

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

COMBINED AUDITED FINANCIAL STATEMENTS
AND OTHER SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2023 AND 2022

WITH

INDEPENDENT AUDITOR'S REPORT

SCOTT  COMPANY

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Independent Auditor's Report

To The Board of Directors
South Carolina Association of Certified Public Accountants, Inc.
Cayce, South Carolina

Opinion

We have audited the accompanying combined financial statements of South Carolina Association of Certified Public Accountants, Inc. and Related Entities (the "Association"), a nonprofit organization, which comprise the combined statements of financial position as of June 30, 2023 and 2022, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, and the changes 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 combined financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association'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.

Report on Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. Schedules I, II, III, IV, and V are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The combining information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to 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.

Emphasis of Matter

As discussed in Notes 2 and 12, the Association adopted the new guidance for lease accounting as described in Accounting Standards Codification Topic 842 as of July 1, 2022. Our opinion is not modified with respect to this matter.

Scott and Company LLC

Columbia, South Carolina
November 21, 2023

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
 Combined Statements of Financial Position
 as of June 30,

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 1,799,813	\$ 1,656,797
Investments	1,966,680	1,883,125
Accounts receivable	21,252	20,387
Due from Group Insurance Trust	-	9,488
Prepaid expenses	87,595	73,576
Total current assets	3,875,340	3,643,373
Operating lease right of use asset, net	180,936	-
Total assets	4,056,276	3,643,373
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	50,671	47,866
Unearned revenue	1,277,875	1,155,000
Current portion of operating lease liability	60,658	-
Total current liabilities	1,389,204	1,202,866
Operating lease liability, less current portion	122,701	-
Total liabilities	1,511,905	1,202,866
Net assets		
Net assets without donor restrictions:		
Undesignated	1,778,948	1,697,703
Designated for scholarships	290,886	287,353
Total net assets without donor restrictions	2,069,834	1,985,056
Net assets with donor restrictions	474,537	455,451
Total net assets	2,544,371	2,440,507
Total liabilities and net assets	\$ 4,056,276	\$ 3,643,373

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

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
 Combined Statements of Activities
 For the Years Ended June 30,

	2023	2022
Net Assets without Donor Restrictions		
Support, revenue and gains		
Membership	\$ 1,845,885	\$ 1,153,813
Registration and conference fees	154,317	719,439
Interest and dividends	37,405	17,548
Net appreciation (depreciation) in investments	67,205	(171,509)
Advertising	22,576	13,825
Product sales	1,006	14,496
Partnerships	76,199	50,012
Marketing consulting fees	8,381	7,394
Student Pipeline Project	4,974	4,442
Contributions	21,534	31,667
Chapter social events	29,158	30,981
Gain on sale of assets	20,000	-
Paycheck Protection Program grant revenue	-	35,897
Other income	940	1,244
Total revenue and gains	2,289,580	1,909,249
Net assets released from restrictions due to fulfillment of donor/grantor restrictions	31,072	30,836
Total support, revenue and gains	2,320,652	1,940,085
Expenses:		
Program expenses:		
Advocate	163,683	162,372
Grow	161,696	163,958
Connect	187,353	175,462
Communicate	852,792	690,332
Educate	745,905	759,480
General and administrative	124,445	128,213
Total expenses and losses	2,235,874	2,079,817
Change in net assets without donor restrictions	84,778	(139,732)
Net Assets with Donor Restrictions		
Support, revenue and gains		
Interest and dividends	5,588	3,636
Net appreciation (depreciation) in investments	19,118	(43,224)
Contributions to PAC	20,407	30,709
Contributions to Educational Fund	5,045	24,750
Net assets released from restrictions	(31,072)	(30,836)
Total support, revenue and gains	19,086	(14,965)
Change in net assets with donor restrictions	19,086	(14,965)
Total changes in net assets	103,864	(154,697)
Net assets, beginning of year	2,440,507	2,595,204
Net assets, end of year	\$ 2,544,371	\$ 2,440,507

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

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
 Combined Statement of Functional Expenses
 For the Year Ended June 30, 2023

