

**FLORENCE CRITTENTON
PROGRAMS OF SOUTH CAROLINA, INC.
CHARLESTON, SOUTH CAROLINA**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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FLORENCE CRITTENTON PROGRAMS OF SOUTH CAROLINA, INC.
CHARLESTON, SOUTH CAROLINA

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Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Florence Crittenton Programs of South Carolina, Inc.
Charleston, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of Florence Crittenton Programs of South Carolina, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Florence Crittenton Programs of South Carolina, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Greene Finney, LLP

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

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**FLORENCE CRITTENTON PROGRAMS OF SOUTH CAROLINA, INC.
CHARLESTON, SOUTH CAROLINA**

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019

	2019
ASSETS	
Cash and cash equivalents	\$ 342,492
Medicaid receivable	4,541
USDA receivable	6,713
Accounts receivable	28,513
Property and equipment, net	550,319
TOTAL ASSETS	\$ 932,578
LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable	\$ 8,168
Accrued salaries	27,248
Note Payable - current portion	13,062
Note Payable - noncurrent portion	280,323
TOTAL LIABILITIES	328,801
NET ASSETS	
Without Donor Restrictions:	
Undesignated	286,611
Invested in property and equipment, net of related debt	256,934
Total Without Donor Restrictions	543,545
With Donor Restrictions	60,232
TOTAL NET ASSETS	603,777
TOTAL LIABILITIES AND NET ASSETS	\$ 932,578

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

**FLORENCE CRITTENTON PROGRAMS OF SOUTH CAROLINA, INC.
CHARLESTON, SOUTH CAROLINA**

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2019

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES AND OTHER SUPPORT			
Grants and Contributions			
Contracts - Other Government Agencies	\$ -	83,236	\$ 83,236
South Carolina Department of Social Services	388,128	-	388,128
South Carolina Department of Health and Human Services	-	19,994	19,994
HUD Grants	-	43,453	43,453
USDA Grants	-	15,561	15,561
Contributions and Private Grants	213,943	45,000	258,943
Trident United Way	124,332	-	124,332
Other United Way Agencies	760	-	760
Children's Trust of South Carolina	65,456	-	65,456
Total Grants and Contributions	792,619	207,244	999,863
Other Revenues and Support			
Fundraising Income	220,043	-	220,043
Interest and Dividends	1,641	-	1,641
Miscellaneous	665	-	665
Total Other Revenues and Support	222,349	-	222,349
Net Assets Released From Restriction:			
Satisfaction of Program Restriction	147,012	(147,012)	-
TOTAL REVENUES AND OTHER SUPPORT	1,161,980	60,232	1,222,212
EXPENSES			
Program Services	855,114	-	855,114
Management and General	111,292	-	111,292
Fundraising	177,041	-	177,041
TOTAL EXPENSES	1,143,447	-	1,143,447
CHANGE IN NET ASSETS	18,533	60,232	78,765
NET ASSETS, BEGINNING OF YEAR	525,012	-	525,012
NET ASSETS, END OF YEAR	\$ 543,545	60,232	\$ 603,777

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

**FLORENCE CRITTENTON PROGRAMS OF SOUTH CAROLINA, INC.
CHARLESTON, SOUTH CAROLINA**

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
EXPENSES				
Community Outreach Development	\$ 5,355	-	101,754	\$ 107,109
Conferences and Meetings	8,066	425	-	8,491
Depreciation	45,699	466	466	46,631
Director's and Officer's Insurance	-	1,666	-	1,666
Dues and Subscriptions	2,498	2,498	-	4,996
Employee benefits	39,486	4,936	4,936	49,358
Food and Beverage	33,396	-	-	33,396
Insurance	34,090	-	-	34,090
Interest Expense	-	11,252	-	11,252
Maintenance	27,598	-	-	27,598
Miscellaneous Expense	4,274	-	4,275	8,549
Payroll Taxes	37,975	4,747	4,747	47,469
Postage and Shipping	407	101	509	1,017
Printing an Publications	-	259	777	1,036
Professional Services	-	25,366	-	25,366
Rent Subsidies	78,219	-	-	78,219
Salaries	472,285	59,035	59,036	590,356
Supplies	19,014	194	194	19,402
Telephone	6,558	67	67	6,692
Transportation	12,705	-	-	12,705
Utilities	27,489	280	280	28,049
TOTAL EXPENSES	\$ 855,114	111,292	177,041	\$ 1,143,447

