

**CENTER FOR DEVELOPMENTAL SERVICES, INC.**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2018 AND 2017**



**CENTER FOR DEVELOPMENTAL SERVICES, INC.  
GREENVILLE, SOUTH CAROLINA**

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**YEARS ENDED DECEMBER 31, 2018 AND 2017**

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# Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Center for Developmental Services, Inc.  
Greenville, South Carolina

We have audited the accompanying financial statements of the Center for Developmental Services, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center for Developmental Services, Inc. as of December 31, 2018 and 2017, 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.

*Greene Finney, LLP*

Greene Finney, LLP  
Mauldin, South Carolina  
February 15, 2019

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**CENTER FOR DEVELOPMENTAL SERVICES, INC.  
GREENVILLE, SOUTH CAROLINA**

**STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2018 AND 2017**

<b>ASSETS</b>	<b>2018</b>	<b>2017</b>
Current Assets:		
Cash and Cash Equivalents	\$ 276,125	\$ 112,905
Agency Receivables, Net	126,053	92,827
Pledges Receivable, Net	20,672	32,508
Prepaid Expenses	14,168	30,137
Total Current Assets	437,018	268,377
Pledges Receivable - Long-Term, Net	43,445	59,213
Property and Equipment, Net	1,063,148	1,388,764
<b>TOTAL ASSETS</b>	<b>\$ 1,543,611</b>	<b>\$ 1,716,354</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 128,866	\$ 143,656
Retainage Payable	-	14,540
Deferred Revenue	108,000	30,386
Total Current Liabilities	236,866	188,582
<b>TOTAL LIABILITIES</b>	<b>236,866</b>	<b>188,582</b>
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated	90,572	115,100
Designated by Management for Capital Improvements	12,321	-
Invested in Property and Equipment, Net of Related Payables	1,063,148	1,320,951
With Donor Restrictions	140,704	91,721
<b>TOTAL NET ASSETS</b>	<b>1,306,745</b>	<b>1,527,772</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,543,611</b>	<b>\$ 1,716,354</b>

The notes to the financial statements are an integral part of these financial statements.  
See the accompanying independent auditor's report.

**CENTER FOR DEVELOPMENTAL SERVICES, INC.  
GREENVILLE, SOUTH CAROLINA**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2018**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE AND OTHER SUPPORT</b>			
Contributions	\$ 314,012	45,000	\$ 359,012
Grants	51,098	31,587	82,685
Case Management	1,469,323	-	1,469,323
Rental Income	323,271	-	323,271
Fees	113,474	-	113,474
Donated Services, Material and Space	120,000	-	120,000
Interest	118	-	118
Net Assets Released From Restrictions	27,604	(27,604)	-
	<u>2,418,900</u>	<u>48,983</u>	<u>2,467,883</u>
Total Revenues and Other Support			
<b>EXPENSES</b>			
Program	2,440,426	-	2,440,426
Management and General	136,107	-	136,107
Fundraising	112,377	-	112,377
	<u>2,688,910</u>	<u>-</u>	<u>2,688,910</u>
Total Expenses			
<b>CHANGE IN NET ASSETS</b>	<b>(270,010)</b>	<b>48,983</b>	<b>(221,027)</b>
NET ASSETS, Beginning of Year	<u>1,436,051</u>	<u>91,721</u>	<u>1,527,772</u>
<b>NET ASSETS, End of Year</b>	<b><u>\$ 1,166,041</u></b>	<b><u>140,704</u></b>	<b><u>\$ 1,306,745</u></b>

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**CENTER FOR DEVELOPMENTAL SERVICES, INC.  
GREENVILLE, SOUTH CAROLINA**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2017**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE AND OTHER SUPPORT</b>			
Contributions	\$ 427,887	-	\$ 427,887
Grants	97,023	149,811	246,834
Case Management	98,932	-	98,932
Rental Income	359,662	-	359,662
Fees	69,983	-	69,983
Donated Services, Material and Space	120,000	-	120,000
Interest	220	-	220
Net Assets Released From Restrictions	195,564	(195,564)	-
	<u>1,369,271</u>	<u>(45,753)</u>	<u>1,323,518</u>
<b>EXPENSES</b>			
Program	1,334,293	-	1,334,293
Management and General	77,515	-	77,515
Fundraising	114,213	-	114,213
	<u>1,526,021</u>	<u>-</u>	<u>1,526,021</u>
<b>CHANGE IN NET ASSETS</b>	<b>(156,750)</b>	<b>(45,753)</b>	<b>(202,503)</b>
NET ASSETS, Beginning of Year	<u>1,592,801</u>	<u>137,474</u>	<u>1,730,275</u>
<b>NET ASSETS, End of Year</b>	<b><u>\$ 1,436,051</u></b>	<b><u>91,721</u></b>	<b><u>\$ 1,527,772</u></b>