	Program Services					Total Program Services	General and Administrative	Total
	Advocate	Grow	Connect	Communicate	Educate			
Expenses:								
Conferences	\$ -	\$ -	\$ -	\$ -	\$ 215,700	\$ 215,700	\$ -	\$ 215,700
Seminars and livestreams	-	-	-	-	58,834	58,834	-	58,834
Self study and other	-	-	-	-	34,643	34,643	-	34,643
Payroll	44,544	53,436	89,007	351,623	204,773	743,383	57,763	801,146
Member recruitment	-	-	-	24,180	-	24,180	-	24,180
Member services and development	-	2,448	30,884	113,467	-	146,799	-	146,799
Lease expense	3,640	4,366	7,273	28,730	16,731	60,740	7,143	67,883
Professional fees	67,700	1,000	-	58,792	58,792	186,284	11,250	197,534
Information technology	3,556	4,266	7,105	28,070	16,347	59,344	4,611	63,955
Employee insurance	5,132	6,156	10,254	40,510	23,591	85,643	6,242	91,885
Payroll taxes	3,637	4,363	7,267	28,710	16,719	60,696	4,716	65,412
Personnel expenses - other	1,719	2,062	3,435	13,571	7,903	28,690	2,495	31,185
Merchant and bank fees	3,094	3,712	6,183	24,427	14,225	51,641	4,013	55,654
Printing	2,812	2,318	3,750	16,016	9,722	34,618	2,470	37,088
Office supplies and equipment	1,473	1,767	3,307	14,274	9,815	30,636	1,910	32,546
Board activities	-	-	865	43,208	-	44,073	-	44,073
Professional development - staff	153	184	306	1,209	704	2,556	199	2,755
Postage	595	758	1,285	7,260	2,474	12,372	1,113	13,485
Telephone	606	727	1,210	4,782	2,785	10,110	786	10,896
Business insurance	599	718	1,196	4,726	2,752	9,991	776	10,767
Retirement	1,546	1,855	3,090	12,205	7,108	25,804	2,005	27,809
Delegate expenses	-	-	-	7,884	-	7,884	-	7,884
Equipment and storage rental	571	684	1,140	4,504	2,623	9,522	740	10,262
Local travel	364	660	727	3,267	36,615	41,633	472	42,105
Dues and subscriptions	5,754	837	720	18,276	1,657	27,244	467	27,711
Student Pipeline Project	-	10,766	-	-	-	10,766	-	10,766
Committee activities	-	-	443	710	-	1,153	-	1,153
Property taxes	17	20	34	133	77	281	22	303
Retirement administration fee	286	343	572	2,258	1,315	4,774	15,252	20,026
Scholarships - educational fund	-	58,250	-	-	-	58,250	-	58,250
Contributions - chapters	-	-	7,300	-	-	7,300	-	7,300
Contributions	15,885	-	-	-	-	15,885	-	15,885
	\$ 163,683	\$ 161,696	\$ 187,353	\$ 852,792	\$ 745,905	\$ 2,111,429	\$ 124,445	\$ 2,235,874

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

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
 Combined Statement of Functional Expenses
 For the Year Ended June 30, 2022

	Program Services					Total Program Services	General and Administrative	Total
	Advocate	Grow	Connect	Communicate	Educate			
Expenses:								
Conferences	\$ -	\$ -	\$ -	\$ -	\$ 181,455	\$ 181,455	\$ -	\$ 181,455
Seminars and livestreams	-	-	-	-	114,235	114,235	-	114,235
Self study and other	-	-	-	-	34,426	34,426	-	34,426
Payroll	40,045	47,055	81,725	333,446	206,285	708,556	65,745	774,301
Member recruitment	-	-	-	4,643	-	4,643	-	4,643
Member services and development	-	-	32,501	45,490	-	77,991	-	77,991
Lease expense	3,284	3,852	6,715	27,392	17,119	58,362	5,491	63,853
Professional fees	67,700	1,000	-	50,741	49,991	169,432	18,770	188,202
Information technology	3,441	4,041	7,027	28,600	17,809	60,918	5,676	66,594
Employee insurance	4,561	5,370	9,288	37,439	23,851	80,509	6,708	87,217
Payroll taxes	3,147	3,704	6,412	26,033	16,126	55,422	5,061	60,483
Personnel expenses - other	1,164	1,342	2,419	10,461	6,405	21,791	2,284	24,075
Merchant and bank fees	2,319	2,675	4,819	18,838	13,221	41,872	4,374	46,246
Printing	1,854	1,415	2,260	13,559	7,092	26,180	1,957	28,137
Office supplies and equipment	1,636	1,901	2,788	11,270	10,268	27,863	3,367	31,230
Board activities	-	-	2,259	31,164	-	33,423	-	33,423
Professional development - staff	131	131	268	1,075	682	2,287	248	2,535
Postage	336	629	546	5,426	2,811	9,748	1,060	10,808
Telephone	493	579	1,006	4,106	2,548	8,732	813	9,545
Business insurance	538	632	1,100	4,487	2,801	9,558	897	10,455
Retirement	1,234	1,450	2,517	10,215	6,352	21,768	2,014	23,782
Delegate expenses	-	-	-	4,565	-	4,565	-	4,565
Equipment and storage rental	443	519	909	3,735	2,329	7,935	759	8,694
Local travel	536	520	873	3,647	40,123	45,699	740	46,439
Dues and subscriptions	13,940	799	2,786	10,706	2,016	30,247	627	30,874
Student Pipeline Project	-	7,938	-	-	-	7,938	-	7,938
Committee activities	-	-	392	657	-	1,049	-	1,049
Property taxes	64	77	129	508	296	1,074	83	1,157
Retirement administration fee	256	301	523	2,129	1,239	4,448	781	5,229
Scholarships - educational fund	-	78,028	-	-	-	78,028	-	78,028
Contributions - chapters	-	-	6,200	-	-	6,200	-	6,200
Contributions	15,250	-	-	-	-	15,250	500	15,750
Interest expense	-	-	-	-	-	-	258	258
	\$ 162,372	\$ 163,958	\$ 175,462	\$ 690,332	\$ 759,480	\$ 1,951,604	\$ 128,213	\$ 2,079,817

