

**SOUTH CAROLINA ATHLETIC  
COACHES ASSOCIATION, INC.**

**AUDITED FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2020**

SOUTH CAROLINA ATHLETIC COACHES ASSOCIATION, INC.

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Independent Auditor's Report

To the Board of Directors  
South Carolina Athletic Coaches Association, Inc.  
Greenwood, South Carolina

We have audited the accompanying financial statements of the South Carolina Athletic Coaches Association, Inc. (a not-for-profit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2020, and the related statement of support, revenue, and expenses – modified cash basis for the year 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 the modified cash basis of accounting as described in Note 1. This includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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



To the Board of Directors  
South Carolina Athletic Coaches Association, Inc.  
October 27, 2021

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 assets, liabilities, and net assets of the South Carolina Athletic Coaches Association, Inc. as of December 31, 2020, and the support, revenue, and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

### **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedule 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.

***McKinley, Cooper & Co., LLC***

Greenville, South Carolina  
October 27, 2021

SOUTH CAROLINA ATHLETIC COACHES ASSOCIATION, INC.

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS -  
MODIFIED CASH BASIS  
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS

Cash on hand and in banks	\$	145,344
Investments		<u>1,008,891</u>
Total current assets		<u>1,154,235</u>

Total assets	\$	<u><u>1,154,235</u></u>
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NET ASSETS

NET ASSETS

Net assets without donor restrictions	\$	1,112,942
Net assets with donor restrictions		<u>41,293</u>
Total net assets	\$	<u><u>1,154,235</u></u>

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

SOUTH CAROLINA ATHLETIC COACHES ASSOCIATION, INC.

STATEMENT OF SUPPORT, REVENUE, AND EXPENSES -  
MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions		Total
		Scholarships	North-South Football	
<b>REVENUE AND OTHER SUPPORT</b>				
Contributions	\$ -	\$ 21,830	\$ 38,775	\$ 60,605
Membership dues	287,106	-	-	287,106
Exhibition fees	3,000	-	-	3,000
School sponsors	3,694	-	-	3,694
Investment income	77,557	-	-	77,557
Awards banquet	3,555	-	-	3,555
Miscellaneous	30	-	-	30
Net assets released from restrictions	98,643	(21,830)	(76,813)	-
<b>Total revenue and other support</b>	<b>473,585</b>	<b>-</b>	<b>(38,038)</b>	<b>435,547</b>
<b>EXPENSES</b>				
Program services	199,537	-	-	199,537
Supporting services - management and general	197,912	-	-	197,912
<b>Total expenses</b>	<b>397,449</b>	<b>-</b>	<b>-</b>	<b>397,449</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>76,136</b>	<b>-</b>	<b>(38,038)</b>	<b>38,098</b>
<b>NET ASSETS, beginning of year</b>	<b>1,036,806</b>	<b>-</b>	<b>79,331</b>	<b>1,116,137</b>
<b>NET ASSETS, end of year</b>	<b>\$ 1,112,942</b>	<b>\$ -</b>	<b>\$ 41,293</b>	<b>\$ 1,154,235</b>

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

# **SOUTH CAROLINA ATHLETIC COACHES ASSOCIATION, INC.**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020**

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

South Carolina Athletic Coaches Association, Inc. is a not-for-profit organization whose purpose is to promote and foster good coaching techniques at all levels of coaching and school ages throughout South Carolina and to provide scholarships to children of coaches. A summary of the Association's accounting policies that affect the more significant elements of the financial statements are stated below.

#### **Basis of Accounting**

The financial statements of the Association have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Modifications to the cash basis of accounting include recording depreciation on property and equipment, and recording unrealized gains on investments.

#### **Net Assets and Donor-Imposed Restrictions**

The Association follows the provisions of Accounting Standards Update ("ASU") 2016-14: Not-for-Profit Entities (Topic 958) Presentation of Financial Statements for Not-for-Profit Entities as it relates to net asset classifications and liquidity disclosure.

The Association reports information regarding its net assets according to two classes: net assets with donor restrictions and net assets without donor restrictions. Net assets without donor restrictions represent resources whose use is not limited or restricted by donors.

All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions which increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Association reports that support as without donor restrictions.

