END SLAVERY TENNESSEE

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

As of and for the Year Ended December 31, 2021

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

END SLAVERY TENNESSEE

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Board of Directors

Kimberly Veirs……Board Chair
Lori Hines……Board Vice Chair
Jennifer Manternach……Treasurer
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Kim Allen……Board Member
Brandi Binkley……Board Member
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Kaylene Logan, Ph.D. ……Board Member
Margie Quin……Board Member
Michael Ryan ……Board Member
Sujata Watts……Board Member
Sharmila Bhide……Board Intern
Tom Hanlon……Board Intern

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Margie Quin……Chief Executive Officer
LeahMoyer……Chief Operating Officer
Shelby Brown……Director of Finance & Administration
Kelsey Mize……Director of Survivor Care
Carlee Smith……Director of Development & External Relations

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

To the Board of Directors
End Slavery Tennessee
Nashville, Tennessee

Opinion

We have audited the accompanying financial statements of End Slavery Tennessee (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of End Slavery Tennessee as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

The Organization has kept its records and prepared its financial statements for previous years on the modified cash basis of accounting. As described in Note 11 to the financial statements, the Organization has adopted accounting principles generally accepted in the United States of America as of the beginning of the current year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of End Slavery Tennessee's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about End Slavery Tennessee's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 schedule of expenditures of federal awards 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 May 4, 2022, on our consideration of End Slavery 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 End Slavery 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 End Slavery Tennessee's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Nashville, Tennessee
May 4, 2022

END SLAVERY TENNESSEE

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

ASSETS		
Current Assets:		
Cash and cash equivalents	$	1,083,304
Restricted cash		1,211,923
Contributions receivable currently due		232,721
Prepaid expenses and other receivables		23,280
Total Current Assets		2,551,228
Noncurrent contributions receivable		67,000
Property and equipment, net		2,734,271
Security deposits		6,983
Total Assets	$	5,359,482
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$	43,857
Accrued liabilities		26,564
Deferred revenue		1,037,323
Total Liabilities	$	1,107,744
Net Assets:		
Without donor restrictions:		
Undesignated		2,719,373
Total Without Donor Restrictions		2,719,373
With Donor Restrictions		1,532,365
Total Net Assets		4,251,738
Total Liabilities and Net Assets	$	5,359,482

END SLAVERY TENNESSEE

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets:			
Revenues:			
Grants	$ 2,221,628	$ 1,124,248	$ 3,345,876
Contributions	965,835	408,117	1,373,952
Fundraising events - net of expenses of $39,579	156,761	-	156,761
Interest income	1,366	-	1,366
Realized and unrealized gain on investment	853	-	853
Net assets released from restrictions	184,028	(184,028)	-
Total Revenues	3,530,471	1,348,337	4,878,808
Expenses:			
Program Services:			
Aftercare	748,385	-	748,385
Advocacy	171,888	-	171,888
Training	143,746	-	143,746
Prevention	76,499	-	76,499
Safe House	54,188	-	54,188
Total Program Services	1,194,706	-	1,194,706
Supporting Services:			
Management and general	372,931	-	372,931
Fundraising	254,636	-	254,636
Total Supporting Services	627,567	-	627,567
Total Expenses	1,822,273	-	1,822,273
Change in net assets	1,708,198	1,348,337	3,056,535
Net assets - January 1, 2021, as restated	1,011,175	184,028	1,195,203
Net assets - December 31, 2021	$ 2,719,373	$ 1,532,365	$ 4,251,738

