



FM-3-566

GRANT AGREEMENT

BETWEEN

SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL

AND

New Morning

This Agreement by and between the South Carolina Department of Health and Environmental Control (DHEC) and **New Morning** (Recipient) an IRS- designated 501(c) (3) nonprofit existing under the laws of South Carolina, is to provide for the distribution of funds **\$1,875,000** (the Funds) appropriated in 2022 **Act 239, Part 1B, Proviso 118.19 (83) J040 (y)**.

The parties agree as follows:

A. STATEMENT OF PURPOSE:

The purpose of the Agreement is to provide funding to New Morning, 90 percent of which will provide sub-grants to health systems for the purchase of medical supplies to support the provision of family planning services and 10 percent of which will be dedicated to other expenses directly related to New Morning's statewide contraceptive access program.

B. SCOPE OF SERVICES:

The Recipient shall utilize the funds for the activities and services ("the Project") outlined in the attached Earmarked Appropriations Disbursement Request Form (Exhibit 1) as completed with supporting documents, which will be incorporated into this Agreement upon acceptance and approval under Paragraph D.

C. TERM:

This Agreement shall be effective upon signature, calendar year **2022** and shall terminate on **June 30, 2023**. Recipient's obligations under this Agreement shall survive termination.

D. PAYMENT:

1. Recipient shall submit a written request for payment not to exceed **\$1,875,000**, and shall include with the request the information on the attached disbursement request (Exhibit I), including the following as required by **Proviso 117.21**:
 - a. An accounting of how the Funds will be spent (Planned Expenditure Summary),
 - b. Goals to be accomplished, and
 - c. Proposed measures to evaluate success in implementing and meeting the goals.
*(Per Proviso **117.21** no funds shall be released until the required plan of how the state funds will be spent and how the expenditures will provide a public benefit are filed with the agency. Also, if necessary, the State Auditor shall review and audit the financial structure and activities of each organization receiving these contributions and make a report to the General Assembly.)*
2. Upon acceptance and approval by DHEC, the request for payment will be incorporated into and made a part of this Agreement.
3. Recipient must register with SCEIS as a vendor and provide vendor information on the request for payment.
4. Payment is contingent on DHEC receipt of Funds.
5. Upon receipt and review and approval of the Planned Expenditure Summary, Funds Budget, and financial statements, DHEC will transmit the funds to Recipient by check delivered to:

Bonnie Kapp, President, and CEO
New Morning
1501 Main Street,
Suite 150
Columbia, SC 29201

6. Source of Funds: State funds made available in the FY2022 Appropriations Act from **state funds** as a recurring distribution per legislative direction, effective July 1, 2022. DHEC's Point of Contact for financial information regarding payments made under this Agreement:

Bruce C. Busbee, Director
Budgets and Financial Planning
SCDHEC
2600 Bull Street
Columbia, South Carolina, 29201

E. REPORTING REQUIREMENTS: AUDITS:

1. By **June 30, 2023**, Recipient shall submit to DHEC a report containing a detailed accounting of its use of the Funds, the services completed, and the outcome measures used to determine the success of the stated goals in sufficient detail for DHEC to determine Recipient's compliance with the Scope of Services set forth in Paragraph B above. See Exhibit (**Quarterly Expenditure Report**) an expected completion date by which it anticipates all funds will have been spent. Recipient shall also submit a final report with this information within 90 days after project completion or exhaustion of Funds.
2. Recipient shall submit to DHEC by **June 30, 2023**, a detailed statement explaining the nature and function of its organization as well as a detailed statement explaining the use that was made of the Funds (**using attached template(s)**).
3. Recipient will allow the State Auditor to audit or cause to be audited the Funds.

F. PREVENTING AND REPORTING FRAUD, WASTE AND ABUSE:

1. DHEC has procedures and policies concerning the prevention and reporting of fraud, waste, and abuse (FWA) in agency-funded programs, including but not limited to those funded by federal grants such as Medicaid. No agency employee, agent, or Recipient shall direct, participate in, approve, or tolerate any violation of federal or State laws regarding FWA in government programs.
2. Federal law prohibits any person or company from knowingly submitting false or fraudulent claims or statements to a federally funded program, including false claims for payment or conspiracy to get such a claim approved or paid. The False Claims Act, 31 U.S.C. §3729-3733, and other "whistleblower" statutes include remedies for employees who are retaliated against in their employment for reporting violations of the Act or for reporting fraud, waste, abuse, or violations of law in connection with federal contracts or grants, or danger to public health or safety. Under State law, persons may be criminally prosecuted for false claims made for health care benefits, for Medicaid fraud, for insurance fraud, or for using a computer in a fraud scheme or to obtain money or services by false representations.
3. If Recipient or Recipient's agents or employees have reason to suspect FWA in DHEC programs, this information should be reported in confidence to DHEC. A report may be made by writing to the Office of Internal Audits, DHEC, 2600 Bull Street, Columbia, SC 29201; or by calling the DHEC Fraud, Waste and Abuse Hotline at 803-896-0650 or toll-free at 1-866-206-5202. Recipient is required to inform Recipient's employees of the existence of DHEC's policy prohibiting FWA and the procedures for reporting FWA to the agency. Recipient must also inform recipient's employees, in writing, of their rights and remedies under 41 U.S.C. §4712 concerning reporting FWA or violations of law in connection with federal contracts or grants, or danger to public health or safety, in the predominant native language of the workforce.

