

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA
FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020**

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

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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, 2020, 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, 2020, 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.

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 March 31, 2021 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.

Greene Finney, LLP

Greene Finney, LLP
Mauldin, South Carolina
March 31, 2021

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2020

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	284,781
Cash and Cash Equivalents - Restricted		404,658
Grants Receivable		532,365
Prepaid Expenses and Other Current Assets		59,457
Total Current Assets		<u>1,281,261</u>

Beneficial Interest in Assets Held by Others		145,157
Property and Equipment, Net		81,308

TOTAL ASSETS \$ 1,507,726

LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities:

Accounts Payable	\$	116,068
Accrued Payroll Liabilities		7,609
Accrued Compensated Absences		23,120
Paycheck Protection Program ("PPP") Loan		348,459
Total Current Liabilities		<u>495,256</u>

TOTAL LIABILITIES 495,256

NET ASSETS

Without Donor Restrictions:		
Available for Operations		526,504
Net Investment in Property and Equipment		81,308
Total Net Assets Without Donor Restrictions		<u>607,812</u>

With Donor Restrictions		404,658
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TOTAL NET ASSETS 1,012,470

TOTAL LIABILITIES AND NET ASSETS \$ 1,507,726

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, 2020

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS, AND OTHER SUPPORT			
Federal Grants	\$ -	2,137,438	\$ 2,137,438
State/Local Grants and Contracts	-	477,171	477,171
Corporate/Foundation Grants	-	1,039,770	1,039,770
Contributions/Sponsorships	46,285	-	46,285
Workshop Registration Income	25,581	-	25,581
Other	28,964	-	28,964
Interest Income	5,703	-	5,703
Unrealized / Realized Gains	4,705	-	4,705
Revenues and Other Support Before Net Assets Released from Restrictions	<u>111,238</u>	<u>3,654,379</u>	<u>3,765,617</u>
Net Assets Released from Restrictions	3,477,060	(3,477,060)	-
TOTAL REVENUES AND OTHER SUPPORT	<u>3,588,298</u>	<u>177,319</u>	<u>3,765,617</u>
EXPENSES			
Program Services	3,225,257	-	3,225,257
General and Administrative	613,997	-	613,997
Fundraising	26,572	-	26,572
TOTAL EXPENSES	<u>3,865,826</u>	<u>-</u>	<u>3,865,826</u>
INCREASE (DECREASE) IN NET ASSETS	(277,528)	177,319	(100,209)
NET ASSETS, BEGINNING OF THE YEAR	<u>885,340</u>	<u>227,339</u>	<u>1,112,679</u>
NET ASSETS, END OF YEAR	<u><u>\$ 607,812</u></u>	<u><u>404,658</u></u>	<u><u>\$ 1,012,470</u></u>

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, 2020

	PROGRAM SERVICES	GENERAL AND ADMINISTRATIVE	FUNDRAISING	TOTAL
EXPENSES				
Personnel Costs	\$ 1,345,975	264,468	-	\$ 1,610,443
Subrecipient Awards	1,222,368	-	-	1,222,368
Incentives	11,319	-	-	11,319
Accounting/Audit fees	-	35,494	-	35,494
Research Costs	1,340	-	-	1,340
Consultant/Contract/Temporary Labor	367,925	113,033	-	480,958
Lobbying	30,312	-	-	30,312
Office Supplies and Expenses	2,156	9,655	8,262	20,073
Computers/Equipment/Software	8,487	5,668	-	14,155
Educational Materials	8,992	-	-	8,992
Occupancy	19,584	106,605	-	126,189
Postage and Shipping	758	1,042	93	1,893
Travel	39,907	335	629	40,871
Workshop Costs	82,986	-	-	82,986
Insurance	-	10,116	-	10,116
Dues and Subscriptions	5,546	5,427	-	10,973
Staff Development	19,670	1,001	-	20,671
Community Sponsorships	3,698	-	-	3,698
Marketing Expenses	53,223	907	17,588	71,718
Bank/Merchant Fees	140	2,351	-	2,491
Other	871	452	-	1,323
Total Expenses Before Depreciation	3,225,257	556,554	26,572	3,808,383
Depreciation	-	57,443	-	57,443
TOTAL EXPENSES	\$ 3,225,257	613,997	26,572	\$ 3,865,826