END SLAVERY TENNESSEE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

	Program Services						Supporting Services			
	Aftercare	Advocacy	Training	Prevention	Safe House	Total	Management and General	Fundraising	Total	Total
Salaries and benefits	$ 449,195	$ 118,920	$ 77,933	$ 61,069	$ -	$ 707,117	$ 157,754	$ 180,455	$ 338,209	$ 1,045,326
Occupancy cost	102,861	34,062	18,290	13,804	410	169,427	54,170	45,155	99,325	268,752
Client expenses	156,198	1,413	6	805	47,127	205,549	916	11	927	206,476
Professional fees	300	6,767	-	-	-	7,067	66,966	3,329	70,295	77,362
Miscellaneous	2,566	8,319	-	-	-	10,885	58,871	-	58,871	69,756
Education	8,011	-	41,523	-	-	49,534	2,079	-	2,079	51,613
Depreciation	17,251	1,754	5,652	821	6,651	32,129	6,910	2,791	9,701	41,830
Computer and software	8,676	-	-	-	-	8,676	7,994	16,116	24,110	32,786
Insurance	-	-	-	-	-	-	12,197	-	12,197	12,197
Fees	2,045	300	-	-	-	2,345	2,293	2,766	5,059	7,404
Donor development	-	-	-	-	-	-	-	3,285	3,285	3,285
Marketing and publicity	-	302	-	-	-	302	1,051	423	1,474	1,776
Meals	1,206	-	59	-	-	1,265	147	-	147	1,412
Travel	66	51	283	-	-	400	854	158	1,012	1,412
Mailings and postage	10	-	-	-	-	10	729	147	876	886
Total Expenses	$ 748,385	$ 171,888	$ 143,746	$ 76,499	$ 54,188	$ 1,194,706	$ 372,931	$ 254,636	$ 627,567	$ 1,822,273

END SLAVERY TENNESSEE
STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2021

Cash flows from operating activities:		
Change in net assets	$	3,056,535
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation		41,830
Changes in operating assets and liabilities:		
Contributions receivable currently due		(115,693)
Prepaid expenses and other receivables		(8,273)
Accounts payable		27,482
Accrued liabilities		5,168
Deferred revenue		876,182
Net cash flows from operating activities		3,883,231
Cash flows from investing activities:		
Purchase of property and equipment		(2,476,317)
Net cash flows from investing activities		(2,476,317)
Change in cash, cash equivalents, and restricted cash		1,406,914
Cash, cash equivalents, and restricted cash, beginning of year		888,313
Cash, cash equivalents, and restricted cash, end of year	$	2,295,227

Note 1—Nature of activities and summary of significant accounting policies

Nature of Activities – End Slavery Tennessee (the "Organization"), was incorporated as a Tennessee nonprofit corporation during 2012. The Organization's mission is to promote healing of human trafficking survivors and strategically confront slavery in Tennessee.

Basis of Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Financial statement presentation is in accordance with standards of accounting and financial reporting prescribed for not-for-profit organizations. Accordingly, 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. 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.

Cash and Cash Equivalents – For purpose of the statement of cash flows, the Organization considers all highly-liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Contributions – Contributions received are recorded without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. The expiration of a donor-imposed restriction is recognized in the period in which the restriction expires and at that time the related resources are reclassified to net assets without donor restrictions. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Contributions whose restrictions are met in the same reporting period are shown as increases in net assets without donor restrictions. Contribution receivables are recognized as revenues in the period promised as assets. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Amounts not due within the next fiscal year are classified as noncurrent contributions receivable. There was no allowance recorded for uncollectible accounts as of December 31, 2021.

Property and Equipment – Land, buildings, and equipment are stated at cost at date of purchase or at estimated fair market value at date of gift. The fair value of donated labor services associated with fixed assets is added to the cost of the asset. Repairs and maintenance are charged to expense as incurred. Purchases with a cost of $500 or more and an estimated useful life greater than one year are capitalized. The estimated useful lives of depreciable property and equipment range from 5 to 39 years.

Deferred Revenue – The State Appropriation Grant received by the Organization is restricted for the purpose of purchasing and building a treatment campus for the benefit of the Organization's clients. As of December 31, 2021, approximately $1,037,000 is accounted for in deferred revenue and included as part of restricted cash as those funds have not yet been expended. The Organization has until June 30, 2022 to either use the funds or surrender them back to the state of Tennessee, inclusive of any interest.

