,019
Chapter social events	40,448	70,529
Other	15,677	24,704
Net assets released from restrictions	17,551	45,643
Total support, revenue, and gains	2,648,445	2,672,048
Expenses and losses		
Program services:		
Member services and development	1,086,908	937,123
Conferences and meetings	1,240,731	870,304
Chapters	441,140	485,317
General and administrative	154,767	492,511
Total expenses and losses	2,923,546	2,785,255
Change in net assets without donor restrictions	(275,101)	(113,207)
<b>Net Assets With Donor Restrictions</b>		
Support, revenue, and gains		
Interest and dividends	4,780	3,608
Net appreciation in investments	10,034	6,939
Contributions to PAC	43,558	22,577
Contributions to Educational Fund	23,750	40,100
Assets released from restrictions	(17,551)	(45,643)
Total support, revenue, and gains	64,571	27,581
Change in net assets with donor restrictions	64,571	27,581
Total changes in net assets	(210,530)	(85,626)
Net assets, beginning of year	1,974,752	2,060,378
Net assets, end of year	\$ 1,764,222	\$ 1,974,752

*See accompanying notes.*

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2019

	Program Services			Total Program Services	General and Administrative	Total
	Member Services and Development	Conferences and Meetings	Chapters			
Courses and conferences	\$ -	\$ 944,724	\$ 1,897	\$ 946,621	\$ -	\$ 946,621
Payroll	421,525	101,164	50,930	573,619	82,559	656,178
Scholarships - chapters	-	-	3,999	3,999	-	3,999
Professional fees	134,653	22,308	1,702	158,663	16,711	175,374
Member services and development	70,438	3,631	42,748	116,817	-	116,817
Office lease	65,661	16,528	9,827	92,016	6,249	98,265
Local travel	4,481	80,322	462	85,265	253	85,518
Employee insurance	51,738	12,370	6,230	70,338	10,323	80,661
Information technology	48,240	12,143	7,219	67,602	4,904	72,506
Merchant and bank fees	38,033	9,574	5,692	53,299	4,965	58,264
Payroll taxes	31,457	7,542	3,791	42,790	6,036	48,826
Scholarships - educational fund	38,000	-	-	38,000	-	38,000
Printing	22,741	4,329	1,837	28,907	1,479	30,386
Depreciation	19,848	4,996	2,970	27,814	2,437	30,251
Office supplies	13,804	3,642	3,415	20,861	1,177	22,038
Board activities	18,517	-	2,082	20,599	-	20,599
Retirement	12,864	2,998	1,531	17,393	2,503	19,896
Dues and subscriptions	6,941	993	6,162	14,096	4,400	18,496
Personnel expenses - other	11,541	2,807	1,309	15,657	2,080	17,737
Professional development - staff	11,395	3,073	1,354	15,822	1,106	16,928
Postage	12,034	884	477	13,395	600	13,995
Telephone	8,289	2,086	1,240	11,615	789	12,404
Business insurance	7,622	1,919	1,141	10,682	626	11,308
AICPA student pipeline project	10,276	-	-	10,276	-	10,276
Equipment and storage rental	6,351	1,599	950	8,900	726	9,626
Delegate expenses	8,799	-	-	8,799	-	8,799
Retirement administration fee	3,226	842	388	4,456	615	5,071
Membership contributions	-	-	276,634	276,634	-	276,634
Contributions	4,750	-	5,000	9,750	-	9,750
Other expenses	-	-	-	-	3,394	3,394
Committee activities	2,661	-	-	2,661	-	2,661
Property taxes	1,023	257	153	1,433	97	1,530
Repairs and maintenance - equipment	-	-	-	-	738	738
	<u>\$ 1,086,908</u>	<u>\$ 1,240,731</u>	<u>\$ 441,140</u>	<u>\$ 2,768,779</u>	<u>\$ 154,767</u>	<u>\$ 2,923,546</u>

See accompanying notes.

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

COMBINED STATEMENT OF CASH FLOWS

YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (210,530)	\$ (85,626)
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Depreciation	30,251	31,159
Contributions restricted for endowment	(50,375)	(53,169)
Net realized and unrealized gains on investments	(43,944)	(43,536)
Changes in deferred and accrued amounts:		
Accounts receivable	12,203	(10,392)
Prepaid expenses	(4,728)	(6,906)
Accounts payable and accrued expenses	(93,787)	68,554
Unearned revenue	224,748	302,261
Net cash provided by (used in) operating activities	(136,162)	202,345
<b>Cash flows from investing activities</b>		
Purchases of investments	(408,139)	(377,911)
Proceeds from sales of investments	376,194	351,622
Purchases of property and equipment	(2,627)	(19,539)
Net cash (used in) investing activities	(34,572)	(45,828)
<b>Cash flows from financing activities</b>		
Proceeds from contributions restricted for endowment	50,375	53,169
Net cash provided by financing activities	50,375	53,169
Net increase (decrease) in cash and cash equivalents	(120,359)	209,686
Cash and cash equivalents, beginning of year	1,506,068	1,296,382
Cash and cash equivalents, end of year	\$ 1,385,709	\$ 1,506,068

*See accompanying notes.*



SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

**1. General**

The combined financial statements include the accounts of the South Carolina Association of Certified Public Accountants, Inc. (the “SCACPA”), its eight separate chapters, and its related entities, the Educational Fund, and the PAC. SCACPA, its eight local chapters, the Educational Fund, and the PAC, collectively, form the “Association”.