- G. **USE OF FUNDS:** Recipient will not use, expend, or allow use or expenditure of the Funds for any purpose not authorized in and consistent with this Agreement. Unexpended funds distributed pursuant to this Agreement may be carried forward to succeeding fiscal years and expended for the same purposes. Recipient shall continue the reporting and monitoring required under this Agreement until all Funds are spent.
- H. **RETURN OF FUNDS:** The State of South Carolina reserves the right to all remedies available to it under law for the enforcement of this Agreement including but not limited to the right to demand repayment of any Funds that remain unused at completion of the project or that were used for purposes not authorized in this Agreement.
- I. **NON-DISCRIMINATION:** Recipient represents and agrees that it does not and will not practice discrimination, or use the Funds for purposes which discriminate, against persons by virtue of race, religion, color, sex, age, national origin, disability, veteran status, pregnancy, gender identity, sexual orientation, or any other basis prohibited by law.
- J. **RECORDKEEPING:** Recipient shall create and maintain adequate records to document all matters covered by this Agreement. Recipient shall retain all such records for six (6) years or other longer period required by law after termination, cancellation, or expiration of the Agreement or after final expenditure of Funds, whichever is later, and make records available for inspection, copying, and audit by DHEC or other authorized agent of the State. If any litigation, claim, or audit has begun but is not completed or if audit findings have not been resolved at the end of the retention period, the records shall be retained until all litigation, claims, or audit findings involving the Funds have been resolved.
- K. **REVISIONS OF LAW:** The provisions of the Agreement are subject to revision of state or federal statutes and regulations and requirements governing (name of grant, etc.).
- L. **PUBLIC INFORMATION:** All information relating to distribution and use of the Funds, including all reports and documentation submitted to DHEC under this Agreement, is subject to public disclosure under the South Carolina Freedom of Information Act and may be published on DHEC's internet web site.
- M. **ATTACHMENTS:** Attachments to this Agreement are incorporated into and made part of this Agreement.

SOUTH CAROLINA DEPARTMENT OF
HEALTH AND ENVIRONMENTAL CONTROL

BY: 
Bruce C. Busbee

Director of Budgets and Financial
Planning

DATE: 11/17/2022

MAILING ADDRESS:
SC DHEC - Office of Budgets and Financial
Planning
2600 Bull Street
Columbia, SC 29201
Phone: 803-898-3388
Fax: 803-253-7637

FOR: NEW MORNING, RECIPIENT



BY: _____
Bonnie Kapp, President and CEO

DATE: October 18, 2022

MAILING ADDRESS: 1501 MAIN ST - SUITE 150,
COLUMBIA, SC 29201

Phone: (803) 920-9696 or (803) 978-2468_
Fax: (803) 929-0088
Email: bakapp@newmorning.org
REMITTANCE ADDRESS: (if applicable)

- Corporation
- LLC
- Partnership
- Nonprofit organization
- Government agency or political subdivision

✓

- specify State if not SC:

 Other Governmental body (specify)

 Individual/sole proprietor

Other (specify)

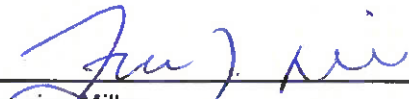
If a corporation or LLC:

State of incorporation/organization:

Registered agent and address in South
Carolina

SCDLLR or other license#

THIS AGREEMENT IS NOT OFFICIAL AND
BINDING UNTIL SIGNED BY THE DHEC
CONTRACTS MANAGER



Francine Miller
DHEC Contracts Manager

DATE: 11-21-12

August 15, 2022

Delivery via email to Scott Jaillette

Dr. Edward Simmer, Agency Director
c/o Mr. Scott Jaillette, Director of Legislative Affairs
South Carolina Department of Health and Environmental Control
2600 Bull Street
Columbia, South Carolina 29201

Dear Dr. Simmer:

The purpose of this letter and accompanying documents is to comply with proviso 117.21 and provide the agency with documentation supporting proviso 118.18 of the FY 2022-23 General Appropriations Act, wherein your agency is directed to disburse \$1,875,000 this fiscal year to New Morning, an IRS-designated 501(c)(3) nonprofit (EIN 95-4894776).

New Morning shall use the funds in alignment with the attached, proposed budget to provide sub-grants to health systems for the purchase of medical supplies to support the provision of family planning services. The restricted grants will be provided to a total of 22 New Morning partnering health systems (sub-grantees). New Morning will retain ten percent of the funds to support program management.

