

A Step Ahead Foundation of Middle Tennessee

Financial Statements
For the Year Ended December 31, 2022

A Step Ahead Foundation of Middle Tennessee
Financial Statements
For the Year Ended December 31, 2022

Contents

Roster of Officials	1
Independent Auditor's Report	2
Financial Statements	
Statement of Financial Position	5
Statement of Activities	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to Financial Statements	9
Compliance Information	
Schedule of Expenditures of Federal Awards	13
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 <i>Government Auditing Standards</i>	14
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	16
Schedule of Findings and Questioned Costs	19
Summary Schedule of Prior Year Findings	20

A Step Ahead Foundation of Middle Tennessee

Roster of Officials
As of December 31, 2022

Board of Directors

Revida Rahman	President
Jenny Charles	Vice President
Tim Smith	Treasurer
Kaysha Hervey	Secretary
Tatiana Alvarez	Director
Jackie Dixon	Director
Brenda Measells Dowdle	Director
Kathy Harrison	Director
Sheena Hanserd	Director
La Quita Martin	Director
Christina Norris	Director
Leigh Ann Vernich	Director
Mary Walker	Director
Stephanie Williams	Director
Mandy Haynes Young	Director

Executive Staff

Jennifer Mathews	Executive Director
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Independent Auditor's Report

Board of Directors
A Step Ahead Foundation of Middle Tennessee

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of A Step Ahead Foundation of Middle Tennessee (a not-for-profit organization, the Organization), which comprise the statement of financial position as of December 31, 2022, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2022, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 the Organization 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 opinion.

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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAAS 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 GAAS 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 the Organization'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 the Organization'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 schedule of expenditures of federal awards, as required by Title 2 *US 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 GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the roster of officials but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2023, on our consideration of the Organization'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 the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Goodlettsville, Tennessee
May 12, 2023

A Step Ahead Foundation of Middle Tennessee

Statement of Financial Position

December 31, 2022

Assets

Current assets

Cash	\$ 435,517
Grants receivable	60,744
Total current assets	<u>496,261</u>

Property and equipment, net	<u>5,052</u>
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Total assets	\$ 501,313
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Liabilities and Net Assets

Current liabilities

Accounts payable	\$ 2,337
Accrued expenses	8,566
Deferred sponsorships	<u>5,000</u>
Total current liabilities	15,903

Net assets

Net assets without donor restrictions	<u>485,410</u>
Total liabilities and net assets	\$ 501,313

A Step Ahead Foundation of Middle Tennessee

Statement of Activities

For the Year Ended December 31, 2022

Net Assets Without Donor Restrictions

Public Support and Revenues

Government grants	\$ 934,521
Other grants	60,950
Contributions of financial assets	107,733
Contributions of nonfinancial assets	30,080
Annual event	56,415
Interest income	<u>1,884</u>
Total public support and revenues	1,191,583

Expenses

Program services	891,590
Supporting services	<u>189,371</u>
Total expenses	1,080,961

Change in net assets	110,622
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Net assets without donor restrictions, beginning of year	<u>374,788</u>
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Net assets without donor restrictions, end of year	\$ 485,410
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A Step Ahead Foundation of Middle Tennessee

Statement of Functional Expenses For the Year Ended December 31, 2022

	Supporting services				Total
	Program services	Management and general	Fundraising	Total supporting services	
Salaries	\$ 243,914	\$ 48,800	\$ 32,524	\$ 81,324	\$ 325,238
Payroll taxes	16,821	3,364	2,243	5,607	22,428
Benefits	34,557	6,100	-	6,100	40,657
Client reimbursement, LARC	229,228	-	-	-	229,228
Call center fees, LARC	2,635	-	-	-	2,635
Other LARC expenditures	11,436	-	-	-	11,436
Client acquisition	296,565	-	-	-	296,565
Depreciation	-	1,195	-	1,195	1,195
Professional services	11,344	17,017	-	17,017	28,361
Insurance	-	1,062	-	1,062	1,062
Outreach events	28,228	-	-	-	28,228
Fundraising expenditures	-	-	36,237	36,237	36,237
Printing	2,980	1,277	-	1,277	4,257
Board meetings	-	1,288	-	1,288	1,288
Office expenses	-	32,695	-	32,695	32,695
Supplies	-	4,125	-	4,125	4,125
Website	1,456	-	-	-	1,456
Telephone	3,000	-	-	-	3,000
Travel, meals and entertainment	9,426	1,444	-	1,444	10,870
	\$ 891,590	\$ 118,367	\$ 71,004	\$ 189,371	\$ 1,080,961

