

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA
FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2022**

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

TABLE OF CONTENTS

YEAR ENDED SEPTEMBER 30, 2022

	Page
Independent Auditor's Report	1
Financial Section	
Statement of Financial Position	5
Statement of Activities	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Compliance Section	
Schedule of Expenditures of Federal Awards	16
Notes to the Schedule of Expenditures of Federal Awards	17
Independent Auditor's Report - Report on Internal Control over Financial Reporting and on Compliance and on Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	19
Independent Auditor's Report - Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance As Required by the Uniform Guidance	21
Summary Schedule of Prior Audit Findings	23
Schedule of Findings and Questioned Costs	24



Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fact Forward
Columbia, South Carolina

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Fact Forward (a nonprofit organization), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2022, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fact Forward and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note A in the notes to the financial statements, Fact Forward adopted Accounting Standards Update No 2016-02, *Leases (Topic 842)* for the year ended September 30, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Fact Forward's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of Fact Forward's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fact Forward's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

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* 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 schedule of expenditures of federal awards 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 May 3, 2023, 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 solely 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 the effectiveness of Fact Forward's 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
May 3, 2023

(This page intentionally left blank.)

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2022

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	123,348
Cash and Cash Equivalents - Restricted		146,020
Grants Receivable		874,836
Other Receivables		6,339
Prepaid Expenses and Other Current Assets		154,487
Total Current Assets		<u>1,305,030</u>
Beneficial Interest in Assets Held by Others		136,747
Property and Equipment, Net		50,098
Right-of-Use Asset, Net		141,362
TOTAL ASSETS	\$	<u><u>1,633,237</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities:

Accounts Payable and Accrued Expenses	\$	547,813
Accrued Compensated Absences		19,053
Lease Liability - Current Portion		26,308
Total Current Liabilities		<u>593,174</u>
Lease Liability - Noncurrent Portion		62,404
TOTAL LIABILITIES		<u><u>655,578</u></u>

NET ASSETS

Without Donor Restrictions:		
Available for Operations		781,541
Net Investment in Property and Equipment		50,098
Total Net Assets Without Donor Restrictions		<u>831,639</u>
With Donor Restrictions		146,020
TOTAL NET ASSETS		<u><u>977,659</u></u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>1,633,237</u></u>

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

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2022

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS, AND OTHER SUPPORT			
Federal Grants	\$ 18,003	3,687,340	\$ 3,705,343
State/Local Grants and Contracts	-	545,177	545,177
Corporate/Foundation Grants	-	177,500	177,500
Contributions/Sponsorships	54,515	-	54,515
Workshop Registration Income	73,316	-	73,316
Other	5,899	-	5,899
Interest Income	7,661	-	7,661
Unrealized / Realized Gains (Losses)	(43,010)	-	(43,010)
FF Academy Income	10,234	-	10,234
Revenues and Other Support Before Net Assets Released from Restrictions	<u>126,618</u>	<u>4,410,017</u>	<u>4,536,635</u>
Net Assets Released from Restrictions	4,438,962	(4,438,962)	-
TOTAL REVENUES AND OTHER SUPPORT	<u>4,565,580</u>	<u>(28,945)</u>	<u>4,536,635</u>
EXPENSES			
Program Services	4,280,938	-	4,280,938
General and Administrative	402,942	-	402,942
Fundraising	47,344	-	47,344
TOTAL EXPENSES	<u>4,731,224</u>	<u>-</u>	<u>4,731,224</u>
INCREASE (DECREASE) IN NET ASSETS	(165,644)	(28,945)	(194,589)
NET ASSETS, BEGINNING OF THE YEAR	<u>997,283</u>	<u>174,965</u>	<u>1,172,248</u>
NET ASSETS, END OF YEAR	<u>\$ 831,639</u>	<u>146,020</u>	<u>\$ 977,659</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, 2022

	PROGRAM SERVICES	GENERAL AND ADMINISTRATIVE	FUNDRAISING	TOTAL
EXPENSES				
Personnel Costs	\$ 1,382,421	143,872	34,259	\$ 1,560,552
Subrecipient Awards	1,706,442	-	-	1,706,442
Incentives	36,708	-	-	36,708
Accounting/Audit fees	-	24,114	-	24,114
Research Costs	17,175	-	-	17,175
Consultant/Contract/Temporary Labor	522,310	71,513	-	593,823
Lobbying	30,000	-	-	30,000
Office Supplies and Expenses	12,742	13,104	4,362	30,208
Computers/Equipment/Software	28,368	15,070	-	43,438
Educational Materials	5,427	-	-	5,427
Occupancy	12,981	62,928	-	75,909
Postage and Shipping	2,715	502	38	3,255
Travel	84,638	1,220	-	85,858
Workshop Costs	233,283	279	-	233,562
Insurance	-	11,395	-	11,395
Dues and Subscriptions	13,615	4,342	547	18,504
Staff Development	60,168	229	-	60,397
Community Sponsorships	16,708	-	-	16,708
Events	11	-	17	28
Marketing Expenses	115,214	-	8,121	123,335
Bank/Merchant Fees	12	4,201	-	4,213
Other	-	5,885	-	5,885
Total Expenses Before Depreciation	4,280,938	358,654	47,344	4,686,936
Depreciation	-	44,288	-	44,288
TOTAL EXPENSES	\$ 4,280,938	402,942	47,344	\$ 4,731,224