SCACPA has a stated mission to promote the profession of certified public accounting by providing its members lifelong learning opportunities, promoting high ethical standards and legislative advocacy for both the profession and the public good. SCACPA includes eight separate chapters located throughout the state of South Carolina.

The South Carolina Association of Certified Public Accountants, Inc. Educational Fund (“Educational Fund”), exists to promote high standards of scholarship, to encourage the study of accounting, and to further accounting education. The Educational Fund is supervised by five trustees selected from SCACPA membership who serve for five-year terms.

The South Carolina Association of Certified Public Accountants, Inc. Political Action Committee (“PAC”), is a nonpartisan, non-profit advocacy organization that was created to provide the opportunity for individuals interested in the future of the accounting profession to contribute to the support of candidates for state office who believe in, and have demonstrated their beliefs in, the principles to which the profession is dedicated. The PAC is a tax-exempt, non-profit, unincorporated political committee that operates as a separate, segregated fund. The PAC is supervised by five members selected from SCACPA membership who serve for five-year terms.

**2. Summary of Significant Accounting Policies**

Basis of Accounting

The financial statements of the Association have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). Revenues are recorded as earned and costs and expenses are recognized when the obligations are incurred. Accordingly, membership dues and initiation fees are recorded as income in the period for which they are applicable. Registrations for continuing professional education courses are recognized in the period that the related courses are conducted. Membership dues received in advance are shown as unearned revenue and are recorded as revenue earned when the respective membership year begins. Pledges and contributions are recognized as income in the period payment is received.

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS

-CONTINUED-

**2. Summary of Significant Accounting Policies (continued)**

The Association reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends, or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Basis of Presentation

The Association prepares its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Financial Statements for Not-for-Profit Organizations. Under ASC 958, the Association is required to report information regarding financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The classes are defined as follows:

*Net assets without donor restrictions:* Net assets that are available for use in general operations, including board-designated unrestricted.

*Net assets with donor restrictions:* Net assets that are subject to donor-imposed restrictions that may or will be met either by actions of the Association or the passage of time. This also includes net assets that are subject to donor-imposed stipulations that must be maintained permanently by the Association. Net assets that must be permanently maintained may be invested to provide a permanent source of income for the Association.

Use of Estimates

The preparation of the financial statements in conformity with the US GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and money market. The Association considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS

-CONTINUED-

**2. Summary of Significant Accounting Policies (continued)**

Concentrations of Credit Risk

The Association places its cash and cash equivalents with financial institutions that it believes to be of high quality. Cash and cash equivalents consisted of the following as of June 30, 2019 and 2018:

	2019	2018
SCACPA	\$ 1,227,627	\$ 1,075,727
Educational fund	88,592	77,374
Local chapters	-	317,863
PAC	69,490	35,104
	\$ 1,385,709	\$ 1,506,068

The Association has not experienced any losses on its cash and cash equivalents.

Property and equipment

Property and equipment purchases, including the costs necessary to prepare the asset for its intended use, are recorded at cost or fair market value at the date of donation in the case of donated property, less allowances for depreciation. Assets are capitalized if the value at acquisition exceeds \$5,000. Depreciation is charged to operations on the straight-line method over estimated useful lives of the respective assets as follows:

Building and improvements	13 - 30 years
Furniture and equipment	3 - 10 years

Expenditures for repairs and maintenance are charged to operations as incurred. Costs of major additions and improvements are capitalized. The cost of property retired or otherwise disposed of and the related accumulated depreciation is eliminated from the respective accounts. Gains or losses resulting from such dispositions are reflected in changes in net assets on the Statement of Activities.

Investments

The Association's investments are stated at estimated fair market value in the combined Statement of Financial Position. Changes in unrealized gains and losses are included in the change in net assets and are reported in the Combined Statement of Activities.

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS

-CONTINUED-

**2. Summary of Significant Accounting Policies (continued)**

Contributions to the Educational Fund's endowment (the "Endowment") are allocated to Net Assets with Donor Restrictions, and Net Assets without Donor Restrictions - Board Designated categories in accordance with donor wishes. The Endowment's investment earnings, and additional Educational Fund resources, if necessary, are used to provide for the Educational Fund's named scholarship programs. Accordingly, the investment returns on the Endowment's assets are reflected in Net Assets with Donor Restrictions and Net Assets without Donor Restrictions, as applicable.