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

FLORENCE CRITTENTON PROGRAMS OF SOUTH CAROLINA, INC.
CHARLESTON, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2019

CASH FLOWS PROVIDED BY OPERATING ACTIVITIES

Change in Net Assets	\$	78,765
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation Expense		46,631
Changes in operating assets and liabilities:		
Decrease (Increase) in current receivables		7,809
Increase (Decrease) in accounts payable		1,277
Increase (Decrease) in accrued salaries		3,078

NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>137,560</u>
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CASH FLOWS FROM FINANCING ACTIVITIES

Principal payments	(13,356)
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NET CASH USED IN FINANCING ACTIVITIES	<u>(13,356)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(16,595)
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NET CASH USED IN INVESTING ACTIVITIES	<u>(16,595)</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS	107,609
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>234,883</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 342,492</u></u>
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The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

**FLORENCE CRITTENTON PROGRAMS OF SOUTH CAROLINA, INC.
CHARLESTON, SOUTH CAROLINA**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operation

Florence Crittenton Programs of South Carolina, Inc. (the “Organization”) was established in 1923 as a section 501(c)(3) not-for-profit organization that operates Residential and Family Development programs for the purpose of protecting and promoting the welfare of young females, single parents and their children in South Carolina. The Organization’s programs are primarily supported by federal and state government contracts and grants, and by public support.

Basis of Presentation

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

Net Assets Without Donor Restrictions – Net assets that are 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.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met either by actions of the Organization 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 unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. The Organization evaluates its income tax positions judged to be uncertain. A loss contingency reserve is accrued if it is probable that the tax position will be challenged, it is probable that the future resolution of the challenge will confirm that a loss has been incurred, and the amount of such a loss can be reasonably estimated. No accrual for uncertain tax positions has been recorded as June 30, 2019. The Organization is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress. The Organization’s tax returns for the past three years remain open for examination by taxing authorities.

Cash and Cash Equivalents

For the statement of cash flows, the Organization considers cash on hand, demand deposits and all short-term investments with a maturity of three months or less at the date of purchase to be cash equivalents.

Property and Equipment

The Organization’s policy is to capitalize property and equipment purchases over \$5,000. Major expenditures which extend the useful lives of property or equipment are capitalized. Repairs and maintenance are expensed when incurred. Property and equipment donated to the Organization are capitalized at their fair market value when donated. Depreciation is provided on the straight-line basis over the estimated useful lives of assets as follows:

FLORENCE CRITTENTON PROGRAMS OF SOUTH CAROLINA, INC.
CHARLESTON, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

<u>Asset Class</u>	<u>Useful Life</u>
Buildings	27.5 years
Vehicles	5 years
Furniture and equipment	5 - 7 years

Revenue Recognition

The Organization recognizes revenue when the donor makes a promise to give that, in substance, is unconditional. Contributions received are recorded as without donor restrictions or with donor restrictions, depending upon the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.

Donated Services

A number of volunteers have donated time in administration and operation of programs of the Organization. This volunteer time is not considered as requiring specialized skills and therefore is not recognized as revenue in the accompanying financial statements.

Accounting Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Organization's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the program and supporting activities. Expenses that are directly associated with the program and supporting services are allocated specifically to those functions according to their natural expense classification. Other expenses that are common to program and supporting activities have been allocated based on time and use estimates made by management.

Recent Accounting Pronouncements

Effective July 1, 2018, 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 ("NFPs") present financial statements. Key measures of this ASU included:

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

**FLORENCE CRITTENTON PROGRAMS OF SOUTH CAROLINA, INC.
CHARLESTON, SOUTH CAROLINA**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

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

NOTE 2 – CONCENTRATIONS

The Organization receives a significant amount of funding through the SC Department of Health and Human Services and the SC Department of Social Services. Combined, these sources of funding comprise approximately 39% of total revenues for the year ended June 30, 2019. The Organization also relies upon funding from Trident United Way and other Trident United Way agencies throughout the state. Changes in these sources of funding would significantly effect the Organization's operations.

