

ABLE SOUTH CAROLINA, INC.

ANNUAL FINANCIAL REPORT

**FOR THE YEARS ENDED
SEPTEMBER 30, 2020 AND 2019**

ABLE SOUTH CAROLINA, INC.
ANNUAL FINANCIAL REPORT
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

TABLE OF CONTENTS	PAGE
INDEPENDENT AUDITORS' REPORT	1-2
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4-5
STATEMENTS OF FUNCTIONAL EXPENSES	6-7
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9-15
SUPPLEMENTARY SCHEDULES	
SCHEDULE 1	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	16-17
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	18
SCHEDULE 2	
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	19-20
SCHEDULE 3	
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS	21
INDEPENDENT AUDITORS' 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	22-23
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	24-25

PARTNERS

C.C. McGregor, CPA
1906–1968

G.D. Skipper, CPA
L.R. Leaphart, Jr, CPA
M.J. Binnicker, CPA

*W.C. Stevenson, CPA
*B.T. Kight, CPA

D.L. Richardson, CPA
E.C. Inabinet, CPA

S.S. Luoma, CPA
T.M. McCall, CPA
H.D. Brown, Jr, CPA
L.B. Salley, CPA
D.K. Strickland, CPA

J.P. McGuire, CPA
J.R. Matthews II, CPA
C.D. Hinchee, CPA
G.P. Davis, CPA
H.O. Crider, Jr., CPA

ASSOCIATES

V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr, CPA

D.M. Herpel, CPA
F.C. Gillam, Jr, CPA
H.S. Mims, CPA
T. Solorzano, CPA

C.W. Bolen, CPA
W.C. Sanders, CPA
C.L.T. Valentine, CPA

*Active Retired

INDEPENDENT AUDITORS' REPORT

Board of Directors
Able South Carolina, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Able South Carolina, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities, functional expense, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Able South Carolina, Inc. as of September 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

COLUMBIA

3830 FOREST DRIVE | PO BOX 135 | COLUMBIA, SC 29202
(803) 787-0003 | FAX (803) 787-2299

ORANGEBURG

1190 BOULEVARD STREET | ORANGEBURG, SC 29115
(803) 536-1015 | FAX (803) 536-1020

BARNWELL

340 FULDNER ROAD | PO BOX 1305 | BARNWELL, SC 29812
(803) 259-1163 | FAX (803) 259-5469

Other Matters*Other 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2021, on our consideration of Able South Carolina, Inc.'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 Able South Carolina, Inc.'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 Able South Carolina, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "McHugh & Company, LLP". The signature is written in black ink and is positioned above the typed name and date.

Columbia, South Carolina
June 10, 2021

ABLE SOUTH CAROLINA, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2020 AND 2019

	2020	2019
Assets		
Cash and Cash Equivalents	\$ 1,050,779	\$ 363,623
Prepaid Expenses	25,143	25,143
Accounts Receivable	274,718	316,736
Investments	145,333	133,588
Capital Assets, Net of Accumulated Depreciation	16,772	24,518
	1,512,745	863,608
Total Assets		
Liabilities and Net Assets		
Accounts Payable	28,175	54,401
Accrued Compensation Expense	135,792	102,637
SBA Paycheck Protection Program (PPP) Loan	331,100	-
	495,067	157,038
Total Liabilities		
Net Assets		
Without Donor Restrictions	1,017,678	706,570
	1,017,678	706,570
Total Net Assets		
Total Liabilities and Net Assets		
	1,512,745	863,608

The accompanying notes are an integral part of these financial statements.