Unearned Revenue

Unearned revenue consists of the Association's membership dues, continuing professional education fees, and conference fees collected in advance of services provided by the Association.

Advertising

The Association expenses advertising costs as they are incurred. Advertising expense for the years ended June 30, 2019 and 2018 were \$6,982 and \$57,643, respectively.

Compensated absences

The Association accounts for paid time off by recording a liability for employees' vested rights to receive compensation for future absences attributable to services already performed.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Combined Statements of Activities and Combined Statements of Functional Expenses. Certain shared costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Association and local chapters are tax-exempt under Section 501(c)(6) of the Internal Revenue Code, ("IRC"), the Educational Fund and PAC are tax-exempt under Sections 501(c)(3) and Section 527, respectively, of the IRC. The Association is also exempt from South Carolina state income taxes. In addition, the Educational Fund has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the IRC.

US GAAP requires management to evaluate income tax positions taken by the Association and recognize an income tax liability (or asset) if the Association has taken an uncertain position that more likely than not would be substantiated upon examination by the Internal Revenue Service ("IRS").

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS

-CONTINUED-

**2. Summary of Significant Accounting Policies (continued)**

The Association has identified its income tax status as a tax-exempt entity as its only significant income tax position; however, the Association has determined that such income tax position does not result in an uncertainty requiring recognition in the combined financial statements. The Association is not currently under examination by any taxing jurisdiction. SCACPA, local chapters, PAC and the Educational Fund file IRS Form 990 annually with the IRS. The Association's federal returns have determined that such income tax position does not result in an uncertainty requiring recognition in the consolidated financial statements. Management believes it is no longer subject to tax examinations for fiscal years prior to 2016.

Reclassifications

Certain items have been reclassified from prior year amounts to conform to the current year presentation.

Recently Issued Accounting Pronouncements

On May 28, 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers. The standard's core principle is that an entity will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This standard will be effective for the calendar year ending December 31, 2019. During the year ended June 30, 2019 the Association adopted the requirements of this ASU.

On August 18, 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The ASU provides for a variety of changes to the presentation of the financial statements of not-for-profit entities, including changing from three classes of net assets to two classes of net assets, enhancing disclosure requirements related to liquidity concerns and endowment management, a requirement to present expenses classified by both their nature and their function and other changes to presentation and disclosure. This standard is effective for fiscal years beginning after December 15, 2017, and early adoption is permitted. During the year ended June 30, 2019 the Association adopted the requirements of this ASU.

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS

-CONTINUED-

**2. Summary of Significant Accounting Policies (continued)**

In February 2016, the FASB issued ASU 2016-02, Leases. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the calendar year ending December 31, 2020. The Association is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

**3. Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 1,315,219
Investments	1,399,251
Accounts receivable	11,539
	<u>\$ 2,726,009</u>

**4. Fair Value of Financial Instruments**

The Association records investments according to US GAAP which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. When quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques.

Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases could not be realized in immediate settlement of the instrument.

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
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NOTES TO COMBINED FINANCIAL STATEMENTS

-CONTINUED-

**4. Fair Value of Financial Instruments (continued)**

The following levels of input for measurement of fair value have been defined to assist the user in evaluating the fair value disclosure information:

Level 1	Quoted prices in an active market for identical assets or liabilities.
Level 2	Other quoted prices in active markets for similar assets or liabilities, quoted prices for identical assets or liabilities in markets that are not active for transactions or availability of information, other observable sources of information, and information derived principally from or corroborated from observable sources of information.
Level 3	Unobservable sources of information, primarily management's assumptions about potential market participants.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value at June 30, 2019 and 2018:

*Money market funds:* The carrying amounts of such instruments approximate fair value.

*Exchange traded funds and Mutual funds:* Valued at the net asset value ("NAV") of shares held by the Association.

*Certificates of Deposit ("CD"):* Value is based on the current market rate of a CD with a comparable remaining term of maturity as of the balance sheet date.

The methods described above may produce a fair value estimate that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
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NOTES TO COMBINED FINANCIAL STATEMENTS

-CONTINUED-

**4. Fair Value of Financial Instruments (continued)**

The following table sets forth by level, within the fair value hierarchy, the Association's assets at fair value as of June 30, 2019 and 2018:

	Fair Value Measurements at June 30, 2019			
	Level 1	Level 2	Level 3	Total
Exchange traded funds	\$ 1,227,194	\$ -	\$ -	\$ 1,227,194
Money market funds	294,129	-	-	294,129
Mutual funds	185,348	-	-	185,348
	\$ 1,706,671	\$ -	\$ -	\$ 1,706,671

	Fair Value Measurements at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Exchange traded funds	\$ 1,170,141	\$ -	\$ -	\$ 1,170,141
Money market funds	198,593	-	-	198,593
Mutual funds	182,157	-	-	182,157
Certificates of deposit	79,890	-	-	79,890
	\$ 1,630,781	\$ -	\$ -	\$ 1,630,781



SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS

-CONTINUED-

**5. Investments**

Investments consisted of the following at June 30, 2019:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Exchange traded funds	\$ 1,067,192	\$ 160,002	\$ -	\$ 1,227,194
Money Market Funds	294,129	-	-	294,129
Mutual Funds	181,641	3,707	-	185,348
	<u>\$ 1,542,962</u>	<u>\$ 163,709</u>	<u>\$ -</u>	<u>\$ 1,706,671</u>

Investments consisted of the following at June 30, 2018:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Exchange traded funds	\$ 1,025,425	\$ 144,716	\$ -	\$ 1,170,141
Money Market Funds	198,593	-	-	198,593
Mutual Funds	181,441	716	-	182,157
Certificates of deposit	80,000	-	(110)	79,890
	<u>\$ 1,485,459</u>	<u>\$ 145,432</u>	<u>\$ (110)</u>	<u>\$ 1,630,781</u>

Investments with a fair value at June 30, 2019 and 2018, of \$797,560 and \$754,793, respectively and original cost at June 30, 2019 and 2018, of \$757,796 and \$718,340, respectively, are assets of the Educational Fund, some of which are held in perpetuity. The amount stipulated by the donor to be retained in perpetuity as it relates to these investments is reflected in Note 7.

Sales of investments in the Educational Fund for the year ended June 30, 2019, resulted in proceeds of \$376,194 and \$25,629 in gross realized gains.

Sales of investments in the Educational Fund for the year ended June 30, 2018, resulted in proceeds of \$351,622 and \$12,764 in gross realized gains.

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS

-CONTINUED-

**6. Property and Equipment**

Property and equipment consisted of the following at June 30, 2019 and 2018:

	2019	2018
Building and improvements	\$ 69,800	\$ 69,800
Furniture and equipment	269,634	267,007
Website	-	9,375
	339,434	346,182
Less accumulated depreciation	(276,749)	(255,872)
	\$ 62,685	\$ 90,310

Depreciation expense for the year ended June 30, 2019 and 2018, was \$30,251 and \$31,159, respectively.

**7. Net Assets with Restrictions**

The following net assets without donor restrictions represent named scholarships whereby the limitations are imposed by the Association's Board of Directors:

	June 30, 2019	June 30, 2018
Designated for endowed scholarships:		
Central chapter scholarship	\$ 102,455	\$ 97,703
Edgar Vaughn scholarship	10,125	9,912
Frances Humphries scholarship	10,000	9,770
Joe Jackson scholarship	61,273	59,865
Kaye Carter scholarship	17,279	14,853
Past President's scholarship	36,331	36,074
Piedmont chapter scholarship	49,342	47,956
SCACPA Graduate Student scholarship	24,438	18,203
Sea Island chapter scholarship	12,728	12,612
Total designated for endowed scholarships	323,971	306,948
Undesignated - endowed scholarships	254,761	242,752
Undesignated - non-endowed	807,580	1,107,431
Total undesignated	1,062,341	1,350,183
Total net assets without donor restrictions	\$ 1,386,312	\$ 1,657,131

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS

-CONTINUED-

**7. Net Assets with Restrictions (continued)**

Net assets with donor restrictions are restricted for the following purposes:

	June 30, 2019	June 30, 2018
Donor restricted net assets by purpose or time:		
Endowed scholarships:		
Burch, Oxner, Seale scholarship	\$ 10,000	\$ 9,770
Burkett, Burkett & Burkett scholarship	13,724	13,560
Carlisle Moore Accounting scholarship	10,000	-
CC McGregor scholarship	10,932	10,904
The Hobbs Group scholarship	10,000	9,770
John S. Herin scholarship	104,078	104,045
H. McRoy and Jo Skipper Memorial scholarship	11,296	-
Robinson, Grant & Company scholarship	10,000	9,770
Sheheen, Hancock & Goodwin scholarship	10,000	9,770
WebsterRogers & Company scholarship	10,000	9,770
Brigman, Holcomb, Weeks scholarship	464	417
Lollie B. Harper scholarship	847	800
Ray Waters scholarship	749	974
PAC contributions	70,490	35,104
Total net assets restricted by purpose or time	272,580	214,654
Donor restricted net assets held in perpetuity:		
Endowed scholarships:		
Next 100 Years scholarship	48,860	46,497
Brigman, Holcomb, Weeks scholarship	10,751	10,751
Lollie B. Harper scholarship	20,619	20,619
Ray Waters scholarship	25,100	25,100
Total net assets held in perpetuity	105,330	102,967
Total net assets with donor restrictions	\$ 377,910	\$ 317,621

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS

-CONTINUED-

**7. Net Assets with Restrictions (continued)**

Net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes, or by occurrence of other events specified by donors as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Scholarships	\$ 9,379	\$ 4,000
PAC expenses paid	8,172	41,643
	<u>\$ 17,551</u>	<u>\$ 45,643</u>

**8. Endowments**

The Association's Endowment Fund was established for educational (scholarship) purposes. It includes contributions with donor-imposed restrictions for 14 named scholarships. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Association has interpreted the South Carolina Uniform Prudent Management of Institutional Funds Act ("SCUPMIFA"), to require the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by SCUPMIFA.

