

**ONE-EIGHTY PLACE
CHARLESTON, SOUTH CAROLINA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

**ONE-EIGHTY PLACE
CHARLESTON, SOUTH CAROLINA
JUNE 30, 2022 AND 2021**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
One-Eighty Place
Charleston, South Carolina

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of One-Eighty Place (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of One-Eighty Place as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of One-Eighty Place and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements

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


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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2022 on our consideration of the One-Eighty Place'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 One-Eighty Place'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 the One-Eighty Place's internal control over financial reporting and compliance.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2022 on our consideration of the One-Eighty Place's compliance for each major program and on internal control over compliance required by the Uniform Guidance. The purpose of that report is solely to describe the scope of our testing of compliance for each major program and internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the One-Eighty Place's internal control over financial reporting and compliance.



November 10, 2022
Charleston, South Carolina

**ONE-EIGHTY PLACE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021**

	2022	2021
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 4,570,635	\$ 4,876,853
Restricted cash and cash equivalents	35,171	22,405
Grants receivable	2,028,999	1,169,911
Accounts receivable	2,437	25,762
Unconditional promises to give, current	231,990	382,240
Prepaid expenses	89,244	62,965
Total current assets	6,958,476	6,540,136
<u>Non-Current Assets</u>		
Cash and cash equivalents, restricted for long-term use	3,047,813	2,307,714
Unconditional promises to give, net of current	624,292	1,098,903
Property and equipment, net	9,109,121	9,112,397
Total noncurrent assets	12,781,226	12,519,014
Total assets	\$ 19,739,702	\$ 19,059,150
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ 34,254	\$ 98,996
Accrued expenses	280,425	231,495
Deferred revenue	177,750	30,462
Funds held for clients' housing savings accounts	35,171	22,405
Paycheck protection program loan	-	849,817
Total current liabilities	527,600	1,233,175
<u>Net Assets</u>		
Without donor restriction	11,673,160	10,108,200
With donor restriction	7,538,942	7,717,775
Total net assets	19,212,102	17,825,975
Total liabilities and net assets	\$ 19,739,702	\$ 19,059,150

See accompanying notes to financial statements.

**ONE-EIGHTY PLACE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Support and revenue			
Contributions			
Community support			
Annual	\$ 1,829,598	\$ -	\$ 1,829,598
Campaign	-	87,281	87,281
In-kind contributions	293,415	-	293,415
Grant revenue			
Federal government	11,124,788	-	11,124,788
Federal financial assistance - PPP	849,817	-	849,817
State and local governments	87,132	50,000	137,132
Interest income	543	-	543
Miscellaneous income	83,803	-	83,803
Total support and revenue	<u>14,269,096</u>	<u>137,281</u>	<u>14,406,377</u>
Net assets released from restriction	<u>316,114</u>	<u>(316,114)</u>	<u>-</u>
Total operating support, revenue and net assets released from restriction	<u>14,585,210</u>	<u>(178,833)</u>	<u>14,406,377</u>
Expenses from Operations			
Program services			
Rapid rehousing & case management	8,782,901	-	8,782,901
Grant per diem program	276,363	-	276,363
Shelter services	2,580,548	-	2,580,548
Food rescue & community kitchen	816,008	-	816,008
Total program services	<u>12,455,820</u>	<u>-</u>	<u>12,455,820</u>
Supporting services:			
Management and general	236,679	-	236,679
Fundraising	310,365	-	310,365
Total expenses from operations	<u>13,002,864</u>	<u>-</u>	<u>13,002,864</u>
Changes in net assets from operations	1,582,346	(178,833)	1,403,513
Other Income			
Loss on sale of equipment	(17,386)	-	(17,386)
Total other income	<u>(17,386)</u>	<u>-</u>	<u>(17,386)</u>
Increase (decrease) in net assets	1,564,960	(178,833)	1,386,127
Net assets, beginning of year	<u>10,108,200</u>	<u>7,717,775</u>	<u>17,825,975</u>
Net assets, end of year	<u>\$ 11,673,160</u>	<u>\$ 7,538,942</u>	<u>\$ 19,212,102</u>

See accompanying notes to financial statements.