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

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
 Combined Statements of Cash Flows
 For the Years Ended June 30,

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 103,864	\$ (154,697)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Amortization	59,029	-
Contributions restricted for endowment	(5,045)	(24,750)
Net realized and unrealized (gain) loss on investments	(86,323)	214,733
Gain on sale of assets	(20,000)	-
Paycheck Protection Program grant revenue	-	(35,897)
Changes in deferred and accrued amounts:		
Accounts receivable	(865)	12,153
Due from Group Insurance Trust	9,488	(3,188)
Prepaid expenses	(14,019)	16,231
Accounts payable and accrued expenses	2,805	(62,086)
Unearned revenue	122,875	(88,564)
Operating lease liability	(56,606)	-
Net cash provided by (used in) operating activities	115,203	(126,065)
Cash flows from investing activities:		
Purchases of investments	(10,000)	(84,881)
Proceeds from sales of investments	12,768	64,964
Proceeds from sales of assets	20,000	-
Net cash provided by (used in) investing activities	22,768	(19,917)
Cash flows from financing activities:		
Proceeds from contributions restricted for endowment	5,045	24,750
Net cash provided by financing activities	5,045	24,750
Net increase (decrease) in cash and cash equivalents	143,016	(121,232)
Cash and cash equivalents at beginning of year	1,656,797	1,778,029
Cash and cash equivalents at end of year	\$ 1,799,813	\$ 1,656,797
Supplemental cash flow information:		
Initial recording of operating lease right of use asset and lease liability per implementation of ASC Topic 842	\$ 239,965	\$ -

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

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
Notes to Combined Financial Statements

Note 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 Political Action Committee (“PAC”). SCACPA, its eight local chapters, the Educational Fund, and the PAC, collectively, form the “Association.” SCACPA has a stated mission to empower a professional community that fosters each members’ success and amplifies the voice of the CPA profession in South Carolina. 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. 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.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The combined 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.

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 combined statements of activities as net assets released from restrictions.

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
Notes to Combined Financial Statements

Note 2. Summary of Significant Accounting Policies (continued)

Basis of Presentation

The Association prepares its combined financial statements in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 958, Financial Statements for Not-for-Profit Organizations. Under ASC Topic 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 combined financial statements in conformity with 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. The most significant estimate in these combined financial statements is the fair market value of investments. Actual results could differ from those estimates.

Cash and Cash Equivalents

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

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,:

	2023	2022
SCACPA	\$ 1,671,700	\$ 1,540,452
Educational fund	25,573	13,394
PAC	102,540	102,951
	\$ 1,799,813	\$ 1,656,797

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

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
Notes to Combined Financial Statements

Note 2. Summary of Significant Accounting Policies (continued)

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 combined statements of activities.

Investments

The Association's investments are stated at estimated fair market value in the combined statements of financial position. Changes in unrealized gains and losses are included in the change in net assets and are reported in the combined statements of activities.

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.

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.

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
Notes to Combined Financial Statements

Note 2. Summary of Significant Accounting Policies (continued)

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”).

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, 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 combined financial statements. Management believes it is no longer subject to tax examinations for fiscal years prior to 2020.

Leases

The Association adopted the new guidance for lease accounting as described in ASC Topic 842 using the transitional approach as of July 1, 2022. There was no impact to cash flows as a result of this implementation. The Association elected the following practical expedients:

- The package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed the Association to not reassess under the new guidance the prior conclusion about lease identification, lease classification, and initial direct costs.
- The practical expedient to not recognize right of use assets and lease liabilities for leasing arrangements with terms of one year or less.
- The practical expedient to use the annualized risk-free rate as the discount rate, which is based on the U.S. Treasury yield curve rate for an equivalent term.

As a result of adopting the new guidance effective July 1, 2022, the Association recorded an operating lease right of use asset and operating lease liability of \$239,965 for the lease of its facilities.

The Association determines if an arrangement is a lease at inception. Leases are evaluated at commencement to determine proper classification as an operating or finance lease. The Association’s lease is classified as operating. The Association recognizes a right of use asset and lease liability at lease commencement based on the present value of lease payments over the lease term. The Association uses the annualized risk-free rate as the discount rate as the Association’s lease arrangement does not provide an implicit borrowing rate.