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS

-CONTINUED-

**8. Endowments (continued)**

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

- 1) The duration and preservation of the fund.
- 2) The purposes of the Association and the donor-restricted endowment fund.
- 3) General economic conditions.
- 4) The possible effects of inflation and deflation.
- 5) The expected total return from income and the changes in market value of investments.
- 6) Other resources of the Association.
- 7) The investment policies of the Association.

Endowment net asset composition by type of fund as of June 30, 2019 is as follows:

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Donor restricted endowment	\$ -	\$ 307,420	\$ 307,420
Board designated endowment	323,971	-	323,971
Other unrestricted endowment	254,761	-	254,761
Total endowment net assets	<u>578,732</u>	<u>307,420</u>	<u>886,152</u>
Other net assets not included in endowment	<u>807,580</u>	<u>70,490</u>	<u>878,070</u>
Total net assets	<u>\$ 1,386,312</u>	<u>\$ 377,910</u>	<u>\$ 1,764,222</u>

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS

-CONTINUED-

**8. Endowments (continued)**

Changes in endowment net assets for the year ended June 30, 2019 are as follows:

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 549,700	\$ 282,517	\$ 832,217
Investment income, net of fees	9,135	4,869	14,004
Net appreciation (realized and unrealized)	18,819	10,033	28,852
Contributions	29,124	21,250	50,374
Released from restriction	9,379	(9,379)	-
Appropriation of endowment assets for expenditures:			
Scholarships	(34,303)	-	(34,303)
Other expenses	(18,790)	(3,121)	(21,911)
Other income	15,668	1,251	16,919
Total net assets	<u>\$ 578,732</u>	<u>\$ 307,420</u>	<u>\$ 886,152</u>

Endowment net asset composition by type of fund as of June 30, 2018 is as follows:

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Donor restricted endowment	\$ -	\$ 282,517	\$ 282,517
Board designated endowment	306,948	-	306,948
Other unrestricted endowment	242,752	-	242,752
Total endowment net assets	<u>549,700</u>	<u>282,517</u>	<u>832,217</u>
Other net assets not included in endowment	<u>1,107,431</u>	<u>35,104</u>	<u>1,142,535</u>
Total net assets	<u>\$ 1,657,131</u>	<u>\$ 317,621</u>	<u>\$ 1,974,752</u>

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS

-CONTINUED-

**8. Endowments (continued)**

Changes in endowment net assets for the year ended June 30, 2018 are as follows:

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 546,184	\$ 235,820	\$ 782,004
Investment income, net of fees	7,018	3,608	10,626
Net appreciation (realized and unrealized)	13,502	6,939	20,441
Contributions	13,019	40,150	53,169
Released from restriction	4,000	(4,000)	-
Appropriation of endowment assets for expenditures:			
Scholarships	(33,500)	-	(33,500)
Other expenses	(523)	-	(523)
Total net assets	<u>\$ 549,700</u>	<u>\$ 282,517</u>	<u>\$ 832,217</u>

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 SCUPMIFA requires the Association to retain as a fund of perpetual duration. As of June 30, 2019, the Association did not have any funds with deficiencies in its endowment.

Return Objectives and Risk Parameters

The Association has adopted investment and spending policies for endowment assets that attempt 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 the Association must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce a competitive rate of return over a three to five-year period. The asset allocation decisions are based on a careful examination of the mission and goals of SCACPA and the Association Investments entrusted to SCACPA and historical review of various asset categories, their risk and return characteristics and correlation coefficient. Funds that are defined to be permanent in nature will employ a long-term approach to the investment of these dollars. The primary investment objective of these funds is to provide for a total return sufficient to meet spending needs while preserving the purchasing power of the corpus and minimizing year-to-year fluctuations in the value of the portfolio.

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS

-CONTINUED-

**8. Endowments (continued)**

Funds defined as board directed or otherwise not permanent may employ an investment approach as deemed appropriate by the Trustees.

Strategies Employed for Achieving Objectives

The SCACPA Educational Fund Trustees will review the Asset Allocation Plan at least once annually and modify it as necessary. To achieve the investment objective, the assets shall be allocated among a number of asset classes. These asset classes, which may be actively managed or index products, may include: core large, mid or small cap domestic equities, style specific domestic equities, domestic investment grade fixed income securities, global investment grade fixed income securities, international equities and cash equivalents. In addition, hard assets represented by domestic real estate and commodities may be included.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Each year the Association appropriates for distribution of its endowment fund's average fair value over the prior 16 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. The spending benchmark will be within the range allowed by SCUPMIFA and will be reviewed by the Educational Fund Trustees at least annually.