ABLE SOUTH CAROLINA, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	2020		Totals
	Without Donor Restrictions	With Donor Restrictions	
Revenues and Other Support			
Contributions	\$ 155,648		\$ 155,648
Federal Grants		\$ 1,415,398	1,415,398
State and Local Grants		1,874,088	1,874,088
Program Services Fees	91,096		91,096
Investment Income (Loss)	13,260		13,260
Other	3,484		3,484
Total Revenues and Other Support	263,488	3,289,486	3,552,974
Net Assets Released from Restrictions			
Satisfaction of Purpose Restrictions	3,289,486	(3,289,486)	-
Total Revenues, Other Support and Reclassifications	3,552,974	-	3,552,974
Expenses			
Programs	2,755,474		2,755,474
Management and General	486,392		486,392
Total Expenses	3,241,866	-	3,241,866
Change in Net Assets	311,108	-	311,108
Net Assets, Beginning of Year	706,570		706,570
Net Assets, End of Year	1,017,678	-	1,017,678

The accompanying notes are an integral part of these financial statements.

ABLE SOUTH CAROLINA, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	2019		Totals
	Without Donor Restrictions	With Donor Restrictions	
Revenues and Other Support			
Contributions	\$ 49,032		\$ 49,032
Federal Grants		\$ 1,302,605	1,302,605
State and Local Grants		1,186,337	1,186,337
Program Services Fees	105,427		105,427
Investment Income (Loss)	6,063		6,063
Other	971		971
Total Revenues and Other Support	161,493	2,488,942	2,650,435
Net Assets Released from Restrictions			
Satisfaction of Purpose Restrictions	2,488,942	(2,488,942)	-
Total Revenues, Other Support and Reclassifications	2,650,435	-	2,650,435
Expenses			
Programs	2,164,553		2,164,553
Management and General	342,186		342,186
Total Expenses	2,506,739	-	2,506,739
Change in Net Assets	143,696	-	143,696
Net Assets, Beginning of Year	562,874		562,874
Net Assets, End of Year	706,570	-	706,570

The accompanying notes are an integral part of these financial statements.

ABLE SOUTH CAROLINA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Programs	Management and General	Totals
Salaries and Wages	\$ 1,628,148	\$ 201,232	\$ 1,829,380
Payroll Taxes	122,740	15,170	137,910
Other Employee Benefits	240,594	29,736	270,330
Travel and Program Mileage	72,368	8,945	81,313
Supplies	37,548	7,987	45,535
Insurance	21,840	3,709	25,549
Rent	155,202	43,755	198,957
Occupancy	45,753	9,724	55,477
Contract Services	349,115	73,133	422,248
Payroll Billing Fees	5,314	657	5,971
Bank Fees	1,408	-	1,408
Membership Dues and Subscriptions	4,831	2,597	7,428
Special Events	21,619	26,148	47,767
Staff Accommodations	2,368	293	2,661
Telecommunications	17,539	2,958	20,497
Postage and Printing	15,318	5,932	21,250
Workplace Expansion	3,481	50,824	54,305
Other	912	2,433	3,345
Depreciation	9,376	1,159	10,535
	2,755,474	486,392	3,241,866
Total Functional Expenses	2,755,474	486,392	3,241,866

The accompanying notes are an integral part of these financial statements.

ABLE SOUTH CAROLINA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Programs	Management and General	Totals
Salaries and Wages	\$ 1,112,835	\$ 151,750	\$ 1,264,585
Payroll Taxes	84,065	11,464	95,529
Other Employee Benefits	140,905	19,215	160,120
Travel and Program Mileage	109,877	14,983	124,860
Supplies	85,407	5,721	91,128
Insurance	29,738	4,876	34,614
Rent	121,715	15,881	137,596
Occupancy	23,083	14,261	37,344
Contract Services	341,126	67,681	408,807
Advertising	470	10,464	10,934
Payroll Billing Fees	4,954	676	5,630
Bank Fees	-	28	28
Membership Dues and Subscriptions	2,668	332	3,000
Special Events	47,074	16,692	63,766
Staff Accommodations	5,727	781	6,508
Telecommunications	16,117	259	16,376
Postage and Printing	21,679	1,792	23,471
Workplace Expansion	752	-	752
Other	5,602	3,863	9,465
Depreciation	10,759	1,467	12,226
	<hr/>	<hr/>	<hr/>
Total Functional Expenses	2,164,553	342,186	2,506,739
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

