

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA
FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021**

**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, 2021, 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, 2021, 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 12, 2022, 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 Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
March 12, 2022

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2021

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	247,272
Cash and Cash Equivalents - Restricted		174,965
Grants Receivable		507,851
Other Receivables		7,744
Prepaid Expenses and Other Current Assets		279,187
Total Current Assets		<u>1,217,019</u>

Beneficial Interest in Assets Held by Others		174,185
Property and Equipment, Net		38,472

TOTAL ASSETS \$ 1,429,676

LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities:

Accounts Payable and Accrued Expenses	\$	198,980
Accrued Payroll Liabilities		6,355
Accrued Compensated Absences		21,899
Paycheck Protection Program ("PPP") Loan		30,194
Total Current Liabilities		<u>257,428</u>

TOTAL LIABILITIES 257,428

NET ASSETS

Without Donor Restrictions:		
Available for Operations		958,811
Net Investment in Property and Equipment		38,472
Total Net Assets Without Donor Restrictions		<u>997,283</u>

With Donor Restrictions		174,965
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TOTAL NET ASSETS 1,172,248

TOTAL LIABILITIES AND NET ASSETS \$ 1,429,676

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, 2021

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS, AND OTHER SUPPORT			
Federal Grants	\$ -	3,367,484	\$ 3,367,484
State/Local Grants and Contracts	-	636,775	636,775
Corporate/Foundation Grants	-	211,789	211,789
Contributions/Sponsorships	62,245	-	62,245
Workshop Registration Income	56,898	-	56,898
Other	543	-	543
Interest Income	6,261	-	6,261
Unrealized / Realized Gains	25,120	-	25,120
PPP Loan Forgiveness	305,355	-	305,355
Revenues and Other Support Before Net Assets Released from Restrictions	<u>456,422</u>	<u>4,216,048</u>	<u>4,672,470</u>
Net Assets Released from Restrictions	4,445,741	(4,445,741)	-
TOTAL REVENUES AND OTHER SUPPORT	<u>4,902,163</u>	<u>(229,693)</u>	<u>4,672,470</u>
EXPENSES			
Program Services	4,088,190	-	4,088,190
General and Administrative	393,615	-	393,615
Fundraising	30,887	-	30,887
TOTAL EXPENSES	<u>4,512,692</u>	<u>-</u>	<u>4,512,692</u>
INCREASE (DECREASE) IN NET ASSETS	389,471	(229,693)	159,778
NET ASSETS, BEGINNING OF THE YEAR	<u>607,812</u>	<u>404,658</u>	<u>1,012,470</u>
NET ASSETS, END OF YEAR	<u>\$ 997,283</u>	<u>174,965</u>	<u>\$ 1,172,248</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, 2021

	PROGRAM SERVICES	GENERAL AND ADMINISTRATIVE	FUNDRAISING	TOTAL
EXPENSES				
Personnel Costs	\$ 1,434,540	120,573	20,514	\$ 1,575,627
Subrecipient Awards	1,667,742	-	-	1,667,742
Incentives	13,734	-	-	13,734
Accounting/Audit fees	-	22,619	-	22,619
Research Costs	30,770	-	-	30,770
Consultant/Contract/Temporary Labor	540,800	67,153	80	608,033
Lobbying	30,312	-	-	30,312
Office Supplies and Expenses	9,608	38,503	2,307	50,418
Computers/Equipment/Software	11,656	18,789	-	30,445
Educational Materials	18,191	-	-	18,191
Occupancy	9,326	49,172	-	58,498
Postage and Shipping	3,373	1,656	284	5,313
Travel	17,107	1,072	-	18,179
Workshop Costs	189,533	1,404	-	190,937
Insurance	-	13,820	-	13,820
Dues and Subscriptions	3,829	5,265	5,176	14,270
Staff Development	26,013	938	-	26,951
Community Sponsorships	11,886	-	-	11,886
Marketing Expenses	69,736	1,336	2,526	73,598
Bank/Merchant Fees	4	2,979	-	2,983
Other	30	7,850	-	7,880
Total Expenses Before Depreciation	4,088,190	353,129	30,887	4,472,206
Depreciation	-	40,486	-	40,486
TOTAL EXPENSES	\$ 4,088,190	393,615	30,887	\$ 4,512,692

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, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 159,778
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:	
Depreciation	40,486
Paycheck Protection Program Loan Forgiveness	(305,355)
Unrealized/Realized Gains	(25,120)
Loss on Disposal of Property and Equipment	7,555
Changes in Operating Assets and Liabilities:	
Grants and Other Receivables	16,770
Prepaid Expenses and Other Current Assets	(219,730)
Accounts Payable and Accrued Expenses	82,912
Accrued Payroll Liabilities	(1,254)
Accrued Vacation	(1,221)
NET CASH USED IN OPERATING ACTIVITIES	<u>(245,179)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments of Principal on PPP Loan	(12,910)
NET CASH USED IN FINANCING ACTIVITIES	<u>(12,910)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Reinvestment of Income from Beneficial Interest in Assets Held by Others	(3,908)
Purchase of Property and Equipment	(5,205)
NET CASH USED IN INVESTING ACTIVITIES	<u>(9,113)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (Unrestricted and Restricted) **(267,202)**

CASH AND CASH EQUIVALENTS (Unrestricted and Restricted), Beginning of the Year 689,439

CASH AND CASH EQUIVALENTS (Unrestricted and Restricted), End of Year **\$ 422,237**

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, 2021

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, 2021

**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.
- ***The South Carolina Center for Rural and Primary Healthcare:*** The grant allows Fact Forward to provide Community Health Workers (CHW) or other service providers from rural communities to use online evidence-based resources to increase access to sexual and reproductive health care services (SRHS) for adolescents ages 15-24.

