

2022

Financial Statements

HUMANITIES TENNESSEE

FINANCIAL STATEMENTS

JUNE 30, 2022

(WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2021)

(With Independent Auditor's Report Thereon)

HUMANITIES TENNESSEE
JUNE 30, 2022

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HUMANITIES TENNESSEE
ROSTER OF BOARD OF DIRECTORS
JUNE 30, 2022

| | |
|-------------------------|----------|
| Lynn Alexander | Director |
| Kathi Leatherwood | Director |
| Peggy Burch | Director |
| John Talbott | Director |
| Jen Wheatley | Director |
| Lauren Fitzgerald | Director |
| Courtney Gregg | Director |
| Carol McCoy | Director |
| Jennifer Triplett | Director |
| April Alvarez | Director |
| Daryl Carter | Director |
| Mary Pom Claiborne | Director |
| Amy Elias | Director |
| Julie Forkner | Director |
| Mary Kennedy Hendershot | Director |
| James McKissic | Director |



PATTERSON, HARDEE & BALLENTINE, P.C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Humanities Tennessee

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Humanities Tennessee (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and 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 financial statements present fairly, in all material respects, the financial position of Humanities Tennessee as of June 30, 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 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 Humanities 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.

Prior Period Financial Statements

The financial statements of Humanities Tennessee as of June 30, 2021, were audited by other auditors whose report dated October 27, 2021, expressed an unmodified opinion on those statements.

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 Humanities 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 Humanities 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 Humanities 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 and state financial assistance, 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 and state financial assistance 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 November 30, 2022 on our consideration of Humanities 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 Humanities 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 Humanities Tennessee's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

Other auditors audited Humanities Tennessee's 2021 financial statements, and expressed an unmodified audit opinion on those audited financial statements in their report dated October 27, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Patterson Handee & Bellentone

November 30, 2022

HUMANITIES TENNESSEE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022 WITH SUMMARIZED COMPARATIVE
TOTALS AS OF JUNE 30, 2021

| | <u>2022</u> | <u>2021</u> |
|--|-------------------|-------------------|
| <u>ASSETS</u> | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 419,840 | \$ 231,388 |
| Investments | 78,825 | 118,231 |
| Grants and contracts receivable | 27,740 | 84,112 |
| Merchandise inventory | 7,487 | 2,560 |
| Other assets | 10,941 | 10,954 |
| Total current assets | <u>544,833</u> | <u>447,245</u> |
| Property and equipment: | | |
| Furniture and equipment | 17,988 | 17,988 |
| Capital improvements | 180,280 | 180,280 |
| Accumulated depreciation | <u>(129,414)</u> | <u>(110,786)</u> |
| | <u>68,854</u> | <u>87,482</u> |
| Assets Whose Use is Limited: | | |
| Beneficial interest in agency endowment fund | | |
| held by the Community Foundation of Middle Tennessee | 21,209 | 24,321 |
| Total assets whose use is limited | <u>21,209</u> | <u>24,321</u> |
| Total Assets | <u>\$ 634,896</u> | <u>\$ 559,048</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Current Liabilities: | | |
| Accounts payable and accrued expenses | \$ 13,041 | \$ 23,194 |
| Regrants payable | 148,699 | 185,425 |
| Accrued leave | 172,681 | 102,209 |
| Deferred lease incentive | 54,448 | 61,750 |
| Deferred revenue | <u>51,882</u> | <u>30,188</u> |
| Total current liabilities | 440,751 | 402,766 |
| Total Liabilities | <u>440,751</u> | <u>402,766</u> |
| Net Assets: | | |
| Without donor restrictions | 172,936 | 141,282 |
| With donor restrictions | <u>21,209</u> | <u>15,000</u> |
| Total Net Assets | <u>194,145</u> | <u>156,282</u> |
| Total Liabilities and Net Assets | <u>\$ 634,896</u> | <u>\$ 559,048</u> |

See accompanying notes to financial statements.