NOTE 3 – CUSTODIAL CREDIT RISK

The Organization currently maintains checking and certificate of deposit accounts at banks located in South Carolina. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. As of June 30, 2019, \$89,217 of the Organization's total bank balances of \$341,922 (with a carrying value of \$342,492) were exposed to custodial credit risk as some of the Organization's bank balances exceeded FDIC insurance. The Organization does not have a formal policy for requiring collateral for bank deposits in excess of federally insured limits. The Organization is not required by law to maintain collateral or full depository insurance for deposits.

NOTE 4 – LIQUIDITY AND AVAILABILITY

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

Cash and Cash Equivalents	\$ 342,492
Current receivables	39,767
Less: Donor-Imposed Restrictions Associated with Financial Assets	(60,232)
	<u>\$ 322,027</u>

The Organization has a goal to maintain cash and cash equivalents on hand of \$125,000 and has a revolving line of credit of \$19,000 as of June 30, 2019. The line of credit is secured by the Organization's property and equipment. The Organization did not borrow any amounts under the line of credit during the year ended June 30, 2019.

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Restrictions on net assets at June 30, 2019 relate to funds received for a specific program of the Organization for which the funds had not yet been expended as of June 30, 2019. It is anticipated that a significant amount of these funds will likely be expended during 2020. Net assets with donor restrictions at June 30, 2019 consisted of approximately \$60,000 restricted for various purposes.

FLORENCE CRITTENTON PROGRAMS OF SOUTH CAROLINA, INC.
CHARLESTON, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 6 – PROPERTY AND EQUIPMENT

A summary of the Organization’s property and equipment activity for the year end June 30, 2019 is provided in the following table:

	Beginning Balance	Additions	Disposals	Ending Balance
<u>Property and Equipment, Not Being Depreciated</u>				
Land	\$ 12,500	-	-	\$ 12,500
Total Property and Equipment, Not Being Depreciated	12,500	-	-	12,500
<u>Property and Equipment, Being Depreciated</u>				
Buildings	1,192,239	-	-	1,192,239
Furniture and Equipment	85,338	-	-	85,338
Vehicles	39,629	16,595	-	56,224
Total Property and Equipment, Being Depreciated	1,317,206	16,595	-	1,333,801
Less: Accumulated Depreciation	749,351	46,631	-	795,982
Total Property and Equipment, Net	<u>\$ 580,355</u>	<u>(30,036)</u>	<u>-</u>	<u>\$ 550,319</u>

The Organization reported \$46,631 in depreciation expense for the year ended June 30, 2019.

NOTE 7 – LONG-TERM DEBT

The Organization secured a mortgage on December 2, 2013. The mortgage is secured by the building which houses its offices and its residential clients. The mortgage carries an interest rate of 4.00%, amortized over 5 years, with interest and principal payments due each month. An amendment was made on February 2, 2016 to extend the maturity date to February 2, 2023 with the same interest rate. A single “balloon payment” of the entire unpaid balance of principal and interest will be due on the amended maturity date. The outstanding balance of the note payable was \$293,385 at June 30, 2019 including \$13,062 due within one year. Scheduled maturities of the long-term debt are as follows:

2020	\$ 13,062
2021	13,594
2022	14,148
2023	252,581
	<u>\$ 293,385</u>

NOTE 8 – CONTINGENCIES

The Organization is dependent upon grants and contributions. The Organization must apply for renewals of grants. Funding is subject to increases or decreases at the discretion of the grantors or donors.

NOTE 9 – SUBSEQUENT EVENTS

In November 2019, the Organization entered into a loan agreement with South Atlantic Bank in the amount of \$29,500 to purchase two vehicles, a twelve-passenger van and a seven passenger SUV at 4% interest. Monthly payments are due in installments of approximately \$667 beginning in December 2019 until maturity in November 2023. Subsequent events have been evaluated through March 20, 2020, which is the date the financial statements were available to be issued.