Since 2017, New Morning has led a statewide family planning program ("Choose Well") in which over 130 clinics currently participate. The monies provided by your agency, coupled with additional private grant funds, will be used to achieve the following goals in collaboration with the sub-grantees:

Goal 1: By June 30, 2023, New Morning's sub-grantees will purchase a minimum of 8,000 units of medical supplies for patients in need of subsidized family planning. This will ensure adequate supplies are available at the time a patient comes in for an appointment, reducing the need for patients to return for multiple appointments.

Goal 1 Success Measures:

- New Morning will secure copies of invoices/reports from each sub-grantee in order to verify the purchase or provision of medical supplies (product name, number of units, price per unit, total cost, etc.) to eligible patients between July 1, 2022 and June 30, 2023. All reports will be maintained in a confidential manner by New Morning's Chief Financial Officer to protect all pricing information.

- New Morning will secure data from each sub-grantee and develop reports to include total number of patients receiving grant-funded medical supplies at partnering health systems between July 1, 2022 and June 30, 2023.
- New Morning will secure data from each sub-grantee and develop reports to include total number of patients receiving family planning services at partnering health systems between July 1, 2022 and June 30, 2023.

Goal 2: By January 1, 2023, the SC Office of Rural Health (SCORH), in partnership with New Morning, will recruit five (5) additional healthcare providers to plan for and implement the Choose Well program no later than June 30, 2023.

Goal 2 Success Measures:

- SCORH will secure Memorandum of Agreements with five (5) additional rural health practices by January 1, 2023.
- SCORH will document trainings for five (5) additional rural health practices by February 1, 2023.

Goal 3: By June 30, 2023, New Morning health systems managers will provide a minimum of three (3) monitoring meetings with each sub-grantee to measure each sub-grantee's progress implementing its work plan and provide ongoing consultation/technical assistance related to the provision of family planning services.

Goal 3 Success Measures:

- New Morning will document the monitoring, consultation and technical assistance provided to sub-grantees between July 1, 2022 and June 30, 2023.
- New Morning will develop and implement work plans with each sub-grantee no later than October 1, 2022. Work plans will include SMART objectives focused on service delivery aligned with CDC's Quality Family Planning Guidelines.

Goal 4: By June 30, 2023, SCORH will provide a minimum of three (3) monitoring meetings with each rural practice to measure progress implementing its work plan and provide ongoing consultation/technical assistance related to the provision of family planning services.

Goal 4 Success Measure:

- SCORH will document the monitoring, consultation and technical assistance provided to rural health practices between July 1, 2022 and June 30, 2023.

Goal 5: By June 30, 2023, New Morning will offer four (4) provider training opportunities to support the provision of medical supplies.

Goal 5 Success Measures:

- New Morning will document trainings offered between July 1, 2022 and June 30, 2023.
- New Morning will capture data on trainings offered to include the number of participants.

In addition to the state-funded project budget, you will find included with this letter New Morning's most recent, audited financial statements, our IRS W-9 form, our FY 23 Operating Budget and the State Auditor's 117.21 Data Collection Template. Please ask a member of your staff to contact me if you require additional information or documentation: 803-920-9696 (mobile) or bakapp@newmorning.org.

We are grateful for the long relationship with your agency and look forward to working with you and your staff to reduce health disparities by increasing equitable access to health services.

Sincerely,



Bonnie Kapp
President & CEO

Attachments:

New Morning State Appropriation project budget
IRS W-9 form
Audited financial statements
FY 23 New Morning Operating Budget
State Auditor 117.21 Data Collection Template

New Morning FY23 State Appropriation Budget

Description	Sub-Grants
Federally Qualified Health Centers <i>(16 health systems with 79 clinics)</i>	\$725,000
SC Office of Rural Health <i>(1 health system with 26 clinics)</i>	\$450,500
Hospitals <i>(5 health systems with 23 clinics)</i>	\$512,000
New Morning <i>(Project Management)</i>	\$187,500
TOTAL	\$1,875,000

Contraceptive supplies for women in need of subsidized family planning services.

August 15, 2022

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New Morning <i>(Project Management)</i>	\$187,500
TOTAL	\$1,875,000

Contraceptive supplies for women in need of subsidized family planning services.

Bonnie,

I am currently in the final stages of processing the allocation of state funds provided in Proviso 118.19. Since these are state funds, I must remind you that there are restrictions concerning their use. Entities receiving these funds are responsible for ensuring that all expenditures do not violate either directly or indirectly any of those restrictions. South Carolina Code of Law Sections 43-5-24 and 43-5-1185 are two examples of such restrictions.

I will update you on the status again when final signatures are received, and the Disbursement Form is processed.

