

ABLE SOUTH CAROLINA, INC.

ANNUAL FINANCIAL REPORT

**FOR THE YEARS ENDED
SEPTEMBER 30, 2021 AND 2020**

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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, 2021 and 2020, and the related statements of activities, functional expenses 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, 2021 and 2020, 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.

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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 28, 2022, 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.



Columbia, South Carolina
June 28, 2022

ABLE SOUTH CAROLINA, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2021 AND 2020

	2021	2020
Assets		
Cash and Cash Equivalents	\$ 1,423,580	\$ 1,050,779
Prepaid Expenses	25,143	25,143
Accounts Receivable	2,737,768	274,718
Investments	159,416	145,333
Capital Assets, Net of Accumulated Depreciation	17,443	16,772
	Total Assets	1,512,745
	4,363,350	1,512,745
Liabilities and Net Assets		
Accounts Payable	25,388	28,175
Accrued Compensation Expense	120,896	135,792
Deferred Revenue	2,291,907	-
SBA Paycheck Protection Program (PPP) Loan	-	331,100
	Total Liabilities	495,067
	2,438,191	495,067
Net Assets		
Without Donor Restrictions	1,925,159	1,017,678
	Total Net Assets	1,017,678
	1,925,159	1,017,678
	Total Liabilities and Net Assets	1,512,745
	4,363,350	1,512,745

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

ABLE SOUTH CAROLINA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues and Other Support			
Contributions	\$ 90,093		\$ 90,093
Federal Grants		\$ 1,738,857	1,738,857
State and Local Grants		1,815,629	1,815,629
Program Services Fees	50,587		50,587
Investment Income (Loss)	15,529		15,529
SBA - Paycheck Protection Program (PPP) - Loan Forgiveness	331,100		331,100
Other	10,626		10,626
	<hr/>		
Total Revenues and Other Support	497,935	3,554,486	4,052,421
Net Assets Released from Restrictions			
Satisfaction of Purpose Restrictions	3,554,486	(3,554,486)	-
	<hr/>		
Total Revenues, Other Support and Reclassifications	4,052,421	-	4,052,421
	<hr/>		
Expenses			
Programs	2,655,798		2,655,798
Management and General	489,142		489,142
	<hr/>		
Total Expenses	3,144,940	-	3,144,940
	<hr/>		
Change in Net Assets	907,481	-	907,481
	<hr/>		
Net Assets, Beginning of Year	1,017,678		1,017,678
	<hr/>		
Net Assets, End of Year	1,925,159	-	1,925,159
	<hr/> <hr/>		

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

	Without Donor Restrictions	With Donor Restrictions	Totals
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 FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Programs	Management and General	Totals
Salaries and Wages	\$ 1,622,974	\$ 221,314	\$ 1,844,288
Payroll Taxes	123,687	16,866	140,553
Other Employee Benefits	244,589	33,354	277,943
Travel and Program Mileage	24,223	3,303	27,526
Supplies	41,104	10,771	51,875
Insurance	27,838	10,472	38,310
Rent	141,039	64,471	205,510
Occupancy	75,760	10,343	86,103
Contract Services	281,904	81,558	363,462
Bank Fees	1,231	-	1,231
Membership Dues and Subscriptions	6,858	2,409	9,267
Special Events	13,642	16,144	29,786
Staff Accommodations	1,675	228	1,903
Telecommunications	21,597	4,017	25,614
Postage and Printing	15,776	3,599	19,375
Other	5,313	9,395	14,708
Depreciation	6,588	898	7,486
	<hr/>	<hr/>	<hr/>
Total Functional Expenses	2,655,798	489,142	3,144,940
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
Cash Flows From Operating Activities		
Change in Net Assets	\$ 907,481	\$ 311,108
Depreciation	7,486	10,535
Unrealized (Gain) Loss on Investments	(12,888)	(7,523)
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
(Increase) Decrease in Accounts Receivable	(2,463,050)	42,018
Increase (Decrease) in Accounts Payable and Accrued Expenses	(2,787)	(26,226)
Increase (Decrease) in Accrued Leave	(14,896)	33,155
Increase (Decrease) in Deferred Revenue	2,291,907	-
	713,253	363,067
Cash Flows From Investing Activities		
Net Earnings on Investments	(1,195)	(4,222)
Net Additions to Capital Assets	(8,157)	(2,789)
	(9,352)	(7,011)
Cash Flows From Financing Activities		
Proceeds from (Forgiveness of) SBA - Paycheck Protection Program (PPP) Loan	(331,100)	331,100
	(331,100)	331,100
Net Increase in Cash and Cash Equivalents	372,801	687,156
Cash and Cash Equivalents, Beginning of Year	1,050,779	363,623
Cash and Cash Equivalents, End of Year	1,423,580	1,050,779

