



# Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

April 20, 2020

Board of Directors  
Fact Forward  
Columbia, South Carolina

We have audited the financial statements of Fact Forward (the “Organization”) for the year ended September 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 26, 2019. Professional standards also require that we communicate to you the following information related to our audit.

## **Significant Audit Findings**

### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note A to the financial statements.

The Organization 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. Significant measures of this ASU included: 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, an analysis of expenses by both function and natural classification either in a separate statement or within the notes to the financial statements, enhancing disclosures surrounding donor restrictions and Board designations and providing information on the not-for-profit’s financial assets and their liquidity, presentation of investment expenses netted against investment return, and 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.

Except for the above, no new significant accounting policies were adopted and the application of existing policies was not significantly changed during the year ended September 30, 2019. We noted no transactions entered into by the Organization during the year for which there was a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most significant sensitive estimates affecting the Organization’s financial statements were the useful lives of property and equipment. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in total in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. For purposes of this communication, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Organization's financial reporting process (that may or may not cause future financial statements to be materially misstated). Since it is inherently judgmental to determine what adjustments would or would not have been detected except through our auditing procedures, a schedule of all adjusting journal entries is attached, including those prepared by the Organization as part of their closing process after we obtained the trial balance.

In our judgment, there were no material known unrecorded and uncorrected misstatements, either individually or in the aggregate, to the financial statements taken as a whole.

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated April 20, 2020.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### ***Matter for the Board's Consideration***

During the course of our audit, we became aware of some findings that have been reported in the compliance section of the 2019 financial statements.

**Other Matters**

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

We were engaged to report on the schedule of expenditures of federal awards, as listed in the table of contents, which accompanies the financial statements. With respect to this information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the schedule of expenditures of federal awards to the underlying accounting records used to prepare the financial statements.

**Restriction on Use**

This information is intended solely for the information and use of the Board of Directors and management of the Organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

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

Greene Finney, LLP  
Certified Public Accountants



Fact Forward  
Journal Entries Report : Adjusting Entries  
September 30, 2019

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Entry #	Status	Account/Code	Description	Debit	Credit
AJE 1	Posted	2-0-00-3100 1-0-00-2310	Temporarily restricted net assets Deferred/Unearned Revenue	503,722.22	503,722.22
Client Entry - To adjust beginning equity.					
AJE 2	Posted	1-0-00-1650 1-2-30-8570 1-0-00-1746 1-2-30-8270	Website - Federal Funds Marketing/media activities Accumulated Depreciation - FEDERAL Depreciation Expense	46,500.00  7,750.00	46,500.00 7,750.00
Audit Entry - Entry to capitalize and record depreciation for website development					
AJE 3	Posted	1-0-00-4230 1-0-00-2310 2-0-00-6900 1-0-00-6900	Revenue from Private/Foundation grants Deferred/Unearned Revenue Release from Restriction Release from Restriction	343,413.80  356,196.44	343,413.80 356,196.44
Client Entry - Correct Deferred Revenue					
AJE 4	Posted	1-0-00-4520 2-0-00-4520 1-0-00-6900 2-0-00-6900	Revenue from federal grants Revenue from federal grants Release from Restriction Release from Restriction	2,852,938.28  2,852,938.28	2,852,938.28 2,852,938.28
Client Entry - Reclassify as restricted revenue, federal grants.					
AJE 5	Posted	1-0-00-4530 2-0-00-4530 1-0-00-6900 2-0-00-6900	Revenue from state grants Revenue from state grants Release from Restriction Release from Restriction	533,871.51  533,871.51	533,871.51 533,871.51
Client Entry - Reclassify as restricted revenue, state grants					
AJE 6	Posted	1-0-00-1240 2-0-00-4520 1-0-00-4520 1-0-00-1240 1-0-00-4520 1-0-00-1240 2-0-00-6900 1-0-00-6900 1-4-00-9999 1-4-00-8700 1-4-00-9999 1-4-00-8700	Grants receivable Revenue from federal grants Revenue from federal grants Grants receivable Revenue from federal grants Grants receivable Release from Restriction Release from Restriction GA Transfer Indirect Costs GA Transfer Indirect Costs	68,086.98  7,910.00  14,717.01  68,086.98  7,910.00  14,717.01	68,086.98  7,910.00  14,717.01  68,086.98  7,910.00  14,717.01
Audit/Client Entry - To Adjust AR balance					
AJE 7	Posted	2-0-00-6900 1-0-00-6900	Release from Restriction Release from Restriction	121,200.38	121,200.38
Client Entry - Correct restricted revenue amounts					

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Journal Entries Report : Adjusting Entries  
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Entry #	Status	Account/Code	Description	Debit	Credit
AJE 8	Posted	1-0-00-1110	Accounts receivable	18,646.94	
		1-1-10-8121	Educational materials		18,646.94
		Client Entry - To correct AR and expense amounts for items paid twice			
AJE 9	Posted	2-0-00-6900	Release from Restriction	11,163.87	
		1-0-00-6900	Release from Restriction		11,163.87
		Client Entry - To release amount from restriction			
AJE 10	Posted	1-0-00-2310	Deferred/Unearned Revenue	58,401.76	
		1-0-00-1240	Grants receivable	60,004.40	
		2-0-00-4530	Revenue from state grants		118,406.16
		2-0-00-6900	Release from Restriction	118,406.16	
		1-0-00-6900	Release from Restriction		118,406.16
Audit/Client Entry - To adjust Unearned revenue, Grant receivable, and revenue for DSS.					

