

**TOGETHER SC
COLUMBIA, SOUTH CAROLINA
AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

**TOGETHER SC
AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
<u>Financial Statements:</u>	
Statements of Financial Position	2
Statements of Activities	3-4
Statement of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-13

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Together SC
Columbia, South Carolina

We have audited the accompanying financial statements of Together SC (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, 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.

Auditors' 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 Together SC as of June 30, 2019 and 2018, 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.



October 4, 2019
Charleston, South Carolina

TOGETHER SC
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2019 AND 2018

	2019	2018
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and cash equivalents, undesignated	\$ 111,445	\$ 114,227
Cash and cash equivalents, board designated	100,000	100,000
Cash and cash equivalents, fiscal sponsor	50,729	12,672
Accounts receivable	8,057	1,000
Prepaid expenses	11,361	11,361
Total current assets	281,592	239,260
Property, Plant and Equipment, net	-	-
Total assets	\$ 281,592	\$ 239,260
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ 12,567	\$ 32,261
Accrued compensated absences	14,775	7,074
Unearned membership revenue	111,594	112,094
Deferred revenue	1,855	1,000
Total current liabilities	140,791	152,429
<u>Net Assets</u>		
Without donor restrictions		
Board designated	100,000	100,000
Undesignated	(19,928)	(41,391)
Total without donor restrictions	80,072	58,609
With donor restrictions		
Fiscal sponsor	50,729	12,672
Other	10,000	15,550
Total with donor restrictions	60,729	28,222
Total net assets	140,801	86,831
Total liabilities and net assets	\$ 281,592	\$ 239,260

See Accompanying Notes to Financial Statements.

TOGETHER SC
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Changes in Unrestricted Net Assets			
Support and Revenue			
Membership support	\$ 223,425	\$ -	\$ 223,425
Contributions and grants	61,938	10,000	71,938
Contributions, fiscal sponsor	-	44,308	44,308
Summit program and revenue	317,408	-	317,408
Sponsorships	13,674	-	13,674
Purchasing power and product revenue	6,910	-	6,910
Knowledge network program revenue	30,475	-	30,475
Interest	104	-	104
Miscellaneous	1,197	-	1,197
Total support and revenue	<u>655,131</u>	<u>54,308</u>	<u>709,439</u>
Net assets released from restriction	<u>21,801</u>	<u>(21,801)</u>	<u>-</u>
Total support, revenue and reclassifications	<u>676,932</u>	<u>32,507</u>	<u>709,439</u>
Expenses			
Program services	495,281	-	495,281
General and administrative	160,188	-	160,188
Total expenses	<u>655,469</u>	<u>-</u>	<u>655,469</u>
Increase in net assets	21,463	32,507	53,970
Beginning Net Assets	<u>58,609</u>	<u>28,222</u>	<u>86,831</u>
Ending Net Assets	<u>\$ 80,072</u>	<u>\$ 60,729</u>	<u>\$ 140,801</u>

See Accompanying Notes to Financial Statements.

**TOGETHER SC
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Changes in Unrestricted Net Assets			
Support and Revenue			
Membership support	\$ 209,714	\$ -	\$ 209,714
Contributions and grants	104,896	-	104,896
Contributions, fiscal sponsor	-	12,672	12,672
Summit program and revenue	268,311	-	268,311
Sponsorships	18,604	-	18,604
Purchasing power and product revenue	7,222	-	7,222
Knowledge network program revenue	16,521	-	16,521
Interest	103	-	103
Total support and revenue	<u>625,371</u>	<u>12,672</u>	<u>638,043</u>
Net assets released from restriction	<u>25,631</u>	<u>(25,631)</u>	<u>-</u>
Total support, revenue and reclassifications	<u>651,002</u>	<u>(12,959)</u>	<u>638,043</u>
Expenses			
Program services	547,398	-	547,398
Management and general	143,617	-	143,617
Total expenses	<u>691,015</u>	<u>-</u>	<u>691,015</u>
Decrease in net assets	(40,013)	(12,959)	(52,972)
Beginning net assets	<u>98,622</u>	<u>41,181</u>	<u>139,803</u>
Ending net assets	<u>\$ 58,609</u>	<u>\$ 28,222</u>	<u>\$ 86,831</u>

See Accompanying Notes to Financial Statements.