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, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (100,209)
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:	
Depreciation	57,443
Unrealized/Realized Gains	(4,705)
Changes in Operating Assets and Liabilities:	
Grants and Other Receivables	120,044
Prepaid Expenses and Other Current Assets	(38,736)
Accounts Payable	(286,337)
Accrued Payroll Liabilities	(2,412)
Accrued Vacation	(25,917)
Accrued Expenses	(2,925)
NET CASH USED IN OPERATING ACTIVITIES	<u>(283,754)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from PPP Loan	348,459
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>348,459</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Reinvestment of Income from Beneficial Interest in Assets Held by Others	(3,251)
Purchase of Property and Equipment	(13,422)
NET CASH USED IN INVESTING ACTIVITIES	<u>(16,673)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS (Unrestricted and Restricted) **48,032**

CASH AND CASH EQUIVALENTS (Unrestricted and Restricted), Beginning of the Year 641,407

CASH AND CASH EQUIVALENTS (Unrestricted and Restricted), End of Year **\$ 689,439**

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, 2020

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.

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.
- ***POW (emPowered SC)***: This grant authorizes Fact Forward to work in Richland and Orangeburg counties to develop, explore, test, and refine interventions to increase the use of sexual health services by youth of color through the coordination of two networks of partners.

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

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

Description of Programs, (continued)

- ***EXP (Expanding Opportunities for Teen Mothers):*** This grant authorizes Fact Forward to provide An evidence-based intervention to reduce rapid repeat pregnancies among teen moms, increase consistent contraceptive use and promote economic stability among young mothers.

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 Corporation:*** 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-CREW grant is used to improve the quality of adolescent reproductive health services in South Carolina. CREW is a learning collaborative where healthcare providers collaborate to find practical, data-driven solutions that will help to improve clinical outcomes for adolescents.
- ***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, 2020 to be fully collectible.

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

**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 (“CCCF”). CCCF 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 CCCF 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, 2020

**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 maintenance and marketing of \$24,000 as of September 30, 2020. The donated services were included in other revenues.

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, 2020, 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, 2020

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, 2020 consist of the following:

Cash and Cash Equivalents*	\$ 284,781
Grants Receivable	532,365
	<u>\$ 817,146</u>

* Excludes the Organization's cash and cash equivalents with donor restrictions of \$404,658

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, 2020, Fact Forward’s balances at two banks exceeded FDIC limits by a total of \$230,818.

NOTE D – GRANTS RECEIVABLE

Grants receivables as of September 30, 2020 consisted of the following:

Pregnancy Assistance Fund	\$ 22,105
Personal Responsibility Education Program	144,510
Expanding Opportunities for Teen Mothers	131,027
emPowered SC	107,777
Department of Social Services	126,946
	<u>\$ 532,365</u>

NOTE E – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Beneficial interest in assets held by others totaled \$145,157 at September 30, 2020 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, 2019	\$ 137,201
Realized and Unrealized Gains on CCCF Investments	4,705
Interest and Dividend Income Reinvested	3,251
Beneficial Interest in Assets Held by CCCF - September 30, 2020	<u>\$ 145,157</u>

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment was comprised of the following at September 30, 2020:

	Useful Life	2020
Furniture and Equipment	5-7 years	\$ 74,716
Computer Software & Hardware	3-5 years	69,528
Website	3 years	270,750
		<u>414,994</u>
Less Accumulated Depreciation and Amortization		(333,686)
		<u>\$ 81,308</u>

NOTE G – PAYCHECK PROTECTION PROGRAM LOAN

Due to the global health crisis (see Note L for more details) in 2020, the Organization applied in April 2020 and received a loan of \$348,459 from the Paycheck Protection Program (“PPP”) through the Small Business Administration. PPP loans are forgivable as long as the borrower maintains its payroll records and uses the loan proceeds for eligible purposes. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the defined covered period. Any unforgiven portion of a PPP loan is payable over two to five years at an interest rate of 1%. Of the original loan amount, Fact Forward anticipates that \$305,355 will be forgiven, and payment of principal and interest on the remaining \$43,104 will be required through the maturity date of April 28, 2022.

