

**FACT FORWARD**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2019**



**FACT FORWARD  
COLUMBIA, SOUTH CAROLINA**

**TABLE OF CONTENTS**

**YEAR ENDED SEPTEMBER 30, 2019**

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	<b>Page</b>
<b>Independent Auditor's Report</b>	<b>1</b>
<b>Financial Section</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
<b>Compliance Section</b>	
Schedule of Expenditures of Federal Awards	14
Notes to the Schedule of Expenditures of Federal Awards	15
Independent Auditor's Report - Report on Internal Control over Financial Reporting and on Compliance and on Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17
Independent Auditor's Report - Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance As Required by the Uniform Guidance	19
Summary Schedule of Prior Audit Findings	21
Schedule of Findings and Questioned Costs	22
Corrective Action Plan	24





# Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Fact Forward  
Columbia, South Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of Fact Forward (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows 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 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.

### *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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 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.

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 Fact Forward as of September 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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## ***Other Matters***

### ***Schedule of Expenditures of Federal Awards***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2020 on our consideration of Fact Forward's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fact Forward's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Greene Finney, LLP".

Greene Finney, LLP  
Mauldin, South Carolina  
April 20, 2020

**FACT FORWARD  
COLUMBIA, SOUTH CAROLINA**

**STATEMENT OF FINANCIAL POSITION**

**SEPTEMBER 30, 2019**

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**ASSETS**

Current Assets:

Cash and Cash Equivalents	\$	414,068
Cash and Cash Equivalents - Restricted		227,339
Grants Receivable		633,762
Other Receivables		18,647
Prepaid Expenses and Other Current Assets		20,721
Total Current Assets		<u>1,314,537</u>

Beneficial Interest in Assets Held by Others		137,201
Property and Equipment, Net		125,329

<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>1,577,067</u></b>
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**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Current Liabilities:

Accounts Payable	\$	402,405
Accrued Payroll Liabilities		10,021
Accrued Compensated Absences		49,037
Accrued Expenses		2,925
Total Current Liabilities		<u>464,388</u>

<b>TOTAL LIABILITIES</b>		<b><u>464,388</u></b>
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**NET ASSETS**

Without Donor Restrictions:

Available for Operations		760,011
Net Investment in Property and Equipment		125,329
Total Net Assets Without Donor Restrictions		<u>885,340</u>

With Donor Restrictions		227,339
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<b>TOTAL NET ASSETS</b>		<b><u>1,112,679</u></b>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u>1,577,067</u></b>
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The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

**FACT FORWARD  
COLUMBIA, SOUTH CAROLINA**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED SEPTEMBER 30, 2019**

	<b>WITHOUT DONOR RESTRICTIONS</b>	<b>WITH DONOR RESTRICTIONS</b>	<b>TOTAL</b>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Federal Grants	\$ -	2,898,398	\$ 2,898,398
State/Local Grants and Contracts	-	626,677	626,677
Corporate/Foundation Grants	847,516	248,370	1,095,886
Contributions/Sponsorships	89,032	-	89,032
Workshop Registration Income	74,470	-	74,470
Other	7,318	-	7,318
Interest Income	5,664	-	5,664
Unrealized / Realized Gains	596	-	596
Revenues and Other Support Before Net Assets Released from Restrictions	1,024,596	3,773,445	4,798,041
Net Assets Released from Restrictions	4,062,403	(4,062,403)	-
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<b>5,086,999</b>	<b>(288,958)</b>	<b>4,798,041</b>
<b>EXPENSES</b>			
Program Services	4,384,827	-	4,384,827
General and Administrative	394,281	-	394,281
Fundraising	86,780	-	86,780
<b>TOTAL EXPENSES</b>	<b>4,865,888</b>	<b>-</b>	<b>4,865,888</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>221,111</b>	<b>(288,958)</b>	<b>(67,847)</b>
<b>NET ASSETS, BEGINNING OF THE YEAR</b>	<b>664,229</b>	<b>516,297</b>	<b>1,180,526</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 885,340</b>	<b>227,339</b>	<b>\$ 1,112,679</b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