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 and Revenue Recognition

Accounting principles generally accepted in the United States require the presentation of information regarding non-profit organization's 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 directors.

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.

All revenues, gains and other support are reported as increases in net assets without donor restriction, except for restricted federal grant revenues and contracts, which are reported, as increases in net assets with donor restrictions. Expiration of federal restrictions, such as expenses incurred under federal programs, are reported as a reclassification to net assets without donor restrictions, to offset functional expense reporting. Contributions and other assets are reported as unrestricted support if they are received without donor stipulations that limit the use of the donated assets. Contributions and other assets received with donor restrictions are reported as increases in net assets without donor restrictions if the stipulated restrictions (time or purpose) are met within the same reporting period.

Major Funding Source and Concentration Risk

Able SC receives most of its federal funding from the United States Department of Health and Human Services (HHS) and related pass-through entities. In accordance with HHS policies, all funds disbursed must be in compliance with the specific terms of the grant agreement. HHS and the related pass-through entities may, at their discretion, request reimbursement for expenses or return of unexpended funds, or both, as a result of noncompliance by Able SC with the terms of the grant.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major Funding Source and Concentration Risk (Continued)

In addition, if Able SC terminated its grant activities, all unexpended funds must be returned to the Department of Health and Human Services or the related pass-through entities. Approximately 43% and 40% of the Organization's revenues were attributable to federal grants during the years ended September 30, 2021 and 2020, respectively. A significant reduction in the federal grants would have an adverse effect on the operating activities of the Organization.

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 from the date of purchase 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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

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.

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 years ended September 30, 2021 and 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year:

NOTE 4 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

	2021	2020
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,423,580	\$ 1,050,779
Investments	159,416	145,333
Accounts receivable	<u>2,737,768</u>	<u>274,718</u>
Total financial assets	4,320,764	1,470,830
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>4,320,764</u>	<u>1,470,830</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 ACCOUNTS RECEIVABLE

The Organization includes in accounts receivable amounts representing unpaid contributions, fees for services provided, federal, state and local grants, and other earned revenues. Accounts receivable are stated at the amount management expects to collect from services provided. Management believes the accounts receivable balances are fully collectible and no allowance for doubtful accounts is considered necessary. As of September 30, 2021 and 2020, accounts receivable for unpaid contributions, fees for service, state and local grants, and other earned revenues were \$371,642 and \$149,588, respectively. As of September 30, 2021 and 2020, accounts receivable for federal funding received under approved grant awards were as follows:

	2021	2020
Direct Funding - Centers for Independent Living	\$ 53,249	\$ 89,359
Pass-through Funding - SC DDC	81,170	30,983
Pass-through Funding - USC	-	4,788
Pass-through Funding - SC DSS	2,501	-
Pass-through Funding - CDC Foundation	<u>2,229,206</u>	<u>-</u>
	<u>2,366,126</u>	<u>125,130</u>

NOTE 6 INVESTMENTS

Investments consist of the following at September 30:

	2021			
	Carrying Value	Unrealized Gain	Unrealized Loss	Amortization Cost
Mutual Funds	\$ 159,416	\$ 12,888	-	\$ 146,528

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

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

	2021	2020
Dividends/Interest Income	\$ 2,641	\$ 5,737
Unrealized Gain (Loss) on Investments	12,888	7,523
	<u>15,529</u>	<u>13,260</u>

NOTE 7 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.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of September 30, 2021 and 2020, and describes the valuation methodologies used for investments measured at fair value:

NOTE 7 DISCLOSURES ABOUT FAIR VALUE OF INVESTMENTS (Continued)

	<u>Investments at Fair Value as of September 30, 2021</u>			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 159,416	-	-	\$ 159,416

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

NOTE 8 FURNITURE, EQUIPMENT, LEASEHOLD IMPROVEMENTS AND VEHICLE

Capital assets at September 30:

	2021	2020
Furniture, Equipment, Leasehold Improvements and Vehicle	\$ 152,814	\$ 144,657
Less: Accumulated Depreciation	(135,371)	(127,885)
	<u>17,443</u>	<u>16,772</u>

Depreciation Expense was \$7,486 and \$10,535 for the years ended September 30, 2021 and 2020, respectively.

NOTE 9 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 2020.

The proceeds of this loan enabled the Organization to retain its employees and pay critical expenses. The loan was scheduled to mature 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.

In June 2021, as authorized by Section 1106 of the CARES Act, the Organization received notice that the Small Business Administration (SBA) had remitted to the Lender of Record the payment of \$331,100 for forgiveness of the Organization's Paycheck Protection Program Loan, which represents 100% forgiveness of the original loan amount.

NOTE 10 DEFERRED REVENUE

The Organization has various grants and agreements with the National Foundation for the Centers for Disease Control and Prevention, Inc. ("CDC Foundation") and with the Christopher and Dana Reeve Foundation to administer programs and services in accordance with terms and conditions of contracts and grant agreements. During the year ended September 30, 2021, a portion of amounts received from these organizations were in advance of services provided. The policy of the Organization is to recognize revenues when earned and recognize a liability as deferred revenues for services provided in subsequent reporting periods. Revenues related to these services will be recognized when the terms and conditions of service are met in the subsequent reporting period.

NOTE 10 DEFERRED REVENUE (Continued)

Deferred revenue is reported for the contracts and grant agreements at September 30 as follows:

	2021	2020
Pass-through Funding - Christopher and Dana Reeve Foundation	\$ 37,799	\$ -
Pass-through Funding - CDC Foundation	2,254,108	-
	<u>2,291,907</u>	<u>-</u>

NOTE 11 OPERATING LEASE COMMITMENTS

Able SC leases office space under operating leases as follows at September 30, 2021:

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, 2021, for each of the remaining years and in the aggregate are:

Year Ended September 30	Amount
2022	\$ 204,636
2023	210,800
2024	217,109
2025	223,618
2026	213,737
Thereafter	<u>27,698</u>
Totals	<u>1,097,598</u>

NOTE 12 CUSTODIAL CREDIT RISK

At September 30, 2021 and 2020, the organization had bank balances that exceeded the FDIC coverage limits in the amount of \$917,130 and \$665,617, respectively.

NOTE 13 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 14 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 ended September 30, 2021 and 2020, the employer percentage contribution was 3% each year. Able SC paid retirement contributions of \$31,907 and \$27,856 for the years ending September 30, 2021 and 2020, respectively.

