

**EMPOWER TENNESSEE**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTAL INFORMATION**  
**JUNE 30, 2021 AND 2020**

# EMPOWER TENNESSEE

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## Independent Auditor's Report

To the Board of Directors of  
Empower Tennessee  
Nashville, Tennessee

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Empower Tennessee (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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.



To the Board of Directors of  
Empower Tennessee

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 Empower Tennessee 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.

### ***Other Matters***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2022, on our consideration of Empower Tennessee'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 Empower Tennessee'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 Empower Tennessee's internal control over financial reporting and compliance.

*Crosslin, PLLC*

Nashville, Tennessee  
March 25, 2022

EMPOWER TENNESSEE  
STATEMENTS OF FINANCIAL POSITION

		<u>ASSETS</u>	
		June 30,	
		<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS</b>			
Cash		\$ 4,915	\$ 17,614
Grants receivable		93,812	57,489
Other assets		<u>2,194</u>	<u>1,942</u>
Total current assets		<u>100,921</u>	<u>77,045</u>
<b>FURNITURE AND EQUIPMENT, NET</b>			
		<u>-</u>	<u>-</u>
Total assets		<u><u>\$ 100,921</u></u>	<u><u>\$ 77,045</u></u>
 <u>LIABILITIES AND NET ASSETS</u> 			
<b>CURRENT LIABILITIES</b>			
Accounts payable and payroll taxes payable		\$ 16,402	\$ 19,187
Accrued leave and payroll		24,559	31,454
Line-of-credit		<u>6,000</u>	<u>-</u>
Total current liabilities		<u>46,961</u>	<u>50,641</u>
<b>NET ASSETS</b>			
Without donor restrictions		21,954	26,404
With donor restrictions		<u>32,006</u>	<u>-</u>
Total net assets		<u>53,960</u>	<u>26,404</u>
Total liabilities and net assets		<u><u>\$ 100,921</u></u>	<u><u>\$ 77,045</u></u>

See accompanying notes to financial statements.

EMPOWER TENNESSEE  
STATEMENTS OF ACTIVITIES

	Year Ended June 30,			
	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions
REVENUES AND SUPPORT				
Grants	\$ 756,446	\$ 50,000	\$ 806,446	\$ 624,519
Fees for services	24,930	-	24,930	27,016
Contributions	3,627	-	3,627	10,631
Other income	-	-	-	11,831
Net assets released from restrictions	17,994	(17,994)	-	-
Total revenues and support	802,997	32,006	835,003	673,997
EXPENSES				
Program services:				
Work incentives planning and assistance	232,940	-	232,940	243,528
Independent living services	461,029	-	461,029	352,752
Total program services	693,969	-	693,969	596,280
Management and general	113,478	-	113,478	146,025
Total expenses	807,447	-	807,447	742,305
Change in net assets	(4,450)	32,006	27,556	(68,308)
Net assets at the beginning of the period	26,404	-	26,404	94,712
Net assets at the end of the period	\$ 21,954	\$ 32,006	\$ 53,960	\$ 26,404

See accompanying notes to financial statements.

EMPOWER TENNESSEE  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2021

	Program Services				
	Work				
	Incentives	Independent	Total	Management	
	Planning	Living	Program	and General	
	Assistance	Services	Services		Total
Salaries and benefits	\$ 217,257	\$ 391,443	\$ 608,700	\$ 29,739	\$ 638,439
Insurance	-	-	-	7,919	7,919
Occupancy	-	-	-	31,193	31,193
Professional services	-	17,705	17,705	25,793	43,498
Telephone, computer and internet	4,352	4,284	8,636	11,639	20,275
Travel, conferences and meetings	3,034	2,081	5,115	44	5,159
Postage, printing and supplies	8,084	25,960	34,044	189	34,233
Specific assistance	-	13,490	13,490	-	13,490
Bank service charges	-	-	-	864	864
Dues and subscriptions	213	6,066	6,279	6,098	12,377
Total expenses	<u>\$ 232,940</u>	<u>\$ 461,029</u>	<u>\$ 693,970</u>	<u>\$ 113,478</u>	<u>\$ 807,447</u>

See accompanying notes to financial statements.

