



**FICPA SCHOLARSHIP FOUNDATION, INC.**  
**Financial Statements**  
**June 30, 2023 and 2022**  
**With Independent Auditor's Report**

**FICPA Scholarship Foundation, Inc.**  
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**June 30, 2023 and 2022**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
FICPA Scholarship Foundation, Inc.:

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of FICPA Scholarship Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of FICPA Scholarship Foundation, Inc. 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of FICPA Scholarship Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

### Supplementary Information

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

*Withum Smith & Brown, PC*

November 15, 2023

**FICPA Scholarship Foundation, Inc.**  
**Statements of Financial Position**  
**June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 185,194	\$ 296,463
Accounts receivable - due from Florida Institute of Certified Public Accountants, Inc.	15,035	2,402
Accounts receivable - other	-	5,000
Prepaid expenses and deposits	12,540	15,618
Current portion of unconditional promises to give receivable, net	<u>42,651</u>	<u>62,616</u>
Total current assets	255,420	382,099
Unconditional promises to give receivable, less current portion, net	10,737	15,775
Investments	<u>2,952,041</u>	<u>2,626,219</u>
Total assets	<u>\$ 3,218,198</u>	<u>\$ 3,024,093</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 9,147	\$ 13,059
Deferred revenues	21,375	42,636
Scholarships payable	<u>188,500</u>	<u>212,000</u>
Total current liabilities	<u>219,022</u>	<u>267,695</u>
Net assets		
Without donor restrictions	762,553	629,096
With donor restrictions	<u>2,236,623</u>	<u>2,127,302</u>
Total net assets	<u>2,999,176</u>	<u>2,756,398</u>
Total liabilities and net assets	<u>\$ 3,218,198</u>	<u>\$ 3,024,093</u>

The Notes to Financial Statements are an integral part of these statements.

**FICPA Scholarship Foundation, Inc.**  
**Statements of Activities**  
**Years Ended June 30, 2023 and 2022**

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>						
Fundraising activities	\$ 214,999	\$ -	\$ 214,999	\$ 140,210	\$ -	\$ 140,210
Contributions	-	9,138	9,138	-	36,097	36,097
In-kind contributions - Florida Institute of Certified Public Accountants, Inc.	230,190	-	230,190	210,739	-	210,739
Contributions - other	93,347	-	93,347	72,032	-	72,032
Investment income (loss)	97,338	189,312	286,650	(71,800)	(207,663)	(279,463)
Other revenue	1,704	-	1,704	6,323	-	6,323
Net assets released from restrictions	89,129	(89,129)	-	95,513	(95,513)	-
Total revenues	<u>726,707</u>	<u>109,321</u>	<u>836,028</u>	<u>453,017</u>	<u>(267,079)</u>	<u>185,938</u>
<b>Expenses</b>						
Program services	183,102	-	183,102	216,588	-	216,588
Fundraising activities	196,779	-	196,779	118,467	-	118,467
Management and general	213,369	-	213,369	215,285	-	215,285
Total expenses	<u>593,250</u>	<u>-</u>	<u>593,250</u>	<u>550,340</u>	<u>-</u>	<u>550,340</u>
<b>Change in net assets</b>	133,457	109,321	242,778	(97,323)	(267,079)	(364,402)
<b>Net assets</b>						
Beginning of year	<u>629,096</u>	<u>2,127,302</u>	<u>2,756,398</u>	<u>726,419</u>	<u>2,394,381</u>	<u>3,120,800</u>
End of year	<u>\$ 762,553</u>	<u>\$ 2,236,623</u>	<u>\$ 2,999,176</u>	<u>\$ 629,096</u>	<u>\$ 2,127,302</u>	<u>\$ 2,756,398</u>

The Notes to Financial Statements are an integral part of these statements.