ABLE SOUTH CAROLINA, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
Cash Flows From Operating Activities		
Change in Net Assets	\$ 311,108	\$ 143,696
Depreciation	10,535	12,226
Unrealized (Gain) Loss on Investment	(7,523)	549
Adjustments to Reconcile Change in Net Assets		
to Cash Provided by Operating Activities:		
(Increase) Decrease in Prepaid Expenses	-	2,458
(Increase) Decrease in Accounts Receivable	42,018	(126,873)
Increase (Decrease) in Accounts Payable and Accrued Expenses	(26,226)	47,064
Increase (Decrease) in Accrued Leave	33,155	28,306
	363,067	107,426
Net Cash Provided by Operating Activities		
Cash Flows From Investing Activities		
Net Earnings on Investment	(4,222)	(6,463)
Net Additions to Capital Assets	(2,789)	(6,415)
	(7,011)	(12,878)
Net Cash Used in Investing Activities		
Cash Flows From Financing Activities		
Proceeds from SBA - Paycheck Protection Program (PPP) Loan	331,100	-
	331,100	-
Net Cash Provided by Financing Activities		
Net Increase in Cash and Cash Equivalents	687,156	94,548
Cash and Cash Equivalents, Beginning of Year	363,623	269,075
Cash and Cash Equivalents, End of Year	1,050,779	363,623

The accompanying notes are an integral part of these financial statements.

ABLE SOUTH CAROLINA, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 ORGANIZATION

Able South Carolina, Inc. (Able SC) is a non-profit organization concerned with advocacy issues for persons with significant disabilities. Effective November 27, 2012, an amendment was filed with the South Carolina Secretary of State in order to change the corporate name from Disability Action Center, Inc. to Able South Carolina, Inc. Able SC provides services throughout South Carolina and has offices in Columbia and Greenville and was incorporated on February 4, 1994, in the state of South Carolina.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting whereby all revenue is recognized when earned regardless of when received and expenses are recognized when incurred regardless of when paid.

Financial Statement Presentation

Accounting standards generally accepted in the United States require the presentation of information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of director.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Able SC considers all highly liquid debt instruments with a maturity of three (3) months or less to be cash equivalents.

Furniture, Equipment, Vehicles and Leasehold Improvements

Furniture, equipment, vehicles and leasehold improvements are maintained on the basis of original cost if purchased and estimated fair value at the date of acquisition if acquired by donation, less allowances for depreciation. Depreciation is computed using straight-line method over estimated useful lives of three to five years for the respective assets. The cost of maintenance and repairs are charged to operations as incurred. Cost of major additions and improvements are capitalized. Items valued under \$1,000 and a useful life not exceeding one year are expensed in the period purchased. The cost of any assets that are retired or otherwise disposed of and the related allowances for depreciation are eliminated from the respective accounts. Gains or losses resulting from such dispositions are reflected in the statement of activities.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable consist primarily of grant related revenue not collected at year end. They are stated at full value with no allowance for doubtful accounts as management is of the opinion that all accounts are collectible due to past collection experience.

Financial Instruments

The following methods and assumptions were used to determine the fair value of each class of financial instrument.

Cash and Cash Equivalents, Receivables and Payables

Fair values approximate respective carrying values due to the short maturities of those instruments.

Investment in Securities

Fair values of securities are based on quoted market price.

Investments

Investments in equity securities with readily determinable fair values are measured at fair value in the statement of financial position. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements prepared in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Income Taxes

Able SC was established as an eleemosynary corporation under the laws of the State of South Carolina, and has been granted exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code. Management has evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provision of this guidance.

Able SC is not currently undergoing examination of any previously filed tax returns; however, the returns filed for the most recent 3 years remain available for examination by taxing authorities. Management is not aware of any tax positions in the returns which have less than a 50% chance of being affirmed under examination.

Compensated Absences

Able SC records as a liability the obligations relating to employees' rights to receive vacation compensation for future absences attributable to employees' service as rendered.

