

**SOUTH CAROLINA ASSOCIATION
OF NONPROFIT ORGANIZATIONS**

REPORT ON FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
JUNE 30, 2011 AND 2010**

SOUTH CAROLINA ASSOCIATION OF NONPROFIT ORGANIZATIONS

CONTENTS

	<u>PAGE</u>
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	1
FINANCIAL STATEMENTS	
Statements of financial position	2
Statement of activities - for the year ended June 30, 2011	3
Statement of activities - for the year ended June 30, 2010	4
Statements of cash flows	5
NOTES TO FINANCIAL STATEMENTS	6 - 9



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
South Carolina Association of Nonprofit Organizations
Columbia, South Carolina

We have audited the accompanying statements of financial position of South Carolina Association of Nonprofit Organizations (SCANPO) as of June 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of SCANPO's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Carolina Association of Nonprofit Organizations as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Elliott Davis LLC

Columbia, South Carolina
October 27, 2011

SOUTH CAROLINA ASSOCIATION OF NONPROFIT ORGANIZATIONS
STATEMENTS OF FINANCIAL POSITION

	JUNE 30,	
	2011	2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 233,625	\$ 277,566
Certificate of deposit	-	41,328
Contributions receivable	11,149	20,421
Accounts receivable	10,478	12,114
Prepaid expenses	6,511	6,309
Other assets	-	418
	261,763	358,156
FURNITURE AND EQUIPMENT, NET	14,994	47,678
Total assets	\$ 276,757	\$ 405,834
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 8,792	\$ 14,500
Accrued expenses	627	4,271
Accrued vacation	4,357	872
Unearned membership revenue	68,660	88,571
Unearned grant revenue	-	1,097
	82,436	109,311
NET ASSETS		
Unrestricted	165,255	253,469
Temporarily restricted	29,066	43,054
	194,321	296,523
Total liabilities and net assets	\$ 276,757	\$ 405,834

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

SOUTH CAROLINA ASSOCIATION OF NONPROFIT ORGANIZATIONS
STATEMENT OF ACTIVITIES
For the year ended June 30, 2011

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT			
Membership dues	\$ 190,360	\$ -	\$ 190,360
Contributions	42,730	74,921	117,651
Conferences and training	120,609	2,630	123,239
Cooperative purchasing	16,638	-	16,638
Miscellaneous	1,805	-	1,805
Interest	352	-	352
Net assets released from restrictions	91,539	(91,539)	-
Total revenues, gains and other support	464,033	(13,988)	450,045
EXPENSES			
Program services	270,161	-	270,161
Management and general	250,422	-	250,422
Fundraising	31,664	-	31,664
Total expenses	552,247	-	552,247
Change in net assets	(88,214)	(13,988)	(102,202)
NET ASSETS,			
BEGINNING OF YEAR	253,469	43,054	296,523
NET ASSETS,			
END OF YEAR	\$ 165,255	\$ 29,066	\$ 194,321

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

SOUTH CAROLINA ASSOCIATION OF NONPROFIT ORGANIZATIONS
STATEMENT OF ACTIVITIES
For the year ended June 30, 2010

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT			
Membership dues	\$ 202,722	\$ -	\$ 202,722
Contributions	71,485	73,754	145,239
Conferences and training	226,255	9,670	235,925
Cooperative purchasing	21,341	-	21,341
Miscellaneous	5,818	-	5,818
Interest	587	-	587
Net assets released from restrictions	92,876	(92,876)	-
Total revenues, gains and other support	621,084	(9,452)	611,632
EXPENSES			
Program services	384,527	-	384,527
Management and general	83,618	-	83,618
Fundraising	19,908	-	19,908
Total expenses	488,053	-	488,053
Change in net assets	133,031	(9,452)	123,579
NET ASSETS, BEGINNING OF YEAR			
	120,438	52,506	172,944
NET ASSETS, END OF YEAR			
	\$ 253,469	\$ 43,054	\$ 296,523

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

SOUTH CAROLINA ASSOCIATION OF NONPROFIT ORGANIZATIONS
STATEMENTS OF CASH FLOWS

	For the years ended	
	June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (102,202)	\$ 123,579
Adjustments to reconcile the change in net assets to net cash provided by (used for) operating activities		
Depreciation	3,843	4,108
Loss on disposition of computer software	37,262	-
Changes in deferred and accrued amounts		
Contributions receivable	9,272	(20,421)
Accounts receivable	1,636	(8,854)
Prepaid expenses	(202)	(745)
Other assets	418	(418)
Accounts payable	(5,708)	688
Accrued expenses	(3,644)	(1,440)
Accrued vacation	3,485	(6,299)
Unearned membership revenue	(19,911)	(35,701)
Unearned grant revenue	(1,097)	1,097
Net cash provided by (used for) operating activities	(76,848)	55,594
INVESTING ACTIVITIES		
Purchase of certificate of deposit	-	(451)
Maturity of certificate of deposit	41,328	-
Purchases of furniture and equipment	(8,421)	(37,262)
Net cash provided by (used for) investing activities	32,907	(37,713)
Net (decrease) increase in cash and cash equivalents	(43,941)	17,881
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	277,566	259,685
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 233,625	\$ 277,566
SUPPLEMENTAL DATA FOR NON-CASH ACTIVITIES		
In-kind contributions	\$ 16,230	\$ 18,455