**FICPA Scholarship Foundation, Inc.**  
**Statements of Cash Flows**  
**Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Operating activities</b>		
Change in net assets	\$ 242,778	\$ (364,402)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Unrealized and realized losses (gains) on investments	(214,111)	334,506
Dividend reinvestments	(70,311)	(54,757)
Bad debt expense	2,949	1,550
(Increase) decrease in		
Accounts receivable - due from Florida Institute of Certified Public Accountants, Inc.	(12,633)	(771)
Accounts receivable - other	5,000	(5,000)
Prepaid expenses and deposits	3,078	(7,054)
Unconditional promises to give receivable	22,054	18,414
Increase (decrease) in		
Scholarships, accounts payable, and accrued expenses	(27,412)	35,689
Deferred revenues	<u>(21,261)</u>	<u>33,052</u>
Net cash used in operating activities	<u>(69,869)</u>	<u>(8,773)</u>
<b>Investing activities</b>		
Proceeds from sales and maturities of investments	1,858,823	125,000
Purchase of investments	<u>(1,900,223)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>(41,400)</u>	<u>125,000</u>
Net change in cash and cash equivalents	(111,269)	116,227
<b>Cash and cash equivalents</b>		
Beginning of year	<u>296,463</u>	<u>180,236</u>
End of year	<u>\$ 185,194</u>	<u>\$ 296,463</u>

The Notes to Financial Statements are an integral part of these statements.

**FICPA Scholarship Foundation, Inc.**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2023**

	Fundraising Events									Management and General	Total	
	Scholarship Program	1040 K Run/Walk	Ocean Reef	Suncoast Scramble	Golfing Fore Education	Top Golf	Day at the Races	Scholarship Night	Misc Fundraising			Subtotal
Advertising and promotions	\$ -	\$ 17	\$ 132	\$ -	\$ 673	\$ -	\$ 65	\$ 100	\$ -	\$ 987	\$ 2,708	\$ 3,695
Awards and door prizes	-	3,443	7,813	-	-	-	-	-	-	11,256	-	11,256
Bad debt expense	-	-	-	-	-	-	-	-	-	-	2,949	2,949
Dues and subscriptions	-	-	-	-	-	-	-	-	-	-	106	106
Education	-	-	-	-	-	-	-	-	-	-	798	798
Facility & AV rentals	-	5,193	26,217	4,638	1,801	8,112	-	6,108	-	52,069	37	52,106
Food and beverage	-	217	18,379	2,173	925	159	3,235	28,558	-	53,646	561	54,207
Licenses and taxes	-	-	-	-	-	-	-	-	-	-	266	266
Legal and accounting	-	-	-	-	-	-	-	-	-	-	21,112	21,112
Merchant fees	-	165	1,555	558	145	406	127	1,018	35	4,009	2,040	6,049
Miscellaneous	-	41	1,173	50	279	-	98	184	245	2,070	1,977	4,047
Office supplies	-	-	47	-	-	96	-	261	-	404	118	522
Salaries and benefits	21,652	5,180	7,951	3,977	6,418	6,918	3,218	20,062	343	54,067	179,072	254,791
Scholarships	161,450	6,000	-	-	-	-	-	-	-	6,000	-	167,450
Telephone and utilities	-	7	6	1	8	29	3	22	-	76	323	399
Travel and entertainment	-	598	5,404	300	8	232	235	5,418	-	12,195	635	12,830
Website and technology	-	-	-	-	-	-	-	-	-	-	667	667
	<u>\$ 183,102</u>	<u>\$ 20,861</u>	<u>\$ 68,677</u>	<u>\$ 11,697</u>	<u>\$ 10,257</u>	<u>\$ 15,952</u>	<u>\$ 6,981</u>	<u>\$ 61,731</u>	<u>\$ 623</u>	<u>\$ 196,779</u>	<u>\$ 213,369</u>	<u>\$ 593,250</u>

The Notes to Financial Statements are an integral part of this statement.