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
Notes to Combined Financial Statements

Note 2. Summary of Significant Accounting Policies (continued)

Leases (continued)

Fixed lease payments are recognized on a straight-line basis over the lease term. The Association's lease does not contain any material residual value guarantees or payments under purchase and termination options which are reasonably certain to be exercised. Lease terms are initially determined as the non-cancelable period of a lease adjusted for options to extend a lease that are reasonably certain to be exercised.

Right of use assets are carried at cost less accumulated amortization. Initial cost comprises the lease liability adjusted for lease payments at or before the commencement date. Leases that have an original term of 12 months or less are not recognized on the Association's combined statement of financial position, and the lease expense related to those short-term leases is recognized over the lease term.

Note 3. Revenue Recognition

In accordance with ASC Topic 606, the Association recognizes revenue when control of the promised goods or services are transferred to outside parties in an amount that reflects the consideration the Association expects to be entitled to in exchange for those goods or services. ASC Topic 606 also requires new and expanded disclosures regarding revenue recognition to ensure understanding as to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Association has identified membership, registration, advertising, product sales, and partnerships as revenue categories subject to the adoption of ASC Topic 606.

Memberships and partnerships – The Association offers memberships of various categories that typically last for a term of one year. Performance obligations are satisfied during the period for which the membership dues are applicable.

Registration – Registration consists of continuing professional education and conference fees. Performance obligations are satisfied when the related courses are conducted.

Advertising – Advertising revenues are derived from businesses' consideration in exchange for acknowledgement. Performance obligations for advertising are satisfied when the related events are conducted.

Product sales – Product sales consist primarily of continuing professional education materials. Performance obligations are satisfied upon delivery of the product to the customer.

Accounts receivable – Accounts receivable consists of receivables for events. At June 30, 2023 and 2022, all receivables were considered to fully collectible. Accordingly, no allowance for doubtful accounts was required.

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

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
Notes to Combined Financial Statements

Note 3. Revenue Recognition (continued)

Economic factors – The Association is impacted by overall economic conditions, as people may not purchase memberships or register for events during poor economic conditions.

The Association’s revenues from contracts with customers were recognized at a point in time according to the timing of transfer of services. Revenues disaggregated between revenues from contracts with customers and other revenues are shown below:

	<u>2023</u>	<u>2022</u>
Membership	\$ 1,845,885	\$ 1,153,813
Registration	154,317	719,439
Advertising	22,576	13,825
Product sales	1,006	14,496
Partnerships	76,199	50,012
Total revenues from contracts with customers (subject to ASC Topic 606)	<u>2,099,983</u>	<u>1,951,585</u>
Other revenues	<u>239,755</u>	<u>188,268</u>
Total revenues	<u>\$ 2,339,738</u>	<u>\$ 2,139,853</u>

Contract assets and contract liabilities from contracts with customers consisted of the following at June 30,:

	<u>2023</u>	<u>2022</u>
Contract assets:		
Accounts receivable	\$ 21,252	\$ 20,387
Total contract assets	<u>\$ 21,252</u>	<u>\$ 20,387</u>
Contract liabilities:		
Deferred revenue	\$ 1,277,875	\$ 1,155,000
Total contract liabilities	<u>\$ 1,277,875</u>	<u>\$ 1,155,000</u>

Note 4. Liquidity and Availability of Resources

Financial assets available for general expenditure within one year of the balance sheet date comprise the following:

	<u>Total</u>	<u>Funds with Donor Restrictions</u>	<u>Funds with Board Designations</u>	<u>Net</u>
Cash and cash equivalents	\$ 1,799,813	\$ (102,540)	\$ -	\$ 1,697,273
Investments	1,966,680	(362,144)	(290,886)	1,313,650
Accounts receivable	21,252	(9,853)	-	11,399
	<u>\$ 3,787,745</u>	<u>\$ (474,537)</u>	<u>\$ (290,886)</u>	<u>\$ 3,022,322</u>

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
Notes to Combined Financial Statements

Note 5. 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.

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, 2023 and 2022:

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.

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. and Related Entities
Notes to Combined Financial Statements

Note 5. 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, 2023 and 2022:

Fair Value Measurements at June 30, 2023				
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 196,521	\$ -	\$ -	\$ 196,521
Exchange traded funds	1,540,834	-	-	1,540,834
Mutual funds	229,325	-	-	229,325
	\$ 1,966,680	\$ -	\$ -	\$ 1,966,680

Fair Value Measurements at June 30, 2022				
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 410,722	\$ -	\$ -	\$ 410,722
Exchange traded funds	1,472,403	-	-	1,472,403
	\$ 1,883,125	\$ -	\$ -	\$ 1,883,125

Note 6. Investments

Investments consisted of the following at June 30, 2023:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Money market funds	\$ 206,962	\$ -	\$ (10,441)	\$ 196,521
Exchange traded funds	1,528,099	12,735	-	1,540,834
Mutual funds	229,325	-	-	229,325
	\$ 1,964,386	\$ 12,735	\$ (10,441)	\$ 1,966,680

Investments consisted of the following at June 30, 2022:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Money market funds	\$ 410,722	\$ -	\$ -	\$ 410,722
Exchange traded funds	1,574,672	-	(102,269)	1,472,403
	\$ 1,985,394	\$ -	\$ (102,269)	\$ 1,883,125

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
Notes to Combined Financial Statements

Note 6. Investments (continued)

Investments with a fair value at June 30, 2023 and 2022, of \$912,984 and \$893,699, respectively and original cost at June 30, 2023 and 2022, of \$887,157 and \$906,072, 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 8.