Request for Taxpayer Identification Number and Certification

**Give Form to the
requester. Do not
send to the IRS.**

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type.
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
NEW MORNING

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

Individual/sole proprietor or single-member LLC

C Corporation

S Corporation

Partnership

Trust/estate

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

Other (see instructions) ▶ _____

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) 1

Exemption from FATCA reporting code (if any) A

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.
1501 MAIN ST., SUITE 150

6 City, state, and ZIP code
COLUMBIA, SC 29201

7 List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
or									
Employer identification number									
9	5		4	8	9	4	7	7	6

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here

Signature of U.S. person ▶

Date ▶ 6/30/2021

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

NEW MORNING
CONSOLIDATED FINANCIAL REPORT
FOR THE YEARS ENDED
JUNE 30, 2021 AND 2020

**NEW MORNING
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YEARS ENDED JUNE 30, 2021 AND 2020**

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Certified Public Accountants, P.A.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
New Morning
Columbia, South Carolina

We have audited the accompanying consolidated financial statements of New Morning (a nonprofit organization) and its wholly owned subsidiary Morning Holdings, Inc. (a for-profit corporation), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

WEST COLUMBIA

3101 SUNSET BLVD. · WEST COLUMBIA, SC 29169
POST OFFICE BOX 2044 · WEST COLUMBIA, SC 29171
MAIN LINE: 803.794.3712 · MAIN FAX: 803.739.4394
WWW.BURKETTCPAS.COM

ROCK HILL

128 EAST MAIN STREET, SUITE 201
ROCK HILL, SC 29730
MAIN LINE: 803.325.1660 · FAX LINE: 803.325.1665
WWW.BURKETTCPAS.COM

New Morning
Page 2 of 2

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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of New Morning and its subsidiary as of June 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.

Burkett Burkett & Burkett

BURKETT BURKETT & BURKETT
Certified Public Accountants, P.A.
West Columbia, South Carolina
March 28, 2022

**NEW MORNING
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 7,011,564	\$ 4,779,889
Prepaid expenses	6,955	16,544
Property and equipment, net of accumulated depreciation of \$131,802 (2021) and \$196,083 (2020)	85,821	92,364
Deferred charges, net of accumulated amortization of \$1,250 (2021) and \$250 (2020)	1,750	2,750
Investments	<u>2,492,660</u>	<u>6,576,919</u>
Total assets	<u><u>9,598,750</u></u>	<u><u>11,468,466</u></u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and other accrued liabilities	<u>721,635</u>	<u>677,003</u>
Total liabilities	<u><u>721,635</u></u>	<u><u>677,003</u></u>
 Net Assets		
Net assets without donor restrictions	(45,427)	(478,042)
Net assets with donor restrictions	<u>8,922,542</u>	<u>11,269,505</u>
Total net assets	<u><u>8,877,115</u></u>	<u><u>10,791,463</u></u>
 Total liabilities and net assets	<u><u>\$ 9,598,750</u></u>	<u><u>\$ 11,468,466</u></u>

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

**NEW MORNING
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
(With Comparative Amounts for 2020)**

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Totals Only
Public Support and Revenue				
Contributions	\$ 40,452	\$ 10,020,000	\$ 10,060,452	\$ 16,023,795
Sales revenues - Morning Communications	16,000	-	16,000	-
Investment return, net	454,777	-	454,777	280,465
Other income - PPP	340,800	-	340,800	-
Total support and revenue	852,029	10,020,000	10,872,029	16,304,260
Net assets released from restrictions	12,366,963	(12,366,963)	-	-
	<u>13,218,992</u>	<u>(2,346,963)</u>	<u>10,872,029</u>	<u>16,304,260</u>
Expenses				
Program Services	12,629,375		12,629,375	15,839,906
Support Services	157,002		157,002	97,516
Total expenses	<u>12,786,377</u>	<u>-</u>	<u>12,786,377</u>	<u>15,937,422</u>
Change in net assets	432,615	(2,346,963)	(1,914,348)	366,838
Net Assets				
Beginning	<u>(478,042)</u>	<u>11,269,505</u>	<u>10,791,463</u>	<u>10,424,625</u>
Ending	<u>\$ (45,427)</u>	<u>\$ 8,922,542</u>	<u>\$ 8,877,115</u>	<u>\$ 10,791,463</u>