**FACT FORWARD**  
**COLUMBIA, SOUTH CAROLINA**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED SEPTEMBER 30, 2019**

	<b>PROGRAM SERVICES</b>	<b>GENERAL AND ADMINISTRATIVE</b>	<b>FUNDRAISING</b>	<b>TOTAL</b>
<b>EXPENSES</b>				
Personnel Costs	\$ 1,626,293	115,257	26,521	\$ 1,768,071
Subrecipient Awards	1,674,933	-	-	1,674,933
Incentives	8,985	-	-	8,985
Accounting/Audit fees	-	34,752	-	34,752
Legal Fees	-	2,542	-	2,542
Research Costs	1,621	-	-	1,621
Consultant/Contract/Temporary Labor	379,357	74,612	18,689	472,658
Office Supplies and Expenses	23,528	7,346	1,485	32,359
Computers/Equipment/Software	20,449	5,843	2,921	29,213
Educational Materials	48,992	-	-	48,992
Occupancy	12,840	104,990	-	117,830
Postage and Shipping	3,836	-	769	4,605
Travel	117,058	2,113	3,686	122,857
Workshop Costs	303,068	-	-	303,068
Insurance	-	7,975	-	7,975
Dues and Subscriptions	6,224	5,346	2,050	13,620
Staff Development	38,748	250	-	38,998
Community Sponsorships	8,111	-	-	8,111
Events	3,045	-	4,420	7,465
Marketing Expenses	105,964	44	25,872	131,880
Bank/Merchant Fees	-	2,682	37	2,719
Other	1,775	476	330	2,581
<b>Total Expenses Before Depreciation</b>	<b>4,384,827</b>	<b>364,228</b>	<b>86,780</b>	<b>4,835,835</b>
Depreciation	-	30,053	-	30,053
<b>TOTAL EXPENSES</b>	<b>\$ 4,384,827</b>	<b>394,281</b>	<b>86,780</b>	<b>\$ 4,865,888</b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

**FACT FORWARD  
COLUMBIA, SOUTH CAROLINA**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED SEPTEMBER 30, 2019**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ (67,847)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	30,053
Realized/Unrealized Gains	(596)
Changes in Operating Assets and Liabilities:	
Grants and Other Receivables	270,567
Prepaid Expenses and Other Current Assets	(17,100)
Accounts Payable	(4,383)
Accrued Payroll Liabilities	7,944
Accrued Vacation	27,749
Accrued Expenses	(27,880)
Other Current Liabilities	(7,511)
Net Cash Provided by Operating Activities	<u>210,996</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Reinvestment of Income from Beneficial Interest in Assets Held by Others	(3,444)
Purchase of Property and Equipment	(110,766)
Net Cash Used in Investing Activities	<u>(114,210)</u>

**NET INCREASE IN CASH AND CASH EQUIVALENTS (Unrestricted and Restricted)** **96,786**

**CASH AND CASH EQUIVALENTS (Unrestricted and Restricted), Beginning of the Year** **544,621**

**CASH AND CASH EQUIVALENTS (Unrestricted and Restricted), End of Year** **\$ 641,407**

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

**FACT FORWARD  
COLUMBIA, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE A – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

Fact Forward, formally South Carolina Campaign to Prevent Teen Pregnancy, Inc., was organized as a nonprofit organization in 1994 to assist in decreasing the number of pregnancies among South Carolina teens and to educate the general public on the consequences of unplanned pregnancies. More specifically, the mission of Fact Forward is to improve the health and economic well-being of individuals, communities, and the state of South Carolina by preventing teen pregnancy and empowering adolescents with evidence-based strategies for healthy reproductive choices. Fact Forward focuses on three main strategy areas: communication, capacity building, and research. The primary office is located in Columbia, South Carolina.

**Basis of Presentation**

The accompanying financial statements of Fact Forward have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and are presented in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Code 958-205 *Not-For-Profit Presentation of Financial Statements*. Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Fact Forward and changes therein are classified and reported as follows:

- Net Assets Without Donor Restrictions are net assets available for use in general operations and not subject to donor-imposed restrictions. The Board, at its discretion, may designate a portion of the net assets without donor restrictions to be used for specific purposes, such as capital improvements.
- Net Assets With Donor Restrictions are net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met either by the actions of Fact Forward or the passage of time. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. If a restriction is fulfilled during the same year in which the contribution is received, Fact Forward reports the support as an increase in net assets without donor restrictions.