**FICPA Scholarship Foundation, Inc.**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2022**

	Program Services			Fundraising Activities									Management and General	Total
	Scholarship Program	Accounting Scholar Leadership Symposium	Subtotal	CPA 1040K Run	Ocean Reef Golf Tournament	Suncoast Scramble Golf Tournament	Golfing Fore Education	Orlando Golf Tournament	Day at the Races	Scholarship Night	Miscellaneous Fundraising	Subtotal		
Advertising and promotions	\$ -	\$ -	\$ -	\$ -	\$ 223	\$ -	\$ -	\$ 562	\$ 167	\$ 1,999	\$ 130	\$ 3,081	\$ 3,270	\$ 6,351
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-	1,550	1,550
Consulting	-	-	-	-	-	-	-	-	-	-	-	-	4,047	4,047
Dues and subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	828	828
Facility and A/V rentals	-	567	567	-	-	600	5,958	5,304	750	8,466	-	21,078	1,359	23,004
Food and beverage	-	-	-	-	7,211	5,012	-	1,850	3,053	18,480	-	35,606	4,817	40,423
Licenses and taxes	-	-	-	-	-	-	-	-	-	-	-	-	266	266
Legal and accounting	-	-	-	-	-	-	-	-	-	-	-	-	19,585	19,585
Merchant fees	-	15	15	128	227	306	269	262	111	1,122	307	2,732	1,551	4,298
Miscellaneous	-	-	-	-	430	-	-	689	103	-	127	1,349	3,727	5,076
Office supplies	-	-	-	-	-	-	-	-	-	161	-	161	277	438
Salaries and benefits	22,857	-	22,857	1,669	6,257	2,415	272	3,048	3,929	16,457	1,087	35,134	165,493	223,484
Scholarships	190,575	-	190,575	9,000	-	-	-	-	-	-	-	9,000	-	199,575
Telephone and utilities	-	-	-	5	20	4	-	10	7	51	6	103	497	600
Travel and entertainment	-	2,574	2,574	-	1,643	137	43	409	260	7,731	-	10,223	5,897	18,694
Website and technology	-	-	-	-	-	-	-	-	-	-	-	-	2,121	2,121
	<u>\$ 213,432</u>	<u>\$ 3,156</u>	<u>\$ 216,588</u>	<u>\$ 10,802</u>	<u>\$ 16,011</u>	<u>\$ 8,474</u>	<u>\$ 6,542</u>	<u>\$ 12,134</u>	<u>\$ 8,380</u>	<u>\$ 54,467</u>	<u>\$ 1,657</u>	<u>\$ 118,467</u>	<u>\$ 215,285</u>	<u>\$ 550,340</u>

The Notes to Financial Statements are an integral part of this statement.

**FICPA Scholarship Foundation, Inc.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

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**1. NATURE OF OPERATIONS**

The FICPA Scholarship Foundation, Inc. (the “Foundation”) is a charitable organization established pursuant to Section 501(c)(3) of the Internal Revenue Code to raise funds for the purpose of providing support and fostering success for current and future CPAs. Internal Revenue Service currently considers the Foundation to be a publicly supported charity for which a charitable contribution deduction is available. The Foundation receives support for its purposes from the general public as well as its affiliate, the Florida Institute of Certified Public Accountants, Inc.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The Foundation prepares its financial statements under the guidance of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958, *Not-for-Profit Entities*. Under FASB ASC 958, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions. These assets may, however, be subject to Board designation and unavailable for use at management’s discretion.

**Net assets with donor restrictions:** Net assets that are subject to donor-imposed stipulations. These stipulations either require the Foundation to maintain the net asset permanently, generally permitting all or part of the income earned on related assets be used for general or specific purposes or be met either by the completion of a stipulated action and/or the passage of time.

**Use of Estimates**

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

**Accounting Pronouncement Adopted in the Current Year**

*Leases*

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which supersedes existing lease accounting standards. Together with subsequent amendments, this created ASC Topic 842 (“ASC 842”). ASC 842 requires that a lessee recognizes a right-of-use asset and a corresponding liability for its obligation under virtually all operating leases, as well as expands disclosure requirements. ASC 842 is effective for annual reporting periods beginning after December 15, 2021. The Foundation adopted the provisions of ASC 842 effective July 1, 2022, with no impact to the financial statements.

**FICPA Scholarship Foundation, Inc.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

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**Cash and Cash Equivalents**

Cash and cash equivalents consist of checking and savings accounts and money market funds similar to demand deposits. The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At times, the Foundation had a concentration of credit risk arising from cash deposits at a financial institution in excess of federally insured limits. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Foundation's financial condition, results of operations, and cash flows.