#### **Depreciation of Furniture and Equipment**

Furniture and equipment are reported at cost. Maintenance and repairs are charged to expense as incurred and renewals and improvements are capitalized. The Association provides for depreciation using the straight-line method over useful lives of three to five years for furniture and equipment.

Depreciation expense was \$1,926 for the year ended December 31, 2020. At December 31, 2020, furniture and equipment with an original cost of \$47,068 was fully depreciated, thus having a \$0 net book value.

#### **Income Taxes**

The Association has obtained exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as an organization which is not a private foundation as well as an eleemosynary corporation recognized in South Carolina. Therefore, no provision for income taxes has been included in the financial statements.

The Association recognizes the tax benefits from uncertain tax positions only if it is more-likely-than-not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Association's income tax filings are subject to audit by various taxing authorities. Management believes there is no significant impact on the Association's financial statements associated with uncertain tax positions.

### **Investments**

Investments consist primarily of assets invested in marketable equity and debt securities and money-market accounts. The Association accounts for investments in accordance with FASB ASC 958-320 and subsections. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the statement of financial position. Fair value of marketable equity and debt securities is based on quoted market prices.

Investment income is recorded net of investment expenses. The realized and unrealized gain or loss on investments is reflected in the statement of activities.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

### **Contributed Items**

Contributed items are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

### **Contributed Services**

During the year ended December 31, 2020, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

### **Fair Value of Financial Instruments**

The Association's financial instruments are cash and cash equivalents. The carrying values of cash and cash equivalents approximate fair value because of the terms and relative short maturity. The carrying values, which are the fair value of investments, are based on values provided by an external investment manager or comparison to quoted market rates.

### **Concentrations of Credit Risk**

Financial instruments, which potentially subject the Association to concentrations of credit risk, consist primarily of cash investments.

The Association places its temporary cash investments with high-credit financial institutions and limits the amount of credit exposure to any one financial institution. These deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. Any amounts in excess of \$250,000 are uninsured and uncollateralized. The amounts on deposit at December 31, 2020 did not exceed the federally insured limit.

### **Estimates**

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.



## **NOTE 2 – LIQUIDITY AND AVAILABILITY OF FUNDS**

The Association's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, are as follows:

Cash and cash equivalents	\$ 145,344
Short-term investments -	
Money Market funds	256,179
	<u>\$ 401,523</u>

As part of the Association's liquidity management it has a policy to structure its financial assets to be available as its general expenditures and other obligations come due. The Association invests cash in excess of anticipated requirements in money market funds which can be quickly accessed if such needs arise.

## **NOTE 3 – RESTRICTIONS ON ASSETS**

The assets with donor restrictions at the end of 2020 relate to funds raised for the North-South Football game. Assets with donor restrictions for the North-South Football game are intended to be used for expenses related to the annual All-Star Football game. Those restrictions are considered to expire when payments are made.

## **NOTE 4 – FAIR VALUE MEASUREMENTS**

The FASB *Fair Value Measurement* standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable.

The Association has adopted this standard for its financial assets and liabilities measured on a recurring and nonrecurring basis (ASC 820-10).

Fair Value Measurement defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, (i.e., an exit price). To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association 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;
- inputs that are derived principally from or corroborated by observable market data by correlation or by 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.

Inputs refer broadly to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics and other factors. The Association is required by the pronouncement to maximize the use of observable inputs (Levels 1 and 2) and minimize the use of unobservable inputs (Level 3). The Association considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Association's perceived risk of that instrument.

The following table summarizes the valuation of the Association's financial assets and liabilities measured at fair value as of December 31, 2020, based on the level of input utilized to measure fair value:

Assets measured at fair value	Level 1	Level 2	Total
Money Market funds	\$ 256,179	\$ -	\$ 256,179
Marketable equity securities	725,859	-	725,859
Corporate bonds and notes	-	26,853	26,853
Total assets at fair value	\$ 982,038	\$ 26,853	\$ 1,008,891

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value. There have been no changes in the methodologies used at December 31, 2020.