HUMANITIES TENNESSEE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS FOR THE
YEAR ENDED OF JUNE 30, 2021

| | Without Donor Restrictions | With Donor Restriction | 2022 Total | 2021 Total |
|---|-------------------------------|---------------------------|---------------|---------------|
| Public Support and Revenue: | | | | |
| Gross special events revenue | \$ 21,770 | \$ - | \$ 21,770 | \$ 1,875 |
| Less direct cost of special events | (45,715) | - | (45,715) | (30,242) |
| Net special events revenue | (23,945) | - | (23,945) | (28,367) |
| Governmental grants | 2,212,449 | - | 2,212,449 | 1,098,360 |
| Contributions and private grants | 121,967 | - | 121,967 | 148,181 |
| Donated services, goods, and facilities | 26,250 | - | 26,250 | 32,515 |
| Net assets released from restrictions | - | - | - | - |
| Total public support | 2,360,666 | - | 2,360,666 | 1,279,056 |
| Total public support and revenue | 2,336,721 | - | 2,336,721 | 1,250,689 |
| Expenses: | | | | |
| Program Services: | | | | |
| Grants | 1,245,945 | - | 1,245,945 | 166,861 |
| History and culture | 113,864 | - | 113,864 | 169,511 |
| Language and literature | 424,499 | - | 424,499 | 505,480 |
| Youth programs | 52,837 | - | 52,837 | - |
| Total program services | 1,837,145 | - | 1,837,145 | 841,852 |
| Supporting Services: | | | | |
| Management and General | 275,825 | - | 275,825 | 163,750 |
| Fundraising | 160,357 | - | 160,357 | 184,365 |
| Total supporting services | 436,182 | - | 436,182 | 348,115 |
| Total expenses | 2,273,327 | - | 2,273,327 | 1,189,967 |
| Other Income: | | | | |
| Investment income/(loss), net | (31,740) | 6,209 | (25,531) | 29,763 |
| Change in net assets | 31,654 | 6,209 | 37,863 | 90,485 |
| Net assets at beginning of year | 141,282 | 15,000 | 156,282 | 65,797 |
| Net assets at end of year | \$ 172,936 | \$ 21,209 | \$ 194,145 | \$ 156,282 |

See accompanying notes to financial statements.

HUMANITIES TENNESSEE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS FOR THE
YEAR ENDED OF JUNE 30, 2021

| | Program Services | | | | | | | | |
|---|----------------------|------------------------|--------------------------|-------------------|---------------------------|---------------------------|-------------|---------------|---------------|
| | Grants and Awards | History and Culture | Language and Literacy | Youth Programs | Total Program Services | Management and General | Fundraising | 2022 Total | 2021 Total |
| Salaries and wages | \$ 92,478 | \$ 49,970 | \$ 153,973 | \$ 14,503 | \$ 310,924 | \$ 189,034 | \$ 87,798 | \$ 587,756 | \$ 513,496 |
| Payroll taxes | 6,990 | 3,827 | 11,165 | 1,105 | 23,087 | 11,872 | 6,402 | 41,361 | 41,459 |
| Employee benefits | 20,953 | 20,827 | 37,136 | 6,454 | 85,370 | (3,464) | 29,647 | 111,553 | 112,778 |
| Total payroll & related expenses | 120,421 | 74,624 | 202,274 | 22,062 | 419,381 | 197,442 | 123,847 | 740,670 | 667,733 |
| Grants and awards | 1,060,246 | 9,650 | (200) | - | 1,069,696 | - | - | 1,069,696 | 85,750 |
| Consulting services | 36,583 | 1,267 | 120,991 | 2,062 | 160,903 | 558 | 1,620 | 163,081 | 71,267 |
| Honorariums | 700 | 2,661 | 65,280 | 15,600 | 84,241 | - | - | 84,241 | 156,236 |
| Occupancy | 6,920 | 11,455 | 8,671 | 2,307 | 29,353 | 6,245 | 14,925 | 50,523 | 50,451 |
| Event expenses | 32 | 3,404 | 16,529 | 23,551 | 43,516 | 23 | 2,176 | 45,715 | 30,242 |
| Accounting and bookkeeping services | 3,360 | 4,560 | 6,240 | 1,440 | 15,600 | 19,500 | 6,000 | 41,100 | 40,664 |
| Dues and fees | 732 | 106 | 632 | 48 | 1,518 | 26,709 | 329 | 28,556 | 26,269 |
| Travel and conferences | 3,048 | 1,032 | 2,902 | 6,462 | 13,444 | 10,372 | - | 23,816 | 6,547 |
| Depreciation | 3,029 | 1,877 | 5,087 | 555 | 10,548 | 4,966 | 3,114 | 18,628 | 18,752 |
| Computer and equipment costs | 7,647 | 1,881 | 2,750 | 599 | 12,877 | 2,859 | 2,490 | 18,226 | 14,306 |
| Technology | 1,554 | 1,692 | 5,127 | 734 | 9,107 | 1,203 | 2,789 | 13,099 | 16,035 |
| Printing and postage | 844 | 1,891 | 3,146 | 589 | 6,480 | 635 | 3,707 | 10,822 | 12,084 |
| Insurance | 134 | 182 | 249 | 58 | 623 | 4,817 | 239 | 5,679 | 7,807 |
| Janitorial | 727 | 986 | 1,350 | 311 | 3,374 | 519 | 1,297 | 5,190 | 2,717 |
| Miscellaneous | - | - | - | - | - | - | - | - | 13,349 |
| Total expenses by function | 1,245,977 | 117,268 | 441,028 | 76,388 | 1,880,661 | 275,848 | 162,533 | 2,319,042 | 1,220,209 |
| Less expenses included with revenues on the statement of activities: | | | | | | | | | |
| Direct cost of special events | (32) | (3,404) | (16,529) | (23,551) | (43,516) | (23) | (2,176) | (45,715) | (30,242) |
| Total expenses included in the expense section on the statement of activities | \$ 1,245,945 | \$ 113,864 | \$ 424,499 | \$ 52,837 | \$ 1,837,145 | \$ 275,825 | \$ 160,357 | \$ 2,273,327 | \$ 1,189,967 |