**Description of Programs**

**Federal Grant Funding:**

- ***PAF (Pregnancy Assistance Fund)***: This grant is a partnership with the Children’s Trust of South Carolina that focuses on providing resources for four counties, Darlington, Horry, Richland and Spartanburg, that work directly with expectant and parenting teens.
- ***PREP (Personal Responsibility Education Program)***: This grant is a partnership with South Carolina Department of Health and Environmental Control (“SCDHEC”) to increase the number of youth between the ages 11 and 19 that access an evidence-based teen pregnancy prevention program, including adult preparation topics, through the distribution of grants to local communities.
- ***Tier 1A***: This grant authorizes Fact Forward to increase the capacity of 16 Department of Juvenile Justice and foster youth-serving organizations to replicate evidence-based teen pregnancy, HIV and STD prevention programs.
- ***Tier 1B***: This grant authorizes Fact Forward to work in Anderson, Aiken and Orangeburg counties to take to scale and sustain the implementation of selected evidence-based programs.

**FACT FORWARD  
COLUMBIA, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE A – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Description of Programs, (continued)**

**State Grant Funding:**

- **Department of Social Services:** This program provides education, training, technical assistance and public awareness activities throughout South Carolina and funds partners in local communities to implement evidence-based teen pregnancy prevention interventions to youth between the ages of 11 and 19.

**Private Foundation Funding:**

- **Blue Cross Blue Shield Foundation:** This grant allows Fact Forward to provide resources to targeted communities to increase access to reproductive health services including long acting reversible contraceptives (“LARC”s).
- **Palmetto Health Corp:** This grant provides resources for Fact Forward to work with clinics, schools, community-based organizations and other youth serving professionals in Fairfield, Lexington and Richland Counties to increase their knowledge and skills in providing teen pregnancy prevention programs to youth.
- **Duke Endowment:** The Duke Endowment provided two grants the Duke Darlington and the Duke LARC. **Duke Darlington:** This grant is used to support community mobilization efforts in Darlington County, implement evidence-based teen pregnancy prevention programs in schools, health centers and in the community and increase access to reproductive health services for Darlington County teens. **Duke LARC:** This grant is used to support: 1) an increase in the capacity of existing partnering health centers to integrate teen friendly reproductive health best practices into their organization’s standard operating procedures and policies; 2) increased outreach and community mobilization efforts involving communications efforts and 3) creating a learning culture within the organization utilizing research and evaluation activities to ensure the agency continues as an innovative thought leader resulting in the creation of best practices for the field.
- **New Morning Foundation:** The Choose Well grant allows Fact Forward to provide training and technical assistance to health care providers including college campus health centers to increase access to reproductive health services including LARCs.

**Cash and Cash Equivalents**

Cash equivalents included in these financial statements are defined as all highly liquid instruments purchased with an original maturity of three months or less.

**Grants Receivable**

Grants receivable represent amounts due from a governmental agency under a reimbursable grant. Grants receivable are carried at their estimated collectible amounts. Management considers all outstanding grants receivable as of September 30, 2019 to be fully collectible.

**FACT FORWARD**  
**COLUMBIA, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE A – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Beneficial Interest in Assets Held by Others**

Fact Forward has a beneficial interest in investments held by the Central Carolina Community Foundation (“CCCCF”). CCCCf retains variance power for the investment, however Fact Forward is the sole beneficiary as long as Fact Forward is in existence. Distributions from the Fund may be made by request and approval from Fact Forward’s Board of Directors.

The beneficial interest in the investments held by CCCCf are reported at their fair value in the Statement of Financial Position. Investment returns are reported in the Statement of Activities and consist of interest and dividend income, realized and unrealized capital gains and losses, less external investment expenses.