Contributions

Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence or nature of any donor imposed restrictions. Contributions received are measured at their fair values and are reported as increases in net assets. The Organization reports contributions as with donor restrictions if they are received with donor stipulations that limit the use of the donated asset, or if they are designated as support for future periods. When a donor 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as without donor restrictions.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants

Grant revenue increases net assets with donor restrictions when conditions for revenue recognition have been met. Able SC recognizes grant revenues under a cost reimbursable method. Satisfaction of purpose restrictions imposed by terms and conditions of the grant award are reported as net assets released from restrictions in net assets with donor restrictions.

Adoption of New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classifications, deficiencies in information about liquidity and availability of resources and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

NOTE 3 FUNCTIONAL EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include salaries and wages, payroll taxes, other employee benefits, travel and program mileage, supplies, insurance, rent, occupancy, contract services, advertising, payroll billing fees, membership dues and subscriptions, special events, staff accommodations, telecommunications, postage and printing, other, and depreciation, which are allocated on the basis of estimates of time and effort.

NOTE 4 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets for the year ended September 30, 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year:

	2020	2019
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,050,779	\$ 363,623
Investments	145,333	133,588
Accounts receivable	<u>274,718</u>	<u>316,736</u>
Total financial assets	1,470,830	813,947
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>1,470,830</u></u>	<u><u>813,947</u></u>

The Organization develops and adopts annual budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due.

NOTE 5 INVESTMENTS

Investments consist of the following at September 30:

	2020			
	Carrying Value	Unrealized Gain	Unrealized Loss	Amortization Cost
Mutual Funds	\$ 145,333	\$7,523	-	\$ 137,810

	2019			
	Carrying Value	Unrealized Gain	Unrealized Loss	Amortization Cost
Mutual Funds	\$ 133,588	-	\$ 549	\$ 134,137

Investment Income (Loss) consists of the following at September 30:

	2020	2019
Dividends/Interest Income	\$ 5,737	\$ 6,612
Unrealized Gain (Loss) on Investments	7,523	(549)
	<u>13,260</u>	<u>6,063</u>

NOTE 6 DISCLOSURES ABOUT FAIR VALUE OF INVESTMENTS

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the market in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 Inputs to the valuation methodology include: (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability; and (4) inputs that are derived principally from or corroborated by other observable market data.

Level 3 Unobservable inputs that cannot be corroborated by observable market data.

NOTE 6 DISCLOSURES ABOUT FAIR VALUE OF INVESTMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of September 30, 2020 and 2019, and describes the valuation methodologies used for investments measured at fair value:

	Investments at Fair Value as of September 30, 2020			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 145,333	-	-	\$ 145,333

	Investments at Fair Value as of September 30, 2019			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 133,588	-	-	\$ 133,588

NOTE 7 FURNITURE, EQUIPMENT, LEASEHOLD IMPROVEMENTS AND VEHICLE

Capital assets at September 30:

	2020	2019
Furniture, Equipment, Leasehold Improvements and Vehicle	\$ 144,657	\$ 141,868
Less: Accumulated Depreciation	(127,885)	(117,350)
	<u>16,772</u>	<u>24,518</u>

Depreciation Expense was \$10,535 and \$12,226 for the years ended September 30, 2020 and 2019, respectively.

NOTE 8 SMALL BUSINESS ADMINISTRATION (SBA) – PAYCHECK PROTECTION PROGRAM (PPP) LOAN

In April 2020, the Organization obtained a loan under the provisions of the Paycheck Protection Program (PPP), through a financial institution. The PPP was created under the provisions of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), signed into law by President Trump on March 27, 2020. The program is administered by the United States Small Business Administration (SBA) and the Organization qualified for a loan amount of \$331,100, which was funded April 24, 2020.

The proceeds of this loan enabled the Organization to retain its employees and pay critical expenses. The loan matures in April 2022, and bears interest at 1%. The first six months of principal and interest are deferred, with interest accruing, then converting to monthly principal and interest payments over the remaining eighteen months. Management believes that the loan will be 100% forgiven.