**9. Retirement Plan**

The Association established the South Carolina Association of CPA's, Inc. 401(k) Plan (the "Plan"), on January 1, 1999. Employees over 21 years of age become eligible after six months of service and are fully vested upon Plan entry. Participants may elect to defer a portion of their compensation up to the maximum allowed by law. The Association matches 100% of the first 3% of contributions, and 50% of contributions thereafter up to a maximum of 5%. Matching contributions from the Association for the years ended June 30, 2019 and 2018 were \$19,896 and \$13,581, respectively.



SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS

-CONTINUED-

**10. Operating Leases**

The Association leases office equipment under non-cancellable operating leases requiring monthly payments ranging from \$257 to \$296. The Association also leases its current facilities under a non-cancellable operating lease that requires step-ups in payments over a 5-year lease term ending August 31, 2019. Payments range from \$7,754 to \$8,559 per month. Total rent expense for the years ended June 30, 2019 and 2018 were \$98,264 and \$97,816, respectively.

The minimum lease payments under the terms of the lease agreements are as follows:

<u>Year Ending June 30,</u>	
2020	\$ 30,257
2021	<u>2,072</u>
	<u>\$ 32,329</u>

**11. Subsequent Events**

Management of the Association has evaluated subsequent events through October 17, 2019, which represents the date the combined financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the combined financial statements would be required.

OTHER SUPPLEMENTARY INFORMATION

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

SCHEDULE I - COMBINING SCHEDULES OF FINANCIAL POSITION

AS OF JUNE 30, 2019

	SCACPA	Educational Fund	PAC	Chapters	Eliminations	Total
<b>Assets</b>						
Current assets						
Cash and cash equivalents	\$ 1,227,627	\$ 88,592	\$ 69,490	\$ -	\$ -	\$ 1,385,709
Investments	909,110	797,561	-	-	-	1,706,671
Accounts receivable	11,539	-	-	-	-	11,539
Prepaid expenses	56,685	-	-	-	-	56,685
Due from other entities	-	13,578	14,763	-	(28,341)	-
Total current assets	<u>2,204,961</u>	<u>899,731</u>	<u>84,253</u>	<u>-</u>	<u>(28,341)</u>	<u>3,160,604</u>
Noncurrent Assets						
Property and equipment, net	62,685	-	-	-	-	62,685
Total noncurrent assets	<u>62,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,685</u>
Total assets	<u>\$ 2,267,646</u>	<u>\$ 899,731</u>	<u>\$ 84,253</u>	<u>\$ -</u>	<u>\$ (28,341)</u>	<u>\$ 3,223,289</u>
<b>Liabilities and Net Assets</b>						
Current liabilities						
Accounts payable and accrued expenses	\$ 48,122	\$ -	\$ -	\$ -	\$ -	\$ 48,122
Unearned revenue	1,383,604	13,578	13,763	-	-	1,410,945
Due to other entities	28,341	-	-	-	(28,341)	-
Total current liabilities	<u>1,460,067</u>	<u>13,578</u>	<u>13,763</u>	<u>-</u>	<u>(28,341)</u>	<u>1,459,067</u>
Total liabilities	<u>1,460,067</u>	<u>13,578</u>	<u>13,763</u>	<u>-</u>	<u>(28,341)</u>	<u>1,459,067</u>
Net assets						
Net assets without donor restrictions						
Undesignated	807,579	254,762	-	-	-	1,062,341
Designated for scholarships	-	323,971	-	-	-	323,971
Total net assets without donor restrictions	<u>807,579</u>	<u>578,733</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,386,312</u>
Net assets with donor restrictions	-	307,420	70,490	-	-	377,910
Total net assets	<u>807,579</u>	<u>886,153</u>	<u>70,490</u>	<u>-</u>	<u>-</u>	<u>1,764,222</u>
Total liabilities and net assets	<u>\$ 2,267,646</u>	<u>\$ 899,731</u>	<u>\$ 84,253</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,223,289</u>

