

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

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

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

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**YEAR ENDED JUNE 30, 2020**

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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

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, 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. 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, 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.

*Greene Finney, LLP*

Greene Finney, LLP  
Mauldin, South Carolina  
April 20, 2021

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

**STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2020**

	<b>2020</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 540,510
Investments	13,451
USDA receivable	483
Accounts receivable	17,483
Prepaid assets	1,701
Property and equipment, net	532,591
<b>TOTAL ASSETS</b>	<b>\$ 1,106,219</b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>	
Accounts payable	\$ 8,904
Accrued salaries	27,498
Note Payable - current portion	102,115
Note Payable - noncurrent portion	372,149
<b>TOTAL LIABILITIES</b>	<b>510,666</b>
<b>NET ASSETS</b>	
Without Donor Restrictions:	
Undesignated	275,059
Invested in property and equipment, net of related debt	240,262
Total Without Donor Restrictions	515,321
With Donor Restrictions	80,232
<b>TOTAL NET ASSETS</b>	<b>595,553</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,106,219</b>

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, 2020**

	<b>WITHOUT DONOR RESTRICTIONS</b>	<b>WITH DONOR RESTRICTIONS</b>	<b>TOTAL</b>
<b>REVENUES AND OTHER SUPPORT</b>			
Grants and Contributions			
Contracts - Other Government Agencies	\$ -	46,922	\$ 46,922
South Carolina Department of Social Services	339,113	-	339,113
South Carolina Department of Health and Human Services	-	6,301	6,301
Social Services Block Grant	11	-	11
USDA Grants	-	3,008	3,008
Faith Based Grants			-
Contributions and Private Grants	277,440	25,000	302,440
Trident United Way	42,775	-	42,775
Other United Way Agencies	1,432	-	1,432
Total Grants and Contributions	660,771	81,231	742,002
Other Revenues and Support			
Fundraising Income	256,036	-	256,036
Interest and Dividends	1,384	-	1,384
Miscellaneous	18,296	-	18,296
Gain on Sale of Assets	12,080		12,080
Total Other Revenues and Support	287,796	-	287,796
Net Assets Released From Restriction:			
Satisfaction of Program Restriction	61,231	(61,231)	-
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<b>1,009,798</b>	<b>20,000</b>	<b>1,029,798</b>
<b>EXPENSES</b>			
Program Services	753,855	-	753,855
Management and General	121,280	-	121,280
Fundraising	162,887	-	162,887
<b>TOTAL EXPENSES</b>	<b>1,038,022</b>	<b>-</b>	<b>1,038,022</b>
<b>CHANGE IN NET ASSETS</b>	<b>(28,224)</b>	<b>20,000</b>	<b>(8,224)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>543,545</b>	<b>60,232</b>	<b>603,777</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 515,321</b>	<b>80,232</b>	<b>\$ 595,553</b>

The notes to the financial statements are an integral part of this statement.  
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**FLORENCE CRITTENTON PROGRAMS OF SOUTH CAROLINA, INC.  
CHARLESTON, SOUTH CAROLINA**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2020**

	<b>PROGRAM SERVICES</b>	<b>MANAGEMENT AND GENERAL</b>	<b>FUNDRAISING</b>	<b>TOTAL</b>
<b>EXPENSES</b>				
Community Outreach Development	\$ 4,938	-	93,819	\$ 98,757
Conferences and Meetings	921	49	-	970
Depreciation	44,759	457	457	45,673
Director's and Officer's Insurance	-	2,087	-	2,087
Dues and Subscriptions	5,739	5,739	-	11,478
Employee benefits	41,270	5,159	5,159	51,588
Food and Beverage	24,991	-	-	24,991
Insurance	32,498	-	-	32,498
Interest Expense	-	13,161	-	13,161
Maintenance	34,077	-	-	34,077
Miscellaneous Expense	7,922	-	7,923	15,845
Advertising	87	-	-	87
Payroll Taxes	31,443	3,930	3,930	39,303
Postage and Shipping	311	78	389	778
Printing an Publications	-	39	119	158
Professional Services	-	39,491	-	39,491
Rent Subsidies	68,983	-	-	68,983
Salaries	405,269	50,658	50,659	506,586
Supplies	12,602	129	129	12,860
Telephone	5,949	61	61	6,071
Transportation	8,414	-	-	8,414
Utilities	23,682	242	242	24,166
<b>TOTAL EXPENSES</b>	<b>\$ 753,855</b>	<b>121,280</b>	<b>162,887</b>	<b>\$ 1,038,022</b>