Note 1—Nature of activities and summary of significant accounting policies (continued)

Income Taxes – The Organization is exempt from federal income taxes under the provisions of Internal Revenue Code (“IRC”) Section 501(c)(3). Accordingly, no provision for income taxes is included in the accompanying financial statements. The Organization follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) guidance that clarifies the accounting for uncertainty in income taxes recognized in an entity’s financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position.

The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Organization has no tax penalties or interest reported in the accompanying financial statements. The Organization had no uncertain tax positions at December 31, 2021.

Accounting Estimates – The preparation of financial statements in conformity with U.S. GAAP 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. Estimates and assumptions also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Functional Expenses – The costs of providing program and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. While most costs have been directly assigned to a functional category, certain joint costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Expenses that are allocated consist primarily of salaries and wages which are allocated based on time and effort.

Accounting Policies for Future Pronouncements – In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in ASC 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of operations. The new standard is effective for the Organization’s year ending December 31, 2022. A modified retrospective transition approach is required for leases for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements (see Note 5).

Subsequent Events – The Organization has evaluated subsequent events through May 4, 2022, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2021, have been properly incorporated or disclosed in these financial statements.

Note 2—Liquidity and availability of resources

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program service activities as well as the conduct of services undertaken to support those activities to be general expenditures. Financial assets available for general expenditure, that is without donor restrictions or other restrictions limiting their use within one year of the statement of financial position, comprise the following at December 31, 2021:

Cash and cash equivalents	$	1,083,304
Contributions receivable currently due, net		232,721
Total financial assets available to meet cash needs for general expenditures within one year	$	1,316,025

Note 3—Beneficial interest in assets at Community Foundation of Middle Tennessee

During the year ended December 31, 2021, the Organization made a gift of $50,000 to The Community Foundation of Middle Tennessee (the “Foundation”) that established the End Slavery Tennessee Agency Endowment Fund (the “Endowment Fund”) on behalf of the Organization. The Foundation has ultimate authority and control over the Endowment Fund and the initial gift is no longer an asset of the Organization. The Organization is the beneficiary of any Endowment Fund earnings and is eligible to receive distributions of these earnings upon request, subject to the Foundation’s spending policy. The Endowment Fund earnings available to the Organization at December 31, 2021 are approximately $1,700. These funds are classified as other receivables on the statement of financial position.

Note 4—Property and equipment

Property and equipment consists of the following as of December 31, 2021:

Land	$	645,398
Buildings and improvements		2,077,034
Property and equipment		108,457
		2,830,889
Less accumulated depreciation		(96,618)
	$	2,734,271

Note 5—Operating lease

The Organization maintains an operating lease for rental of office space. This lease commenced on January 1, 2019, for a term of 60 months and requires monthly rental payments ranging from approximately $13,300 to $16,200. Lease expense for this office space totaled $180,090 for the year ended December 31, 2021.

Future minimum lease payments required under these operating leases as of December 31, 2021 are as follows:

Years Ending December 31,		
2022	$	185,742
2023		190,377
2024		145,436
	$	521,555

Note 6—Fundraising events

The Organization holds multiple events to serve as fundraisers for the support of the Organization and its mission. The revenues raised from hosting these events consisted of contributions, admission fees, and sponsorships offset by expenses totaled $156,761 for the year ended December 31, 2021.

Note 7—Net assets with donor restrictions

Net assets with donor restrictions consist of the following at December 31, 2021:

Restricted grant funding	$	1,124,248
Donor restricted contributions		108,396
Contributions receivable		299,721
	$	1,532,365

Note 8—Gifts in-kind

Gifts in-kind received by the Organization are recorded based on their estimated value on the date of receipt. During the year ended December 31, 2021, the Organization recorded donated materials and services with an estimated value of $78,111. In addition, unpaid volunteers have made significant contributions of their time to assist the Organization in carrying out its programs, operations, and events. The value of contributed time is not reflected in these statements since it does not meet the recording requirements specified by U.S. GAAP.