NOTE 9 OPERATING LEASE COMMITMENTS

Able SC leases office space under operating leases as follows at September 30:

	2020	2019
Rental Expense	\$ 198,957	\$ 144,796
Sub-lease Income	-	(7,200)
Net Rental Expense	<u>198,957</u>	<u>137,596</u>

NOTE 9 OPERATING LEASE COMMITMENTS (Continued)

Able SC sub-leased some of its office space for the periods ending on September 30, 2020 and 2019. Any sub-lease rent collected is shown as an off-set to Able SC's rental expenses.

Headquarter facilities are located at 720 Gracern Road, Columbia, South Carolina. The monthly lease payments are \$6,856 to \$13,849 over the seven year term of the lease.

Able SC leases a facility on 135 Edinburgh Court, Greenville, South Carolina. The monthly lease payments are \$2,909 to \$5,373 over the seven year term of the lease.

Minimum future rental payments under non-cancelable operating leases as of September 30, 2020, for each of the remaining years and in the aggregate are:

Year Ended September 30	Amount
2021	\$ 204,636
2022	210,800
2023	217,109
2024	223,617
2025	213,737
Thereafter	<u>27,698</u>
Totals	<u>1,097,597</u>

NOTE 10 CONCENTRATION OF REVENUE

Approximately 40% and 49% of the Organization's revenues were attributable to federal grants during the years ended September 30, 2020 and 2019, respectively. A significant reduction in the federal grants would have an adverse effect on the operating activities of the Organization.

NOTE 11 CUSTODIAL CREDIT RISK

At September 30, 2020 and 2019, the organization had bank balances that exceeded the FDIC coverage limits in the amount of \$665,617 and \$107,244, respectively.

NOTE 12 CONCENTRATION OF MARKET RISK

Able SC invests funds in a professionally managed portfolio that contains two similar mutual funds. Such investments are exposed to various risks, such as fluctuations in market value and credit risk. The investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

NOTE 13 RETIREMENT PLAN

Able SC provides a retirement program for eligible full-time employees who are at least 21 years old. Able SC contributes to the employee's retirement plan when employees become eligible and vested after one year of employment. Employer percentage contributions to the retirement program are reviewed and determined annually by the Board of Directors. For the years ending September 30, 2020 and 2019, the employer percentage contribution was 3% each year. Able SC paid retirement expense of \$27,856 and \$23,368 for the year ending September 30, 2020 and 2019, respectively.

NOTE 14 RISK AND UNCERTAINTIES

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared states of emergency. It is anticipated that these impacts will continue for some time. Although there has been no significant impact to the Organization's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the Organization's ability to provide services. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of the Organization to provide in person services, loss of federal and state funding to provide those services or other pandemic related issues. The future effects of these issues are unknown.

NOTE 15 SUBSEQUENT EVENTS

Able South Carolina, Inc. evaluated the effects subsequent events would have on the financial statements through the date of the auditors' report, which is the date the financial statements were available for issuance.