TOGETHER SC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services	General and Administrative	Fundraising	Total
Payroll	\$ 166,664	\$ 81,783	\$ -	\$ 248,447
Payroll taxes	11,898	5,742	-	17,640
Benefits	13,374	6,725	-	20,099
	<u>191,936</u>	<u>94,250</u>	<u>-</u>	<u>286,186</u>
Accounting and HR services	-	14,664	-	14,664
Audit and tax services	-	5,800	-	5,800
Communication services	35,127	6,821	-	41,948
Consulting and knowledge network	51,209	1,750	-	52,959
Summit expenses	151,068	-	-	151,068
Collective voice and gatherings	25,716	-	-	25,716
Credit card processing and bank fees	2,799	8,644	-	11,443
Rent	-	5,192	-	5,192
Travel	7,904	4,884	-	12,788
Office	2,648	3,288	-	5,936
Computer and software	6,918	5,578	-	12,496
Insurance	-	1,837	-	1,837
Dues and subscriptions	8,469	552	-	9,021
Staff development	-	1,674	-	1,674
Board expenses	-	4,489	-	4,489
Miscellaneous	5,237	765	-	6,002
Fiscal agent expense	6,250	-	-	6,250
	<u>6,250</u>	<u>-</u>	<u>-</u>	<u>6,250</u>
Total expenses	<u>\$ 495,281</u>	<u>\$ 160,188</u>	<u>\$ -</u>	<u>\$ 655,469</u>

See Accompanying Notes to Financial Statements.

TOGETHER SC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Payroll	\$ 171,624	\$ 49,154	\$ -	\$ 220,778
Payroll taxes	12,508	3,528	-	16,036
Benefits	9,861	4,515	-	14,376
	<u>193,993</u>	<u>57,197</u>	<u>-</u>	<u>251,190</u>
Accounting and HR services	-	15,283	-	15,283
Audit and tax services	-	5,550	-	5,550
Communicaiton services	27,720	11,880	-	39,600
Consulting and knowledge network	94,396	25,767	-	120,163
Summit expenses	194,627	-	-	194,627
Credit card processing fees	11,167	-	-	11,167
Rent	4,249	1,199	-	5,448
Travel	6,583	1,216	-	7,799
Office	3,212	2,592	-	5,804
Computer and software	8,763	5,300	-	14,063
Insurance	-	1,688	-	1,688
Depreciation	-	3,832	-	3,832
Dues and subscriptions	-	7,155	-	7,155
Member services	1,779	-	-	1,779
Staff development	-	533	-	533
Board expenses	-	3,273	-	3,273
Miscellaneous	601	1,152	-	1,753
Fiscal agent expense	308	-	-	308
	<u>308</u>	<u>-</u>	<u>-</u>	<u>308</u>
Total expenses	<u>\$ 547,398</u>	<u>\$ 143,617</u>	<u>\$ -</u>	<u>\$ 691,015</u>

See Accompanying Notes to Financial Statements

TOGETHER SC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
<u>Cash Flows from Operating Activities:</u>		
Change in net assets	\$ 53,970	\$ (52,972)
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Depreciation	-	3,832
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(7,057)	13,320
Decrease in prepaid expenses	-	4,007
Increase (decrease) in accounts payable	(19,694)	26,700
Increase (decrease) in compensated absences	7,701	(732)
Increase (decrease) in unearned membership revenue	(500)	7,536
Increase in deferred revenue	855	-
Net cash provided by operating activities	35,275	1,691
Net increase in cash and cash equivalents	35,275	1,691
Cash and cash equivalents, beginning of year	226,899	225,208
Cash and cash equivalents, end of year	\$ 262,174	\$ 226,899

See Accompanying Notes to Financial Statements.

TOGETHER SC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Basic Program

Together SC, is a not-for-profit organization established in 1996 to support and advocate for charitable nonprofit organizations in South Carolina. Together SC provides technical assistance, training programs, and materials to increase professionalism and accountability for its member organizations. It advocates on behalf of its members and creates communication networks within and between the state's public and private sectors. It offers services and technology that enable its members to save money and time while serving as a gateway for the flow of information to and from the nonprofit sector and the business and government sectors. Together SC is supported by grants and by membership dues, as well as by fees paid by members to attend meetings and workshops and to participate in various training programs.