**ONE-EIGHTY PLACE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Support and revenue			
Contributions			
Community support			
Annual	\$ 2,974,030	\$ 3,921,686	\$ 6,895,716
Campaign	-	52,883	52,883
In-kind contributions	267,142	-	267,142
Grant revenue			
Federal government	10,030,542	-	10,030,542
State and local governments	81,112	-	81,112
Interest income	236	356	592
Miscellaneous income	103,550	-	103,550
Total support and revenue	<u>13,456,612</u>	<u>3,974,925</u>	<u>17,431,537</u>
Net assets released from restrictions	<u>38,605</u>	<u>(38,605)</u>	<u>-</u>
Total operating support, revenue and net assets released from restrictions	<u>13,495,217</u>	<u>3,936,320</u>	<u>17,431,537</u>
Expenses from Operations			
Program services			
Rapid rehousing & case management	8,142,845	-	8,142,845
Grant per diem program	362,601	-	362,601
Shelter services	2,507,704	-	2,507,704
Food rescue & community kitchen	804,869	-	804,869
Total program services	<u>11,818,019</u>	<u>-</u>	<u>11,818,019</u>
Supporting services:			
Management and general	243,392	-	243,392
Fundraising	347,401	-	347,401
Total expenses	<u>12,408,812</u>	<u>-</u>	<u>12,408,812</u>
Changes in net assets from operations	1,086,405	3,936,320	5,022,725
Other Income			
Loss on sale of equipment	(7,533)	-	(7,533)
Total other expenses	<u>(7,533)</u>	<u>-</u>	<u>(7,533)</u>
Increase in net assets	1,078,872	3,936,320	5,015,192
Net assets, beginning of year	<u>9,029,328</u>	<u>3,781,455</u>	<u>12,810,783</u>
Net assets, end of year	<u>\$ 10,108,200</u>	<u>\$ 7,717,775</u>	<u>\$ 17,825,975</u>

See accompanying notes to financial statements.

**ONE-EIGHTY PLACE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<u>Personnel</u>				
Salaries	\$ 4,993,530	\$ 139,471	\$ 180,521	\$ 5,313,522
Payroll taxes and other benefits	461,285	14,317	15,656	491,258
Insurance - employee	286,369	2,423	7,464	296,256
Total personnel	<u>5,741,184</u>	<u>156,211</u>	<u>203,641</u>	<u>6,101,036</u>
<u>Other functional expenses</u>				
Food costs - in-kind	237,655	-	-	237,655
Kitchen supplies	142,670	-	-	142,670
Building utilities and maintenance	514,621	17,790	3,120	535,531
Depreciation	235,411	14,798	-	250,209
Client expenses	4,500,163	65	-	4,500,228
Office and cleaning supplies	259,392	4,784	5,693	269,869
Computer technology	419,303	2,045	18,500	439,848
Insurance	58,556	14,189	161	72,906
Prescription and medical needs	45,208	-	-	45,208
Development, campaigns and events	-	-	26,123	26,123
Contracted services - other	51,006	250	-	51,256
Postage and printing	483	407	14,392	15,282
Miscellaneous	68,265	2,758	27,371	98,394
Training	137,089	1,665	5,035	143,789
Accounting and legal	-	19,546	-	19,546
Bank and payroll fees	44,814	2,171	6,329	53,314
Total other functional expenses	<u>6,714,636</u>	<u>80,468</u>	<u>106,724</u>	<u>6,901,828</u>
Total expenses	<u>\$ 12,455,820</u>	<u>\$ 236,679</u>	<u>\$ 310,365</u>	<u>\$ 13,002,864</u>

See accompanying notes to financial statements.