*See independent auditors' report.*

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

SCHEDULE II - COMBINING SCHEDULES OF ACTIVITIES

YEAR ENDED JUNE 30, 2019

	SCACPA	Educational Fund	PAC	Chapters	Total
<b>Net Assets Without Donor Restrictions</b>					
Support, revenue, and gains					
Membership	\$ 1,498,906	\$ -	\$ -	\$ -	\$ 1,498,906
Registration and conference fees	900,053	-	-	-	900,053
Interest and dividends	18,459	9,224	-	-	27,683
Net appreciation in investments	15,091	18,819	-	-	33,910
Advertising	16,123	-	-	-	16,123
Product sales, net	9,226	-	-	-	9,226
Affinity program revenues	1,090	-	-	-	1,090
Marketing consulting fees	8,178	-	-	-	8,178
Exclusive partnership membership	46,710	-	-	-	46,710
AICPA Student pipeline project	6,265	-	-	-	6,265
Contributions	-	26,625	-	-	26,625
Chapter social events	40,448	-	-	-	40,448
Other	15,677	-	-	-	15,677
Net assets released from restrictions	-	9,379	8,172	-	17,551
Total support, revenue, and gains	<u>2,576,226</u>	<u>64,047</u>	<u>8,172</u>	<u>-</u>	<u>2,648,445</u>
Expenses and losses					
Program services:					
Member services and development	1,044,158	38,000	4,750	-	1,086,908
Conferences and meetings	1,240,731	-	-	-	1,240,731
Chapters	158,506	-	-	282,634	441,140
General and administrative	150,049	1,296	3,422	-	154,767
Total expenses and losses	<u>2,593,444</u>	<u>39,296</u>	<u>8,172</u>	<u>282,634</u>	<u>2,923,546</u>
Change in net assets without donor restrictions	<u>(17,218)</u>	<u>24,751</u>	<u>-</u>	<u>(282,634)</u>	<u>(275,101)</u>
<b>Net Assets With Donor Restrictions</b>					
Support, revenue, and gains					
Interest and dividends	-	4,780	-	-	4,780
Net appreciation in investments	-	10,034	-	-	10,034
Contributions to PAC	-	-	43,558	-	43,558
Contributions to Educational Fund	-	23,750	-	-	23,750
Assets released from restrictions	-	(9,379)	(8,172)	-	(17,551)
Total support, revenue, and gains	<u>-</u>	<u>29,185</u>	<u>35,386</u>	<u>-</u>	<u>64,571</u>
Change in net assets with donor restrictions	<u>-</u>	<u>29,185</u>	<u>35,386</u>	<u>-</u>	<u>64,571</u>
Change in net assets	(17,218)	53,936	35,386	(282,634)	(210,530)
Net assets, beginning of year	824,797	832,217	35,104	282,634	1,974,752
Net assets, end of year	<u>\$ 807,579</u>	<u>\$ 886,153</u>	<u>\$ 70,490</u>	<u>\$ -</u>	<u>\$ 1,764,222</u>

See independent auditors' report.

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

SCHEDULE III - SCHEDULE OF OFFICERS

FOR THE YEAR ENDED JUNE 30, 2019

**SCACPA**

<b>Chair</b> Dr. Clarence Coleman, Jr., CPA Rock Hill	<b>At-Large Director, Central Chapter</b> Uvette Pope Rogers, CPA Columbia
<b>Chair Elect</b> Zoe M. Davis, CPA Mount Pleasant	<b>At-Large Director, Central Chapter</b> James B. Reese, CPA Columbia
<b>Immediate Past Chair</b> Cheryl O. Lang, CPA Spartanburg	<b>At-Large Director, Foothills Chapter</b> Michelle S. Gneisig, CPA Spartanburg
<b>Secretary/Treasurer</b> Kenneth L. Newhouse, CPA West Columbia	<b>At-Large Director, Piedmont Chapter</b> Graham A. Gage, CPA Greenville
<b>Chief Executive Officer</b> Christopher D. Jenkins, CAE Lexington	<b>At-Large Director, Piedmont Chapter</b> Harris Darver, CPA Greenville
<b>AICPA Elected Council Member</b> Charles L. Talbert III, CPA Charleston	<b>At-Large Director, Piedmont Chapter</b> Lesley H. Kelly, CPA Greenville
<b>At-Large Director, Coastal Chapter</b> Tyler K. Gibbons, CPA North Charleston	<b>At-Large Director, Grand Strand Chapter</b> Leslie A. Johnson-Quick, CPA Myrtle Beach
<b>At-Large Director, Catawba Chapter</b> David M. Knoble, CPA Rock Hill	<b>At-Large Director, Piedmont Chapter</b> Brad Ledford, CPA Greenville

**Educational Fund**

<b>Co-Chair</b> Sherri L. Freudiger, CPA Myrtle Beach	<b>Co-Chair</b> John W. Robinson, Jr., CPA Spartanburg
<b>Trustee</b> Robert F. Berry, CPA Lexington	<b>Trustee</b> Valerie Rumbough, CPA Chapin
<b>Trustee</b> Charles Alvis, CPA Mount Pleasant	<b>Staff Liaison</b> Jacquelyn M. Curtin, CPA Lexington

*See independent auditors' report.*

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

SCHEDULE IV - SCHEDULE OF REVENUES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

	<u>Actual *</u>	<u>Budget *</u>	<u>Over (Under)</u>
Registration and conference fees	\$ 900,053	\$ 769,513	\$ 130,540
Membership dues	1,498,906	1,367,487	131,419
Chapter social events	15,677	-	15,677
Other	40,448	-	40,448
Affinity/Exclusive partner membership	47,800	-	47,800
Net appreciation in investments	15,091	-	15,091
Product sales, net	9,226	-	9,226
Interest and dividends	18,459	18,000	459
Advertising	16,123	-	16,123
Marketing consulting fees	8,178	6,000	2,178
AICPA student pipeline project	6,265	-	6,265
	<u>\$ 2,576,226</u>	<u>\$ 2,161,000</u>	<u>\$ 415,226</u>

\* - The Actual and Budget amounts above do not include revenues from Educational Fund or PAC.