**Fair Value Framework**

The fair value framework under generally accepted accounting principles requires the categorization of assets into three levels based upon the assumptions used to value the assets. The fair value 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 (level one measurements) and the lowest priority to unobservable inputs (level three measurements).

Level 1: Observable inputs such as quoted prices in active markets.

Level 2: Quoted prices for similar assets in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The 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.

**Property and Equipment**

Property and equipment are recorded at cost. Fact Forward follows the practice of capitalizing all expenditures for furniture and equipment in excess of \$1,500. Depreciation is computed on the straight-line basis over the estimated useful lives as follows:

Furniture and Equipment	5 – 7 years
Computer software and hardware	3 – 5 years
Website	3 years

**FACT FORWARD  
COLUMBIA, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE A – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Compensated Absences**

Fact Forward accounts for compensated absences (paid time off) by recording a liability for employees' vested rights to receive compensation for future absences attributable to services already performed.

**Revenues**

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

For Fact Forward, all donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

**Contributed Services and In-Kind Contributions**

Fact Forward received in-kind donated services for their website development of \$41,000 as of September 30, 2019. These in-kind contributions are included in property, plant, and equipment line item on the Statement of Financial Position.

**Functional Allocation of Expenses**

The costs of providing program expenses, general and administrative expenses, and fundraising expenses have been summarized on a functional basis in the accompanying Statement of Functional Expenses. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Certain categories of expenses are attributable to both program services and supporting activities. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Allocated costs include salaries, benefits, and certain other employee related costs such as travel and training, which are allocated on the basis of time and effort.

**Income Tax Status**

Fact Forward is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by Fact Forward and recognize a tax liability (or asset) if Fact Forward has taken an uncertain position that more likely than not would not be substantiated upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by Fact Forward, and has concluded that as of September 30, 2019, 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. Fact Forward is open to examination by taxing jurisdictions for the past three years.

**Use of Estimates**

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**FACT FORWARD  
COLUMBIA, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE A – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Recent Accounting Pronouncements**

Effective October 1, 2018, Fact Forward adopted Accounting Standards Update (“ASU”) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), which revises the way that all not-for-profits present financial statements. Key measures of this ASU included:

1. The reduction of the three existing net asset classes (unrestricted, temporarily restricted, and permanently restricted) to two net asset classes: net assets without donor restrictions and net assets with donor restrictions.
2. An analysis of expenses both by function and natural classification either in a separate statement or within the notes to the financial statements.
3. Enhancing disclosures surrounding donor restrictions and Board designations and providing information on the not-for-profit’s financial assets and their liquidity.
4. Presentation of investment expenses netted against investment return.
5. Removing the requirement to show a reconciliation of the direct method of cash flows with the indirect method of cash flows within the statement of cash flows.

The adoption of ASU 2016-14 did not require reclassification or restatement of any opening balances related to the periods presented. Net assets previously reported as unrestricted are now reported as net assets without donor restrictions. Likewise, net assets previously reported as temporarily restricted are now reported as net assets with donor restrictions. Fact Forward did not have any permanently restricted net assets.

**NOTE B – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within the year following September 30, 2019 consist of the following:

Cash and Cash Equivalents	\$ 414,068
Grants Receivable	633,762
Other Receivable	18,647
	<u>\$ 1,066,477</u>

Fact Forward anticipates being able to meet its remaining liquidity needs during the upcoming year with grant and contribution revenues.

**NOTE C – CONCENTRATION OF CREDIT RISK**

Fact Forward maintains its cash at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. At September 30, 2019, Fact Forward’s balances at two banks exceeded FDIC limits by a total of \$264,753.