**ONE-EIGHTY PLACE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<u>Personnel</u>				
Salaries	\$ 4,786,072	\$ 137,508	\$ 214,630	\$ 5,138,210
Payroll taxes and other benefits	432,696	14,839	22,881	470,416
Insurance - employee	276,919	2,289	9,130	288,338
Total personnel	<u>5,495,687</u>	<u>154,636</u>	<u>246,641</u>	<u>5,896,964</u>
<u>Other functional expenses</u>				
Food costs - in-kind	206,850	-	-	206,850
Kitchen supplies	58,750	-	-	58,750
Building utilities and maintenance	532,578	15,983	5,199	553,760
Depreciation	232,813	16,132	-	248,945
Client expenses	4,164,741	2,314	-	4,167,055
Office and cleaning supplies	472,784	5,471	4,158	482,413
Computer technology	330,795	4,469	17,065	352,329
Insurance	54,827	13,507	171	68,505
Prescription and medical needs	45,042	-	-	45,042
Interest	24,225	943	978	26,146
Development, campaigns and events	-	-	18,323	18,323
Contracted services - other	39,265	-	-	39,265
Postage and printing	3,704	790	34,113	38,607
Miscellaneous	38,057	1,120	7,785	46,962
Training	80,523	4,668	5,244	90,435
Accounting and legal	-	21,404	-	21,404
Bank and payroll fees	37,378	1,955	7,724	47,057
Total other functional expenses	<u>6,322,332</u>	<u>88,756</u>	<u>100,760</u>	<u>6,511,848</u>
Total expenses	<u>\$ 11,818,019</u>	<u>\$ 243,392</u>	<u>\$ 347,401</u>	<u>\$ 12,408,812</u>

See accompanying notes to financial statements.

**ONE-EIGHTY PLACE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<u>Operating Activities</u>		
Change in net assets	\$ 1,386,127	\$ 5,015,192
Adjustments to reconcile change in net assets to net cash (used for) provided by operating activities:		
Depreciation	250,209	248,945
Loss on sale of property and equipment	17,386	7,533
Change in discount to present value of promises to give	(76,847)	(32,812)
Contributions received restricted for long-term purposes	(87,281)	(52,883)
Gain on forgiveness of PPP loan	(849,817)	-
Changes in operating assets and liabilities:		
Grants receivable	(859,088)	(421,793)
Accounts receivable	23,325	(20,290)
Prepaid expense	(26,279)	(372)
Accounts payable	(64,742)	(94,464)
Accrued expenses	48,930	38,362
Deferred revenue	147,288	(7,048)
Funds held for clients' housing savings accounts	12,766	(19,032)
Net cash (used for) provided by operating activities	<u>(78,023)</u>	<u>4,661,338</u>
<u>Investing activities</u>		
Payments for construction in progress	(255,569)	(38,605)
Proceeds from sale of property	-	-
Purchase of property and equipment	(8,750)	(32,270)
Net cash used for investing activities	<u>(264,319)</u>	<u>(70,875)</u>
<u>Financing activities</u>		
Contributions collected restricted for long-term purposes	788,989	711,641
Principal payments on notes payable	-	(728,750)
Net cash provided by (used for) financing activities	<u>788,989</u>	<u>(17,109)</u>
Net increase in cash and cash equivalents	446,647	4,573,354
Cash and cash equivalents, beginning of year	<u>7,206,972</u>	<u>2,633,618</u>
Cash and cash equivalents, end of year	<u>\$ 7,653,619</u>	<u>\$ 7,206,972</u>
<u>Supplemental disclosures</u>		
Interest paid	<u>\$ -</u>	<u>\$ 26,146</u>
<u>Reconciliation of cash balances:</u>		
Cash and cash equivalents	\$ 4,570,635	\$ 4,876,853
Cash and cash equivalents - restricted	<u>3,082,984</u>	<u>2,330,119</u>
	<u>\$ 7,653,619</u>	<u>\$ 7,206,972</u>

See accompanying notes to financial statements.

ONE-EIGHTY PLACE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

One-Eighty Place (the "Organization" or "One80 Place") is a non-profit organization whose purpose is to end and prevent homelessness. At One80 Place, everything the Organization does is grounded in the core belief that everyone deserves a home. One80 Place meets the immediate needs of those facing homelessness with the ultimate goal of permanent housing. Clients are provided with food, shelter, medical care, counseling and financial assistance to help them obtain permanent housing. One80 Place believes in the core values of safety, equity, resiliency, respect, and determination for both the Organization's staff and clients. The Organization works closely with various organizations in the area and receives grant assistance from local, state, and federal programs, as well as the general community.