The notes to the financial statements are an integral part of these financial statements.  
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**CENTER FOR DEVELOPMENTAL SERVICES, INC.  
GREENVILLE, SOUTH CAROLINA**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2018**

	<b>Program</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Advertising	\$ 3,493	70	5,171	\$ 8,734
Bad Debt	-	26,900	-	26,900
Case Management	115,582	-	-	115,582
Computer Support and Software	66,268	1,421	-	67,689
Conferences and conventions	600	600	-	1,200
Depreciation	325,870	1,638	-	327,508
Dues and Subscriptions	1,197	3,590	-	4,787
Employee Benefits	241,214	10,051	13,225	264,490
Equipment Rental and Maintenance	14,965	259	-	15,224
Insurance	22,842	404	547	23,793
Meals and Catering	2,331	4,661	6,326	13,318
Office Expense	52,919	11,076	8,398	72,393
Office Supplies	7,344	1,102	734	9,180
Payroll Taxes	79,475	3,311	4,357	87,143
Postage and Shipping	5,888	139	901	6,928
Printing and Copies	19,157	2,874	1,916	23,947
Professional Fees	18,413	17,078	10,542	46,033
Rent	150,450	453	-	150,903
Repairs and Maintenance	32,821	568	-	33,389
Salaries and Wages	1,099,146	45,798	60,260	1,205,204
Supplies	44,557	771	-	45,328
Taxes and Licenses	34	1	-	35
Telephone and Internet	37,478	648	-	38,126
Travel and Transportation	28,082	1,478	-	29,560
Utilities	70,300	1,216	-	71,516
	<u>\$ 2,440,426</u>	<u>136,107</u>	<u>112,377</u>	<u>\$ 2,688,910</u>

The notes to the financial statements are an integral part of these financial statements.  
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**CENTER FOR DEVELOPMENTAL SERVICES, INC.  
GREENVILLE, SOUTH CAROLINA**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2017**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Advertising	\$ 2,979	102	9,706	\$ 12,787
Case Management	2,754	-	-	2,754
Computer Support and Software	68,406	1,467	-	69,873
Depreciation	421,494	2,118	-	423,612
Dues and Subscriptions	-	1,170	-	1,170
Employee Benefits	29,226	2,366	4,804	36,396
Equipment Rental and Maintenance	6,979	121	-	7,100
Interest Expense	437	-	-	437
Insurance	15,895	281	381	16,557
Meals and Catering	2,594	5,188	7,040	14,822
Office Expense	62,315	13,042	9,888	85,245
Office Supplies	2,203	453	342	2,998
Payroll Taxes	25,394	2,056	4,175	31,625
Postage and Shipping	3,227	269	1,882	5,378
Printing and Copies	4,302	1,434	8,605	14,341
Professional Fees	12,680	11,761	7,259	31,700
Rent	148,766	448	-	149,214
Repairs and Maintenance	29,529	511	-	30,040
Salaries and Wages	360,392	29,172	59,242	448,806
Supplies	40,751	2,800	889	44,440
Taxes and Licenses	798	14	-	812
Telephone and Internet	24,271	420	-	24,691
Travel and Transportation	3,577	1,192	-	4,769
Utilities	65,324	1,130	-	66,454
	<u>\$ 1,334,293</u>	<u>77,515</u>	<u>114,213</u>	<u>\$ 1,526,021</u>

The notes to the financial statements are an integral part of these financial statements.  
See the accompanying independent auditor's report.