EMPOWER TENNESSEE  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2020

	Program Services				
	Work				
	Incentives	Independent	Total	Management	
	Planning	Living	Program	and General	Total
	Assistance	Services	Services		
Salaries and benefits	\$ 225,354	\$ 287,203	\$ 512,557	\$ 50,951	\$ 563,508
Insurance	-	-	-	7,904	7,904
Occupancy	-	-	-	23,589	23,589
Professional services	-	17,166	17,166	28,224	45,390
Telephone, computer and internet	6,951	1,387	8,338	36	8,374
Travel, conferences and meetings	5,789	23,300	29,089	5,761	34,850
Depreciation	-	-	-	737	737
Postage, printing and supplies	5,434	6,996	12,430	2,715	15,145
Specific assistance	-	13,302	13,302	-	13,302
Bank service charges	-	-	-	907	907
Dues and subscriptions	-	3,398	3,398	13,370	16,768
Moving expense	-	-	-	11,831	11,831
Total expenses	<u>\$ 243,528</u>	<u>\$ 352,752</u>	<u>\$ 596,280</u>	<u>\$ 146,025</u>	<u>\$ 742,305</u>

See accompanying notes to financial statements.



EMPOWER TENNESSEE  
STATEMENTS OF CASH FLOWS

	Years Ended June 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net increase (decrease) in net assets	\$ 27,556	\$ (68,308)
Adjustments to reconcile net increase (decrease) in net assets to cash used in operating activities:		
Depreciation	-	737
Changes in operating assets and liabilities:		
(Increase) decrease in grants receivable	(36,323)	183
(Increase) decrease in other assets	(252)	5,025
(Decrease) increase in accounts payable and payroll taxes payable	(2,785)	5,699
(Decrease) increase accrued leave on payroll	(6,895)	13,533
Net cash used in operating activities	(18,699)	(43,131)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from line-of-credit	6,000	-
Net cash used in financing activities	6,000	-
Net decrease in cash and cash equivalents	(12,699)	(43,131)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	17,614	60,745
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 4,915	\$ 17,614

See accompanying notes to financial statements.

EMPOWER TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Empower Tennessee (the “Organization”) serves a multi-county area in the central portion of Middle Tennessee. This area includes Davidson County, Cheatham County, Wilson County, Robertson County, Rutherford County, Sumner County, and Williamson County. The Organization is located in Nashville, Tennessee, which is near the center of its geographical area of service. The Organization is affiliated with over 400 other related organizations nation-wide through Center for Independent Living Associations.

A local Board of Directors (over 50% of whom have disabilities) governs Empower Tennessee. The Organization is a not-for-profit corporation dedicated to advancing the independence of all persons with disabilities as well as to provide group educational, group guidance and advocacy services on behalf of these persons. The Organization has operated in Middle Tennessee since 1992. Empower Tennessee was previously known as The Center for Independent Living of Middle Tennessee.

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follow:

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Basis of Presentation

For reporting purposes, the Organization’s financial statements have been prepared to focus on the organization as a whole. Resources are classified into two net asset categories based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

*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.

EMPOWER TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Expirations of restrictions on net assets as the result of the passage of time and/or fulfilling donor-imposed stipulations are reported as net assets released from restrictions between the applicable classes of net assets in the statements of activities.

Empower Tennessee did not have assets that met the definition of net assets with donor restrictions at June 30, 2020.

Cash and Cash Equivalents

The Organization considers all investment instrument purchases with a maturity of three months or less to be cash equivalents.

Allowance for Doubtful Account

The Organization considers all current accounts receivable to be fully collectible; therefore, no allowance is recorded.

Furniture and Equipment

Furniture and equipment are carried at cost. Items with an acquisition cost exceeding \$1,000 are capitalized and depreciated. Depreciation on purchased property is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 5 years.

Income Taxes

Empower Tennessee is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, no provision for income taxes has been made in the accompanying financial statements. The Organization is not classified as a private foundation.

Empower Tennessee accounts for the effect of any uncertain tax positions based on a *more likely than not* threshold to the recognition of the tax positions being sustained based on the technical merits of the position under examination by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a *cumulative probability assessment* that aggregates the estimated tax liability for all uncertain tax positions. Tax positions for Empower Tennessee include, but are not limited to, the tax exempt status and determination of whether income is subject to unrelated business income tax; however, the Organization has determined that such tax positions do not result in an uncertainty requiring recognition.

