

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

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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

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Greene Finney Cauley, 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, 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. 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, 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.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
April 19, 2022

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

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

ASSETS

Cash and cash equivalents	\$	316,649
Investments		22,353
Accounts receivable		146,349
Prepaid assets		30,641
Property and equipment, net		488,014

TOTAL ASSETS \$ 1,004,006

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$	12,874
Accrued salaries and benefits		28,286
Note Payable - current portion		18,494
Note Payable - noncurrent portion		251,263

TOTAL LIABILITIES 310,917

NET ASSETS

Without Donor Restrictions:		
Undesignated		444,832
Invested in property and equipment, net of related debt		218,257
Total Without Donor Restrictions		<u>663,089</u>
With Donor Restrictions		30,000

TOTAL NET ASSETS 693,089

TOTAL LIABILITIES AND NET ASSETS \$ 1,004,006

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, 2021

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES AND OTHER SUPPORT			
Grants and Contributions			
Contracts - Other Government Agencies	\$ -	273,630	\$ 273,630
South Carolina Department of Social Services	201,568	-	201,568
South Carolina Department of Health and Human Services	-	2,677	2,677
Paycheck Protection Program Loan Forgiveness	181,935	-	181,935
USDA Grants	-	3,759	3,759
Contributions and Private Grants	253,413	10,000	263,413
United Way Agencies	41,414	-	41,414
Total Grants and Contributions	<u>678,330</u>	<u>290,066</u>	<u>968,396</u>
Other Revenues and Support			
Fundraising Income	32,536	-	32,536
Interest and Dividends	637	-	637
Miscellaneous	4,818	-	4,818
Unrealized Gain/Loss on Investments	8,657	-	8,657
Total Other Revenues and Support	<u>46,648</u>	<u>-</u>	<u>46,648</u>
Net Assets Released From Restriction:			
Satisfaction of Program Restriction	340,298	(340,298)	-
TOTAL REVENUES AND OTHER SUPPORT	<u>1,065,276</u>	<u>(50,232)</u>	<u>1,015,044</u>
EXPENSES			
Program Services	731,025	-	731,025
Management and General	113,121	-	113,121
Fundraising	73,362	-	73,362
TOTAL EXPENSES	<u>917,508</u>	<u>-</u>	<u>917,508</u>
CHANGE IN NET ASSETS	147,768	(50,232)	97,536
NET ASSETS, BEGINNING OF YEAR	515,321	80,232	595,553
NET ASSETS, END OF YEAR	<u>\$ 663,089</u>	<u>30,000</u>	<u>\$ 693,089</u>

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, 2021

EXPENSES	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Conferences and Meetings	\$ 1,092	58	-	\$ 1,150
Depreciation	43,685	446	446	44,577
Director's and Officer's Insurance	-	1,884	-	1,884
Dues and Subscriptions	16,428	2,899	-	19,327
Employee benefits	40,361	6,373	6,373	53,107
Food and Beverage	15,253	-	-	15,253
Insurance	40,548	-	-	40,548
Interest Expense	-	12,943	-	12,943
Maintenance	25,174	8,392	-	33,566
Miscellaneous Expense	18,051	2,256	2,256	22,563
Advertising	-	-	520	520
Payroll Taxes	28,340	3,543	3,543	35,426
Postage and Shipping	377	94	471	942
Printing and Publications	-	461	1,382	1,843
Professional Services	-	15,401	-	15,401
Rent Subsidies	116,880	-	-	116,880
Salaries	349,129	55,125	55,125	459,379
Supplies	9,882	101	101	10,084
Transportation	665	-	-	665
Utilities	25,160	3,145	3,145	31,450
TOTAL EXPENSES	\$ 731,025	113,121	73,362	\$ 917,508

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, 2021

CASH FLOWS PROVIDED BY OPERATING ACTIVITIES

Change in Net Assets	\$	97,536
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation Expense		44,577
Forgiveness of Paycheck Protection Program Loan		(181,935)
Changes in operating assets and liabilities:		
Decrease (Increase) in accounts receivables		(128,383)
Decrease (Increase) in prepaid assets		(28,940)
Increase (Decrease) in accounts payable		3,970
Increase (Decrease) in accrued salaries		788
NET CASH USED IN OPERATING ACTIVITIES		<u>(192,387)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Principal payments on notes payable		(22,572)
NET CASH USED IN FINANCING ACTIVITIES		<u>(22,572)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Sale(Purchase) of investments		(8,902)
NET CASH USED IN INVESTING ACTIVITIES		<u>(8,902)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS

(223,861)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

540,510

CASH AND CASH EQUIVALENTS, END OF YEAR

\$ 316,649

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, 2021

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, 2021. 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, 2021 the balance of investments total approximately \$22,400.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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:

Asset Class	Useful Life
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 19, 2022, 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, 2021

NOTE 2 – CONCENTRATIONS

The Organization received a significant amount of funding through Charleston County Government Grants. This source of funding comprise approximately 27% of total revenues for the year ended June 30, 2021. The Organization also relies upon funding from the SC Department of Social Services, which comprised approximately 20% of the total revenues. Changes in these sources of funding would significantly affect 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, 2021, \$13,099 of the Organization’s total bank balances of \$345,340 (with a carrying value of \$316,649) 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, 2021, consist of the following:

Cash and Cash Equivalents	\$	316,649
Investments		22,353
Current receivables		146,349
Less: Donor-Imposed Restrictions Associated with Financial Assets		(30,000)
	\$	<u>455,351</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, 2021. 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, 2021.

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Restrictions on net assets at June 30, 2021 relate to funds received for a specific program of the Organization for which the funds had not yet been expended as of June 30, 2021. It is anticipated that a significant amount of these funds will likely be expended during 2022. Net assets with donor restrictions at June 30, 2021 consisted of approximately \$30,000 restricted for various purposes.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 – PROPERTY AND EQUIPMENT

A summary of the Organization’s property and equipment activity for the year end June 30, 2021 is provided in the following table:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<u>Property and Equipment, Not Being Depreciated</u>				
Land	\$ 12,500	-	-	\$ 12,500
Total Property and Equipment, Not Being Depreciated	<u>12,500</u>	<u>-</u>	<u>-</u>	<u>12,500</u>
<u>Property and Equipment, Being Depreciated</u>				
Buildings	1,192,239	-	-	1,192,239
Furniture and Equipment	101,932	-	-	101,932
Vehicles	30,500	-	-	30,500
Total Property and Equipment, Being Depreciated	<u>1,324,671</u>	<u>-</u>	<u>-</u>	<u>1,324,671</u>
Less: Accumulated Depreciation	804,580	44,577	-	849,157
Total Property and Equipment, Net	<u>\$ 532,591</u>	<u>(44,577)</u>	<u>-</u>	<u>\$ 488,014</u>

The Organization reported \$44,577 in depreciation expense for the year ended June 30, 2021.

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 \$265,000 as of June 30, 2021.

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 \$4,000 as of June 30, 2021.

On April 15, 2020, The Organization received a Payroll Protection Program Loan in the amount of \$181,935. On June 21, 2021, the full amount of the loan was forgiven and recorded as revenue in the year end June 30, 2021. As a result, there is no balance outstanding as of June 30, 2021.

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

2022	\$ 18,494
2023	251,263
	<u>\$ 269,757</u>

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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.