



**FLORIDA INSTITUTE OF CERTIFIED PUBLIC  
ACCOUNTANTS' EDUCATIONAL FOUNDATION, INC.  
Financial Statements  
June 30, 2017 and 2016  
With Independent Auditors' Report**

**Florida Institute of Certified Public Accountants' Educational Foundation, Inc.  
June 30, 2017 and 2016**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees  
Florida Institute of Certified Public Accountants'  
Educational Foundation, Inc.  
Tallahassee, Florida

We have audited the accompanying financial statements of Florida Institute of Certified Public Accountants' Educational Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these 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.

### **Auditors' Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Institute of Certified Public Accountants' Educational Foundation, Inc. as of June 30, 2017 and 2016, 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.

### 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 is presented for purposes 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*

September 29, 2017

**Florida Institute of Certified Public Accountants' Educational Foundation, Inc.**  
**Statements of Financial Position**  
**June 30, 2017 and 2016**

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	2017	2016
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 276,927	\$ 280,024
Accounts receivable – due from Florida Institute of Certified Public Accountants, Inc. and chapters	41,998	43,757
Accounts receivable – other	4,872	2,760
Prepaid expenses and deposits	10,741	13,085
Current portion of pledged contributions receivable, net	40,981	26,241
Total current assets	<u>375,519</u>	<u>365,867</u>
Pledged contributions receivable, less current portion, net	99,562	96,178
Investments	<u>1,917,646</u>	<u>1,739,560</u>
Total assets	<u><u>\$ 2,392,727</u></u>	<u><u>\$ 2,201,605</u></u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 9,838	\$ 650
Deferred revenues	26,050	24,675
Scholarships payable	88,000	130,000
Total current liabilities	<u>123,888</u>	<u>155,325</u>
Net assets		
Unrestricted	512,361	441,678
Temporarily restricted	233,312	222,158
Permanently restricted	1,523,166	1,382,444
Total net assets	<u>2,268,839</u>	<u>2,046,280</u>
Total liabilities and net assets	<u><u>\$ 2,392,727</u></u>	<u><u>\$ 2,201,605</u></u>

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

**Florida Institute of Certified Public Accountants' Educational Foundation, Inc.**  
**Statements of Activities**  
**Years Ended June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
Change in unrestricted net assets		
Revenues		
Fundraising activities	\$ 154,774	\$ 172,161
Contributions – local chapters	38,423	43,560
Contributions – Florida Institute of Certified Public Accountants, Inc.	149,074	56,352
Contributions – other	43,282	43,626
Investment income	58,844	19,928
Other revenue	382	180
Net assets released from restrictions	72,517	68,762
Total revenues	<u>517,296</u>	<u>404,569</u>
Expenses		
Scholarship program	76,750	118,750
Accounting Scholar Leadership Symposium	12,443	15,822
Fundraising activities	179,649	176,153
Management and general	177,771	124,641
Total expenses	<u>446,613</u>	<u>435,366</u>
Change in unrestricted net assets	<u>70,683</u>	<u>(30,797)</u>
Change in temporarily restricted net assets		
Contributions	30,728	27,515
Contributions – CPA 1040K Run	6,699	15,413
Investment income	52,494	50,909
Net assets released from restrictions	(72,517)	(68,762)
Temporarily restricted net assets released to endowment	(6,250)	-
Change in temporarily restricted net assets	<u>11,154</u>	<u>25,075</u>
Change in permanently restricted net assets		
Contributions	58,519	119,082
Investment income (loss)	75,953	(4,195)
Temporarily restricted net assets released to endowment	6,250	-
Change in permanently restricted net assets	<u>140,722</u>	<u>114,887</u>
Change in net assets	222,559	109,165
Net assets		
Beginning of year	<u>2,046,280</u>	<u>1,937,115</u>
End of year	<u>\$ 2,268,839</u>	<u>\$ 2,046,280</u>

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

**Florida Institute of Certified Public Accountants' Educational Foundation, Inc.**  
**Statements of Cash Flows**  
**Years Ended June 30, 2017 and 2016**