ABLE SOUTH CAROLINA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Award Number	Total Expenditures
U. S. Department of Health and Human Services			
Administrative for Community Living			
Direct Funding:			
ACL Centers for Independent Living	93.432	1903SCILCL-00	\$ 639,788
ACL Centers for Independent Living	93.432	2003SCILCL-00	9,879
ACL Centers for Independent Living	93.432	2003SCILC3-00	<u>122,386</u>
Total CFDA No. 93.432			<u>772,053</u>
Developmental Disabilities Projects of National Significance South Carolina Employment First Initiative	93.631	90DNEM0001-04-00	212,578
Developmental Disabilities Projects of National Significance South Carolina Employment First Initiative	93.631	90DNEM0001-05-01	<u>22,211</u>
Total CFDA No. 93.631			<u>234,789</u>
Pass-through SC Developmental Disabilities Council:			
Developmental Disabilities Basic Support and Advocacy Grants			
State Grant:			
Access: Advancing Capacity and Collaboration for Employment Support Services	93.630	09-21-0004	37,345
Access: Advancing Capacity and Collaboration for Employment Support Services	93.630	10-21-0004	2,532
Building Advocacy in Transition Systems	93.630	10-21-0002	3,995
Equip	93.630	09-21-0028	57,697
Equip	93.630	10-21-0028	7,817
Youth Leadership Forum	93.630	09-21-0044	22,384
Youth Leadership Forum	93.630	10-21-0044	<u>29,266</u>
Total CFDA No. 93.630			<u>161,036</u>
Pass-through University of South Carolina:			
Disabilities Prevention	93.184	6NU27DD001157-05-01	5,348
Disabilities Prevention	93.184	5NU27DD000011-04-00	27,933
Disabilities Prevention	93.184	5NU27DD000011-04-00	<u>4,388</u>
Total CFDA No. 93.184			<u>37,669</u>
Total U. S. Department of Health and Human Services			<u>1,205,547</u>
U. S. Department of Justice			
Office on Violence Against Women			
Direct Funding:			
Education, Training, and Enhanced Services to End Violence Against Women with Disabilities	16.529	2017-FW-AX-K001	<u>158,648</u>
Total CFDA No. 16.529			<u>158,648</u>
Total U. S. Department of Justice			<u>158,648</u>
U. S. Department of Labor			
Pass-through South Carolina Department of Employment and Workforce:			
Workforce Innovation Grant - Capacity Building for Inclusion	17.278	17WIG04	<u>22,403</u>
Total CFDA No. 17.278			<u>22,403</u>
Total U. S. Department of Labor			<u>22,403</u>

ABLE SOUTH CAROLINA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Award Number	Total Expenditures
U. S. Department of Education			
Pass-through University of South Carolina:			
National Secondary Transition Technical Assistance Center	84.326	H326E140004	28,800
Total CFDA No. 84.326			28,800
Total U. S. Department of Education			28,800
Total Federal Assistance Expended			1,415,398

See Notes to Schedule of Expenditures of Federal Awards

ABLE SOUTH CAROLINA, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Note 1 Summary of Significant Accounting Policies

(a) Reporting Entity

The schedule of expenditures of federal awards (SEFA) includes the activity of all federal award programs administered by Able South Carolina, Inc.

(b) Basis of Presentation

The SEFA presents total federal awards expended for each individual federal program in accordance with the *Uniform Guidance*. Federal award program titles are reported as presented in the Catalog of Federal Domestic Assistance (CFDA). Some amounts presented in the SEFA may differ from amounts presented in, or used in, the preparation of the financial statements.

(c) Basis of Accounting

The expenditures for each of the federal financial assistance programs are presented in the SEFA on the same basis of accounting as Able South Carolina, Inc.'s financial statements. The financial statements of Able South Carolina, Inc. are prepared using the accrual basis of accounting.

(d) De Minimis Indirect Cost Rate

The Organization has elected not to use the 10-percent de minimis indirect cost rate as allowed under the *Uniform Guidance*.

Note 2 Relationship to Federal Financial Reports

The regulations and guidelines governing the preparation of federal financial reports vary by federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal financial reports do not necessarily agree with the amounts reported in the accompanying SEFA which is prepared on the basis explained in Note 1.

ABLE SOUTH CAROLINA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

PART I SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of Auditors' Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material Weaknesses Identified? Yes No

Significant Deficiencies Identified that are not considered to be material weaknesses? Yes None Reported

Noncompliance Material to Financial Statements Noted? Yes No

Federal Awards

Internal Control Over Major Programs:

Material Weaknesses Identified? Yes No

Significant Deficiencies Identified that are not considered to be material weaknesses? Yes None Reported

Type of Auditors' Report Issued on compliance for major programs: Unmodified

Audit findings that are required to be reported in accordance with Uniform Guidance Criteria? Yes No

Identification of Major Federal Programs

CFDA Numbers	Name of Federal Program or Cluster
93.432	Centers for Independent Living
Dollar threshold used to distinguish Between Type A and Type B Programs:	\$750,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