On March 31, 2017, the Organization formally changed its name from the South Carolina Association of Nonprofit Organizations to Together SC.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America (GAAP).

Financial Statement Presentation

The financial statements of Together SC have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require Together SC to report information regarding its financial position and activities according to the following net asset classifications:

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 Together SC or by the passage of time. Other donor restrictions are perpetual in nature, where by 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 statements of activities.

Cash and Cash Equivalents and Designated Cash

For the purpose of the statements of cash flows, Together SC considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Together SC has approved a board designated reserve for general operations based upon the current year's budgeted expenditures adjusted for certain expenses.

TOGETHER SC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the reporting period. Actual results could differ from those estimates.

Furniture and Equipment

Furniture and equipment are recorded at cost, or if donated, at the approximate fair value at the date of the donation. Improvements that materially add to the value, productivity, or extend the useful life of assets are capitalized. Other expenditures for repair and maintenance are charged to operations in the year the costs are incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, generally three to seven years. It is the policy of Together SC is to capitalize assets costing \$1,000 or more with a useful life exceeding one year.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Together SC received in-kind contributions consisting of primarily professional services, facility access and program expenses. These contributions are valued at the estimated value available in the market place. For the years ended June 30, 2019 and 2018, in-kind contributions of \$6,642 and \$16,070 respectively, were primarily included in summit program revenue and sponsorships.

Compensated absences

Together SC accounts for paid time off by recording a liability for employees' vested rights to receive compensation for future absences attributable to services already performed.

Membership Dues

Membership dues are recorded as revenue when earned over the applicable membership period. Unearned membership revenue results from membership periods which overlap the Together SC's fiscal year end. Together SC reviews and analyzes contributions receivable on an annual basis. Amounts deemed uncollectible are charged off during the period in which such a determination is made.

Income Taxes

Together SC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, Together SC has been determined by the Internal Revenue Service ("IRS") not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

TOGETHER SC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Income Taxes - Continued

GAAP requires management to evaluate tax positions taken by Together SC and recognize a tax liability (or asset) if Together SC has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by Together SC, and has concluded that as of June 30, 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. Together SC is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for the years prior to 2015.

Recent Accounting Pronouncements

On August 18, 2016, 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 classification, 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. The ASU has been applied retrospectively to all periods presented.

In February 2016, the FASB issued ASU 2016-02 Leases (Topic 842). The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. When measuring assets and liabilities arising from a lease, a lessee (and a lessor) should include payments to be made in optional periods only if the lessee is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease. Similarly, optional payments to purchase the underlying asset should be included in the measurement of lease assets and lease liabilities only if the lessee is reasonably certain to exercise that purchase option. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term. The amendments in this update are effective for fiscal years beginning after December 15, 2019, and management anticipates there could be significant changes from the implementation of these updates when instituted.

2. CONCENTRATION OF CREDIT RISK

Together SC places its cash and cash equivalents with high quality financial institutions. At times, deposits may exceed Federal Deposit Insurance Corporation (FDIC) insurance limits. As of June 30, 2019, and 2018, no amounts exceeded FDIC limits.

3. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**TOGETHER SC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

3. FAIR VALUE MEASUREMENTS - CONTINUED

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The price for Together SC's money market account totaling \$103,600 and \$103,497 as of June 30, 2019 and 2018, respectively, is valued using inputs other than quoted market prices in active markets and is directly observable. The resulting fair value is categorized as Level 2 for each of the years ending June 30, 2019 and 2018.

4. PROPERTY, PLANT AND EQUIPMENT

Furniture and equipment consist of the following as of June 30:

	2019	2018
Computer equipment	\$ -	\$ 1,339
Website	19,916	19,916
	19,916	21,255
Less accumulated depreciation	(19,916)	(21,255)
	\$ -	\$ -

Depreciation expense for the years ended June 30, 2019 and 2018 was \$0 and \$3,832, respectively.