**Unconditional Promises to Give Receivable**

All unconditional promises to give that are verifiable, probable, and measurable are recorded at their estimated realizable value on a discounted basis using rates ranging from 0.810% to 3.519%. The Foundation determines an allowance based on specific identification, historical write-offs, and current economic conditions. As of June 30, 2023 and 2022, the allowance for uncollectible unconditional promises to give was \$5,299 and \$2,350, respectively.

**Investments**

The Foundation accounts for investments in accordance with FASB ASC 958, *Not-for-Profit Entities*. Therefore, investments in debt and equity securities are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses and interest and dividends are included in investment income in the statements of activities. The Foundation's investments consist of exchange-traded funds and mutual funds with readily determinable market values.

**Deferred Revenues**

Deferred revenues consist of fundraising event sponsorships and registrations received in advance.

**Revenue Recognition**

*Fundraising Activities*

Fundraising activities revenue consists of event registrations, event sponsorships, and raffle proceeds. Event registrations and event sponsorships are generally paid in advance of the scheduled event. Revenue is recognized at a point in time when the fundraising event occurs.

*Contributions*

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give, if any, are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates based on the yield of a U.S. Treasury security with a maturity date similar to the expected collection period.

**FICPA Scholarship Foundation, Inc.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

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*Contributed Services*

The amount of contributed services represents the estimated fair value of corporate services provided to the Foundation but paid for by the Florida Institute of Certified Public Accountants, Inc. and others. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Total contributed services, which represents all of the Foundation's payroll and related expenses, included as unrestricted revenues in the statements of activities are \$230,190 and \$210,739 for the years ended June 30, 2023 and 2022, respectively. These contributions include \$42,008 and \$15,927 in support of the fundraising activities of the Foundation for the years ended June 30, 2023 and 2022, respectively. Total contributed services represent approximately 32% and 44% of revenues without donor restrictions for the years ended June 30, 2023 and 2022, respectively.

**Income Taxes**

The Foundation is a nonprofit organization exempt from federal taxes on income other than unrelated business income under Section 501(c)(3) of the Internal Revenue Code. The Foundation experienced no taxes as a result of unrelated business income for the years ended June 30, 2023 and 2022. The Foundation is not classified as a private foundation by the Internal Revenue Service.

Accounting principles generally accepted in the United States of America prescribe requirements for the recognition of income taxes in financial statements, and the amounts recognized are affected by income tax positions taken by the Foundation in its tax returns. The Foundation's status as an exempt organization is defined as an income tax position under these requirements. While management believes it has complied with the Internal Revenue Code, the sustainability of some income tax positions taken by the Foundation in its tax returns may be uncertain. There are minimum thresholds of likelihood that uncertain tax positions are required to meet before being recognized in the financial statements. Management does not believe that the Foundation has any material uncertain tax positions at June 30, 2023.

In the event interest and penalties were due relating to an unsustainable tax position, they would be treated as a component of income tax expense.

**Subsequent Events**

Management has evaluated subsequent events through November 15, 2023, the date which the financial statements were available to be issued. Based on this evaluation, management has determined that no subsequent events occurred which require adjustment to or disclosure in the financial statements.

**FICPA Scholarship Foundation, Inc.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**3. INVESTMENTS**

Investments consist of the following at June 30, 2023 and 2022:

	<b>2023</b>		
	<b>Historical Cost</b>	<b>Cumulative Unrealized Gains (Losses)</b>	<b>Market and Carrying Value</b>
Vanguard Index 500 Fund	\$ 171,288	\$ 328,373	\$ 499,661
Vanguard Dividend Growth Fund	628,165	61,858	690,023
Vanguard International Stock Index Fund	59,027	6,795	65,822
Vanguard Short-Term Corporate Bond Index Fund	212,373	4,549	216,922
Vanguard Short-Term Index Admiral Treasury Fund	212,091	(137)	211,954
Vanguard Small-Cap Index Fund	23,176	39,955	63,131
Vanguard Short-Term Bond Index Fund	437,012	(6,862)	430,150
Vanguard Short-Term Corporate Bond ETF	252	4	256
Vanguard Inter-Term Corporate Bond ETF	604	22	626
Vanguard Dividend Appreciation Index	607,214	105,770	712,984
Vanguard Mid-Cap Index Fund	52,722	7,790	60,512
	<u>\$ 2,403,924</u>	<u>\$ 548,117</u>	<u>\$ 2,952,041</u>
	<b>2022</b>		
	<b>Historical Cost</b>	<b>Cumulative Unrealized Gains (Losses)</b>	<b>Market and Carrying Value</b>
Vanguard Index 500 Fund	\$ 268,871	\$ 413,141	\$ 682,012
Vanguard Dividend Growth Fund	3,033	1,110	4,143
Vanguard Inter-Term Bond Index Fund	238,794	(16,978)	221,816
Vanguard International Stock Index Fund	88,408	2,333	90,741
Vanguard Small-Cap Index Fund	37,632	55,330	92,962
Vanguard Short-Term Bond Index Fund	197,147	(6,476)	190,671
Vanguard Short-Term Corporate Bond ETF	136,801	(6,706)	130,095
Vanguard Inter-Term Corporate Bond ETF	251,215	(29,006)	222,209
Vanguard Inter-Term Tax-Exempt Fund	21,108	(1,635)	19,473
Vanguard Dividend Appreciation ETF	287,409	275,025	562,434
Rydex Guggenheim S&P500	107,923	83,480	191,403
iShares S&P 500	130,244	88,016	218,260
	<u>\$ 1,768,585</u>	<u>\$ 857,634</u>	<u>\$ 2,626,219</u>

**FICPA Scholarship Foundation, Inc.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

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Investment income (loss) shown on the accompanying statements of activities consists of the following for the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 72,539	\$ 55,043
Realized gains	523,628	82,212
Unrealized gains (losses)	<u>(309,517)</u>	<u>(416,718)</u>
Total investment income (loss)	<u>\$ 286,650</u>	<u>\$ (279,463)</u>

For the years ended June 30, 2023 and 2022, investment income (loss) is presented on the statements of activities as follows:

	<u>2023</u>	<u>2022</u>
Without donor restrictions	\$ 97,338	\$ (71,800)
With donor restrictions	<u>189,312</u>	<u>(207,663)</u>
Total investment income (loss)	<u>\$ 286,650</u>	<u>\$ (279,463)</u>

The Foundation invests in exchange-traded funds and mutual funds comprised of debt and equity securities. The value and related income of these securities are sensitive to changes in economic conditions. Accordingly, investment values may be subject to risks by shifts in the market's perception of the issuers and changes in interest rates.

#### **4. FAIR VALUE MEASUREMENTS**

FASB ASC 820, *Fair Value Measurements and Disclosures*, 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. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

*Level 1* - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

*Level 2* - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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The assets 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 are descriptions of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022.

*Exchange-Traded Funds:* Measured at the value of the quoted market prices.

*Mutual Funds:* Valued at the daily closing price as reported by the funds. Mutual funds held by the Foundation are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

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

The following table sets forth by level, within the fair value hierarchy, the Foundation's Level 1 investments measured at fair value at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Bond index funds	\$ 859,026	\$ 412,487
Equity index funds	2,026,311	779,117
International equity index funds	65,822	90,741
Municipal bond fund	-	19,473
Exchange-traded funds - corporate bonds	882	352,304
Exchange-traded funds - equity	-	972,097
Total investments at fair value	<u>\$ 2,952,041</u>	<u>\$ 2,626,219</u>

The Foundation's investments do not include any investments considered Level 2 or Level 3 under the fair value hierarchy.

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**5. UNCONDITIONAL PROMISES TO GIVE RECEIVABLE**

Unconditional promises to give receivable consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Receivable in less than one year	\$ 47,950	\$ 62,616
Receivable in one to five years	<u>12,000</u>	<u>19,934</u>
Total unconditional promises to give receivable	59,950	82,550
Less: Discounts to present value	(1,263)	(1,809)
Allowance for uncollectible unconditional promises to give	<u>(5,299)</u>	<u>(2,350)</u>
Unconditional promises to give receivable	<u>\$ 53,388</u>	<u>\$ 78,391</u>

Management provides for probable uncollectible amounts through a provision for bad debt expense and adjustment to a valuation allowance based on its assessment of the current status of individual accounts.