*Short-term investments* - The fair value of short-term investments, consisting primarily of money market funds, is classified as Level 1. The money market mutual fund consists primarily of domestic commercial paper and other cash management instruments, such as repurchase agreements and master notes, U.S. government and corporate obligations and other securities of foreign issuers.

*Equity Investments* - Investments in equity vehicles are comprised of corporate stocks and daily traded mutual funds. Securities held in corporate stocks and daily traded mutual funds are generally valued based on quoted market prices in active markets obtained from exchange or dealer markets for identical assets, and are accordingly categorized as Level 1, with no valuation adjustments applied. Corporate stocks that are traded in inactive markets are categorized as Level 2.

*Debt Investments* - Investments in debt vehicles are comprised of corporate bonds and notes, which are classified as Level 2, based on multiple sources of information. These sources may include market data for assets from markets that are not active and/or quoted market prices for the same or similar assets in active markets. To estimate the fair value, the Association used an industry standard valuation model which is based on a market approach.

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 estimate of fair value at the reporting date.

#### **NOTE 5 – INVESTMENT INCOME**

Investment income from cash equivalents and investments comprise the following for the year ended December 31, 2020:

Dividends and interest	\$	30,612
Unrealized gains (losses)		46,945
	\$	<u>77,557</u>

#### **NOTE 6 – RETIREMENT PLAN**

The Association provides pension benefits for eligible full-time employees through the South Carolina Retirement Systems, a cost-sharing multiple-employer defined benefit pension plan. The Association participates in the following plan:

South Carolina Retirement System (SCRS) membership is composed of full-time general employees who do not belong to the other retirement plans.

The South Carolina Retirement System (SCRS) is a cost-sharing, multi-employer defined benefit pension plan administered by the South Carolina Public Employee Benefit Authority (PEBA), a Division of the State Budget and Control Board. The SCRS offers retirement and disability benefits, group life insurance benefits, survivor benefits, and cost of living adjustments on an ad-hoc basis. The Plans' provisions are established under Title 9 of the SC Code of Laws which requires both employees and employers to contribute to the Plans.

Both employers and employees are required to contribute to the plan.

Required contribution rates for the year ended December 31, 2020 are as follows:

SCRS	
Employee	9.00%
Employer	15.41%
Employer Incidental Death Benefit	0.15%

The Association's employer contribution to the SCRS for the year ended December 31, 2020 was \$209. Contributions made were equal to 100% of the required contributions for the year.

A Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the SCRS is publicly available on the South Carolina Retirement System's website at [www.retirement.sc.gov](http://www.retirement.sc.gov), or a copy may be obtained by submitting a request to the South Carolina Retirement Systems, P.O. Box 11960, Columbia, SC 29211-1960.

#### **NOTE 7 – OPERATING LEASES**

The Association leases a copier for \$167 per month plus an additional fee based on number of copies under an operating lease agreement which expires in 2021. Amount paid under the lease was \$2,319 for the year ended December 31, 2020.

The Association leases an automobile for \$809 per month for 48 months. Amount paid under this lease agreement was \$9,708 for the year ended December 31, 2020.

The Association has entered into a lease agreement to lease office space from an unrelated entity for \$100 per month for a period of 1 year. The lease can be renewed annually until June, 2023. The Association will be responsible for general liability insurance coverage with a minimum liability limit of \$1,000,000.

#### NOTE 8 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

SOUTH CAROLINA ATHLETIC COACHES ASSOCIATION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2020

	Program Services	Supporting Services Management and General	Total
<b>Compensation/Related Expenses</b>			
Compensation	\$ -	\$ 55,877	\$ 55,877
Management fee	-	64,342	64,342
Payroll taxes	-	1,544	1,544
	-	121,763	121,763
Awards banquet	13,515	-	13,515
Board expense	-	3,095	3,095
Clinic expense	1,425	-	1,425
Depreciation	-	1,926	1,926
General office	-	23,411	23,411
Liability insurance	-	32,697	32,697
North-South Football game	76,813	-	76,813
Other	-	2,995	2,995
Postage and printing	-	239	239
Rings, awards, and merchandise	16,784	-	16,784
Scholarships	91,000	-	91,000
Travel	-	11,786	11,786
	<u>\$ 199,537</u>	<u>\$ 197,912</u>	<u>\$ 397,449</u>