Sales of investments in SCACPA and the Educational Fund for the year ended June 30, 2023, resulted in proceeds of \$12,768 and \$27,794 in gross realized losses. Sales of investments in the Educational Fund for the year ended June 30, 2022, resulted in proceeds of \$64,964 and \$38,096 in gross realized gains.

Note 7. Property and Equipment

Property and equipment consisted of \$22,167 in furniture and equipment that was fully depreciated at June 30, 2023 and 2022. Depreciation expense was \$0 for each of the years ended June 30, 2023 and 2022. Fully depreciated assets with a net book value of \$0 were sold during the year ended June 30, 2023 for a gain on sale of assets of \$20,000.

Note 8. Net Assets

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Designated for endowed scholarships:		
Central Chapter Scholarship	\$ 98,070	\$ 95,400
Edgar Vaughn Scholarship	9,565	9,415
Frances Humphries Memorial Scholarship	9,388	9,249
Joe Jackson Scholarship	57,876	56,940
Kaye Carter Scholarship	13,391	13,230
Past President's Scholarship	36,606	35,616
Piedmont Chapter Scholarship	47,193	46,483
SCACPA Graduate Student Scholarship	5,863	8,465
Sea Island Chapter Scholarship	12,934	12,555
Total designated for endowed scholarships	<u>290,886</u>	<u>287,353</u>
Undesignated - endowed scholarships	301,676	291,467
Undesignated - non-endowed	1,477,272	1,406,236
Total undesignated	<u>1,778,948</u>	<u>1,697,703</u>
Total net assets without donor restrictions	<u>\$ 2,069,834</u>	<u>\$ 1,985,056</u>

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
Notes to Combined Financial Statements

Note 8. Net Assets (continued)

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Donor restricted net assets by purpose or time		
Endowed scholarships		
Birch, Oxner, Seale Scholarship	\$ 9,656	\$ 9,249
Burkett, Burkett, & Burkett Scholarship	14,118	13,658
Carlisle Moore Accounting Scholarship	9,674	9,516
CC McGregor Scholarship	10,802	10,568
The Hobbs Group Scholarship	9,388	9,249
John S. Herin Scholarship	149,988	139,742
H. McRoy and Jo Skipper Memorial Scholarship	11,235	10,971
Robinson, Grant & Company Scholarship	10,462	10,250
Sheheen, Hancock & Godwin Scholarship	9,388	9,249
WebsterRogers & Company Scholarship	9,388	9,249
Brigman, Holcomb, Weeks Scholarship	1,601	1,316
Lollie B. Harper Scholarship	1,033	492
Ray Waters Scholarship	(264)	(593)
PAC contributions	113,049	111,464
	<u>359,518</u>	<u>344,380</u>
Donor restricted net assets held in perpetuity		
Endowed scholarships		
Next 100 Years Scholarship	58,049	54,101
Brigman, Holcomb, Weeks Scholarship	10,751	10,751
Lollie B. Harper Scholarship	21,119	21,119
Ray Waters Scholarship	25,100	25,100
Total net assets held in perpetuity	<u>115,019</u>	<u>111,071</u>
Total net assets with donor restrictions	<u>\$ 474,537</u>	<u>\$ 455,451</u>

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, 2023</u>	<u>June 30, 2022</u>
Scholarships	\$ 12,250	\$ 12,000
PAC expenses paid	18,822	18,836
	<u>\$ 31,072</u>	<u>\$ 30,836</u>

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
Notes to Combined Financial Statements

Note 9. 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 restricted net assets held in perpetuity (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 restricted net assets held in perpetuity is classified as restricted net assets not held in perpetuity until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by SCUPMIFA.