Unconditional promises to give receivable are presented on the statements of financial position as follows at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Unconditional promises to give receivable - net	\$ 42,651	\$ 62,616
Unconditional promises to give receivable, less current portion - net	<u>10,737</u>	<u>15,775</u>
Unconditional promises to give receivable	<u>\$ 53,388</u>	<u>\$ 78,391</u>

**6. FUNCTIONAL ALLOCATION OF EXPENSES**

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. A portion of general and administrative costs that benefit multiple functional areas (indirect costs) have been allocated across program services, fundraising events, and management and general expenses based on estimated time spent by employees involved with those areas.

**7. BOARD DESIGNATED NET ASSETS**

The Board designates collections from half of the Platinum, all of the Fellow, Diamond, and Life members' unconditional promises to give, and the related interest earnings thereon to provide scholarships. As of June 30, 2023 and 2022, such designated amounts totaled \$249,110 and \$339,833, respectively. These amounts are included in net assets without donor restrictions, and the interest earnings are included as an increase in net assets without donor restrictions. These funds may only be used following approval of the Board.



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**8. NET ASSETS WITH DONOR RESTRICTIONS**

For the years ended June 30, 2023 and 2022, net assets were released from donor restrictions by the donors as follows:

	<u>2023</u>	<u>2022</u>
Net asset restrictions accomplished		
Program expenses incurred	\$ 75,430	\$ 93,303
Time restrictions expired	<u>13,699</u>	<u>2,210</u>
Net assets released from restrictions	<u>\$ 89,129</u>	<u>\$ 95,513</u>

At June 30, 2023 and 2022, net assets with donor restrictions are temporarily restricted for the following purposes:

	<u>2023</u>	<u>2022</u>
For periods subsequent to year end	\$ 39,946	\$ 49,417
Scholarships from endowment income	91,701	86,647
CPA 1040K Run proceeds	64,673	64,200
Wallace H. Coulter Foundation Grant	<u>96,443</u>	<u>97,130</u>
	<u>\$ 292,763</u>	<u>\$ 297,394</u>

Net assets with donor restrictions that are maintained permanently by the Foundation consist of donor-restricted assets (endowments) of which only the income can be spent by the Foundation. The income from these endowments is sometimes restricted for a specific purpose by the donor. Capital gains on endowments are recorded as income with donor restrictions or without donor restrictions, consistent with the interest and dividend income treatment, unless otherwise specified by the donor.

The Foundation's endowment consists of multiple individual funds established for a variety of purposes. The endowments, which include unconditional promises to give receivable of \$14,729, are all donor-restricted endowment funds and fully funded at June 30, 2023. The Foundation has no board-designated endowments. As required by United States generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

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At June 30, 2023 and 2022, net assets with donor restrictions that are to be maintained permanently are restricted for the following purposes:

	<u>2023</u>	<u>2022</u>
Georgia Nelidsky Endowment	\$ 93,051	\$ 87,675
George E. Shierling Endowment	166,617	158,894
Beatrice Cohen Endowment	14,529	13,681
Douglas James Davis Endowment	127,039	120,195
Lloyd A. Turman Endowment	37,821	35,636
Orvis M. Kemp Endowment	40,029	37,716
Ben A. Stevens, Jr. Endowment	41,328	38,940
Martin M. Prague Endowment	52,981	48,948
Legends Endowment	29,541	27,834
Gerald J. Cavanaugh Endowment	69,921	65,881
Robert R. Harris Endowment	48,187	45,403
Dade/S Broward	101,505	95,639
Kathryn B. Anderson Endowment	43,680	41,156
John P. Thomas Endowment	39,311	37,533
Michael R. Pender, Jr. Endowment	38,877	36,631
James Wilcox Endowment	623,240	587,230
Tommye Barie Endowment	36,920	34,784
George A. Gulisano Endowment	42,793	40,419
Mia Thomas Endowment	59,331	55,745
Brigade Endowment	60,520	55,415
Gleim Endowment	17,398	15,861
Jim Lane Endowment	30,877	29,093
Rick Carrol Endowment	43,216	40,717
Jason A Chorlins Endowment	32,635	29,987
Gordon Spoor Endowment	27,517	25,472
Azalea Grace Endowment	24,996	23,423
	<u>\$ 1,943,860</u>	<u>\$ 1,829,908</u>

The Foundation holds various endowments which are donor restricted. The Board of the Foundation has interpreted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary.