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, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (194,589)
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:	
Depreciation	44,288
Unrealized/Realized (Gains) Losses	43,010
Changes in Operating Assets and Liabilities:	
Grants and Other Receivables	(365,580)
Prepaid Expenses and Other Current Assets	124,700
Right-of-Use Asset	(141,362)
Accounts Payable and Accrued Expenses	348,877
Accrued Payroll Liabilities	(6,355)
Accrued Vacation	(2,846)
Accrued Expenses	(44)
Lease Liability	88,712
NET CASH USED IN OPERATING ACTIVITIES	<u>(61,189)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments of Principal on PPP Loan	(30,194)
NET CASH USED IN FINANCING ACTIVITIES	<u>(30,194)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Reinvestment of Income from Beneficial Interest in Assets Held by Others	(5,572)
Purchase of Property and Equipment	(55,914)
NET CASH USED IN INVESTING ACTIVITIES	<u>(61,486)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (Unrestricted and Restricted) **(152,869)**

CASH AND CASH EQUIVALENTS (Unrestricted and Restricted), Beginning of the Year 422,237

CASH AND CASH EQUIVALENTS (Unrestricted and Restricted), End of Year **\$ 269,368**

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, 2022

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:

- ***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.
- ***COVID-19 Vaccine Outreach Initiatives***: This grant is a partnership with SCDHEC to increase awareness and knowledge of COVID-19 and COVID-19 vaccines, and/or reduce vaccine hesitancy or barriers, in a manner that results in increased vaccinations among members of key populations, such as (1) those living in rural areas (areas that lack access to broadband, healthcare, and other services), (2) minority residents (African American, Latinx, Native American, Asian American and Pacific Islander, etc.), and/or (3) and other vulnerable communities.
- ***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.
- ***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.

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

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

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).
- **Prisma 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, 2022 to be fully collectible.

Prepaid Expenses

Prepaid expenses consist primarily of prepayments for insurance premiums, 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, 2022

**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, 2022

**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, 2022, 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, 2022

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

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This ASU establishes the principles to report transparent and economically neutral information about the assets and liabilities that arise from leases. Under this standard, the lessee is required to recognize most leases on its statement of financial position, whereas previous guidance has allowed the lessee to classify operating leases on the statement of activities. This ASU has had clarification updates through July 2021. The ASU is effective for nonpublic organizations beginning for annual reporting periods after December 15, 2021. Fact Forward has implemented this ASU for the year ended September 30, 2022. As a result, Fact Forward recorded a right-of-use asset and lease liability to represent its rights and obligations under its current operating lease, which falls under the scope of this ASU. The asset is reduced by a single lease expense during the term of the lease, while the liability is relieved by lease payments. See Note J for additional details regarding the effects of this ASU in the current financial statements.

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, 2022 consist of the following:

Cash and Cash Equivalents*	\$ 123,348
Grants Receivable	874,836
Other Receivable	6,339
	<u>\$ 1,004,523</u>

* Excludes the Organization's cash and cash equivalents with donor restrictions of \$146,020

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, 2022, none of Fact Forward’s balances at any financial institution exceeded FDIC limits.

NOTE D – GRANTS RECEIVABLE

Grants receivables as of September 30, 2022 consisted of the following:

Personal Responsibility Education Program	\$ 236,109
Expanding Opportunities for Teen Mothers	127,356
emPowered SC	270,170
Department of Social Services	217,064
COVID-19 Vaccine Outreach Initiative	24,137
	<u>\$ 874,836</u>

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

NOTE E – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Beneficial interest in assets held by others totaled \$136,747 at September 30, 2022 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, 2021	\$ 174,185
Realized and Unrealized Losses on CCCF Investments	(43,010)
Interest and Dividend Income Reinvested	5,572
Beneficial Interest in Assets Held by CCCF - September 30, 2022	<u>\$ 136,747</u>

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment was comprised of the following at September 30, 2022:

	Useful Life	
Furniture and Equipment	5-7 years	\$ 45,955
Computer Software & Hardware	3-5 years	22,903
Website	3 years	308,250
		<u>377,108</u>
Less Accumulated Depreciation and Amortization		(327,010)
		<u>\$ 50,098</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 2021. The remaining \$43,104 outstanding loan amount required monthly principal and interest payments in the amount of \$4,337 beginning July 2021 and continuing through April 2022. Interest accrued at an annual interest rate of 1%. Fact Forward paid the total remaining principal balance of \$30,194 during the year ended September 30, 2022.