EMPOWER TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates

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

Fair Values of Financial Instruments

Empower Tennessee's financial instruments consist of grants receivable, accounts receivable, accounts payable and accrued expenses. The recorded values of the financial instruments approximate their fair values based on their short-term nature.

Donated Services

Officers, members of the Board of Directors and other members of the Organization have assisted the Organization in the accomplishment of its goals and objectives by the donation of their time and services. No amounts have been reflected in the financial statements as it was not practicable to determine the valuation of such services to the Organization, and the Organization exercises no significant control over the major elements of donated services.

Revenue and Support

Empower Tennessee receives the majority of its revenue and support from grants provided by the U.S. Department of Education, the U.S. Department of Human Services, and the Social Security Administration. The Organization records income due in the period that the applicable reimbursable services were incurred.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions that are purpose/time restricted are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Unconditional promises to give in the future are recognized as assets with donor restrictions and as revenues and support in the period promised.

EMPOWER TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

B. LIQUIDITY AND AVAILABILITY OF RESOURCES

The table below represents financial assets available for general expenditures within one year at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 4,915	\$17,614
Grants receivable	<u>93,812</u>	<u>57,489</u>
Total financial assets	<u>\$98,727</u>	<u>\$75,103</u>
Less amounts not available to be used for general expenditures within one year:		
Net assets with donor restrictions	<u>32,006</u>	<u>-</u>
Financial assets available to meet general expenditures within one year	<u>\$66,721</u>	<u>\$75,103</u>

C. FURNITURE AND EQUIPMENT

Furniture and equipment consisted of the following:

	<u>2021</u>	<u>2020</u>
Office furniture and equipment	\$ 137,903	\$ 137,903
Less accumulated depreciation	<u>(137,903)</u>	<u>(137,903)</u>
Total	<u>\$ -</u>	<u>\$ -</u>

EMPOWER TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

D. LINE-OF-CREDIT

In November 2020, the Organization entered into an agreement with a financial institution for a \$50,000 revolving line-of-credit. All outstanding principal and accrued interest is due on November 26, 2021. The line-of-credit bears interest at 2.00% over the bank's index rate (5.25% as of June 30, 2021).

A schedule of changes in the line-of-credit obligation is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Line-of-credit	<u>\$ -</u>	<u>\$197,000</u>	<u>\$(191,000)</u>	<u>\$6,000</u>

On July 7, 2021, the outstanding balance of the line-of-credit was repaid by the Organization. The Organization has renewed the line-of-credit through January 12, 2023.

E. OPERATING LEASE

The Organization leased office space under a noncancelable operating lease that required a monthly payment of \$2,303 and expired during fiscal 2020. The Organization entered into a new office space lease in May 2020 that requires a monthly payment of \$1,333. The new office space is operated under a month to month lease term. Rent expense was \$16,000 and \$23,589 for the years ended June 30, 2021 and 2020, respectively.

F. PENSION PLAN

The Organization provides a deferred contribution retirement plan for all eligible employees. The Organization will match up to 3% of employee contributions during the year. Pension expense was \$8,845 and \$7,310 for the years ended June 30, 2021 and 2020, respectively.

H. NET ASSETS AND NET ASSETS RELEASED FROM RESTRICTION

Net assets with donor restrictions that are purpose and time restricted and temporary in nature at June 30, 2021 totaled \$32,006, and are available for program services. There were no donor restricted net assets at June 30, 2020.

For the year ended June 30, 2021, net assets with donor restrictions totaling \$17,994 were released from restriction by incurring costs, and expenses satisfying the donor restricted purposes. There were no donor restricted net assets released from restriction for the year ended June 30, 2020.

EMPOWER TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

H. COVID-19 PANDEMIC

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (the “COVID-19 outbreak”). In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the pandemic continues to evolve as of the date of this report and has affected the Organization’s operational and financial performance due to the impact on its clients, contributors, and employees and vendors, which is the result of various restrictions put in place by governments to curtail the spread of the coronavirus as well as due to developments such as social distancing and shelter-in-place directives.