Note 9—Deferred revenue

The Organization received a Paycheck Protection Program ("PPP") loan in the amount of $161,000 during year ended December 31, 2020. The PPP loan is granted by the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security (the "CARES Act"). PPP loans are considered conditional contributions under ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*. The loan must be repaid if the Organization does not overcome certain barriers within the CARES Act. The barriers under the program include the requirement to maintain employee headcount, spend up to 60% of the loan proceeds on certain payroll and employee benefits, and restricts other loan proceeds to be used for other qualifying expenses such as mortgage interest, rent, and utilities. On August 13, 2021, the loan was forgiven, and the related revenue was recognized as grant revenue without restrictions on the statement of activities and changes in net assets during the year ended December 31, 2021.

The Organization received a direct appropriation grant from the state of Tennessee to support the establishment and buildout of a Restoration Campus for the purpose of housing and treating clients. Any awarded funds not expended must be returned to the state. At December 31, 2021, the Organization recognized deferred revenue of approximately $1,037,000 related the funds not yet expended. Any unused funds must be surrendered back to the state of Tennessee on June 30, 2022.

Note 10—Concentrations

The Organization maintains its cash in bank accounts that at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Deposits are insured by the Federal Deposit Insurance Corporation. Management believes the Organization is not exposed to any significant credit risk on cash. The uninsured balance at December 31, 2021 totaled $1,758,689.

The Organization received a $3.5 million grant for the year ended December 31, 2021, from a contract with the state of Tennessee. A significant reduction in this support could have an adverse effect on the Organization's activities. The Organization received these funds in advance and maintains these funds in a separate bank account as required by the grant.

Note 11—Change in Accounting Method

During 2021 the Organization received a State Appropriation Grant from the State of Tennessee. Acceptance of this grant requires that the Organization transition from the modified cash basis of accounting to the accrual basis of accounting. The impact of this change effective on January 1, 2021, is an adjustment which increased beginning net assets by approximately $153,000, therefore, the January 1, 2021 net assets amount is shown as restated on the schedule of activities and changes in net assets.

SUPPLEMENTARY INFORMATION

END SLAVERY TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED DECEMBER 31, 2021

Grantor	Federal Assistance Listing Number	Pass through Grantor's Number	Pass through to Subrecipients	Expenditures
FEDERAL AWARDS				
Crime Victim Assistance (VOCA)				
Passed through State of Tennessee, Department of Finance and Administration, Office of Criminal Justice Programs				
Single Point of Entry Human Trafficking Agencies Victim Services	16.575	(1)	$ -	$ 272,466
Aftercare Program - Equipment	16.575	(1)	-	48,431
Human Trafficking Training Video Equipment	16.575	(1)	-	41,000
Total for CFDA No. 16.575			-	361,897
Total Expenditures of Federal Awards			$ -	$ 361,897
STATE AWARD				
State of Tennessee		**Contract Number**		
Direct Appropriation Grant for Non-Governmental Entities		N/A	$ -	$ 2,462,677
Total Expenditures of State Awards			-	2,462,677
Total Expenditures of Federal and State Awards			$ -	$ 2,824,574

(1) - Information not available.

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") summarizes the expenditures of End Slavery Tennessee under programs of the federal and state governments for the year ended December 31, 2021. The Schedule is presented using the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of the state of Tennessee Audit Manual for Auditing, Accounting, and Reporting for Local Government Units and Other Organizations.

Note 2—Indirect cost rate

The Organization expended indirect costs using a multiple allocation base method and did not elect to use the 10% de minimis cost rate allowed under the Uniform Guidance.

Note 3—Noncash awards

The Organization did not receive noncash awards during the year ended December 31, 2021.

Note 4—Contingencies

These programs are subject to financial and compliance audits by grantor agencies. The amount, if any, of expenditures that may be disallowed by the grantors cannot be determined at this time, all the Organization expects such amounts, if any, to be immaterial.

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor 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
End Slavery 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 End Slavery Tennessee (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, 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 May 4, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered End Slavery 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 End Slavery Tennessee's internal control. Accordingly, we do not express an opinion on the effectiveness of End Slavery 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether End Slavery 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.

Cherry Bekaert LLP

Nashville, Tennessee
May 4, 2022