Basis of Accounting

The accounts of the Organization are maintained, and the financial statements are prepared, on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

Basis of Presentation

The Organization reports information regarding its activities in accordance with U.S. generally accepted accounting principles ("GAAP"), which require the Organization 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 the Organization or by the passage of time. Other donor restrictions may be 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 statements of activities.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents.

Revenue Recognition

Revenue from grants is normally received on a reimbursement of expenditures basis and is recognized when expenses have been paid and a reimbursement request is sent to the granting agency. Advances received from granting agencies before a project starts, if any, are included in deferred revenue.

In accordance with GAAP, contributions and grants are recorded as with or without donor restricted support depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in with donor restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restriction are released from restriction. It is the Organization's policy to report normal restricted donor support whose restrictions have been met in the same reporting period as support without donor restriction. Contributions are recognized as revenue when they are received or unconditionally pledged.

**ONE-EIGHTY PLACE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Promises to Give Receivable and Allowance for Doubtful Accounts

Unconditional promises to give are recognized as revenues or gains in the same period the promises are received and as assets, decreases of liabilities, and expenses depending on the form of benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Promises to give that are expected to be collected within one year are recorded at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

The Organization provides an allowance for promises to give based on management's estimate of the collectability of the receivable. Based on management's evaluation of the promises to give receivable, no allowance for doubtful accounts was recorded at June 30, 2022 and 2021.

Grants Receivable and Allowance for Doubtful Accounts

Grants receivable represents outstanding balances for reimbursed expenditures due from granting agencies which are recorded when expenses have been paid and a reimbursement request has been sent to the granting agency.

Management periodically evaluates grants receivable for collectability based on prior collection experience. An allowance for doubtful accounts is established as estimated by management through recognition of bad debt expense. When management confirms a grant receivable cannot be collected, such amount is charged off against the allowance for doubtful accounts at June 30, 2022 and 2021.

Property and Equipment, Net

The Organization capitalizes all expenditures for property and equipment in excess of \$5,000 with an extended useful life. Property and equipment are carried at cost, or if donated, at fair market value on the date received. Major improvements are capitalized and depreciated; maintenance and repairs which do not significantly improve or extend the life of the respective assets are expensed. Upon sale or retirement, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is reflected income.

Depreciation is calculated using the straight-line methods based on the estimated useful lives of the assets as follows:

Furniture and Equipment	3-5 years
Buildings and Improvements	10-40 years
Vehicles	5 years

Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restriction to net assets without donor restriction at that time. Some grantors may retain a reversionary interest in specific assets if the mission of the Organization changes.

**ONE-EIGHTY PLACE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

In-Kind Contributions and Expenses

The Organization received donations of food and personal supplies which are recorded in support and revenue and the applicable functional expense. These items are recorded at the estimated fair market values at the date of the donation.

Donated Services

Donated services are recognized as contributions in accordance with Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. A substantial number of volunteers have made significant contributions of their time to the Organization through service in serving meals and various other areas. These services have not been reflected in the Statements of Activities for the years ended June 30, 2022 and 2021 as the services do not meet the criteria outlined above.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Fair Value Measurements:

The Financial Accounting Standards Board's (FASB) Fair Value Measurements defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurement. It also emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and sets out a fair value hierarchy with the highest priority being quoted prices in active markets. Under this standard, fair value measurements are disclosed by level with that hierarchy. The Organization utilizes a three-tier fair value hierarchy that clarifies fair value as an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities and Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on management's estimate of time spent by the individual in each functional category as well as each department's allocation of expenses.

Income Tax Status

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Management has evaluated the Organization's tax positions and concluded that the Organization has taken no uncertain tax positions that require adjustment to the financial statements as of and for the years ended June 30, 2022 and 2021. The Organization's policy is to report accrued interest related to unrecognized tax benefits, when applicable, as interest expense and to report penalties as other expense.

With few exceptions, the Organization is not subject to income tax examinations by the Federal, state, or local tax authorities for years prior to 2019.

ONE-EIGHTY PLACE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Funds Held for Clients

Restricted cash and cash equivalents consist of cash received from clients for the purpose of establishing funds to be used towards their future housing. A corresponding liability is included in the Statements of Financial Position for these amounts held at June 30, 2022 and 2021.