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for specific purposes at September 30, 2020:

Blue Cross Blue Shield	\$ 4,030
Blue Cross Blue Shield 2018-2019	93,790
Bunnelle Foundation	5,000
Duke Energy	228,732
New Morning Foundation/Choose Well	40,837
Palmetto Health	26,269
Suzan D Boyd	6,000
	<u>\$ 404,658</u>

NOTE I – 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 \$82,249 for the year ended September 30, 2020.

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

NOTE J – 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:

2021	\$ 85,833
2022	11,533
2023	2,748
	<u>\$ 100,114</u>

Total lease expense for Fact Forward was \$103,847 for the year ended September 30, 2020.

NOTE K – CONCENTRATIONS

For the year ended September 30, 2020, the Organization received contributions of \$1,940,481 from the Department of Health and Human Services through five separate grant programs passed through the Office of Adolescent Health. The Organization also received contributions of \$553,394 from the New Morning Foundation and grants of \$477,171 from the Department of Social Services. Together these accounted for approximately 79% of the Organization's total revenues and support.

NOTE L – COVID-19 IMPACTS

On January 30, 2020, the World Health Organization announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China and, in March 2020, classified the outbreak as a pandemic based on the rapid increase in exposure globally. The full impact of the pandemic continues to evolve as of the date of these financial statements. Management continues to actively monitor the impacts from the pandemic on its financial condition, liquidity, operations, workforce, grantors, and donors.

As local and federal governments recommended or mandated restrictions on business, travel, and event attendance in an effort to curb the pandemic by changing consumer behavior, Fact Forward's revenues and expenses were impacted. Fact Forward's future revenues and expenses are also expected to be impacted.

During the year ended September 30, 2020, Fact Forward received a forgivable PPP loan of \$348,459 (see Note G).

NOTE M – SUBSEQUENT EVENTS

In November 2020 Fact Forward entered into a commercial lease agreement with Columbia College for 60 monthly payments of \$2,400. Additionally, \$41,000 was due upon execution of the lease and an additional \$40,000 is due on July 1, 2021.

Subsequent events have been evaluated through March 31, 2021, 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, 2020

Program	Federal CFDA Number	Grant / Contract Number	Expenditures	Expenditures to Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Office of Adolescent Health (OAH):				
Support for Expectant and Parenting Teens, Women, Fathers and their Families Program	93.500	SP1AH000077-01-00	\$ 76,528	\$ -
	Total 93.500		<u>76,528</u>	<u>-</u>
Strengthening Teen Pregnancy Prevention Initiatives Among High Need South Carolina Populations	93.297	1 TP1AH000133-05-01	523,990	126,142
Teen Pregnancy Prevention Programs in High Need South Carolina Communities	93.297	1 TP1AH000126-05-00	1,100,831	585,881
Expanding Opportunities for Teen Mothers and Families in South Carolina	93.297	1 TP1AH000216-01-00	131,355	-
emPOWERed SC: Creating Linkages for Youth of Color in South Carolina	93.297	1 TP2AH000064-01-00	107,777	-
	Total 93.297		<u>1,863,953</u>	<u>712,023</u>
Passed through S.C. Department of Health and Environmental Control:				
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	MC-7-258	193,683	146,110
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	MC-9-369	3,274	-
	Total 93.092		<u>196,957</u>	<u>146,110</u>
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>2,137,438</u>	<u>858,133</u>
GRAND TOTAL			<u>\$ 2,137,438</u>	<u>\$ 858,133</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, 2020

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, 2020. 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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**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, 2020, 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 March 31, 2021.

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. Given these limitations, during our audit we did not identify and deficiencies in internal control that we consider to be material weakness. However, material weakness may exist that have not been identified.

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*.

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.

Greene Finney, LLP

Greene Finney, LLP
Mauldin, South Carolina
March 31, 2021



**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, 2020. 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, 2020.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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
March 31, 2021

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2020

2019-001: YEAR END CLOSING PROCESS

Condition, Criteria

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

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

2019-002: REVIEW OF FEDERAL CLAIMS

Condition, Criteria

Cause and Effect: 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. 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. 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.

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

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2020

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

Federal Awards

Internal control over major programs

Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes	_____ <u>X</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

_____ 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?	_____ Yes	_____ <u>X</u> No
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Section II - Findings - 2020 Financial Statements Audit

No matters to report.

Section III - Findings and Questioned Costs - Major Federal Awards Programs Audit

No matters to report.