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	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 222,559	\$ 109,165
Adjustments to reconcile change in net assets to net cash used in operating activities		
Unrealized and realized gains	(147,951)	(28,772)
Dividend reinvestments	(39,309)	(37,795)
Bad debt expense	2,733	-
(Increase) decrease in		
Accounts receivable – due from Florida Institute of Certified Public Accountants, Inc. and chapters	1,759	891
Accounts receivable – other	(2,112)	957
Prepaid expenses and deposits	2,344	1,369
Pledged contributions receivable	(20,857)	(83,470)
Increase (decrease) in		
Scholarships, accounts payable, and accrued expenses	(32,812)	(13,960)
Deferred revenues	1,375	(8,675)
Net cash used in operating activities	<u>(12,271)</u>	<u>(60,290)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sales and maturities of investments	176,015	283,956
Purchase of investments	<u>(166,841)</u>	<u>(305,359)</u>
Net cash provided by (used in) investing activities	<u>9,174</u>	<u>(21,403)</u>
<b>Net change in cash and cash equivalents</b>	(3,097)	(81,693)
<b>Cash and cash equivalents</b>		
Beginning of year	<u>280,024</u>	<u>361,717</u>
End of year	<u>\$ 276,927</u>	<u>\$ 280,024</u>

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The Florida Institute of Certified Public Accountants' Educational 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 subsidizing educational programs in the field of public accounting to qualified students enrolled in accredited colleges and universities in the state of Florida. The 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. On July 20, 2017, the Board of Trustees voted to amend the articles of incorporation and change the Foundation's name to FICPA Scholarship Foundation, Inc.

**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:

Unrestricted – Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time. When a restriction is satisfied or expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently Restricted – Net assets subject to donor-imposed stipulations to be maintained permanently by the Foundation. The donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes.

**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.

**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. The Foundation believes there is no significant risk with respect to these deposits.



### **Pledged Contributions Receivable**

All unconditional pledges that are verifiable, probable, and measurable are recorded at their estimated realizable value on a discounted basis using rates ranging from 0.625% to 2.375%. The Foundation determines an allowance based on specific identification, historical write-offs, and current economic conditions. As of June 30, 2017, the allowance for uncollectible pledges was \$800. There was no allowance recorded as of June 30, 2016.

### **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 3 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 comprised of common stocks and U.S. Treasury agency and corporate bonds with maturities greater than three months.

### **Deferred Revenues**

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

### **Revenue Recognition**

#### **Contributions**

Contributions, including unconditional pledges, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional pledges, if any, are recognized when the conditions on which they depend are substantially met. Unconditional pledges due in the next year are recorded at their net realizable value. Unconditional pledges 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.

#### **Contributed Facilities and Services**

The amount of contributed goods and services represent the estimated fair value of corporate goods and 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. The amount of contributed goods and services included as unrestricted revenues in the statements of activities is \$149,074 and \$56,352 for the years ended June 30, 2017 and 2016, respectively. These contributions include \$32,538 and \$11,787 in support of the fundraising activities of the Foundation for the years ended June 30, 2017 and 2016, 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, 2017 and 2016. The Foundation is not classified as a private foundation by the Internal Revenue Service.

**Florida Institute of Certified Public Accountants' Educational Foundation, Inc.**  
**Notes to Financial Statements**  
**June 30, 2017 and 2016**

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, 2017.

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 September 29, 2017, the date which the financial statements were available to be issued. Based upon this evaluation, except as described in Note 1, the Foundation has determined that no other subsequent events have occurred, which require adjustment to or disclosure in the financial statements.