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

SOUTH CAROLINA ASSOCIATION OF NONPROFIT ORGANIZATIONS
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

South Carolina Association of Nonprofit Organizations (SCANPO), is a not-for-profit organization established in 1996 to support and advocate for charitable nonprofit organizations in South Carolina. The organization provides technical assistance and training programs and materials to increase professionalism and accountability at its member organizations. It advocates on behalf of its members and creates communication networks within and between the state's public and private sectors. It offers services and technology that enable its members to save money and time while serving as a gateway for the flow of information to and from the nonprofit sector and the business and government sectors. SCANPO is supported by grants and by membership dues, as well as by fees paid by members to attend meetings and workshops and to participate in various training programs.

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Financial statement presentation

SCANPO is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. SCANPO does not have any permanently restricted net assets.

Statement of cash flows

For purposes of the statement of cash flows, SCANPO considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Estimates

The preparation of financial statements in accordance 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the reporting period. Actual results could differ from those estimates.

Furniture and equipment

Furniture and equipment are recorded at cost. SCANPO follows the practice of capitalizing all expenditures for furniture and equipment in excess of \$1,500. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets, generally three to seven years.

Contributions

Contributions are recognized when the donor makes a promise to give that, in substance, is unconditional. Contributions that are restricted by the donor are reported as increases in temporarily restricted net assets or permanently restricted net assets depending on the nature of the restrictions.

SCANPO received in-kind contributions consisting of primarily professional services, scholarships and office equipment. These contributions are valued at the estimated value available in the market place. For the years ended June 30, 2011 and 2010, in-kind contributions of \$16,230 and \$18,455, respectively, were included in contributions.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, Continued

Compensated absences

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

Revenue recognition

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

Membership dues are recorded as revenue when earned over the applicable membership period. Unearned membership revenue results from membership periods which overlap SCANPO's fiscal year end.

Income Taxes

SCANPO is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, SCANPO has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by SCANPO and recognize a tax liability (or asset) if SCANPO has taken an uncertain position that more likely than not would not be substantiated upon examination by the IRS. Management has analyzed the tax positions taken by SCANPO, and has concluded that as of June 30, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. SCANPO is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for the years prior to 2008.

Subsequent events

The financial statements have not been evaluated by management for subsequent events occurring after October 27, 2011, which is the date these financial statements were available to be issued.

Reclassifications

The presentation of certain items in the 2010 financial statements have been reclassified to be consistent with the 2011 presentation.

NOTE 2 - CONCENTRATION OF CREDIT RISK

SCANPO places its cash and cash equivalents with high quality financial institutions. At times, deposits may exceed Federal Deposit Insurance Corporation (FDIC) insurance limits.

NOTE 3 - FAIR VALUE MEASUREMENTS

Fair value is defined as the price to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and is identified as an exit price. SCANPO utilizes market data or assumptions that market participants would use in pricing the asset or liability. SCANPO uses a three-tier fair pricing value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1 Observable inputs such as quoted prices in active markets.
- Level 2 Inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3 Unobservable inputs about which little or no market data exist; therefore requiring an entity to develop its own assumptions.

The price for SCANPO's money market account is valued using inputs other than quoted market prices in active markets and is directly observable, and the resulting fair value is categorized as Level 2.

NOTE 4 - FURNITURE AND EQUIPMENT

Furniture and equipment consists of the following at June 30:

	<u>2011</u>	<u>2010</u>
Office furniture	\$ 4,960	\$ 4,960
Computer equipment	<u>35,436</u>	<u>64,277</u>
	40,396	69,237
Less accumulated depreciation	<u>25,402</u>	<u>21,559</u>
	<u>\$ 14,994</u>	<u>\$ 47,678</u>

Depreciation expense during 2011 and 2010 was \$3,843 and \$4,108, respectively.

During the fiscal year ending June 30, 2011, SCANPO decided to abandon the use of certain computer software resulting in a charge of \$37,262.

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are to be used for the following programs at June 30:

	<u>2011</u>	<u>2010</u>
Annual conference scholarships	\$ -	\$ 1,207
Improve accountability and public support	<u>29,066</u>	<u>41,847</u>
	<u>\$ 29,066</u>	<u>\$ 43,054</u>

NOTE 6 - LEASES

SCANPO leases office space and equipment under non-cancelable operating leases expiring at various dates through 2013. Total lease expense was \$26,099 and \$28,139, for the years ended June 30, 2011 and 2010, respectively. Future minimum lease payments are as follows for the years ending June 30:

2012	\$	24,163
2013		12,230