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for specific purposes at September 30, 2022:

Blue Cross Blue Shield	\$ 219
Bunnelle Foundation	5,000
Duke Endowment	99,297
New Morning Foundation/Choose Well	26,916
Prisma Health Corporation	8,210
Personal Responsibility Education Program	1,378
Suzan D Boyd	5,000
	<u>\$ 146,020</u>

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

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 \$73,859 for the year ended September 30, 2022.

NOTE J – LEASES

Fact Forward entered into an operating lease for office space from a third party beginning January 1, 2021 and expiring on December 31, 2025. Fact Forward paid \$41,000 at the execution of the lease and \$40,000 in July 2021. The lease also requires monthly payments of \$2,400 for sixty months. Total payments for this lease are \$225,000. Fact Forward has recorded a right-of-use asset of \$214,108 and a lease liability related to this lease of \$133,108. The right-of-use asset has been amortized to \$141,362 and the lease liability has been paid down to \$88,712 as of September 30, 2022. The monthly lease cost for this lease is \$3,750, which represents total rent payments over the term of the lease, discounted to present value at 3.25% which was Fact Forward's incremental borrowing rate at the commitment of the lease. Taxes, insurance, and common area maintenance fees are expensed as incurred. Lease expense for the year ended September 30, 2022, was \$45,000.

Total future minimum lease payments are as follows:

2023	\$	28,800
2024		28,800
2025		28,800
2026		<u>7,200</u>
		93,600
Less Imputed Interest		<u>(4,888)</u>
Total Operating Lease Liability		88,712
Less Current Portion		<u>(26,308)</u>
Noncurrent Portion	\$	<u>62,404</u>

NOTE K – CONCENTRATIONS

For the year ended September 30, 2022, Fact Forward received grants of \$3,687,340 from the Department of Health and Human Services through four separate grant programs passed through the Office of Population Affairs and the South Carolina Department of Health and Environmental Control. Fact Forward also received grants of \$526,431 from the Department of Social Services. Together these accounted for approximately 93% of Fact Forward's total revenues and support.

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2022

Program	Assistance Listing Number	Grant / Contract Number	Expenditures	Expenditures to Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Office of Population Affairs (OPA):				
Expanding Opportunities for Teen Mothers and Families in South Carolina	93.297	1 TP1AH000216-03-00	\$ 927,181	\$ 299,003
emPOWERed SC: Creating Linkages for Youth of Color in South Carolina	93.297	1 TP2AH000064-02-00	1,706,235	487,554
emPOWERed SC: Creating Linkages for Youth of Color in South Carolina	93.297	1 TP2AH000064-03-00	412,630	158,750
	Total 93.297		<u>3,046,046</u>	<u>945,307</u>
Passed through S.C. Department of Health and Environmental Control:				
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	MC-2-331	544,806	465,409
COVID-19 Community-Based Organization Outreach Initiatives	93.323	CBO-02-11	96,488	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>3,687,340</u>	<u>1,410,716</u>
GRAND TOTAL			<u>\$ 3,687,340</u>	<u>\$ 1,410,716</u>

See accompanying notes to the schedule of expenditures of federal awards.

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2022

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, 2022. 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, which is described in the notes to the Organization’s financial statements.

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.

This page is intentionally left blank



**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, 2022, 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 May 3, 2023.

Report on 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) as a basis for designing 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 any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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
May 3, 2023



**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

Opinion on Each Major Federal Program

We have audited Fact Forward’s (the “Organization”) compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (“GAAS”); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (“*Government Auditing Standards*”); 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”). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization’s federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

GREENEFINNEYCAULEY.CPA · INFO@GREENEFINNEY.COM

GREENVILLE, SC
 864.232.0653

MAULDIN, SC
 864.232.5204

CHARLESTON, SC
 843.735.5805

ANDERSON, SC
 864.225.8713

ASHEVILLE, NC
 828.771.0847

OPEN BY
 APPOINTMENT ONLY

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
Mauldin, South Carolina
May 3, 2023

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2022

None noted.

**FACT FORWARD
COLUMBIA, SOUTH CAROLINA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2022

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
-----------	-------------------

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
--	--------------------	----------

Section II - Findings - 2022 Financial Statements Audit

No matters to report.

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

No matters to report.