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, 2023 is as follows:

	<u>Net Assets without Donor Restrictions</u>	<u>Net Assets with Donor Restrictions</u>	<u>Total</u>
Donor restricted endowment	\$ -	\$ 361,488	\$ 361,488
Board designated endowment	290,886	-	290,886
Other unrestricted endowment	301,676	-	301,676
Total endowment net assets	<u>592,562</u>	<u>361,488</u>	<u>954,050</u>
Other net assets not included in endowment	1,477,272	113,049	1,590,321
Total net assets	<u>\$ 2,069,834</u>	<u>\$ 474,537</u>	<u>\$ 2,544,371</u>

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
Notes to Combined Financial Statements

Note 9. Endowments (continued)

Changes in endowment net assets for the year ended June 30, 2023 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	\$ 578,820	\$ 343,987	\$ 922,807
Investment income, net of fees	8,961	5,588	14,549
Net appreciation (realized and unrealized)	30,652	19,118	49,770
Contributions	21,534	5,045	26,579
Released from restriction	12,250	(12,250)	-
Appropriation of endowment assets for expenditures:			
Scholarships	(59,655)	-	(59,655)
Total net assets	<u>\$ 592,562</u>	<u>\$ 361,488</u>	<u>\$ 954,050</u>

Endowment net asset composition by type of fund as of June 30, 2022 is as follows:

	<u>Net Assets without Donor Restrictions</u>	<u>Net Assets with Donor Restrictions</u>	<u>Total</u>
Donor restricted endowment	\$ -	\$ 343,987	\$ 343,987
Board designated endowment	287,353	-	287,353
Other unrestricted endowment	291,467	-	291,467
Total endowment net assets	<u>578,820</u>	<u>343,987</u>	<u>922,807</u>
Other net assets not included in endowment	1,406,236	111,464	1,517,700
Total net assets	<u>\$ 1,985,056</u>	<u>\$ 455,451</u>	<u>\$ 2,440,507</u>

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
Notes to Combined Financial Statements

Note 9. Endowments (continued)

Changes in endowment net assets for the year ended June 30, 2022 are as follows:

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 682,104	\$ 370,825	\$ 1,052,929
Investment income, net of fees	5,993	3,636	9,629
Net depreciation (realized and unrealized)	(73,270)	(43,224)	(116,494)
Contributions	31,667	24,750	56,417
Released from restriction	12,000	(12,000)	-
Appropriation of endowment assets for expenditures:			
Scholarships	(79,674)	-	(79,674)
Total net assets	\$ 578,820	\$ 343,987	\$ 922,807

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, 2023 and 2022, the Association had funds with deficiencies in its endowment in the amounts of \$264 and \$593, respectively.

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.

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

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
Notes to Combined Financial Statements

Note 9. Endowments (continued)

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.

Note 10. 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, 2023 and 2022 were \$27,809 and \$23,782, respectively.

Note 11. Related Party

During 2020, SCACPA established the South Carolina Association of Certified Public Accountants Group Insurance Trust (the "Trust"). The Trust was a separate entity that provided group health insurance and other welfare benefits to the employees of its members employers through one or more fully insured policies issued to a trust. As of June 30, 2022, there were 7 SCACPA employees enrolled in the Trust. The Trust was closed as of December 31, 2022, and there were no employees enrolled in the Trust at June 30, 2023. The Association now uses a third party company for its employee insurance coverage. Premiums paid by SCACPA for the years ended June 30, 2023 and 2022 were \$46,994 and \$93,207, respectively.

Note 12. Leases

The Association leases its current facilities under a noncancellable operating lease that requires step-ups in payments over a 5-year lease term that ends April 30, 2026. Payments range from \$5,222 to \$5,938 per month. The lease agreement does not contain any material residual value guarantees or material restrictive covenants. At June 30, 2023, the discount rate was 4.13% and the remaining lease term was 34 months.

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
Notes to Combined Financial Statements

Note 12. Leases (continued)

The operating lease right of use asset was comprised of the following as of June 30, 2023:

Gross value	\$	239,965
Less: accumulated amortization		(59,029)
Operating lease right of use asset, net		\$ 180,936

Future maturities of the operating lease liability as of June 30, 2023 were as follows:

2024	\$	67,097
2025		68,791
2026		58,869
Total lease payments		194,757
Less: effects of discounting		(11,398)
Present value of operating lease liability		\$ 183,359

Lease expense was \$67,883 for the year ended June 30, 2023, as included in the combined statement of functional expenses.

Prior to implementation of ASC Topic 842, lease expense for the year ended June 30, 2022 was \$63,853, as included in the combined statement of functional expenses.

Note 13. Paycheck Protection Program Note Payable

Proceeds of \$114,793 were received for a Paycheck Protection Program (“PPP”) loan in January 2021. During 2021, \$78,896 of the proceeds were spent on qualified expenses and recorded as grant revenue within the combined statement of activities. The remaining unspent balance of \$35,897 was recorded as a note payable in the combined statement of financial position at June 30, 2021. That remaining balance was spent on authorized expenses in fiscal year 2022. The Association received notification that the PPP loan was forgiven in September 2021, and the remaining balance was recorded as grant revenue and spent on qualified expenses in fiscal year 2022.