The Foundation's donor-restricted endowments consist of (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 permanently restricted by the donor is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by FUPMIFA.

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

- The duration and preservation of the endowment fund;
- The purposes of the Foundation and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Foundation; and
- The investment policies of the Foundation.

For certain endowment funds, the donors have stipulated that additional accumulation of funds above and beyond the permanent endowment are unrestricted as to purpose and are therefore classified as net assets without donor restrictions.

At June 30, 2023 and 2022, the endowments included in net assets with donor restrictions are summarized as follows:

	<u>2023</u>	<u>2022</u>
Endowments		
Income is restricted	\$ 1,669,662	\$ 1,569,656
Income is unrestricted	<u>274,198</u>	<u>260,252</u>
Total internally-controlled endowments	<u>\$ 1,943,860</u>	<u>\$ 1,829,908</u>

These endowments are considered internally-controlled as the Foundation's investment committee manages the selections of funds used in the investment portfolio in accordance with the investment policy guidelines identified below.

The Foundation's investment policy is based on providing funding for its philanthropic efforts. The objective is to preserve capital and maximize long-term returns with low levels of risk. The following is the Foundation's investment policy for endowment funds:

<u>Asset Class</u>	<u>Target Objective %</u>	<u>Minimum %</u>	<u>Maximum %</u>
Fixed income and cash and cash equivalents	35-40%	30%	45%
Equities	60-65%	55%	70%

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The Foundation's investment policy limits securities to the following:

- Readily marketable fixed income or equity securities from a recognized investment house;
- Debt obligations of U.S. corporations rated A or better (or similar rating) by Standard & Poor's or Moody's Investor Services;
- Money market instruments, including commercial paper with a Prime-1 rating, fully insured certificates of deposit, banker's acceptances, and repurchase agreements collateralized with approved assets;
- Common and preferred stock of U.S. corporations traded on major U.S. exchanges or in the over-the-counter market including ADRs or foreign securities which are traded on U.S. exchanges or in the over-the-counter market; and
- Index based funds and exchange-traded securities.

No minimum performance yields have been established; however, performance is reviewed quarterly by the Foundation's investment committee.

All endowments are considered permanently restricted. For the years ended June 30, 2023 and 2022, activity with permanently restricted endowments is as follows:

	<u>2023</u>	<u>2022</u>
Endowments at July 1	\$ 1,829,908	\$ 2,089,012
Investment income	49,396	39,136
Appreciation (depreciation) - realized and unrealized	139,915	(262,948)
Allocation of investment income to net assets with donor restrictions and net assets without donor restrictions	(73,765)	(73,209)
Contributions	1,432	37,917
Uncollectible endowment pledges	<u>(3,026)</u>	<u>-</u>
Endowments at June 30	<u>\$ 1,943,860</u>	<u>\$ 1,829,908</u>

**9. DUE TO/FROM FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS, INC.**

The Florida Institute of Certified Public Accountants, Inc. (the "FICPA") collects contributions on the Foundation's behalf. At June 30, 2023 and 2022, FICPA had collected contributions payable to the Foundation of \$20,504 and \$12,248, respectively. The Foundation owes money back to the FICPA in the amounts of \$5,469 and \$9,846 at June 30, 2023 and 2022, respectively.