**2. INVESTMENTS**

Investments consist of the following at June 30, 2017 and 2016:

		<b>2017</b>	
	<b>Historical Cost</b>	<b>Cumulative Unrealized Gains (Losses)</b>	<b>Market and Carrying Value</b>
Vanguard 500 Index Fund	\$ 264,414	\$ 221,092	\$ 485,506
Vanguard Dividend Growth Fund	4,438	518	4,956
Vanguard Inter-Term Bond Index Fund	176,778	5,671	182,449
Vanguard International Stock Index Fund	20,569	645	21,214
Vanguard Total International Index Fund	37,771	2,396	40,167
Vanguard Small Cap Index Fund	37,033	42,035	79,068
Vanguard Short-Term Bond Index Fund	180,035	1,258	181,293
Vanguard Short-Term Corporate Bond ETF	121,745	(212)	121,533
Vanguard Inter-Term Corporate Bond ETF	122,016	641	122,657
Vanguard Inter-Term Tax-Exempt Fund	18,683	(550)	18,133
Vanguard Dividend Appreciation ETF	258,792	92,025	350,817
Vanguard FTSE Emerging Markets ETF	18,168	(794)	17,374
Rydex Guggenheim S&P 500 ETF	97,725	27,930	125,655
iShares Core S&P 500 ETF	148,826	17,998	166,824
	<u>\$ 1,506,993</u>	<u>\$ 410,653</u>	<u>\$ 1,917,646</u>
Total investments	<u>\$ 1,506,993</u>	<u>\$ 410,653</u>	<u>\$ 1,917,646</u>

**Florida Institute of Certified Public Accountants' Educational Foundation, Inc.**  
**Notes to Financial Statements**  
**June 30, 2017 and 2016**

	<b>2016</b>		
	<b>Historical Cost</b>	<b>Cumulative Unrealized Gains (Losses)</b>	<b>Market and Carrying Value</b>
Vanguard 500 Index Fund	\$ 274,342	\$ 167,341	\$ 441,683
Vanguard Dividend Growth Fund	4,282	141	4,423
Vanguard Inter-Term Bond Index Fund	171,417	12,822	184,239
Vanguard International Stock Index Fund	20,014	(2,344)	17,670
Vanguard Total International Index Fund	36,721	(3,262)	33,459
Vanguard Mid Cap Index Fund	62,569	46,242	108,811
Vanguard Small Cap Index Fund	35,875	30,491	66,366
Vanguard Short-Term Bond Index Fund	177,209	3,997	181,206
Vanguard Short-Term Corporate Bond ETF	119,181	976	120,157
Vanguard Inter-Term Corporate Bond ETF	118,144	3,192	121,336
Vanguard Dividend Appreciation ETF	248,764	56,944	305,708
Vanguard FTSE Emerging Markets ETF	17,773	(3,148)	14,625
Rydex Guggenheim S&P 500 ETF	125,164	14,713	139,877
	<u>\$ 1,411,455</u>	<u>\$ 328,105</u>	<u>\$ 1,739,560</u>
Total investments	<u>\$ 1,411,455</u>	<u>\$ 328,105</u>	<u>\$ 1,739,560</u>

Investment income shown on the accompanying statements of activities consist of the following for the years ended June 30, 2017 and 2016:

	<b>2017</b>	<b>2016</b>
Interest and dividends	\$ 39,340	\$ 37,871
Realized gains	5,048	22,545
Unrealized gains	<u>142,903</u>	<u>6,226</u>
	<u>\$ 187,291</u>	<u>\$ 66,642</u>
Total investment income	<u>\$ 187,291</u>	<u>\$ 66,642</u>

For the years ended June 30, 2017 and 2016, investment income (loss) is presented on the statements of activities as follows:

	<b>2017</b>	<b>2016</b>
Unrestricted	\$ 58,844	\$ 19,928
Temporarily restricted	52,494	50,909
Permanently restricted	<u>75,953</u>	<u>(4,195)</u>
	<u>\$ 187,291</u>	<u>\$ 66,642</u>
Total investment income	<u>\$ 187,291</u>	<u>\$ 66,642</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.

### 3. 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.

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 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, 2017 and 2016.

*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.