*See independent auditors' report.*

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

SCHEDULE V - SCHEDULE OF EXPENSES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

	<u>Actual *</u>	<u>Budget *</u>	<u>(Over) Under</u>
Courses and conferences	\$ 946,621	\$ 813,000	\$ (133,621)
Payroll	656,177	625,000	(31,177)
Member services and development	116,816	33,500	(83,316)
Office lease	98,265	98,000	(265)
Professional fees	173,873	84,000	(89,873)
Information technology	72,507	95,000	22,493
Employee insurance	80,661	78,500	(2,161)
Payroll taxes	48,827	51,000	2,173
Personnel expenses - other	17,737	6,000	(11,737)
Merchant and bank fees	58,265	43,000	(15,265)
Depreciation	30,251	29,000	(1,251)
Printing	30,386	54,500	24,114
Office supplies	22,039	15,000	(7,039)
Board activities	20,599	31,000	10,401
Professional development - staff	16,928	39,500	22,572
Postage	13,995	18,500	4,505
Telephone	12,405	12,500	95
Business insurance	11,307	12,500	1,193
Retirement	19,897	18,500	(1,397)
Delegate expenses	8,799	8,500	(299)
Equipment and storage rental	9,626	8,000	(1,626)
Local travel	85,518	10,000	(75,518)
Dues and subscriptions	15,278	7,500	(7,778)
Student pipeline project	10,276	-	(10,276)
Committee activities	2,661	3,500	839
Property taxes	1,531	3,500	1,969
Other expenses	3,390	1,500	(1,890)
Repairs and maintenance - equipment	738	2,500	1,762
Retirement administration fee	5,071	1,000	(4,071)
Contingency	-	20,000	20,000
Scholarships	3,000	-	(3,000)
	<u>\$ 2,593,444</u>	<u>\$ 2,224,000</u>	<u>\$ (366,444)</u>

\* - The Actual and Budget amounts above do not include expenses from Educational Fund or PAC.

*See independent auditors' report.*

SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

SCHEDULE VI - SCHEDULE OF NAMED SCHOLARSHIPS - EDUCATIONAL FUND

FOR THE YEAR ENDED JUNE 30, 2019

**Board designated named scholarships:**

Central Chapter Scholarship	\$	102,455
Edgar Vaughn Scholarship		10,125
Frances Humphries Memorial Scholarship		10,000
Joe Jackson Scholarship		61,273
Kaye Carter Scholarship		17,279
Past President's Scholarship		36,331
Piedmont Chapter Scholarship		49,342
SCACPA Graduate Student Scholarship		24,438
Sea Island Chapter Scholarship		12,728
	<u>\$</u>	<u>323,971</u>

**Donor Restricted Scholarships**

Birch, Oxner, Seale Scholarship	\$	10,000
Burkett, Burkett, & Burkett Scholarship		13,724
Carlisle Moore Accounting Scholarship		10,000
CC McGregor Scholarship		10,932
The Hobbs Group Scholarship		10,000
John S. Herin Scholarship		104,078
H. McRoy and Jo Skipper Memorial Scholarship		11,296
Robinson, Grant & Company Scholarship		10,000
Sheheen, Hancock & Godwin Scholarship		10,000
WebsterRogers & Company Scholarship		10,000
Brigman, Holcomb, Weeks Scholarship		11,215
Lollie B. Harper Scholarship		21,466
Next 100 Years Scholarship		48,860
Ray Waters Scholarship		25,849
	<u>\$</u>	<u>307,420</u>

*See independent auditors' report.*



SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS, INC.  
AND RELATED ENTITIES

SCHEDULE VII - SUMMARIZED FINANCIAL INFORMATION - LOCAL CHAPTERS

FOR THE YEAR ENDED JUNE 30, 2019

	Catawba	Central	Coastal	Foothills	Grand Strand	Pee Dee	Piedmont	Sea Island	Total
<b>Assets</b>									
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and net assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Revenues</b>									
Dues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Registration and conference fees	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>									
Membership contributions	13,468	81,850	69,102	31,734	20,048	20,997	35,209	4,226	276,634
General scholarships and contributions	-	5,000	-	-	-	1,000	-	-	6,000
<b>Total expenses</b>	<b>13,468</b>	<b>86,850</b>	<b>69,102</b>	<b>31,734</b>	<b>20,048</b>	<b>21,997</b>	<b>35,209</b>	<b>4,226</b>	<b>282,634</b>
<b>Change in unrestricted net assets</b>	<b>\$ (13,468)</b>	<b>\$ (86,850)</b>	<b>\$ (69,102)</b>	<b>\$ (31,734)</b>	<b>\$ (20,048)</b>	<b>\$ (21,997)</b>	<b>\$ (35,209)</b>	<b>\$ (4,226)</b>	<b>\$ (282,634)</b>

*See independent auditors' report.*