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Journal Entries Report : Adjusting Entries  
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Entry #	Status	Account/Code	Description	Debit	Credit	
AJE 11	Posted	1-1-10-8311	Travel/lodging per diem - in state	418.39		
		1-1-10-8312	Travel/lodging per diem -out of state	173.50		
		1-1-10-8322	Workshop/meeting meals	630.39		
		1-1-10-8540	Staff development and training	1,759.00		
		1-1-15-8322	Workshop/meeting meals	4,315.73		
		1-1-15-8325	Summer institute	24,764.47		
		1-1-15-8536	Reception expenses	5,052.23		
		1-2-10-8311	Travel/lodging per diem - in state	204.52		
		1-2-10-8540	Staff development and training	789.89		
		1-2-10-8570	Marketing/media activities	245.00		
		1-2-20-8312	Travel/lodging per diem -out of state	212.00		
		1-2-20-8312	Travel/lodging per diem -out of state	144.00		
		1-2-20-8322	Workshop/meeting meals	7,166.82		
		1-2-30-8570	Marketing/media activities	1,724.34		
		1-2-40-8536	Reception expenses	5.00		
		1-2-50-8170	Printing and copies	1,155.89		
		1-2-50-8530	Dues/fees	650.10		
		1-2-50-8570	Marketing/media activities	1,033.53		
		1-4-00-8321	Workshop/meeting materials & costs	6,208.14		
		1-4-00-8322	Workshop/meeting meals	7,558.33		
		1-4-00-8530	Dues/fees	995.13		
		1-4-00-8700	Indirect Costs	11,740.35		
		1-4-10-8311	Travel/lodging per diem - in state	344.67		
		1-4-10-8312	Travel/lodging per diem -out of state	630.48		
		1-4-10-8312	Travel/lodging per diem -out of state	391.18		
		1-4-10-8570	Marketing/media activities	1.49		
		1-1-10-8311	Travel/lodging per diem - in state		418.39	
		1-1-10-8312	Travel/lodging per diem -out of state		173.50	
		1-1-10-8322	Workshop/meeting meals		630.39	
		1-1-10-8540	Staff development and training		1,759.00	
		1-1-15-8322	Workshop/meeting meals		4,315.73	
		1-1-15-8536	Reception expenses		5,052.23	
		1-2-10-8311	Travel/lodging per diem - in state		204.52	
		1-2-10-8540	Staff development and training		789.89	
		1-2-10-8570	Marketing/media activities		245.00	
		1-2-20-8312	Travel/lodging per diem -out of state		212.00	
		1-2-20-8312	Travel/lodging per diem -out of state		144.00	
		1-2-20-8322	Workshop/meeting meals		7,166.82	
		1-2-30-8570	Marketing/media activities		1,724.34	
		1-2-40-8536	Reception expenses		5.00	
		1-2-50-8170	Printing and copies		1,155.89	
		1-2-50-8530	Dues/fees		650.10	
		1-1-15-8325	Summer institute		24,764.47	
		1-2-50-8570	Marketing/media activities		1,033.53	
		1-4-00-8321	Workshop/meeting materials & costs		6,208.14	
		1-4-00-8322	Workshop/meeting meals		7,558.33	
		1-4-00-8530	Dues/fees		995.13	
		1-4-00-9999	GA Transfer		11,740.35	
		1-4-10-8311	Travel/lodging per diem - in state		344.67	
		1-4-10-8312	Travel/lodging per diem -out of state		630.48	
		1-4-10-8312	Travel/lodging per diem -out of state		391.18	
		1-4-10-8570	Marketing/media activities		1.49	
		Client Entry - Reclass DSS expense.				
AJE 12	Posted	1-0-00-4230	Revenue from Private/Foundation grants	93,703.81		
		2-0-00-4230	Foundation grants		93,703.81	
		Client Entry - Restrict CW grant amount.				

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 Journal Entries Report : Adjusting Entries  
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Entry #	Status	Account/Code	Description	Debit	Credit	
AJE 13	Posted	2-0-00-4530	Revenue from state grants	59,930.81		
		2-0-00-4230	Foundation grants		59,930.81	
		Client Entry - To reclass Choose Well grant.				
TOTALS				<u>8,832,402.72</u>	<u>8,832,402.72</u>	