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

**NEW MORNING
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021
(With Comparative Amounts for 2020)**

	2021			2020
	Program Services	Support Services	Total	Totals Only
Grant expenses:				
SCI - Partners	\$ 4,840,623	\$ -	\$ 4,840,623	\$ 6,911,592
Other	300,000	-	300,000	500,000
Advertising	2,803,679	-	2,803,679	3,145,045
Salaries and benefits	1,922,964	79,797	2,002,761	1,932,431
SCI - Medical device costs	1,851,644	-	1,851,644	2,253,471
Professional fees	444,410	1,294	445,704	436,736
Rent	138,705	-	138,705	127,795
Payroll taxes	53,423	53,423	106,846	133,660
Conferences and meetings	41,997	7,696	49,693	234,131
Information technology	39,074	-	39,074	35,362
Sponsorships and memberships	37,032	-	37,032	16,700
Bank charges	27,762	4,899	32,661	43,622
Depreciation and amortization	20,993	3,705	24,698	30,538
Telephone	22,975	-	22,975	22,804
Travel	17,428	-	17,428	43,236
Insurance	13,344	4,062	17,406	16,538
Office expenses	11,997	568	12,565	14,858
ABLE SC	12,500	-	12,500	-
Repairs and maintenance	7,676	1,354	9,030	10,720
Printing and postage	8,646	-	8,646	9,156
Cost of goods sold - Morning Communications	6,455	-	6,455	-
SCI - Instructional material	3,911	-	3,911	382
Staff training	1,156	204	1,360	14,397
Website design and maintenance	981	-	981	1,392
Supplies	-	-	-	2,856
Total expenses	\$ 12,629,375	\$ 157,002	\$ 12,786,377	\$ 15,937,422

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

**NEW MORNING
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ (1,914,348)	\$ 366,838
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation	23,698	27,337
Amortization of deferred charges	1,000	201
Unrealized (gain)/loss on marketable securities	(301,131)	(55,516)
(Increase)/Decrease in operating assets		
Accounts receivable	-	284
Prepaid expenses	9,589	376
Increase/(Decrease) in operating liabilities		
Accounts payable and other accrued liabilities	44,632	175,250
Net cash flows provided by (used in) operating activities	<u>(2,136,560)</u>	<u>514,770</u>
Cash Flows from Investing Activities		
Purchase of marketable securities	(10,535,340)	(58,045,117)
Proceeds from sale of marketable securities	14,920,730	61,458,673
Purchase of vehicle and office equipment	(17,155)	(9,352)
Net cash flows provided by (used in) investing activities	<u>4,368,235</u>	<u>3,404,204</u>
Change in cash	2,231,675	3,918,974
Cash in All Funds		
Beginning	<u>4,779,889</u>	<u>860,915</u>
Ending	<u>\$ 7,011,564</u>	<u>\$ 4,779,889</u>

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

**NEW MORNING
YEARS ENDED JUNE 30, 2021 AND 2020**

Notes to Consolidated Financial Statements

Note 1. General Information and Summary of Significant Accounting Policies

Organization and general information: New Morning Foundation was established February 25, 2002, as a nonprofit corporation, which is organized and operates exclusively within the meaning of Section 501(c)(3) of the Internal Revenue Code. On March 5, 2021, New Morning Foundation amended its name to New Morning (the "Organization"). The Organization's mission is to improve sexual and reproductive health education, counseling, and clinical services for individuals below the age of 30 years. The Organization receives and administers charitable gifts and grants, and it administers programs that advance its mission. The Organization is a supporting organization of the Central Carolina Community Foundation, a publicly supported organization, which operates as a community foundation as described in Treasury Regulations Section 1.170A-9(e)(10).

The Organization's wholly owned subsidiary, Morning Holdings, Inc., a for profit organization is a holding company which owns Morning Communications, LLC. Morning Communications sells and licenses various trainings and website designs.

Basis of presentation: The consolidated financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net assets 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 are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increased 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.

Cash and cash equivalents: For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with a maturity of three months or less to be cash equivalents.

Marketable securities: The marketable securities are recorded at their fair market value at June 30, 2021 and 2020.

**NEW MORNING
YEARS ENDED JUNE 30, 2021 AND 2020**

Notes to Consolidated Financial Statements

**Note 1. General Information and Summary of Significant Accounting Policies
(Continued)**

Property and equipment: It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Equipment is capitalized at cost. Depreciation of office equipment and furniture is computed on the accelerated basis over estimated useful lives of five to seven years.

Revenue recognition: The Organization recognizes revenue from sales and licensing of various training and website designs through Morning Communications when the services are provided. The Organization recognizes contributions when cash, securities, and unconditional promises to give or other assets are received.

Advertising: Advertising costs are charged to expense as incurred.

Functional expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among program, management and general, and fund-raising services. Such actions are determined by management on an equitable basis.

Major expenses are allocated based on employee time and effort.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income taxes: The Organization is exempt from federal and state 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 provisions of this guidance. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for the tax years before 2018.

Reclassifications: Certain prior year amounts have been reclassified to conform to the current year presentation.

Recently issued accounting pronouncements: In February 2016, the FASB amended the Leases Topic of the Accounting Standards Codification to revise certain aspects of recognition, measurement, presentation and disclosure of leasing transactions. The amendments will be effective for fiscal years beginning after December 15, 2021. Management is currently evaluating the effect that implementation of the new standard will have on the Organization's financial statements.

**NEW MORNING
YEARS ENDED JUNE 30, 2021 AND 2020**

Notes to Consolidated Financial Statements

Note 2. Property and Equipment

Property and equipment consist of the following:

	<u>2021</u>	<u>2020</u>
Equipment and furniture	\$ 217,623	\$ 288,447
Less, accumulated depreciation	(131,802)	(196,083)
Totals	\$ 85,821	\$ 92,364

Depreciation expense was \$23,698 and \$27,337 and for the years ending June 30, 2021 and 2020, respectively.