**FICPA Scholarship Foundation, Inc.**  
**Notes to Financial Statements**  
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**10. FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

The Foundation's financial assets available within one year of the statements of financial position date for general expenditures are as follows at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 185,194	\$ 296,463
Accounts receivable - due from Florida Institute of Certified Public Accountants, Inc.	15,035	2,402
Accounts receivable - other	-	5,000
Current portion of unconditional promises to give receivable, net	42,651	62,616
Investments	<u>2,952,041</u>	<u>2,626,219</u>
Total financial assets available within one year	3,194,921	2,992,700
Less: Amounts unavailable for general expenditures within one year due to Donor restrictions		
Purpose restrictions	(2,196,677)	(2,077,885)
Board restrictions		
Board designated for general scholarships	<u>(249,110)</u>	<u>(339,833)</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 749,134</u>	<u>\$ 574,982</u>

As part of the Foundation's liquidity management, it has a policy to structure its financial assets according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

**11. RISK AND UNCERTAINTIES**

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



**SUPPLEMENTARY INFORMATION**

**FICPA Scholarship Foundation, Inc.**  
**Schedule of Revenues and Expenses – Fundraising Activities**  
**Year Ended June 30, 2023**

	CPA 1040K Run	Ocean Reef Golf Tournament	Suncoast Scramble Golf Tournament	Scholarship Night	Golfing Fore Education	Top Golf	Day at the Races	Miscellaneous Fundraising	Subtotal	Management and Administrative	Total
<b>Revenues</b>											
Fundraising activities	\$ 17,310	\$ 81,900	\$ 23,511	\$ 56,933	\$ 9,272	\$ 15,740	\$ 10,050	\$ 283	\$ 214,999	\$ -	\$ 214,999
Contributions – FICPA	3,933	5,777	3,053	15,864	4,852	5,986	2,319	223	42,007	188,183	230,190
Contributions – other	-	-	-	299	200	-	438	92,410	93,347	-	93,347
Total revenues	<u>21,243</u>	<u>87,677</u>	<u>26,564</u>	<u>73,096</u>	<u>14,324</u>	<u>21,726</u>	<u>12,807</u>	<u>92,916</u>	<u>350,353</u>	<u>188,183</u>	<u>538,536</u>
<b>Expenses</b>											
FICPA in-kind support	5,180	7,951	3,977	20,062	6,418	6,918	3,218	343	54,067	179,072	233,139
Advertising and promotion	17	132	-	100	673	-	65	-	987	2,708	3,695
Awards and door prizes	3,443	7,813	-	-	-	-	-	-	11,256	-	11,256
Dues and subscriptions	-	-	-	-	-	-	-	-	-	106	106
Facility and A/V rentals	5,193	26,217	4,638	6,108	1,801	8,112	-	-	52,069	37	52,106
Food and beverage	217	18,379	2,173	28,558	925	159	3,235	-	53,646	561	54,207
Merchant fees	165	1,555	558	1,018	145	406	127	35	4,009	2,040	6,049
Miscellaneous	41	1,173	50	184	279	-	98	245	2,070	1,977	4,047
Office supplies	-	47	-	261	-	96	-	-	404	118	522
Scholarships	6,000	-	-	-	-	-	-	-	6,000	-	6,000
Telephone and utilities	7	6	1	22	8	29	3	-	76	323	399
Travel and entertainment	598	5,404	300	5,418	8	232	235	-	12,195	635	12,830
Website and technology	-	-	-	-	-	-	-	-	-	667	667
Total expenses	<u>20,861</u>	<u>68,677</u>	<u>11,697</u>	<u>61,731</u>	<u>10,257</u>	<u>15,952</u>	<u>6,981</u>	<u>623</u>	<u>196,779</u>	<u>188,244</u>	<u>385,023</u>
Fundraising proceeds	382	19,000	14,867	11,365	4,067	5,774	5,826	92,293	153,574	(61)	153,513
<b>Additional activity</b>	- <sup>(1)</sup>	- <sup>(2)</sup>	-	-	-	-	-	-	-	-	-
<b>Change in net assets</b>	<u>\$ 382</u>	<u>\$ 19,000</u>	<u>\$ 14,867</u>	<u>\$ 11,365</u>	<u>\$ 4,067</u>	<u>\$ 5,774</u>	<u>\$ 5,826</u>	<u>\$ 92,293</u>	<u>\$ 153,574</u>	<u>\$ (61)</u>	<u>\$ 153,513</u>

(1) All net proceeds, if any, after funding \$9,000 in scholarships, are included in temporarily restricted net assets to fund future CPA 1040K Run events.

(2) \$2,500 of event proceeds fund the Jason Chlorins Endowment.

See Independent Auditor's Report.