**CENTER FOR DEVELOPMENTAL SERVICES, INC.  
GREENVILLE, SOUTH CAROLINA**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED DECEMBER 31, 2018 AND 2017**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2018</b>	<b>2017</b>
Change in Net Assets	\$ (221,027)	\$ (202,503)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation Expense	327,508	423,612
Changes in Operating Assets and Liabilities:		
Decrease (Increase) in Agency Receivables, Net	(33,226)	39,736
Decrease (Increase) in Pledges Receivable, Net	27,604	(8,338)
Decrease (Increase) in Prepaid Expenses	15,969	(22,792)
Increase (Decrease) in Accounts Payable and Accrued Expenses	(14,790)	104,540
Increase (Decrease) in Retainage Payable	(14,540)	14,540
Increase (Decrease) in Deferred Revenue	77,614	30,386
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>165,112</b>	<b>379,181</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Leasehold Improvements and Equipment	(1,892)	(668,797)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(1,892)</b>	<b>(668,797)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>163,220</b>	<b>(289,616)</b>
CASH AND CASH EQUIVALENTS, Beginning of Year	112,905	402,521
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	<b>\$ 276,125</b>	<b>\$ 112,905</b>

The notes to the financial statements are an integral part of these financial statements.  
See the accompanying independent auditor's report.

**CENTER FOR DEVELOPMENTAL SERVICES, INC.  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2018 AND 2017**

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**NOTE A—NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Mission**

The Center for Developmental Services, Inc. (the “Center”) is a unique partnership linking individuals and families with multi-disciplinary services for developmental evaluation, treatments, education, and support.

**Nature of Operations**

The Center was organized in 1993 as a nonprofit corporation. It is a collaboration of organizations that help children affected by developmental delays and disabilities and their families. The following agencies are located within the Center: the Children’s Hospital of Greenville Health System, Family Connection of S.C., Inc., KidVentures of Thrive Upstate, and Clarity: Speech, Hearing and Learning Center. Beginning in 2017, the Center began providing case management services to those with intellectual disabilities, autism, head and spinal cord injuries and other related or similar disabilities.

**Basis of Presentation**

The accompanying financial statements of the Center have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and are presented in accordance with FASB ASC 958-205 Not-For-Profit Presentation of Financial Statements.

**Cash and Cash Equivalents**

Cash equivalents included in these financial statements are defined as all highly liquid instruments purchased with an original maturity of three months or less.

**Receivables**

Agency receivables consist primarily of amounts due for case management services and office space rentals to partner agencies.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional 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 discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Allowances for uncollectible accounts are determined based on subsequent collections, past experience, and an assessment of economic conditions. Receivables are written off when deemed uncollectible.

**Property and Equipment**

The Center capitalizes property and equipment costing more than \$500, while lesser amounts are usually expensed. Purchased property and equipment are stated at cost. Donated property and equipment are recorded at their estimated fair value at the date of receipt. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

**Compensated Absences**

The Center’s general leave policy allows accumulation of up to 40 days for unused general leave at any time. Employees accumulate general leave at varying rates depending on longevity. At December 31, 2018 and 2017 employees had accumulated general leave of \$74,200 and \$71,289, respectively, which was included in accrued expenses in the Statements of Net Assets.

**CENTER FOR DEVELOPMENTAL SERVICES, INC.  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2018 AND 2017**

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**NOTE A—NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Net Assets**

Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* are net assets available for use in general operations and not subject to donor-imposed restrictions. The Board, at its discretion, may designate a portion of the net assets without donor restrictions to be used for specific purposes, such as capital improvements.
- *Net Assets With Donor Restrictions* are net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met either by the actions of the Center or the passage of time. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. If a restriction is fulfilled during the same year in which the contribution is received, the Center reports that support as an increase in net assets without donor restrictions.

**Revenues**

Fee revenue is recognized when earned. Fees received in advance are deferred to the applicable period in which the related services are performed. Contributions and grants, including unconditional promises to give, are recognized when received and are considered to be available for general use unless specifically restricted by the contributor or grantor. Amounts received that are designated for future periods or restricted by the donor or grantor for specific purposes that are not fulfilled during the current year are reported as increases to net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due unless the contribution is clearly intended to support the activities of the current fiscal year. Conditional promises to give are not included as support until conditions are substantially met.