**Florida Institute of Certified Public Accountants' Educational Foundation, Inc.**  
**Notes to Financial Statements**  
**June 30, 2017 and 2016**

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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, 2017 and 2016:

	<b>2017</b>	<b>2016</b>
Bond index funds	\$ 363,742	\$ 365,445
Equity index funds	569,530	621,283
International equity index funds	61,381	51,129
Municipal bond fund	18,133	-
Exchange-traded funds – corporate bonds	244,190	241,493
Exchange-traded funds – equity	643,296	445,585
Exchange-traded funds – emerging markets	17,374	14,625
	<u>1,917,646</u>	<u>1,739,560</u>
Total investments at fair value	<u>\$ 1,917,646</u>	<u>\$ 1,739,560</u>

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

**4. PLEDGED CONTRIBUTIONS RECEIVABLE**

Pledged contributions receivable consist of the following unconditional promises to give at June 30, 2017 and 2016:

	<b>2017</b>	<b>2016</b>
Receivable in less than one year	\$ 40,981	\$ 26,241
Receivable in one to five years	102,853	99,766
Total pledged contributions receivable	143,834	126,007
Less discounts to present value	(2,491)	(3,588)
Allowance for uncollectible pledges	(800)	-
	<u>140,543</u>	<u>122,419</u>
Pledged contributions receivable	<u>\$ 140,543</u>	<u>\$ 122,419</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.

Pledged contributions receivable are presented on the statements of financial position as follows at June 30, 2017 and 2016:

	<b>2017</b>	<b>2016</b>
Pledged contributions receivable – net	\$ 40,981	\$ 26,241
Pledged contributions receivable, less current portion – net	99,562	96,178
	<u>140,543</u>	<u>122,419</u>
Pledged contributions receivable	<u>\$ 140,543</u>	<u>\$ 122,419</u>

**Florida Institute of Certified Public Accountants' Educational Foundation, Inc.**  
**Notes to Financial Statements**  
**June 30, 2017 and 2016**

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**5. TEMPORARILY RESTRICTED NET ASSETS**

For the years ended June 30, 2017 and 2016, net assets were released from donor restrictions by either incurring expenses satisfying the purpose of the restriction or meeting time restrictions specified by the donors as follows:

	<b>2017</b>	<b>2016</b>
Net asset restrictions accomplished		
Program expenses incurred	\$ 61,467	\$ 45,424
Time restrictions expired on pledged contributions receivable	<u>11,050</u>	<u>23,338</u>
Net assets released from restrictions	<u>\$ 72,517</u>	<u>\$ 68,762</u>

For the year ended June 30, 2017, the temporary restrictions on \$6,250 of temporarily restricted net assets were changed to permanent restrictions and the balance was released to the James L. Wilcox endowment (see Note 6).

At June 30, 2017 and 2016, temporarily restricted net assets are temporarily restricted for the following purposes:

	<b>2017</b>	<b>2016</b>
For periods subsequent to year end	\$ 20,392	\$ 18,514
Accounting Development Program	4,560	4,560
Scholarships from endowment income	73,073	47,284
Accounting Scholar Leadership Symposium	24,430	34,030
CPA 1040K Run proceeds	44,722	47,024
Wallace H. Coulter Foundation Grant	<u>66,135</u>	<u>70,746</u>
Total temporarily restricted net assets	<u>\$ 233,312</u>	<u>\$ 222,158</u>

**6. PERMANENTLY RESTRICTED NET ASSETS**

Permanently restricted net assets 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 unrestricted or temporarily restricted income, 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 are all donor-restricted endowment funds and fully funded at June 30, 2017. 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.

**Florida Institute of Certified Public Accountants' Educational Foundation, Inc.**  
**Notes to Financial Statements**  
**June 30, 2017 and 2016**

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At June 30, 2017 and 2016, permanently restricted net assets are restricted for the following purposes:

	<b>2017</b>	<b>2016</b>
Georgia Nelidsky Endowment	\$ 78,479	\$ 74,338
George E. Shierling Endowment	133,537	124,393
Beatrice Cohen Endowment	11,751	11,130
Douglas James Davis Endowment	105,275	99,144
Lloyd A. Turman Endowment	31,898	30,215
Orvis M. Kemp Endowment	33,760	31,978
Ben A. Stevens, Jr. Endowment	34,855	32,916
Martin M. Prague Endowment	43,210	40,682
General Educational Foundation Endowment	22,069	19,242
Gerald J. Cavanaugh Endowment	58,969	55,858
Robert R. Harris Endowment	40,646	38,589
Gold Coast Chapter Endowment	85,412	80,915
Kathryn B. Anderson Endowment	36,838	34,895
John P. Thomas Endowment	33,651	31,720
Michael R. Pender, Jr. Endowment	32,787	31,057
James L. Wilcox Endowment	525,621	491,684
Tommye E. Barie Endowment	30,812	27,871
George A. Gulisano Endowment	33,149	28,147
Mia A. Thomas Endowment	25,476	24,332
Brigade Bookkeeping Endowment	49,765	48,338
Irvin N. Gleim Endowment	25,206	25,000
Jim Lane Endowment	25,000	-
Rick Carrol Endowment	25,000	-
	<u>25,000</u>	<u>-</u>
 Total permanently restricted net assets	 <u>\$ 1,523,166</u>	 <u>\$ 1,382,444</u>

The Foundation holds various endowments which are donor-restricted. The Board of Trustees 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.

**Florida Institute of Certified Public Accountants' Educational Foundation, Inc.**  
**Notes to Financial Statements**  
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The Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by FUPMIFA. 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 unrestricted.

At June 30, 2017 and 2016, the restrictions for permanently restricted net assets are summarized as follows:

	<b>2017</b>	<b>2016</b>
Endowments		
Income is restricted	\$ 1,173,113	\$ 1,068,697
Income is unrestricted	219,147	206,702
Pledges receivable	<u>130,906</u>	<u>107,045</u>
Total internally-controlled endowments	<u>\$ 1,523,166</u>	<u>\$ 1,382,444</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 return 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%



**Florida Institute of Certified Public Accountants' Educational Foundation, Inc.**  
**Notes to Financial Statements**  
**June 30, 2017 and 2016**

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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, 2017 and 2016, activity with permanently restricted endowments is as follows:

	<b>2017</b>	<b>2016</b>
Endowments at July 1	\$ 1,382,444	\$ 1,267,557
Investment income	27,559	26,832
Appreciation (realized and unrealized)	100,888	19,882
Allocation of investment income to temporarily restricted net assets and unrestricted net assets	(52,494)	(50,909)
Contributions	58,519	119,082
Temporarily restricted net assets released to James L. Wilcox endowment	6,250	-
Endowments at June 30	<u>\$ 1,523,166</u>	<u>\$ 1,382,444</u>

Endowments include pledges receivable totaling \$130,906 and \$107,045 at June 30, 2017 and 2016, respectively.

**7. DESIGNATIONS OF UNRESTRICTED NET ASSETS**

The Board of Trustees designates collections from half of the Platinum, all of the Fellow, Diamond, and Life members' pledges, and the related interest earnings thereon to provide scholarships. As of June 30, 2017 and 2016, such designated amounts totaled \$278,943 and \$267,393, respectively. These amounts are included in unrestricted net assets and the interest earnings are included as an increase in unrestricted net assets.

**8. DUE FROM FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS, INC. AND CHAPTERS**

The Florida Institute of Certified Public Accountants, Inc. (the "FICPA") collects contributions on the Foundation's behalf. At June 30, 2017 and 2016, FICPA had collected contributions payable to the Foundation of \$29,018 and \$22,329, respectively. Additionally, regional chapters of the FICPA provide sponsorships and designate annual funds in excess of expenses as contributions to the Foundation. At June 30, 2017 and 2016, funds due to the Foundation from designated excess annual funds totaled \$32,638 and \$41,660, respectively. The Foundation owes money back to the FICPA in the amount of \$19,658 and \$20,232 at June 30, 2017 and 2016, respectively.