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, 2021 to be fully collectible.

Prepaid Expenses

Prepaid expenses consist primarily of prepayments for insurance premiums, rent, software related costs, consultants, and conferences and events. These costs will be expensed in the subsequent year.

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2021

**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, 2021

**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.

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, 2021, 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, 2021

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, 2021 consist of the following:

Cash and Cash Equivalents*	\$ 247,272
Grants Receivable	507,851
Other Receivable	7,744
	<u>\$ 762,867</u>

* Excludes the Organization's cash and cash equivalents with donor restrictions of \$174,965

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, 2021, Fact Forward’s balances at one financial institution exceeded FDIC limits by a total of \$113,240.

NOTE D – GRANTS RECEIVABLE

Grants receivables as of September 30, 2021 consisted of the following:

Pregnancy Assistance Fund	\$ 5,154
Personal Responsibility Education Program	229,673
Expanding Opportunities for Teen Mothers	67,628
emPowered SC	101,139
Department of Social Services	98,593
S.C. Center for Rural and Primary Healthcare	5,664
	<u>\$ 507,851</u>

NOTE E – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Beneficial interest in assets held by others totaled \$174,185 at September 30, 2021 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, 2020	\$ 145,157
Realized and Unrealized Gains on CCCF Investments	25,120
Interest and Dividend Income Reinvested	3,908
Beneficial Interest in Assets Held by CCCF - September 30, 2021	<u>\$ 174,185</u>

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2021

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment was comprised of the following at September 30, 2021:

	Useful Life	2021
Furniture and Equipment	5-7 years	\$ 27,542
Computer Software & Hardware	3-5 years	22,903
Website	3 years	270,750
		<u>321,195</u>
Less Accumulated Depreciation and Amortization		(282,723)
		<u>\$ 38,472</u>

NOTE G – PAYCHECK PROTECTION PROGRAM LOAN

During the year ended September 30, 2020, the Fact Forward received a loan of \$348,459 under the Paycheck Protection Program (“PPP”). This loan was partially forgiven in the amount of \$305,355 during the year. The remaining \$43,104 outstanding loan amount requires monthly principal and interest payments in the amount of \$4,337 beginning July 2021 and continuing through April 2022. Interest accrues at an annual interest rate of 1%. Fact Forward paid \$12,910 in principal during the year ended September 30, 2021. At September 30, 2021, the outstanding balance on the PPP loan was \$30,194.

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for specific purposes at September 30, 2021:

Blue Cross Blue Shield	\$ 922
Bunnelle Foundation	5,000
Duke Endowment	98,718
New Morning Foundation/Choose Well	31,629
Palmetto Health	32,318
Personal Responsibility Education Program	1,378
Suzan D Boyd	5,000
	<u>\$ 174,965</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 \$83,500 for the year ended September 30, 2021.

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2021

NOTE J – LEASES

Fact Forward has signed various operating leases for office equipment and office space that extend through 2026. Future minimum lease commitments under all operating leases are as follows as of September 30:

2022	\$	34,297
2023		31,548
2024		28,800
2025		28,800
2026		7,200
		<u>\$ 130,645</u>

Total lease expense for Fact Forward was \$27,097 for the year ended September 30, 2021. During the year ended September 30, 2021, Fact Forward prepaid \$81,000 in rent which is being amortized over the life of the lease. At September 30, 2021, \$73,813 remained in prepaid expenses.

NOTE K – CONCENTRATIONS

For the year ended September 30, 2021, Fact Forward received contributions of \$2,858,822 from the Department of Health and Human Services through five separate grant programs passed through the Office of Adolescent Health. Fact Forward also received grants of \$631,111 from the Department of Social Services. Together these accounted for approximately 75% of the Fact Forward'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 recommend or mandate restrictions on business, travel, and event attendance in an effort to curb the pandemic by changing consumer behavior, Fact Forward's revenues and expenses may be impacted.

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2021

Program	Assistance Listing 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	\$ 9,229	\$ -
	Total 93.500		9,229	-
Strengthening Teen Pregnancy Prevention Initiatives Among High Need South Carolina Populations	93.297	1 TP1AH000133-05-02	76,200	23,608
Teen Pregnancy Prevention Programs in High Need South Carolina Communities	93.297	1 TP1AH000126-05-00	97,361	15,883
Expanding Opportunities for Teen Mothers and Families in South Carolina	93.297	1 TP1AH000216-01-00	826,024	221,572
emPOWERed SC: Creating Linkages for Youth of Color in South Carolina	93.297	1 TP2AH000064-01-00	1,638,379	740,669
emPOWERed SC: Creating Linkages for Youth of Color in South Carolina	93.297	1 TP2AH000064-02-00	211,629	25,155
	Total 93.297		2,849,593	1,026,887
Passed through S.C. Department of Health and Environmental Control:				
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	MC-7-258	458,874	371,489
	Total 93.092		458,874	371,489
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			3,317,696	1,398,376
U.S. DEPARTMENT OF TREASURY				
Passed through the State of SC Coronavirus Relief Funds	21.019	N/A	49,788	-
	Total 21.019		49,788	-
TOTAL U.S. DEPARTMENT OF TREASURY			49,788	-
GRAND TOTAL			\$ 3,367,484	\$ 1,398,376

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, 2021

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, 2021. 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, 2021, 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 12, 2022.

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 Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
March 12, 2022



**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, 2021. 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, 2021.

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 Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
March 12, 2022

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2021

None noted.

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2021

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>Assistance Listing 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>X</u> Yes	_____ No
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Section II - Findings - 2021 Financial Statements Audit

No matters to report.

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

No matters to report.