**FACT FORWARD  
COLUMBIA, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE D – GRANTS RECEIVABLE**

Grants receivables as of September 30, 2019 consisted of the following:

Pregnancy Assistance Fund	\$ 14,025
Personal Responsibility Education Program	266,061
Tier 1A Capacity	36,443
Tier 1B Community	273,265
Department of Social Services	43,968
	<u>\$ 633,762</u>

**NOTE E – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS**

Beneficial interest in assets held by others totaled \$137,201 at September 30, 2019 and represented investments held at CCCF. These were valued at fair value based on values provided by CCCF which are considered unobservable inputs and are thus categorized as level three within the fair value hierarchy. Activity for the year was as follows:

Beneficial Interest in Assets Held by CCCF - September 30, 2018	\$ 133,161
Realized and Unrealized Gains on CCCF Investments	596
Interest and Dividend Income Reinvested	3,444
Beneficial Interest in Assets Held by CCCF - September 30, 2019	<u>\$ 137,201</u>

**NOTE F – PROPERTY AND EQUIPMENT**

Property and equipment was comprised of the following at September 30, 2019:

	Useful Life	2019
Furniture and Equipment	5-7 years	\$ 61,293
Computer Software & Hardware	3-5 years	69,528
Website	3 years	270,750
		<u>401,571</u>
Less Accumulated Depreciation and Amortization		<u>(276,242)</u>
		<u>\$ 125,329</u>

**NOTE G – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were available for the following purposes at September 30, 2019:

Subject to Expenditure for Specified Purpose:	
Blue Cross Blue Shield	\$ 18,857
Blue Cross Blue Shield 2018-2019	90,260
New Morning Foundation/Choose Well	93,703
Palmetto Health	17,519
Suzan D Boyd	7,000
	<u>\$ 227,339</u>

**FACT FORWARD  
COLUMBIA, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE H – EMPLOYEE RETIREMENT PLAN**

All employees who have completed six months of service are covered under a retirement plan maintained by Fact Forward. Eligible participants may contribute up to federally mandated maximums of their annual salary. Fact Forward makes safe harbor matching contributions of 100% of salary deferrals up to the first 3% of plan compensation, plus 50% of the next 2%. The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974. Fact Forward's contributions to the plan totaled \$73,496 for the year ended September 30, 2019.

**NOTE I – LEASES**

Fact Forward has signed various operating leases for office equipment and office space that extend through 2023. Future minimum lease commitments under all operating leases are as follows as of September 30:

2020	\$ 109,501
2021	85,833
2022	11,533
2023	2,748
	<u>\$ 209,615</u>

Total lease expense for Fact Forward was \$102,447 for the year ended September 30, 2019.

**NOTE J – COMMITMENTS AND CONTINGENCIES**

Fact Forward is dependent upon several federal awards that expire during the year ending September 30, 2020. Fact Forward has not secured an additional funding source as of the report date.

**NOTE K – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through April 20, 2020, which is the date the financial statements were available to be issued.

**FACT FORWARD  
COLUMBIA, SOUTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED SEPTEMBER 30, 2019**

<b>Program</b>	<b>Federal CFDA Number</b>	<b>Grant / Contract Number</b>	<b>Expenditures</b>	<b>Expenditures to Subrecipients</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Passed through Office of Adolescent Health (OAH):				
Support for Expectant and Parenting Teens, Women, Fathers and their Families Program	93.500	SP1AH000049-01-00	\$ 74,107	\$ -
Support for Expectant and Parenting Teens, Women, Fathers and their Families Program	93.500	SP1AH000077-01-00	17,715	-
Total 93.500			<u>91,822</u>	<u>-</u>
Passed through Office of Adolescent Health (OAH):				
Strengthening Teen Pregnancy Prevention Initiatives Among High Need South Carolina Populations	93.297	1 TP1AH000133-04-01	614,012	158,750
Strengthening Teen Pregnancy Prevention Initiatives Among High Need South Carolina Populations	93.297	1 TP1AH000133-05-01	112,303	12,250
Teen Pregnancy Prevention Programs in High Need South Carolina Communities	93.297	1 TP1AH000126-04-01	1,223,640	593,443
Teen Pregnancy Prevention Programs in High Need South Carolina Communities	93.297	1 TP1AH000126-05-00	302,956	173,579
Total 93.297			<u>2,252,911</u>	<u>938,022</u>
Passed through S.C. Department of Health and Environmental Control:				
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	MC-9-369	552,352	284,475
Total 93.092			<u>552,352</u>	<u>284,475</u>
<b>TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u><b>2,897,085</b></u>	<u><b>1,222,497</b></u>
<b>GRAND TOTAL</b>			<u><b>\$ 2,897,085</b></u>	<u><b>\$ 1,222,497</b></u>

See accompanying notes to the schedule of expenditures of federal awards.