Note 3. Availability and Liquidity

The following represents the Organization's financial assets and liabilities at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 7,011,564	\$ 4,779,889
Investments	2,492,660	6,576,919
Total financial assets:	<u>9,504,224</u>	<u>11,356,808</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	8,922,542	11,269,505
Less net assets with purpose restrictions to be met in less than a year	<u>(8,922,542)</u>	<u>(11,269,505)</u>
	<u>-</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 9,504,224</u>	<u>\$ 11,356,808</u>

The Organization's goal is generally to maintain financial assets to meet 2 months of operating expenses (approximately \$2 million). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

Note 4. Cash Deposits

Cash and cash equivalents consist of cash held in checking and money market accounts. The combined bank balances at June 30, 2021 and 2020 were \$7,123,750 and \$4,938,285, respectively. There was \$6,331,782 and \$4,098,703 in excess of federally insured limits at June 30, 2021 and 2020, respectively.

**NEW MORNING
YEARS ENDED JUNE 30, 2021 AND 2020**

Notes to Consolidated Financial Statements

Note 5. Investments

The following is a summary of investments at June 30, 2021 and 2020:

	2021		2020	
	Cost	Market Value	Cost	Market Value
CDs	\$ -	\$ -	\$ 4,499,190	\$ 4,499,190
Mutual funds	1,963,036	2,492,660	1,849,095	2,077,729
Totals	\$ 1,963,036	\$ 2,492,660	\$6,348,285	\$6,576,919

Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risk in the near term would materially affect the amounts reported in the statement of financial position.

Investment return, net is made up of the following:

	2021	2020
Interest and Dividend Income	\$ 48,682	\$ 226,256
Realized and Unrealized Gains/(Losses)	422,066	69,278
Investment Fees	(15,971)	(15,069)
Investment return, net	\$ 454,777	\$ 280,465

Note 6. Fair Value Measurements

The Organization's financial assets carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by ASC 820-10, *Fair Value Measurements*. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3).

**NEW MORNING
YEARS ENDED JUNE 30, 2021 AND 2020**

Notes to Consolidated Financial Statements

Note 6. Fair Value Measurements (Continued)

Assets and liabilities measured and reported at fair value are classified and disclosed in one of the following categories:

- | | |
|---------|---|
| Level 1 | Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date. |
| Level 2 | Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves. |
| Level 3 | Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Organization's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date. |

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Common stock and preferred stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at net asset value ("NAV").

Corporate bonds: Valued at the closing price reported on the active market on which the individual securities are traded.

**NEW MORNING
YEARS ENDED JUNE 30, 2021 AND 2020**

Notes to Consolidated Financial Statements

Note 6. Fair Value Measurements (Continued)

The following table set forth by level, within the fair value hierarchy, the Organization's financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2021 and 2020:

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
Assets				
Mutual funds				
Domestic	\$ 806,449	\$ -	\$ -	\$ 806,449
International	509,103	-	-	509,103
Fixed income	1,177,108	-	-	1,177,108
Total investments at fair value	\$ 2,492,660	\$ -	\$ -	\$ 2,492,660
	June 30, 2020			
	Level 1	Level 2	Level 3	Total
Assets				
Mutual funds				
Domestic	\$ 687,081	\$ -	\$ -	\$ 687,081
International	444,202	-	-	444,202
Fixed income	5,445,636	-	-	5,445,636
Total investments at fair value	\$ 6,576,919	\$ -	\$ -	\$ 6,576,919

The following table summarized investments measured at fair value based on net asset value (NAV) per share as of June 30, 2021 and 2020:

	2021		
	Fair Value	Redemption Frequency	Redemption Notice Period
Mutual funds			
Fixed income	\$ 1,177,108	Daily	1 day
Domestic	806,449	Daily	1 day
International	509,103	Daily	1 day
Total	\$ 2,492,660		
	2020		
	Fair Value	Redemption Frequency	Redemption Notice Period
Mutual funds			
Fixed income	\$ 5,445,636	Daily	1 day
Domestic	687,081	Daily	1 day
International	444,202	Daily	1 day
Total	\$ 6,576,919		

**NEW MORNING
YEARS ENDED JUNE 30, 2021 AND 2020**

Notes to Consolidated Financial Statements

Note 7. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses are as follows:

	<u>2021</u>	<u>2020</u>
Accounts payable, trade	\$ 606,832	\$ 568,840
Credit cards	5,257	2,002
Accrued compensation	109,546	106,161
Total	\$ 721,635	\$ 677,003

Note 8. Net Assets with Donor Restrictions

At June 30, 2021 and 2020, net assets with donor restrictions are available for the South Carolina Initiative in the amount of \$8,922,542 and \$11,269,505, respectively.