Note 14. Line of Credit

In June 2020, the Association executed a \$500,000 revolving line of credit agreement. The interest rate on the advances on the line of credit is 3.25% payable in monthly installments. At June 30, 2023 and 2022, there was no outstanding balance.

Note 15. Subsequent Events

The Association has evaluated events and transactions that occurred between June 30, 2023 and November 21, 2023, which is the date that the combined financial statements were available to be issued, for possible recognition or disclosure in the combined financial statements. Management has concluded that no significant subsequent events meet the criteria of professional accounting standards to be recognized or not recognized, but disclosed, in these combined financial statements.

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, 2023

	SCACPA	Educational Fund	PAC	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 1,671,700	\$ 25,573	\$ 102,540	\$ 1,799,813
Investments	1,053,696	912,984	-	1,966,680
Accounts receivable	906	10,493	9,853	21,252
Prepaid expenses	81,939	5,000	656	87,595
Total current assets	<u>2,808,241</u>	<u>954,050</u>	<u>113,049</u>	<u>3,875,340</u>
Operating lease right of use asset, net	180,936	-	-	180,936
Total assets	<u><u>2,989,177</u></u>	<u><u>954,050</u></u>	<u><u>113,049</u></u>	<u><u>4,056,276</u></u>
Liabilities and net assets				
Current liabilities				
Accounts payable and accrued expenses	50,671	-	-	50,671
Unearned revenue	1,277,875	-	-	1,277,875
Current portion of operating lease liability	60,658	-	-	60,658
Total current liabilities	<u>1,389,204</u>	<u>-</u>	<u>-</u>	<u>1,389,204</u>
Operating lease liability, less current portion	122,701	-	-	122,701
Total liabilities	<u>1,511,905</u>	<u>-</u>	<u>-</u>	<u>1,511,905</u>
Net assets				
Net assets without donor restrictions:				
Undesignated	1,477,272	301,676	-	1,778,948
Designated for scholarships	-	290,886	-	290,886
Total net assets without donor restrictions	<u>1,477,272</u>	<u>592,562</u>	<u>-</u>	<u>2,069,834</u>
Net assets with donor restrictions	-	361,488	113,049	474,537
Total net assets	<u>1,477,272</u>	<u>954,050</u>	<u>113,049</u>	<u>2,544,371</u>
Total liabilities and net assets	<u><u>\$ 2,989,177</u></u>	<u><u>\$ 954,050</u></u>	<u><u>\$ 113,049</u></u>	<u><u>\$ 4,056,276</u></u>

See independent auditor's report.

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
Schedule II - Combining Schedules of Activities
For the Year Ended June 30, 2023

	SCACPA	Educational Fund	PAC	Total
Net Assets without Donor Restrictions				
Support, revenue and gains				
Membership	\$ 1,845,885	\$ -	\$ -	\$ 1,845,885
Registration and conference fees	154,317	-	-	154,317
Interest and dividends	28,444	8,961	-	37,405
Net appreciation in investments	36,553	30,652	-	67,205
Advertising	22,576	-	-	22,576
Product sales	1,006	-	-	1,006
Partnerships	76,199	-	-	76,199
Marketing consulting fees	8,381	-	-	8,381
Student Pipeline Project	4,974	-	-	4,974
Contributions	-	21,534	-	21,534
Chapter social events	29,158	-	-	29,158
Gain on sale of assets	20,000	-	-	20,000
Other income	940	-	-	940
Total revenue and gains	<u>2,228,433</u>	<u>61,147</u>	<u>-</u>	<u>2,289,580</u>
Net assets released from restrictions due to fulfillment of donor/grantor restrictions	-	12,250	18,822	31,072
Total support, revenue and gains	<u>2,228,433</u>	<u>73,397</u>	<u>18,822</u>	<u>2,320,652</u>
Expenses and losses:				
Program expenses:				
Advocate	144,861	-	18,822	163,683
Grow	102,041	59,655	-	161,696
Connect	187,353	-	-	187,353
Communicate	852,792	-	-	852,792
Educate	745,905	-	-	745,905
General and administrative	124,445	-	-	124,445
Total expenses and losses	<u>2,157,397</u>	<u>59,655</u>	<u>18,822</u>	<u>2,235,874</u>
Change in net assets without donor restrictions	<u>71,036</u>	<u>13,742</u>	<u>-</u>	<u>84,778</u>
Net Assets with Donor Restrictions				
Support, revenue and gains				
Interest and dividends	-	5,588	-	5,588
Net appreciation in investments	-	19,118	-	19,118
Contributions to PAC	-	-	20,407	20,407
Contributions to Educational Fund	-	5,045	-	5,045
Net assets released from restrictions	-	(12,250)	(18,822)	(31,072)
Total support, revenue and gains	<u>-</u>	<u>17,501</u>	<u>1,585</u>	<u>19,086</u>
Change in net assets with donor restrictions	<u>-</u>	<u>17,501</u>	<u>1,585</u>	<u>19,086</u>
Total changes in net assets	71,036	31,243	1,585	103,864
Net assets, beginning of year	1,406,236	922,807	111,464	2,440,507
Net assets, end of year	<u>\$ 1,477,272</u>	<u>\$ 954,050</u>	<u>\$ 113,049</u>	<u>\$ 2,544,371</u>

See independent auditor's report.