**9. COMMITMENTS AND CONTINGENCIES**

**Coulter Foundation Grant**

During the year ended June 30, 2009, the Foundation received a grant totaling \$1,000,000 from the Wallace H. Coulter Foundation in honor of James L. Wilcox, CPA. All contributions from the Wallace H. Coulter Foundation must be committed for the programs set forth in the grant agreement within five years of receipt. Use of the grant funds is restricted to the James L. Wilcox Minority Summer Residency Program, James L. Wilcox African American Undergraduate Scholarship Program, and African American Fifth Year Scholarship Program. In 2011, the Coulter Foundation amended the grant agreement to create a permanent endowment. At June 30, 2017, the endowment balance totaled \$525,621.

In 2012, the Foundation committed \$120,000 of scholarships to students as part of the James L. Wilcox African American Undergraduate Scholarship Program. The scholarship is renewable annually if certain criteria are met. As the scholarship recipients' eligibility is evaluated annually, the Foundation did not record a liability in the financial statements. At June 30, 2016, there were no remaining scholarship commitments.



**SUPPLEMENTARY INFORMATION**

**Florida Institute of Certified Public Accountants' Educational Foundation, Inc.**  
**Schedule of Revenues and Expenses – Fundraising**  
**Year Ended June 30, 2017**

	<b>CPA 1040K Run</b>	<b>Ocean Reef Golf Tournament</b>	<b>Suncoast Scramble Golf Tournament</b>	<b>Golfing Fore Education Tournament</b>	<b>Miscellaneous Fundraising</b>	<b>Subtotal</b>	<b>Management and Administrative</b>	<b>Total</b>
<b>Revenues</b>								
Fundraising activities	\$ 60,845	\$ 50,105	\$ 24,890	\$ 7,705	\$ 11,229	\$ 154,774	\$ -	\$ 154,774
Contributions – local chapters	-	-	-	-	-	-	38,423	38,423
Contributions – FICPA	16,927	6,018	8,855	738	-	32,538	116,536	149,074
Contributions – other	-	-	-	-	-	-	43,282	43,282
Total revenues	<u>77,772</u>	<u>56,123</u>	<u>33,745</u>	<u>8,443</u>	<u>11,229</u>	<u>187,312</u>	<u>198,241</u>	<u>385,553</u>
<b>Expenses</b>								
FICPA in-kind support	16,927	6,018	8,855	738	-	32,538	116,536	149,074
Salaries	9,959	-	-	-	-	9,959	-	9,959
Consulting	1,949	3,546	1,987	-	-	7,482	27,708	35,190
Facility and administrative services	26,560	19,902	7,436	2,893	-	56,791	-	56,791
Meetings and travel	2,614	13,403	6,417	-	-	22,434	-	22,434
Raffle prizes and auctions	145	2,084	98	-	3,116	5,443	-	5,443
Office expense	1,415	249	773	-	-	2,437	-	2,437
Awards	4,792	-	2,866	103	-	7,761	-	7,761
Miscellaneous	6,712	1,170	730	100	-	8,712	-	8,712
Total expenses	<u>71,073</u>	<u>46,372</u>	<u>29,162</u>	<u>3,834</u>	<u>3,116</u>	<u>153,557</u>	<u>144,244</u>	<u>297,801</u>
Fundraising proceeds	6,699	9,751	4,583	4,609	8,113	33,755	53,997	87,752
Additional activity	<u>(6,699)</u> <sup>(1)</sup>	<u>(2,500)</u> <sup>(2)</sup>	<u>(3,285)</u> <sup>(3)</sup>	<u>(4,609)</u> <sup>(4)</sup>	-	<u>(17,093)</u>	-	<u>(17,093)</u>
Change in net assets	<u>\$ -</u> <sup>(5)</sup>	<u>\$ 7,251</u>	<u>\$ 1,298</u>	<u>\$ -</u>	<u>\$ 8,113</u>	<u>\$ 16,662</u>	<u>\$ 53,997</u>	<u>\$ 70,659</u>

(1) Event proceeds transferred to temporarily restricted net assets.

(2) Event contributions to George A. Gulisano Endowment.

(3) Suncoast Chapter of FICPA profit share split. All profit sharing is donated back to the Foundation for general scholarships.

(4) Event contributions to Mia Thomas Endowment.

(5) Activity does not include \$9,000 in scholarship awards issued from previously collected proceeds.