**FACT FORWARD  
COLUMBIA, SOUTH CAROLINA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED SEPTEMBER 30, 2019**

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**A – General**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of Fact Forward for the year ended September 30, 2019. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

**B – Basis of Accounting**

The accompanying Schedule is presented using the accrual basis of accounting.

**C – Relationship to Financial Statements**

Federal award expenditures are reported in Fact Forward’s financial statements as expenses in the Statement of Activities.

**D – Relationship to Federal Financial Reports**

Amounts reported in the accompanying Schedule agree with the amounts reported in the related federal financial reports except for timing differences relating to expenditures made subsequent to the filing of the federal financial reports.

**E – Indirect Cost Rate**

Fact Forward has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance except for awards that can be fully utilized with direct costs.

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# Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

### INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Fact Forward  
Columbia, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Fact Forward (the "Organization") which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 20, 2020.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001, that we consider to be a significant deficiency.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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### **Organization's Response to Finding**

The Organization's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Greene Finney, LLP". The script is cursive and fluid, with the letters "G", "F", and "L" being particularly prominent.

Greene Finney, LLP  
Mauldin, South Carolina  
April 20, 2020



# Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE

### INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Fact Forward  
Columbia, South Carolina

#### Report on Compliance for Each Major Federal Program

We have audited Fact Forward's (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2019. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### *Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

#### *Opinion on Each Major Federal Program*

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

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## Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-002, that we consider to be a significant deficiency.

The Organization's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Greene Finney, LLP  
Mauldin, South Carolina  
April 20, 2020

**FACT FORWARD  
COLUMBIA, SOUTH CAROLINA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**YEAR ENDED SEPTEMBER 30, 2019**

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**2018-001 - Failure of Bank Reconciliation Process**

**Condition, Criteria**

**Cause and Effect:** Controls over bank reconciliations should be in process so that the bank balance is reconciled to the book balance. The bank reconciliation provided during the audit was materially understated by approximately \$275,000, causing a credit balance in cash. The bank reconciliation was not performed correctly, and there was no documented review of the bank reconciliation.

**Status:** Fact Forward staff have received training and are now correctly reconciling the bank balance to the book balance.

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**2018-002 and 2018-003 - Failure to Record Accounts Payable and Grants Receivable**

**Condition, Criteria**

**Cause and Effect:** Controls over capturing all accounts payables for goods and services provided during the audit year should be in place to ensure that the accounts payable balance is materially correct. As some of the accounts payable related to purchases under reimbursable grants, grants receivable was also understated. The accounts payable detail provided during the audit was materially understated by approximately \$350,000. Grants receivable was materially understated by approximately \$200,000.

**Status:** Fact Forward staff have received training and are now entering invoices with the correct date to ensure that amounts were captured in the correct financial period.

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**2018-004 – Reconciliation of General Ledger Accounts**

**Condition, Criteria**

**Cause and Effect:** Internal controls over financial reporting should be in place to provide reasonable assurance that the annual financial statements, including the required note disclosures, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). During the audit testing procedures, it was noted that cash, revenues, receivables, property and equipment, in-kind revenues, and various accrual accounts required audit adjusting entries in order to reconcile the general ledger accounting system to internal and external reports. During the audit testing procedures, it was noted that various accounts did not reconcile to the respective internal and external reports. Also necessary adjustments were not ready for the financial statements to be prepared in accordance with GAAP.

**Status:** Fact Forward has hired a contract accountant to assist the staff and to ensure that the general ledger is properly closed out.