Marketing Expenses

The Organization reports marketing costs in connection with fundraising activities as incurred. Marketing expenses totaled \$26,123 and \$18,323 for the years ended June 30, 2022 and 2021, respectively, and were included in “Development, Campaigns, and Events” in the Statements of Functional Expenses.

Recent Accounting Pronouncements and Proposed Accounting Pronouncements

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 “balance sheet” 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 expenses 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. Management considers the implementation of this standard will have a material impact on the financial statements.

In November 2019, the Board issued Accounting Standards Update No. 2019-10, Financial Instruments— Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates. The amendments in Update 2019-10 deferred the effective dates for Leases for entities in the “all other” category by an additional year. Therefore, Leases was to be effective for all other entities for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. Early application is permitted. The deferrals responded to feedback from stakeholders and the Board’s monitoring of the implementation of major Updates, which provided a greater understanding of the implementation challenges encountered by all types of entities when adopting a major Update.

In June 2020, the FASB issued Accounting Standards Update No. 2020-05, Financial Instruments— Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for certain entities. The amendments in Update 2020-05 further deferred the effective dates for Leases for entities in the “all other” category by an additional year. Therefore, Leases will be effective for all other entities for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early application is permitted.

**ONE-EIGHTY PLACE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

2. CONCENTRATIONS

The Organization maintains its cash accounts at three financial institutions. Cash accounts are secured in aggregate by the Federal Deposit Insurance Corporation (FDIC) insurance up to \$250,000 at each financial institution. At June 30, 2022, the Organization's had cash balances approximating \$3,236,047 that exceed insured limits. Management monitors the soundness of these financial institutions on a regular basis.

3. PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consists of the following at June 30:

	<u>2022</u>	<u>2021</u>
Land	\$ 933,304	\$ 933,304
Buildings, building improvements, and land improvements	9,462,253	9,462,253
Kitchen and telephone equipment	54,791	54,791
Furniture, fixtures, and equipment	696,011	519,303
Vehicles	50,245	50,245
Construction in progress	<u>789,656</u>	<u>733,656</u>
	11,986,260	11,753,552
Less accumulated depreciation	<u>(2,877,139)</u>	<u>(2,641,155)</u>
	<u>\$ 9,109,121</u>	<u>\$ 9,112,397</u>

Depreciation expense totaled \$250,209 and \$248,945 for the years ended June 30, 2022 and 2021, respectively.

4. OPERATING LEASES

The Organization entered into an operating lease for office space for the Supportive Services for Veteran Families ("SSVF") program in May 2016 for a term beginning on May 27, 2016 and ending May 31, 2021. Base monthly rent thereafter increases to \$7,902 on June 1, 2017, \$8,060 on June 1, 2018, \$8,221 on June 1, 2019, and \$8,385 on June 1, 2020. The Organization entered into a new operating lease for office space for the Supportive Services for Veteran Families ("SSVF") program in September 2020 for a term beginning on September 15, 2020 and ending September 15, 2022 with base rent monthly payments of \$15,988.

The Organization entered into an operating lease for office space in Columbia for the Supportive Services for Veteran Families ("SSVF") program in August 2019 with base rent monthly payments of \$3,814 for a term beginning on August 1, 2017 and ending August 31, 2020. Base monthly rent thereafter increases to \$3,926 on August 1, 2020, with renewal options available. On July 7, 2020 the organization renewed this lease for a term beginning August 1, 2020 and ending October 31, 2023 with a base month rent of \$4,527. Base rent for the months of August 2020 and September 2020 was also abated. Base monthly rent thereafter increases to \$5,128 on April 1, 2022.

The Organization also leases four vehicles for the Supportive Services for Veteran Families ("SSVF") On February 24, 2020 the Organization entered into a lease for one of the vehicles for a term beginning on February 24, 2020 and ending March 24, 2022. The leases require monthly lease payments of \$678. On March 25, 2020 the Organization entered into leases for three additional vehicles for a term beginning on March 25, 2020 and ending March 25, 2023. The leases require monthly lease payments of \$1,614.