ABLE SOUTH CAROLINA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

PART II: FINANCIAL STATEMENT FINDINGS

None Reported

PART III: FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None Reported

ABLE SOUTH CAROLINA, INC.
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Summary of Prior Year Findings

None

PARTNERS

C.C. McGregor, CPA
1906–1968

G.D. Skipper, CPA
L.R. Leaphart, Jr, CPA
M.J. Binnicker, CPA
D.L. Richardson, CPA
E.C. Inabinet, CPA

S.S. Luoma, CPA
T.M. McCall, CPA
H.D. Brown, Jr, CPA
L.B. Salley, CPA
D.K. Strickland, CPA

J.P. McGuire, CPA
J.R. Matthews II, CPA
C.D. Hincee, CPA
G.P. Davis, CPA
H.O. Crider, Jr., CPA

ASSOCIATES

V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr, CPA

D.M. Herpel, CPA
F.C. Gillam, Jr, CPA
H.S. Mims, CPA
T. Solorzano, CPA

C.W. Bolen, CPA
W.C. Sanders, CPA
C.L.T. Valentine, CPA

*Active Retired

INDEPENDENT AUDITORS' 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

Board of Directors
Able South Carolina, Inc.

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 Able South Carolina, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 10, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Able South Carolina, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Able South Carolina, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Able South Carolina, Inc.'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 any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Able South Carolina, Inc.'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*.

COLUMBIA

3830 FOREST DRIVE | PO BOX 135 | COLUMBIA, SC 29202
(803) 787-0003 | FAX (803) 787-2299

ORANGEBURG

1190 BOULEVARD STREET | ORANGEBURG, SC 29115
(803) 536-1015 | FAX (803) 536-1020

BARNWELL

340 FULDNER ROAD | PO BOX 1305 | BARNWELL, SC 29812
(803) 259-1163 | FAX (803) 259-5469

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "McHugh & Company, LLP".

Columbia, South Carolina
June 10, 2021

PARTNERS

C.C. McGregor, CPA
1906–1968

G.D. Skipper, CPA
L.R. Leaphart, Jr, CPA
M.J. Binnicker, CPA

*W.C. Stevenson, CPA
*B.T. Kight, CPA

D.L. Richardson, CPA
E.C. Inabinet, CPA

S.S. Luoma, CPA
T.M. McCall, CPA
H.D. Brown, Jr, CPA

L.B. Salley, CPA
D.K. Strickland, CPA

J.P. McGuire, CPA
J.R. Matthews II, CPA
C.D. Hinchee, CPA

G.P. Davis, CPA
H.O. Crider, Jr., CPA

ASSOCIATES

V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA

P.A. Betette, Jr, CPA

D.M. Herpel, CPA
F.C. Gillam, Jr, CPA
H.S. Mims, CPA

T. Solorzano, CPA

C.W. Bolen, CPA
W.C. Sanders, CPA
C.L.T. Valentine, CPA

*Active Retired

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Able South Carolina, Inc.

Report on Compliance for Each Major Federal Program

We have audited Able South Carolina, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Able South Carolina, Inc.'s major federal programs for the year ended September 30, 2020. Able South Carolina, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Able South Carolina, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Able South Carolina, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Able South Carolina, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Able South Carolina, Inc. 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, 2020.

COLUMBIA

3830 FOREST DRIVE | PO BOX 135 | COLUMBIA, SC 29202
(803) 787-0003 | FAX (803) 787-2299

ORANGEBURG

1190 BOULEVARD STREET | ORANGEBURG, SC 29115
(803) 536-1015 | FAX (803) 536-1020

BARNWELL

340 FULDNER ROAD | PO BOX 1305 | BARNWELL, SC 29812
(803) 259-1163 | FAX (803) 259-5469

Report on Internal Control Over Compliance

Management of Able South Carolina, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Able South Carolina, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Able South Carolina, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Columbia, South Carolina
June 10, 2021