**Contributed Services and In-kind Contributions**

Local businesses and organizations have contributed significant amounts of services, material and building space to the Center. In addition, a number of unpaid volunteers have made significant contributions of their time to the Center. For those contributed services that did not create or enhance non-financial assets or require specialized skills or that would not have been purchased if not donated, no amounts have been reflected in the financial statements for these services, since these services do not meet the criteria for recognition as contributed services. Services that meet the criteria for recognition as contributed services and in-kind contributions are recorded as contributions at their estimated fair market value.

**Advertising Costs**

Advertising costs are recorded as expenses when incurred. Advertising costs totaled \$8,734 and \$12,787 for the years ended December 31, 2018 and 2017, respectively.

**CENTER FOR DEVELOPMENTAL SERVICES, INC.  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2018 AND 2017**

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**NOTE A—NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses present the natural classification detail of expenses by function. Certain categories of expenses are attributable to both program services and supporting activities. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Allocated costs include salaries and wages, benefits, and payroll taxes, which are allocated on the basis of estimates of time and effort, and depreciation, rent, utilities, supplies, and other occupancy related costs, which are allocated on a usage of building basis.

**Income Tax Status**

The Center has obtained exemption from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. In addition, the Center is not a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. Management is not aware of any transactions or events that would disqualify its tax-exempt status. Therefore, no provision for income taxes has been included in the financial statements. The Center's tax returns for the past three years remain open for examination by taxing authorities.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Recent Accounting Pronouncements**

Effective January 1, 2018, the Center adopted Accounting Standards Update ("ASU") 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), which revises the way that all not-for-profits ("NFPs") present financial statements. Key measures of this ASU included:

1. The reduction of the three existing net asset classes (unrestricted, temporarily restricted, and permanently restricted) to two net asset classes: net assets without donor restrictions and net assets with donor restrictions.
2. An analysis of expenses both by function and natural classification either in a separate statement or within the notes to the financial statements.
3. Enhancing disclosures surrounding donor restrictions and Board designations and providing information on the not-for-profit's financial assets and their liquidity.
4. Presentation of investment expenses netted against investment return.
5. Removing the requirement to show a reconciliation of the direct method of cash flows with the indirect method of cash flows within the statement of cash flows.

The adoption of ASU 2016-14 did not require reclassification or restatement of any opening balances related to the periods presented. Net assets previously reported unrestricted are now reported as net assets without donor restrictions. Likewise, net assets previously reported as temporarily restricted are now reported as net assets with donor restrictions. The Center did not have any permanently restricted net assets.

**CENTER FOR DEVELOPMENTAL SERVICES, INC.  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2018 AND 2017**

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**NOTE B—LEASE**

The Center leases its building from First Presbyterian Church of Greenville, SC (the “Church”) under an operating lease originally signed in 1998 and amended in 2005 and again in 2015. Beginning January 1, 2015 through December 31, 2019 no rent is required to be paid by the Center. The Center has the option to renew the lease for an additional five years beginning in 2020 at a rate of 20% of the fair market rental value for the first year and escalating to 100% of fair market rental value in the fifth year. The estimated annual fair market value of the lease is \$120,000 annually and has been recorded in the Statement of Activities as rent expense and as a donation of services, material and space.

The Center subleases portions of the building to the agencies located within the Center. The rental revenue received under these subleases is included in rental income on the Statement of Activities and totaled \$323,271 and \$359,662 in 2018 and 2017, respectively. The subleases generally cover multiple years; however, the agencies have the right to terminate the sublease after providing 120 days written notice to the Center.

**NOTE C—LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within the year following December 31, 2018 consist of the following:

Cash and Cash Equivalents	\$ 276,125
Agency Receivables, Net	126,053
Pledges Receivable, Net	64,117
	<u>\$ 466,295</u>

In addition to the above amounts, the Center anticipates being able to meet its liquidity needs during the upcoming year with sublease revenues received from agencies located within the Center, revenues generated by providing case management services and continued donor support. The Center also has a \$300,000 line of credit upon which it could draw in the event of an unanticipated liquidity need.

**NOTE D—CONCENTRATION OF CREDIT RISK**

The Center maintains all of its cash in a bank deposit account at one financial institution and generally limits its exposure to credit risk from balances on deposit with financial institutions in excess of the Federal Deposit Insurance Corporation (“FDIC”) insured limit. As of December 31, 2018, the Center’s bank balance exceeded FDIC limits by \$32,770. As of December 31, 2017, the Center’s bank balance did not exceed FDIC limits.