5. NET ASSETS

Net assets with donor restrictions were as follows for the years ended June 30:

	2019	2018
Specific Purpose		
Carolina Leadership program	\$ 10,000	\$ 15,000
Summit Scholarships	-	550
Fiscal sponsorship - YNPN Lowcountry	402	-
Fiscal sponsorship - SC Land Trust Network	50,327	12,672
	\$ 60,729	\$ 28,222

6. DESCRIPTION OF PROGRAMS

The following program and supporting services are included in the accompanying financial statements:

Working Together and Power of Belonging

Program includes offering individual technical assistance for nonprofit organizations; providing web-based resources (including an online nonprofit job center); sharing important sector and member news through regular communications; connecting nonprofits with needed resource providers; conducting sector research; and hosting regional gatherings of nonprofit leaders.

TOGETHER SC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

6. DESCRIPTION OF PROGRAMS - CONTINUED

Knowledge Network

Training and professional development including managing calendar of available trainings; producing and distributing guiding principles and best practices for nonprofit management and governance; developing issue-specific trainings, including webinars; producing individual trainings for member boards of directors; producing regional board leadership events; and organizing our signature training and networking event - the annual "South Carolina's Nonprofit Summit".

Collective Voice

Advocacy services that strengthen the sector's advocacy and public policy efforts and increase communications and collaboration between the for-profit, nonprofit and government sectors in South Carolina. Program includes staff and consultant's monitoring state governmental programs and informing members; training nonprofits to effectively impact public policy; and strengthening relations among nonprofits.

7. LEASES

Together SC entered into a lease agreement with the United Way of the Midlands for office space located at 1818 Blanding Street in November 2018. The lease is for one year and expires November 30, 2019. The lease calls for monthly payments of \$449 due before the tenth day of each calendar month beginning December 1, 2018. Previously, Together SC leased office space under a month-to-month operating lease from the United Way Association of South Carolina, Inc. Rent expense was \$5,192 and \$5,448, for the years ended June 30, 2019 and 2018, respectively.

8. COMMITMENTS

In June 2019 Together SC entered into an agreement with a Columbia, South Carolina hotel to host the 2020 Annual Summit. Together SC's future minimum liability under this contract is \$20,000.

9. RELATED PARTIES

Donations from the Board of Directors members totaled \$6,550 and \$6,250, for the years ended June 30, 2019 and 2018, respectively.

10. FISCAL SPONSORSHIP AGREEMENTS

SC Land Trust Network

Together SC serves in the temporary capacity as fiscal sponsor for a like-missioned nonprofit, SC Land Trust Network, in the process of receiving their tax-exempt status approval. This relationship is defined by a fiscal sponsorship agreement accepted by Together SC on October 20, 2017 with terms established with the recipient organization. Total contributions received and distributed to the supported organization totaled \$6,199 and \$308 for the years ended June 30, 2019 and 2018, respectively.

YNPN Lowcountry

Together SC serves in the temporary capacity as fiscal sponsor for a like-missioned nonprofit, YNPN Lowcountry, in the process of receiving their tax-exempt status approval. This relationship is defined by a fiscal sponsorship agreement accepted by Together SC on March 14, 2018 with terms established with the recipient organization. Total contributions received and distributed to the supported organization totaled \$51 and \$0 for the years ended June 30, 2019 and 2018, respectively.

TOGETHER SC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

11. AVAILABILITY AND LIQUIDITY

The following represents Together SC's financial assets at June 30, 2019 and 2018:

	2019	2018
Financial assets at year end:		
Cash and cash equivalents	\$ 262,174	\$ 226,899
Accounts receivable	8,057	1,000
Total financial assets	270,231	227,899
Less amounts not available to be used within one year:		
Contractual or donor-imposed restrictions:		
Net assets with donor restrictions	(60,729)	(28,222)
Board designations:		
Operating reserve	(100,000)	(100,000)
	(160,729)	(128,222)
Financial assets available to meet general expenditures over the next twelve months	\$ 109,502	\$ 99,677

Amounts not available include net assets with board restrictions and designations that could be drawn upon if the governing board approves that action.

12. SUBSEQUENT EVENTS

Management has evaluated the effect subsequent events would have on the financial statements of the Together SC at June 30, 2019 through October 4, 2019, which is the date the financial statements were available to issue. Based upon this evaluation, there were no material adjustments to these financial statements.