**FACT FORWARD  
COLUMBIA, SOUTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED SEPTEMBER 30, 2019**

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**Section I - Summary of Auditor's Results**

***Financial Statements***

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u>          </u> Yes	<u>    X    </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u>    X    </u> Yes	<u>          </u> None Reported
Noncompliance material to financial statements noted?	<u>          </u> Yes	<u>    X    </u> No

***Federal Awards***

Internal control over major programs

Material weakness(es) identified?	<u>          </u> Yes	<u>    X    </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u>    X    </u> Yes	<u>          </u> None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*

<u>          </u> Yes	<u>    X    </u> No
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.297	Teenage Pregnancy Prevention Program

Dollar threshold used to distinguish between type A and type B programs:            \$     750,000    

Auditee qualified as low-risk auditee?	<u>          </u> Yes	<u>    X    </u> No
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**FACT FORWARD  
COLUMBIA, SOUTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED SEPTEMBER 30, 2019**

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**Section II – Current Year Financial Statement Findings**

**2019-001: YEAR END CLOSING PROCESS**

**Condition:** During the audit of the year ended September 30, 2019, it was noted that certain accounts, such as the account receivable balance and in-kind property and equipment donations, were not properly reviewed and closed out prior to us arriving for the audit.

**Criteria:** Fact Forward should have reviewed and completed these items during the year end closing process prior to the year-end audit work.

**Context, Cause and Effect:** Over the past two years, Fact Forward has experienced extensive turnover with its Finance Director position. As a result, Fact Forward hired a contract accountant to assist with the year-end process and to clean up the accounting records. However the contract accountant had not completed her review and clean-up of all accounts prior to beginning of the audit. As a result, significant adjustments resulting from the contract accountant's review and cleanup and the audit process were required to properly report balances as of September 30, 2019.

**Recommendation:** We recommend that Fact Forward develop and implement appropriate internal controls to ensure that all year end closing items are correctly reviewed and completed prior to year-end audit work.

**Response:** Fact Forward agrees with this finding and will adhere to the corrective action plan as on p. 24 in this audit report.

**Section III – Current Year Federal Award Findings and Questioned Cost**

**2019-002: REVIEW OF FEDERAL CLAIMS**

**Questioned Costs**

**Federal Agency: United States Department of Health and Human Services**

**Pass-Through Agency: Office of Adolescent Health (OAH)**

**CFDA #'s: 93.297**

**Pass-through Grantor's Number: 1 TP1AH000133-04-01, 1 TP1AH000126-04-01, 1 TP1AH000133-05-01, and  
1 TP1AH000126-05-00**

**Repeat Finding: No** \$ -0-

**Condition:** During the audit of the year ended September 30, 2019, it was noted that no one is reviewing the claims before they are submitted for reimbursement from the federal agency.

**Criteria:** Fact Forward should have an adequate review and approval process for each reimbursement claim application, including a review of all items that are submitted for reimbursement, before the claim is submitted.

**Context, Cause and Effect:** Over the past two years, Fact Forward has experienced extensive turnover with its Finance Director position. As a result, no one was reviewing the claims that were submitted for reimbursement prior to submission to ensure that the claims were accurate.

**Recommendation:** We recommend that Fact Forward develop and implement appropriate internal controls to ensure that all claims for reimbursement, including supporting documents, are reviewed and approved before they are submitted.

**Response:** Fact Forward agrees with this finding and will adhere to the corrective action plan as on p. 24 in this audit report.



Through our work with professionals and parents, we empower adolescents with evidence-based strategies for healthy reproductive choices.

factforward.org

**FACT FORWARD  
COLUMBIA, SOUTH CAROLINA**

**CORRECTIVE ACTION PLAN**

**YEAR ENDED SEPTEMBER 30, 2019**

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**Section II – Financial Statement Findings**

**Finding:** 2019-001

**Contact Person:** Rachel Shaw, Contract Accountant, [rshaw@factforward.org](mailto:rshaw@factforward.org)

**Corrective Action:** Fact Forward has implemented procedures to ensure that all year end balances are properly reviewed and closed out.

**Proposed Completion Date:** April 30, 2020

**Section III – Federal Award Findings and Questioned Costs**

**Finding:** 2019-002

**Contact Person:** Rachel Shaw, Contract Accountant, [rshaw@factforward.org](mailto:rshaw@factforward.org)

**Corrective Action:** Fact Forward has implemented procedures to ensure that all federal claims are adequately reviewed and approved prior to being submitted for reimbursement.

**Proposed Completion Date:** April 30, 2020

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