A Step Ahead Foundation of Middle Tennessee

Statement of Cash Flows For the Year Ended December 31, 2022

Cash, beginning of year	\$ 228,268
Cash flows from operating activities	
Change in net assets	110,622
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	1,195
Change in:	
Grants receivable	98,983
Accounts payable	(5,406)
Accrued expenses	555
Deferred sponsorships	5,000
Net cash provided (used) by operating activities	<u>210,949</u>
Cash flows from investing activities	
Purchase of property and equipment	(3,700)
Net change in cash	<u>207,249</u>
Cash, end of year	\$ 435,517

A Step Ahead Foundation of Middle Tennessee

Notes to Financial Statements For the Year Ended December 31, 2022

Note 1. Nature of Organization and Summary of Significant Accounting Policies

Nature of Activities

A Step Ahead Foundation of Middle Tennessee (the Organization) is a nonprofit organization chartered in the State of Tennessee in 2015. The Organization was established to prevent unplanned pregnancies by providing free long-acting reversible contraception to women in Tennessee. The Organization is primarily funded through grants and individual contributions.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Financial Statement Presentation

The accompanying financial statements have been prepared in accordance with US GAAP, as 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 available for use at the discretion of the Organization's Board of Directors and/or management for general operating purposes.

Net assets with donor restrictions – Net assets whose use is limited by donor-imposed, time, and/or purpose restrictions. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as assets released from restrictions. Contributions which are restricted for specific programs are reflected as unrestricted revenues if the funds are received and spent in the same fiscal year.

Use of Estimates

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

Cash

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Grants Receivable

Grants receivable represent the amounts due from grantors for which expenses have been incurred and when application has been made for reimbursement. In management's opinion, all grants receivable are fully collectible.

Property and Equipment

Property and equipment with useful lives greater than one year are recorded at cost or at the estimated fair market value at the date of donation. Depreciation is calculated using the straight-line method over an estimated useful life of 5 years. Expenditures for repairs and maintenance are charged to expense as incurred. Donations of property and equipment are reported at their estimated fair value.

A Step Ahead Foundation of Middle Tennessee
Notes to Financial Statements
For the Year Ended December 31, 2022

Note 1. Nature of Organization and Summary of Significant Accounting Policies

Revenue Recognition

Contributions received are recorded as increases in net assets without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions are considered to be available for general operations 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 increases to net assets with donor restrictions. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restriction. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as an increase to net assets without donor restrictions.

Grant revenues are recognized when qualified reimbursable expenses are incurred or when services are performed. Grant funds received in advance are recognized as deferred grant revenues until earned. Grant receivables represent amounts due from grants which have been earned but not received. All grant receivables are reported at estimated collectible amounts.

Contributions of Nonfinancial Assets

Contributed Services

Contributed services are reflected in the financial statements at the estimated fair value of the services received only when those services either (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. No contributed services met this criteria in the current period.

Contributed Use of Office Space

Contributed use of office space is recorded at estimated fair market at the date of donation.

Recently Issued Accounting Pronouncements

In September 2020, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This ASU was retroactively adopted by the Organization on January 1, 2022.

Functional Allocation of Expenses

The costs of providing programs and supporting services have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs, including salaries, payroll taxes, and benefits have been allocated among program and support services based on estimated time and effort. The remaining unallocated expenses are charged directly to a specific function based on the nature of the expense.

A Step Ahead Foundation of Middle Tennessee

Notes to Financial Statements

For the Year Ended December 31, 2022

Note 1. Nature of Organization and Summary of Significant Accounting Policies

Income Taxes

The Organization is a not-for-profit entity that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, its income is not subject to federal income tax. Accordingly, the Organization has made no provision for income taxes.

It is the Organization's policy to account for any uncertainties in income tax law in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 74-10, *Accounting for Uncertainty in Income Taxes*. Management has evaluated the Organization's tax positions and concluded that the Organization has maintained its tax-exempt status and has taken no uncertain tax positions that require adjustment to the consolidated financial statements. As a result, no provision or liability for income taxes has been included in the consolidated financial statements.

Note 2. Liquidity and Availability of Resources

The following represents the Organization's financial assets:

Financial assets	
Cash	\$ 435,517
Grants receivable	<u>60,744</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ 496,261

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's strategic goal is to build a cash balance that will support three to six months of operating expenses. The Organization's working capital and cash flows have seasonal variations during the fiscal year attributable to cash receipts for program services and a concentration of contributions received at calendar year-end. Additionally, the Organization receives support from government agencies through grants which are paid on a conditional reimbursement basis, typically within 60-90 days of the request for reimbursement. The Organization has no long-term debt and the assets are not pledged as collateral or compensating balances to secure any financial obligations. The Organization has a \$50,000 line of credit that could be available for operating needs in the future.