NOTE 15 RISK AND UNCERTAINTIES

The COVID-19 pandemic developed rapidly in 2020 and continued during 2021. Due to health concerns, economic uncertainties exist such as the possibility of mandated stay-at-home orders. 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 16 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, 2021

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:			
Centers for Independent Living	93.432	2003SCILCL-00	\$ 629,909
Centers for Independent Living	93.432	2003SCILC3-01	<u>406,816</u>
Total CFDA No. 93.432			<u>1,036,725</u>
Developmental Disabilities Projects of National Significance	93.631	90DNEM0001-05-01	<u>236,125</u>
Total CFDA No. 93.631			<u>236,125</u>
Pass-through South Carolina Developmental Disabilities Council:			
Developmental Disabilities Basic Support and Advocacy Grants	93.630	10-21-0004	40,225
Developmental Disabilities Basic Support and Advocacy Grants	93.630	11-21-0004	3,279
Developmental Disabilities Basic Support and Advocacy Grants	93.630	10-21-0002	35,590
Developmental Disabilities Basic Support and Advocacy Grants	93.630	11-21-0002	5,942
Developmental Disabilities Basic Support and Advocacy Grants	93.630	10-21-0028	67,108
Developmental Disabilities Basic Support and Advocacy Grants	93.630	11-21-0028	12,041
Developmental Disabilities Basic Support and Advocacy Grants	93.630	10-21-0044	20,684
Developmental Disabilities Basic Support and Advocacy Grants	93.630	11-21-0044	<u>14,769</u>
Total CFDA No. 93.630			<u>199,638</u>
Pass-through Christopher & Dana Reeve Foundation:			
Paralysis Resource Center	93.325	90PRRC0002-03-00	<u>37,201</u>
Total CFDA No. 93.325			<u>37,201</u>
U. S. Department of Health and Human Services			
Centers for Disease Control and Prevention			
Pass-through University of South Carolina:			
Disabilities Prevention	93.184	5NU27DD000011-05-00	<u>35,613</u>
Total CFDA No. 93.184			<u>35,613</u>
Pass-through National Foundation for the Centers for Disease Control and Prevention, Inc. ("CDC Foundation"):			
Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects	93.185	1NH23IP922652-01-00	<u>23,351</u>
Total CFDA No. 93.185			<u>23,351</u>
Total U. S. Department of Health and Human Services			<u>1,568,653</u>

ABLE SOUTH CAROLINA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Award Number	Total Expenditures
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>105,599</u>
Total CFDA No. 16.529			<u>105,599</u>
Total U. S. Department of Justice			<u>105,599</u>
Social Security Administration			
Office of Acquisition and Grants			
Direct Funding:			
Social Security - Work Incentives Planning and Assistance Program	96.008	1WIP21050558-01-00	<u>31,813</u>
Total CFDA No. 96.008			<u>31,813</u>
Total Social Security Administration			<u>31,813</u>
U. S. Department of Education			
Pass-through University of South Carolina:			
Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	H326E140004	<u>29,793</u>
Total CFDA No. 84.326			<u>29,793</u>
Total U. S. Department of Education			<u>29,793</u>
U.S. Department of Agriculture			
Food and Nutrition Service			
Pass-through South Carolina Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	5SC400407	<u>2,999</u>
Total CFDA No. 10.561			<u>2,999</u>
Total U.S. Department of Agriculture			<u>2,999</u>
Total Federal Assistance Expended			<u>1,738,857</u>

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, 2021

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 of accounting as described in Note 1.

ABLE SOUTH CAROLINA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

PART I SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of Auditors' Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material Weaknesses Identified? Yes X No

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

Noncompliance Material to Financial Statements Noted? Yes X No

Federal Awards

Internal Control Over Major Programs:

Material Weaknesses Identified? Yes X No

Significant Deficiencies Identified that are not considered to be material weaknesses? Yes X 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 X 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?	<u> X </u> Yes <u> </u> No

ABLE SOUTH CAROLINA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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, 2021

Summary of Prior Year Findings

None

McGregor & COMPANY^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

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*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, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2022.

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*.

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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 black ink that reads "McGrigor & Company, LLP". The signature is written in a cursive, flowing style.

Columbia, South Carolina
June 28, 2022

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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, 2021. 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, 2021.

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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 28, 2022