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, 2020**

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**CASH FLOWS PROVIDED BY OPERATING ACTIVITIES**

Change in Net Assets	\$	(8,224)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation Expense		45,673
Changes in operating assets and liabilities:		
Decrease (Increase) in current receivables		21,801
Decrease (Increase) in prepaid assets		(1,701)
Increase (Decrease) in accounts payable		736
Increase (Decrease) in accrued salaries		250
(Gain) on sale of assets		(12,080)

**NET CASH PROVIDED BY OPERATING ACTIVITIES**

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46,455

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from debt issuance	211,435
Principal payments	(30,556)

**NET CASH PROVIDED BY FINANCING ACTIVITIES**

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180,879

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property and equipment	(44,500)
Sale of property and equipment	28,635
Sale(Purchase) of investments	(13,451)

**NET CASH USED IN INVESTING ACTIVITIES**

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(29,316)

**NET INCREASE IN CASH AND CASH EQUIVALENTS**

198,018

**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR**

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342,492

**CASH AND CASH EQUIVALENTS, END OF YEAR**

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\$ 540,510

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, 2020**

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**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, 2020. 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.

***Investments***

Investments consist of donated stock. The donated stock is not considered significant; thus the fair value disclosures have been omitted from these disclosures. The Organization’s policy is to honor the wishes of the donor for all gifts received. The Finance Committee oversees and reviews the recommendations of management for the investment of funds not currently required for operations and for the management, purchase, or sale of real estate, securities and other assets. Final approval of the Board is required for all such transactions, acting on the recommendations from the Finance Committee. As of June 30, 2020 the balance of investments total approximately \$13,400.

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

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***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:

<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.

***Subsequent Events***

Management has evaluated subsequent events through April 20, 2021, the date which the financial statements were available to be issued.

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

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**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 47% of total revenues for the year ended June 30, 2020. 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, 2020, \$292,444 of the Organization's total bank balances of \$544,871 (with a carrying value of \$540,510) 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, 2020 consist of the following:

Cash and Cash Equivalents	\$ 540,510
Investments	13,451
Current receivables	17,966
Less: Donor-Imposed Restrictions Associated with Financial Assets	(80,232)
	<u>\$ 491,695</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, 2020. 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, 2020.

**NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS**

Restrictions on net assets at June 30, 2020 relate to funds received for a specific program of the Organization for which the funds had not yet been expended as of June 30, 2020. It is anticipated that a significant amount of these funds will likely be expended during 2021. Net assets with donor restrictions at June 30, 2020 consisted of approximately \$80,000 restricted for various purposes.

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

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 6 – PROPERTY AND EQUIPMENT**

A summary of the Organization’s property and equipment activity for the year end June 30, 2020 is provided in the following table:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
<b><u>Property and Equipment, Not Being Depreciated</u></b>				
Land	\$ 12,500	-	-	\$ 12,500
Total Property and Equipment, Not Being Depreciated	12,500	-	-	12,500
<b><u>Property and Equipment, Being Depreciated</u></b>				
Buildings	1,192,239	-	-	1,192,239
Furniture and Equipment	101,932	-	-	101,932
Vehicles	39,629	44,500	53,629	30,500
Total Property and Equipment, Being Depreciated	1,333,800	44,500	53,629	1,324,671
Less: Accumulated Depreciation	795,982	45,673	37,075	804,580
Total Property and Equipment, Net	<u>\$ 550,318</u>	<u>(1,173)</u>	<u>16,554</u>	<u>\$ 532,591</u>

The Organization reported \$45,673 in depreciation expense for the year ended June 30, 2020.

**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 on the mortgage was approximately \$280,000 as of June 30, 2020.

On November 5, 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. During January 2020, one of the vehicles purchased was totaled and the Organization received an insurance payout for the vehicle that was used to reduce the loan in the amount received of approximately \$13,300. The outstanding balance of the loan payable was approximately \$12,000 as of June 30, 2020.

On April 15, 2020, The Organization received a Payroll Protection Program Loan in the amount of \$181,935. As of June 30, 2020 the Organization had not yet applied for loan forgiveness with the Small Business Administration. As a result, this amount is recorded as a debt to the organization in the amount of \$181,935 with an interest rate of 1% and a maturity of two years after the date of the note. Due to a six month grace period, no principal payments were made as of June 30, 2020.

Scheduled maturities of the long-term debt are as follows:

2021	\$ 102,115
2022	119,569
2023	252,580
	<u>\$ 474,264</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**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 December 2020, the Organization received a grant of \$50,000 from the Nonprofit Relief Grant Program, established by the State to distribute a total of \$25,000,000 in relief funds provided by the Federal government to qualifying nonprofits.