Note 9. Operating Leases

Building office leases: The Organization leases office space in Columbia, South Carolina, under an operating lease. The operating lease began on May 14, 2015, and the Organization may terminate the lease at any time after thirty-six (36) full months following the commencement date. During 2018, the Organization entered into an operating lease for additional office space beginning on March 1, 2018 with a five (5) year term. The Organization incurred \$138,705 and \$127,795 in rent expense for the year ending June 30, 2021 and 2020, respectively. Additionally, the Organization rents several parking spaces on a month-to-month basis.

Future minimum lease payments are as follows:

Year ending June 30	
2022	\$ 105,725
2023	97,183
Total	\$ 202,908

Equipment lease: The Organization leases office equipment under operating leases. The lease expense was \$7,006 and \$8,174 for the years ending June 30, 2021 and 2020, respectively.

Future minimum lease payments are as follows:

Year ending June 30	
2022	\$ 3,294
Total	\$ 3,294

**NEW MORNING
YEARS ENDED JUNE 30, 2021 AND 2020**

Notes to Consolidated Financial Statements

Note 9. Operating Leases (Continued)

Vehicle lease: The Organization leased three vehicles under operating leases. The lease expense was \$15,940 and \$15,644 for the years ending June 30, 2021 and 2020, respectively.

Future minimum lease payments are as follows:

Year ending June 30	
2022	\$ 8,246
2023	4,885
Total	<u>\$ 13,131</u>

Note 10. Retirement Plan

The Organization sponsors a 401(k) retirement plan for all eligible employees. The Organization's expense totaled \$130,892 and \$108,354 for the years ended June 30, 2021 and 2020, respectively.

All employees who have completed at least one year of service and attained age 21 or older are eligible. The Organization contributes 5% of employee gross wages to all eligible employees, and all contributions are vested immediately.

Note 11. Administrative Fees

The Organization paid Central Carolina Community Foundation administrative and management fees of \$14,799 and \$14,010 for the years ended June 30, 2021 and 2020, respectively.

Note 12. Assets Released from Donor Restrictions

Net assets during the years ended June 30, 2021 and 2020 were released from donor restrictions by incurring expenses satisfying the restricted purposes and by occurrence of other events specified by the donors and grantors as follows:

	2021	2020
Anonymous grant	<u>\$ 12,366,963</u>	<u>\$ 15,166,250</u>

**NEW MORNING
YEARS ENDED JUNE 30, 2021 AND 2020**

Notes to Consolidated Financial Statements

Note 13. Concentrations of Credit Risk

Credit risk for the Organization for the year ended June 30, 2021 was concentrated in one grantor whose revenues represented nearly 92% of the Organization's total revenues. No additional grantors or donors accounted for more than 10% of total revenues during the year ended June 30, 2021. If the Organization were to lose this grant, it would have a significant effect on operations of the Organization.

Note 14. Risks and Uncertainties

In July 2020, management was made aware of a lawsuit brought against the Organization. Management is not able to estimate any potential liability relating to this lawsuit as of the date of issuance.

Note 15. Related Party Transactions

During the year ended June 30, 2021, the Organization transferred \$50,000 to Morning Communications, Inc., a related party, as equity.

Note 16. Other Income - PPP

On August 20, 2020, the Organization entered into a promissory note with Ameris Bank, evidencing an unsecured loan with a principal amount of \$340,800, pursuant to the Paycheck Protection Program (the "PPP Term Note") under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The PPP Term Note was guaranteed by the United States Small Business Administration ("SBA").

Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of loans granted under the PPP. The PPP Term Note is subject to forgiveness to the extent proceeds are used for payroll costs, including payments required to continue group health care benefits, and certain rent, utility, and mortgage interest expenses (collectively, "Qualifying Expenses"), pursuant to the terms and limitations of the PPP. On May 29, 2021 the Organization was granted forgiveness for the full amount of the loan including any accrued interest.

The Organization has presented \$340,800 as "Other Income - PPP" in the Consolidated Statements of Activities for the year ended June 30, 2021.

**NEW MORNING
YEARS ENDED JUNE 30, 2021 AND 2020**

Notes to Consolidated Financial Statements

Note 17. Subsequent Events

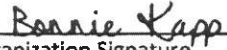
Management has evaluated subsequent events through March 28, 2022, the date on which the financial statements were available to be issued. There were no other material events that required recognition or additional disclosure in these financial statements.