**ONE-EIGHTY PLACE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

4. OPERATING LEASES - CONTINUED

Minimum future rental payments under the agreements are as follows for the years ending June 30:

2023	\$	108,038
2024		20,512
Thereafter		<u>-</u>
	<u>\$</u>	<u>128,550</u>

5. NOTE PAYABLE

On May 12, 2014 the Organization signed a \$1,000,000 permanent note due to TD Bank, N.A. The note required monthly installment payments of principal and interest, at 3.50%, based upon a 15 year amortization period with all principal and interest due and payable on March 28, 2020. The note was secured by the Organization’s real property at 35 Walnut Street.

On July 1, 2020, the permanent note was modified thru the same institution, with monthly payments of principal and interest at 2.99% based upon a 15 year amortization thru May 12, 2035, collateralized by the Organization’s real property at 35 Walnut Street.

On May 19, 2021, the permanent note was paid in full.

6. PAYCHECK PROTECTION PROGRAM NOTE

On April 19, 2020, the Organization was issued a note with TD Bank through the Small Business Administration and the Paycheck Protection Program. The note bore interest of 1% and was to mature in April 2022. The note had a balance of \$849,817 at June 30, 2021 and was used for payroll costs, employee benefits, mortgage payments, rent, utilities and interest on obligations. The Organization used the proceeds for qualifying expenses. Under the Paycheck Protection Program, certain amounts, up to the entire loan balance, may be forgiven under the terms of the loan. The Organization received notification of forgiveness of the loan on August 26, 2021.

7. FORGIVABLE NOTES PAYABLE

The Organization entered into a \$229,585 forgivable note payable with South Carolina Housing Trust Fund during April 2009 to fund improvements for the Family Center held at 49 Walnut Street. This forgivable note payable is secured by a first mortgage on 49 Walnut Street. The note is forgivable and interest free, contingent on the Organization’s compliance with the agreement to hold and use the property for twenty years from the date of the loan. The note was recorded as revenue in the year of receipt, as there is no expectation of repayment if the Organization complies with the agreement. As of June 30, 2021, management of the Organization believes it is in compliance with the mortgage agreement, and as such no contingent liability has been recorded as of June 30, 2022 and 2021.

The Organization entered into four separate forgivable notes payable totaling \$180,000 with the City of Charleston to fund acquisition of 40 C Street and to construct 35 Walnut Street between fiscal years 2012 to 2014. These forgivable notes payable is secured by real property at 35 Walnut Street. The notes are forgivable and interest free, contingent on the Organization’s compliance with the agreement to hold and use the property for thirty years from the date of the loan. The notes were recorded as revenue in the years of receipt, as there is no expectation of repayment if the Organization complies with the agreement. As of June 30, 2021, management of the Organization believes it is in compliance with the mortgage agreement, and as such no contingent liability has been recorded as of June 30, 2022 and 2021.

**ONE-EIGHTY PLACE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

8. REVOLVING LINES OF CREDIT

In October 2013, the Organization obtained an unsecured revolving line of credit of \$450,000 at TD Bank, N.A. The line of credit was subsequently reduced to \$200,000. Minimum monthly payments are computed based on average daily balance, including interest at the Wall Street Journal prime rate plus 1%. The line of credit had no outstanding balance at June 30, 2021. The line of credit was not renewed in March 2022.

The Organization has an unsecured revolving line of credit of \$170,000 at Wells Fargo, N.A. Minimum monthly payments for the Wells Fargo LOC are computed based on the average daily balance, including interest at the bank's prime rate. The line of credit had at balance of \$0 at June 30, 2022 and 2021. The line has no maturity date.