Note 3. Property and Equipment

Property and equipment consist of the following:

Computer equipment	\$ 7,207
Less: accumulated depreciation	<u>(2,155)</u>
Property and equipment, net	\$ 5,052

Depreciation for the year ended was \$1,195.

A Step Ahead Foundation of Middle Tennessee

Notes to Financial Statements For the Year Ended December 31, 2022

Note 4. **Line of Credit**

The Organization has a \$50,000 line of credit with a bank that matures December 20, 2024. The line is secured by assets of the Organization. The line of credit accrues interest at the financial institution's index rate plus 1.00% with a floor of 4.0%. The rate at year end was 8.5%. There were no outstanding borrowings on the line of credit at year end.

Note 5. **Contributions of Nonfinancial Assets**

The following represents contributed nonfinancial assets:

Use of facilities	\$	26,400
Fundraising supplies		<u>3,680</u>
	\$	30,080

Unless otherwise noted, the Organization did not recognize any contributions of nonfinancial assets with donor-imposed restrictions.

Contributed use of facilities was utilized for program services and management and general activities. The Organization estimated the fair value based on comparable rental and utility prices in the market.

Contributed food, supplies, and toys are valued at their estimated fair value based on what it would cost the Organization to purchase the items from a retailer. The contributed items were utilized for fundraising for the Organization.

Note 6. **Concentrations and Contingencies**

The Organization is substantially funded by grants from federal, state, and local government agencies. If a significant reduction in the level of this support were to occur, it may have an effect on the Organization's programs and activities. In addition, the grants prescribe allowable expenditure guidelines with which the Organization must comply. The grants are received retroactively, subject to verification of allowable expenditures or provision of qualifying services. The Organization received approximately 75% of its support in the form of grants from one state agency.

Note 7. **Pension Plan**

The Organization sponsors a 401(k) defined contribution pension plan (the Plan) covering all employees. Eligibility requirements include 3 months of employment and reaching 21 years of age. The Organization matches 100% of the participants' contributions to the Plan up to 3% of the individual participant's compensation after 1 year of employment. Total expense related to the Plan for the year ended December 31, 2022 was \$8,516.

Note 8. **Subsequent Events**

Management has evaluated subsequent events through May 12, 2023, the date on which the financial statements were available for issuance.

Compliance Information

A Step Ahead Foundation of Middle Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Grantor / Pass-through Grantor	Program name	Assistance listing	Contract number	Expenditures
Federal Awards				
US Department of Health and Human Services / Tennessee Department of Human Services	Temporary Assistance for Needy Families (TANF)	93.558	68086	\$ 869,557
Tennessee Department of Human Services / Family and Children's Service	Temporary Assistance for Needy Families (TANF)	93.558	34530-83223	63,400
Tennessee Department of Human Services / Martha O'Bryan Center	Temporary Assistance for Needy Families (TANF)	93.558	N/A	<u>1,564</u>
Total Temporary Assistance for Needy Families (TANF)				<u>934,521</u>
Total expenditures of federal awards				\$ 934,521

Notes to Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

This schedule of expenditures of federal awards summarizes the expenditures of the Organization under programs of the federal and state governments for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 *US Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Organization it is not intended to and does not present the financial position, change in net assets, or cash flows of the Organization. Expenditures reported on the schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2. Indirect Cost Rate

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



**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***

Board of Directors
A Step Ahead Foundation of Middle 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 (*Government Auditing Standards*), the financial statements of A Step Ahead Foundation of Middle Tennessee (a not-for-profit organization, the Organization), which comprise the statement of financial position as of December 31, 2022, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements as listed in the table of contents (collectively, the financial statements), and have issued our report thereon dated May 12, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 the Organization'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Goodlettsville, Tennessee
May 12, 2023



**Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Directors
A Step Ahead Foundation of Middle Tennessee

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

We have audited A Step Ahead Foundation of Middle Tennessee's (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2022. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 *US Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Goodlettsville, Tennessee
May 12, 2023

A Step Ahead Foundation of Middle Tennessee
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

Section I . Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with US GAAP	Unmodified
Internal control over financial reporting	
Material weakness identified?	No
Significant deficiency identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs	
Material weakness identified?	No
Significant deficiency identified?	None reported
Type of auditor's report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs (Assistance Listing and name of federal program or cluster)	
93.558 Temporary Assistance for Needy Families (TANF)	
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

Section II . Financial Statement Findings

None

Section III . Federal Award Findings and Questioned Costs

None

A Step Ahead Foundation of Middle Tennessee
Summary Schedule of Prior Year Findings
For the Year Ended December 31, 2022

Section I. Financial Statement Findings

There were no prior year findings reported.

Section II. Federal Award Findings and Questioned Costs

There were no prior year findings or questioned costs reported.