**New Morning
Operating Budget
FY23 (July 1, 2022 - June 30, 2023)**

	NEW MORNING GRANTS & ADMIN	CHOOSE WELL	TOTAL FY23 Budget
SUPPORT AND REVENUE			
Grants - Choose Well	-	5,000,000	5,000,000
Legislative Appropriation	-	1,875,000	1,875,000
Foundation Grants	525,000	-	525,000
Individual & Corporate Contributions	250,000	-	250,000
Gov't Grants & Contracts	-	600,000	600,000
Portfolio Earnings	125,000	-	125,000
Total Funds, Support & Revenue	900,000	7,475,000	8,375,000
EXPENSES			
Grants, Initiatives, Research & Evaluation			
CW - Contraceptives for the Uninsured	-	2,710,000	2,710,000
CW - Personnel Funding for Subgrantees	-	1,602,000	1,602,000
CW - NoDrama Outreach	-	1,100,000	1,100,000
CW - Training	-	270,000	270,000
CW - Consultants	-	117,500	117,500
CW - Instructional Materials	-	40,000	40,000
CW - Partner Meetings, Conferences & Travel	-	154,800	154,800
NM - State gov' liaisons	120,000	-	120,000
Subtotal	120,000	5,994,300	6,114,300
General & Administrative			
Computer Support - Outsourced	21,000	-	21,000
Consultants, Legal, & Other Professional fees	24,500	5,000	29,500
Insurance (D&O, liability, workmen's comp)	9,000	6,000	15,000
Investment Portfolio Fees	15,000	-	15,000
Meetings	25,000	-	25,000
Office rent + Employee parking	65,000	55,467	120,467
Office Expense, Printing & Supplies	4,500	4,800	9,300
Payroll, PEO & Misc fees	28,000	-	28,000
Professional Development	20,000	-	20,000
Subscriptions & Memberships	4,000	10,500	14,500
Supplies, Computers, & Equipment	7,500	10,250	17,750
Telephone & Internet	2,500	7,500	10,000
Travel & Auto Exp	8,883	5,400	14,283
Total General & Administrative Expenses	234,883	104,917	339,800
Total Personnel Expenses	500,650	1,387,500	1,888,150
Total Expenses	855,533	7,486,717	8,342,250
Projected Net Income/(Loss)	44,467	(11,717)	32,750

Organization Certifications

- 1) Organization hereby gives assurance that no person shall, upon the grounds of race, creed, color, or national origin, be excluded from participation in, be denied the benefit of, or be otherwise subjected to discrimination under any program or activity for which this organization is responsible.
- 2) Organization certifies that it will provide quarterly spending reports to the Agency Providing Contribution listed above.
- 3) Organization certifies that it will provide an accounting at the end of the fiscal year to the Agency Providing Contribution listed above.
- 4) Organization certifies that it will allow the State Auditor to audit or cause to be audited the contributed funds.

DocuSigned by:

 Organization Signature
 9996F0504F9544A...
 Bonnie Kapp

Printed Name

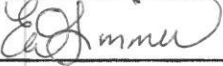
President & CEO

 Title
 11/15/2022

 Date

Certifications of State Agency Providing Contribution

- 1) State Agency certifies that the planned expenditure aligns with the Agency's mission and/or the purpose specified in the appropriations act of 2022.
- 2) State Agency certifies that the Organization has set forth a public purpose to be served through receipt of the expenditure.
- 3) State Agency certifies that it will make distributions directly to the organization.
- 4) State Agency certifies that it will provide the quarterly spending reports and accounting received from the organization to the Senate Finance Committee, House Ways and Means Committee, and the Executive Budget Office by June 30, 2023.
- 5) State Agency certifies that it will publish on their website any and all reports, accountings, forms, updates, communications, or other materials required by Proviso 117.21 of the appropriations act of 2022.
- 6) State Agency will certify to the Office of the Governor that it has complied with the requirements of Executive Order 2022-19 by June 30, 2023.


 Agency Head Signature
 Edward Zimmer

 Printed Name

28 NOV 2022


 Date

New Morning Foundation

Public Id: P10074
Ms. Bonnie A Kapp , CEO
1501 Main St., Suite 150
Columbia, SC 29201

Status: Registered. Information from this organization's annual financial report is listed below.

The following financial information has been provided to the Secretary of State's Office by the above named organization. The Secretary of State's Office has not independently verified this financial information. If a charity has recently registered with the Secretary of State's Office for the first time, there may not be any financial data available. Below are figures for the organization's fiscal year **7/1/2020 - 6/30/2021**.

Financial Report	
TOTAL REVENUE:	\$10,587,010.00
PROGRAM EXPENSES:	\$12,629,375.00
TOTAL EXPENSES:	\$12,786,377.00
NET ASSETS:	\$8,877,115.00
FUNDRAISER COSTS:	\$0.00
Financial Report File	
	FY21 Form 990 - New Morning.pdf
Next Report: 07/01/2021 - 06/30/2022 Due Date: 11/15/2022	

According to the financial information filed with this office, this organization devoted **98.8%** of its total expenses to program services during the year reported.

Disclaimer: The South Carolina Secretary of State's Charities Search Webpage is provided as a service to customers to research charitable organizations on file with our office, or that have been the subject of an administrative action. Users are advised that the Secretary of State, the State of South Carolina, or any agency, office, or employee of the State of South Carolina do not guarantee the accuracy, reliability, or timeliness of the information provided, as it is the responsibility of the charity to inform the Secretary of State of any updated information. Furthermore, the information provided does not constitute legal advice.