The pandemic may have a continued material adverse impact on economic and market conditions, triggering a period of economic slowdown. In order to partially mitigate the effect of the pandemic, the Organization was awarded a one-time reimbursement based grant of approximately \$270,000 from the Department of Health and Human Services to be used for COVID-19-related expenditures. The project period for the grant is from April 1, 2020 to September 30, 2021. As of June 30, 2021, the Organization has spent approximately \$234,000 of the grant funds.

While expected to be temporary, the Organization cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time. If the pandemic continues, it may have an adverse effect on the Organization’s results of future operations, financial position, and liquidity in fiscal year 2022.

I. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 25, 2022, the date the financial statements were available for issuance, and there are no items requiring disclosure except as discussed in Note D.

## **SUPPLEMENTAL INFORMATION**



EMPOWER TENNESSEE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
<u>U.S. Department of Health and Human Services</u>			
*Centers for Independent Living - FY 19/20	93.432	N/A	\$ 43,948
*Centers for Independent Living - FY 20/21	93.432	N/A	222,103
*Centers for Independent Living - CARES - FY 20/21	93.432	N/A	<u>193,945</u>
*Total Centers for Independent Living/CARES			<u>459,996</u>
<u>U.S. Department of Education</u>			
Vocational Rehabilitation - FY 19/20 (1)	84.169	21620	8,722
Vocational Rehabilitation - FY 20/21 (1)	84.169	21621	<u>32,728</u>
Total Vocational Rehabilitation			<u>41,450</u>
<u>Social Security Administration</u>			
Work Incentives Planning and Assistance Program	96.008	N/A	<u>255,000</u>
TOTAL FEDERAL AWARDS			<u>\$756,446</u>

\* - denotes major program

(1) - Passed through the Tennessee Department of Human

See independent auditor's opinion and accompanying notes.

EMPOWER TENNESSEE  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021

A. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), on the accrual basis of accounting.

Empower Tennessee has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

B. SUBRECIPIENTS

Empower Tennessee passed through \$-0- to sub recipients in fiscal 2021.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of  
Empower Tennessee  
Nashville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Empower Tennessee (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 25, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Empower Tennessee's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Empower Tennessee's internal control. Accordingly, we do not express an opinion on the effectiveness of Empower Tennessee's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



To the Board of Directors of  
Empower Tennessee

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Empower Tennessee's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Crosslin, PLLC*

Nashville, Tennessee  
March 25, 2022



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of  
Empower Tennessee  
Nashville, Tennessee

**Report on Compliance for Each Major Federal Program**

We have audited Empower Tennessee's (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2021. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Organization's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Organization's compliance.



To the Board of Directors of  
Empower Tennessee

### ***Opinion on the Major Federal Program***

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

Management of the Organization are responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Crosslin, PLLC*

Nashville, Tennessee  
June 15, 2022

EMPOWER TENNESSEE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021

I. SUMMARY OF INDEPENDENT AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_ Yes   X   No
- Significant deficiency(ies) identified? \_\_\_ Yes   X   None Reported

Noncompliance material to financial statements noted? \_\_\_ Yes   X   No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? \_\_\_ Yes   X   No
- Significant deficiency(ies) identified? \_\_\_ Yes   X   None Reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2CFR 200.516(a) of the Uniform Guidance? \_\_\_ Yes   X   No

Major Programs

CFDA Number	Grantor	Name of Federal Program	Amount Expended
93.432	Dept of Health and Human Services	Centers for Independent Living/CARES	\$459,996

Dollar threshold used to distinguish between type A and type B program \$750,000

Auditee qualified as low-risk auditee \_\_\_ Yes   X   No

EMPOWER TENNESSEE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued  
YEAR ENDED DECEMBER 31, 2021

II. FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT  
AUDITING STANDARDS*

A. Material Weakness in Internal Control:	None Reported
B. Compliance Findings:	None Reported

III. FINDINGS AND QUESTIONS COSTS FOR FEDERAL AWARDS

None Reported

IV. DISPOSITION OF PRIOR FINDINGS

The Organization had no prior year findings.