9. RESTRICTIONS ON NET ASSETS

The Organization has recognized revenue related to contributions that are restricted as to purpose or the expiration of time. The following is a detail of the nature of the restrictions on net assets at June 30:

	2022	2021
Subject to purpose restrictions:		
Day One Families Fund	\$ 3,711,572	\$ 3,921,685
Capital campaign	3,827,370	3,796,090
	\$ 7,538,942	\$ 7,717,775

Amounts released from restrictions for the years ended June 30 were as follows:

	2022	2021
Purpose restrictions released:		
Day One Families Fund	\$ 260,114	\$ -
Capital campaign	56,000	38,605
	\$ 316,114	\$ 38,605

10. FUNDS HELD AT COASTAL COMMUNITY FOUNDATION

The Organization is the beneficiary of two funds held at the Coastal Community Foundation in Charleston, South Carolina. Each year, 4% of the average balance in the fund calculated over the previous 20 quarters is available for distribution in order to fund grants. The Board of the Coastal Community Foundation has discretionary authority over all distributions. The first fund is an endowment fund known as the One80 Place Endowment. The second fund is the Zucker Family Endowment for One80 Place. The balance of the One80 Place Endowment fund was \$138,205 and \$149,764 at June 30, 2022 and 2021, respectively. The balance of the Zucker Family Endowment for One80 Place was \$239,349 and \$259,368 at June 30, 2022 and 2021, respectively. The Organization received no distributions from these funds for the years ended June 30, 2022 and 2021. These funds are not recorded on the books of the Organization because it does not have variance power over the management or distribution of these funds.

**ONE-EIGHTY PLACE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

11. RELATED PARTY TRANSACTIONS

Board members, including their respective places of business, donated \$57,820 and \$43,660 during the years ended June 30, 2022 and 2021, respectively.

12. IN-KIND CONTRIBUTIONS

In-kind contributions represent the estimated fair value of property, qualifying services, and other miscellaneous goods and supplies which meet generally accepted accounting principles criteria for recognition.

Recorded in-kind contributions include the following from various donors for the years ended June 30:

	2022	2021
Rescued food and donated meals served	\$ 237,655	\$ 206,850
Miscellaneous goods	55,760	60,292
	\$ 293,415	\$ 267,142

13. PROMISES TO GIVE, NET

The Organization began a capital campaign during the 2018 fiscal year for the new mixed-use affordable housing project at 573 Meeting Street. Promises to give, net, at June 30 are as follows:

	2022	2021
Unconditional promises to give	\$ 925,362	\$ 1,627,070
Less discount to present value	(69,080)	(145,927)
Promises to give, net	\$ 856,282	\$ 1,481,143

Future payments of unconditional promises to give at June 30, 2022:

2023	\$ 895,562
2024	29,800
Thereafter	-
	\$ 925,362

The discount to present value was calculated using the estimated earnings rate of 2.50% for the years ended June 30, 2022 and 2021.

14. RETIREMENT PLAN

The Organization maintains a defined contribution pension plan. The Organization provides a 100% match of employees' voluntary contributions up to 3% of eligible employees' salaries and a 50% match up to an additional 2% of employees' voluntary contributions over 3% of eligible employees' salaries. To be eligible for matching contributions by the Organization, an employee must complete one year of full-time service. Retirement expense was \$98,100 and \$78,373 for the years ended June 30, 2022 and 2021, respectively.

**ONE-EIGHTY PLACE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

15. CONTINGENCIES

The Organization receives financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under those programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability to the Organization. However, in the opinion of management, any such disallowed claims would not have a material adverse effect on the overall financial position of the Organization at June 30, 2022 and 2021.

Certain property and equipment have been acquired with funds from certain grants and federal awards. These grants or federal awards may contain reversionary interests in the assets acquired or may require that the assets be used for a particular purpose for a specific period of time.

16. AVAILABILITY OF FINANCIAL RESOURCES

The following reflects the Organization's financial assets as of the statements of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position date.

	2022	2021
Financial assets at year end:		
Cash and cash equivalents	\$ 7,653,619	\$ 7,206,972
Grants and other receivables	2,031,436	1,195,673
Unconditional promises to give	856,282	1,481,143
	10,541,337	9,883,788
Less those unavailable for general expenditures within one year due to:		
Contractual or donor imposed restrictions:		
Clients' housing savings accounts	35,171	22,405
Restricted by donor for capital acquisition	3,827,370	3,796,090
	\$ 6,678,796	\$ 6,065,293

17. SUBSEQUENT EVENTS

In accordance with ASC 855, management evaluated subsequent events at June 30, 2022 through November 10, 2022, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.