**NOTE E—RECEIVABLES**

The Center leases space to the agencies located within the Center. At December 31, 2018 and 2017, the Center had \$126,053 and \$92,827 respectively, in receivables outstanding, of which almost all were agency receivables related to rent. There were no reserves needed for uncollectable agency receivables at December 31, 2018.



**CENTER FOR DEVELOPMENTAL SERVICES, INC.  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE E—RECEIVABLES (CONTINUED)**

The Center holds an annual fundraising event at which unconditional promises to give are received from donors. Outstanding promises to give were comprised of the following at December 31, 2018 and 2017:

	2018	2017
Due in 2018	\$ -	\$ 33,003
Due in 2019	35,987	28,745
Due in 2020	27,897	20,585
Due in 2021	14,942	7,630
Due in 2022	12,428	4,864
Due in 2023	2,765	-
	<u>94,019</u>	<u>94,827</u>
Less Discount To Net Present Value of 1.5% Per Year	(3,002)	(3,106)
Less Allowance for Uncollectible Promises to Give	(26,900)	-
Promises to Give, Net	<u>\$ 64,117</u>	<u>\$ 91,721</u>

**NOTE F—PROPERTY AND EQUIPMENT**

Property and equipment is comprised of the following at December 31:

	Useful Life	2018	2017
Construction in Progress	N/A	\$ -	\$ 67,813
Leasehold Improvements	10-20 years	5,483,939	5,420,251
Equipment	5 years	254,766	248,749
Furniture and Fixtures	7 years	118,634	118,634
Software	3 years	22,233	22,233
		<u>5,879,572</u>	<u>5,877,680</u>
Less Accumulated Depreciation and Amortization		(4,816,424)	(4,488,916)
		<u>\$ 1,063,148</u>	<u>\$ 1,388,764</u>

**NOTE G—NET ASSETS**

Substantially all of the donor restrictions on the net assets at December 31, 2018 and 2017 were related to funds raised for ongoing efforts to help prepare the Center for future needs and service to community. Net assets with donor restrictions were restricted for the following purposes or periods at December 31:

	2018	2017
Subject to the Passage of Time:		
Pledges Receivable Which Are Unavailable for Expenditure Until Due in Future Years	\$ 64,117	\$ 91,721
Subject to Expenditure for Specified Purpose:		
Equipment Purchases	76,587	-
	<u>\$ 140,704</u>	<u>\$ 91,721</u>

Net assets were released from donor restrictions during 2018 and 2017 by incurring expenses satisfying the restricted purposes, by the occurrence of other events specified by donors, or by being released from restrictions by the donors.

**CENTER FOR DEVELOPMENTAL SERVICES, INC.  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2018 AND 2017**

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**NOTE G—NET ASSETS (CONTINUED)**

During 2018, the Center's management designated \$12,321 of its net assets without donor restrictions to be used for future capital projects and repairs.

**NOTE H—RETIREMENT PLAN**

Employees are eligible to participate in the Center's Section 401(k) qualified contribution salary reduction plan on the date of employment. Employees may contribute up to one hundred percent of their yearly compensation or the maximum amount allowed by the Internal Revenue Service. Effective January 1, 2004, the Center matches fifty percent of up to four percent of an employee's salary for all employees with a minimum of one year of service. For the years ended December 31, 2018 and 2017, employer contributions totaled \$7,909 and \$6,128, respectively.

**NOTE I—COMMITMENTS**

The Center has an unsecured \$300,000 line of credit with Southern First Bank which matures on December 19, 2020. The interest rate on outstanding borrowings is the bank's prime rate plus 0.25%, and interest is due monthly on the amount of credit outstanding. As of December 31, 2018 and 2017, there were no outstanding balances on the line of credit.

The Center entered into a contract with EDTS for information technology support in November 2018, for a term of 36 months at a rate of \$3,750 a month.

The Center entered into a contract with James E. Woodside & Co. for the use of 65 parking spaces for the Center's partners and employees. This contract commenced in October 2018, for a term of 12 months at a rate of \$2,600 a month.

**NOTE J—SUBSEQUENT EVENTS**

Subsequent events have been evaluated through February 15, 2019, which is the date the financial statements were available to be issued, no significant events were noted.