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
Schedule III - Schedule of Revenues - Budget and Actual
For the Year Ended June 30, 2023

	Actual*	Budget*	Over (Under)
Membership dues	\$ 1,845,885	\$ 2,082,000	\$ (236,115)
Registration and conference fees	154,317	100,000	54,317
Net appreciation in investments	36,553	-	36,553
Partnerships	76,199	100,000	(23,801)
Product sales, net	1,006	-	1,006
Other	940	-	940
Advertising	22,576	-	22,576
Interest and dividends	28,444	12,000	16,444
Chapter social events	29,158	-	29,158
Marketing consulting fees	8,381	8,000	381
Student Pipeline Project	4,974	-	4,974
Gain on sale of assets	20,000	-	20,000
	<u>\$ 2,228,433</u>	<u>\$ 2,302,000</u>	<u>\$ (73,567)</u>

* - The actual and budget amounts above do not include revenues from Educational Fund or PAC.

See independent auditor's report.

South Carolina Association of Certified Public Accountants, Inc. and Related Entities
Schedule IV - Schedule of Expenses - Budget and Actual
For the Year Ended June 30, 2023

	Actual*	Budget*	Over (Under)
Conferences	\$ 215,700	\$ 321,500	\$ (105,800)
Seminars and livestreams	58,834	119,500	(60,666)
Self study and other	34,643	30,000	4,643
Payroll	801,146	793,000	8,146
Member recruitment	24,180	-	24,180
Member services and development	146,799	137,300	9,499
Lease expense	67,883	65,500	2,383
Professional fees	196,032	229,000	(32,968)
Information technology	63,955	59,500	4,455
Employee insurance	91,885	107,000	(15,115)
Payroll taxes	65,412	60,000	5,412
Personnel expenses - other	31,185	14,500	16,685
Merchant and bank fees	55,654	46,500	9,154
Printing	37,088	67,000	(29,912)
Office supplies and equipment	32,546	18,000	14,546
Board activities	44,073	43,000	1,073
Professional development - staff	2,755	32,000	(29,245)
Postage	13,485	34,500	(21,015)
Telephone	10,896	10,500	396
Business insurance	10,767	10,500	267
Retirement	27,809	29,000	(1,191)
Delegate expenses	7,884	16,500	(8,616)
Equipment and storage rental	10,262	8,000	2,262
Local travel	42,105	62,000	(19,895)
Dues and subscriptions	24,986	29,300	(4,314)
Student Pipeline Project	10,766	3,500	7,266
Committee activities	1,153	3,000	(1,847)
Property taxes	303	1,500	(1,197)
Other expenses	-	21,000	(21,000)
Repairs and maintenance	-	2,000	(2,000)
Retirement administration fee	20,026	5,000	15,026
Donations and scholarships	7,185	-	7,185
	<u>\$ 2,157,397</u>	<u>\$ 2,379,600</u>	<u>\$ (222,203)</u>

* - The actual and budget amounts above do not include expenses from Educational Fund or PAC.

See independent auditor's report.

South Carolina Association of Certified Public Accountants, Inc. and Related
Schedule V - Schedule of Named Scholarships - Educational Fund
For the Year Ended June 30, 2023

Board designated named scholarships:	
Central Chapter Scholarship	\$ 98,070
Edgar Vaughn Scholarship	9,565
Frances Humphries Memorial Scholarship	9,388
Joe Jackson Scholarship	57,876
Kaye Carter Scholarship	13,391
Past President's Scholarship	36,606
Piedmont Chapter Scholarship	47,193
SCACPA Graduate Student Scholarship	5,863
Sea Island Chapter Scholarship	12,934
	<u>\$ 290,886</u>
 Donor restricted scholarships:	
Birch, Oxner, Seale Scholarship	\$ 9,656
Burkett, Burkett, & Burkett Scholarship	14,118
Carlisle Moore Accounting Scholarship	9,674
CC McGregor Scholarship	10,802
The Hobbs Group Scholarship	9,388
John S. Herin Scholarship	149,988
H. McRoy and Jo Skipper Memorial Scholarship	11,235
Robinson, Grant & Company Scholarship	10,462
Sheheen, Hancock & Godwin Scholarship	9,388
WebsterRogers & Company Scholarship	9,388
Brigman, Holcomb, Weeks Scholarship	12,352
Lollie B. Harper Scholarship	22,152
Next 100 Years Scholarship	58,049
Ray Waters Scholarship	24,836
	<u>\$ 361,488</u>

See independent auditor's report.