See accompanying notes to financial statements.

HUMANITIES TENNESSEE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS FOR THE
YEAR ENDED OF JUNE 30, 2021

| | <u>2022</u> | <u>2021</u> |
|--|-------------------|-------------------|
| Cash Flows From Operating Activities: | | |
| Change in net assets | \$ 37,863 | \$ 90,485 |
| Adjustments to reconcile change in net assets to net cash provided by/(used in) operating activities: | | |
| Depreciation | 18,628 | 18,752 |
| Investment income/(loss), net | 39,406 | (17,637) |
| Change in value of beneficial interest in agency endowment fund | 3,112 | (4,787) |
| Changes in: | | |
| Grants and contracts receivable | 56,372 | (14,276) |
| Merchandise inventory | (4,927) | 4,746 |
| Other assets | 13 | - |
| Accounts payable and accrued expenses | (7,293) | 12,764 |
| Regrants payable | (36,726) | (204,587) |
| Accrued leave | 67,612 | - |
| Deferred lease incentive | (7,302) | (13,000) |
| Deferred revenue | 21,694 | (76,482) |
| Total adjustments | <u>150,589</u> | <u>(294,507)</u> |
| Net cash provided by/(used in) operating activities | <u>188,452</u> | <u>(204,022)</u> |
| Cash Flows From Investing Activities: | | |
| Purchase of investments | - | (6,812) |
| Sale of investments | - | - |
| Net cash used in investing activities | <u>-</u> | <u>(6,812)</u> |
| Net change in cash | 188,452 | (210,834) |
| Cash and cash equivalents - beginning of year | <u>231,388</u> | <u>442,222</u> |
| Cash and cash equivalents - end of year | <u>\$ 419,840</u> | <u>\$ 231,388</u> |

See accompanying notes to financial statements.

HUMANITIES TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2021

NOTE 1 - Summary of Significant Accounting Policies

Nature of Activities and Program Description

The terms "the Organization", "we", "us", or "our" are used throughout these notes to the financial statements to identify Humanities Tennessee, a Tennessee nonprofit organization. The Organization was incorporated in 1973 to promote public understanding of the humanities in Tennessee. Its principal activities consist of conducting humanities programs and offering services and grants in support of the humanities programs of other organizations.

Programs

Grants – The Organization makes funding investments in all three Grand Divisions of the State to support the efforts of cultural, educational, and community-based organizations providing public humanities programs.

History and Culture – Includes programs like the Neighborhood Story Project, traveling exhibits (including the Smithsonian's Museum on Main Street), and other programs to assist history organizations providing public humanities programs.

Language and Literature - Includes programs like the Southern Festival of Books, Chapter16.org, Student Reader Day, Young Writers' Workshops, and other activities relating to the celebration of the written word.

Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, our net assets 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. Restrictions fulfilled in the same accounting period in which the contributions are received are reported in the Statement of Activities as net assets without donor restrictions.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Revenue and Revenue Recognition

We recognize contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. At June 30, 2022 and 2021, there were no contributions that have not been recognized in the accompanying consolidated statement of activities because the conditions on which they depend have not yet been met.

HUMANITIES TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2021

NOTE 1 - Summary of Significant Accounting Policies (continued)

Revenue and Revenue Recognition (continued)

We recognize revenue from sales of interpreting services and any classes, camps and workshops held when the performance obligations of transferring the products and providing the services are met. Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. We recognize special events revenue equal to the fair value of direct benefits to donors when the special event takes place. We recognize the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place. All of our services are transferred at a point in time.

A portion of our revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. No amounts have been received in advance under our federal and state contracts and grants.

Accounts Receivable

Accounts receivable consist primarily of noninterest-bearing amounts due for interpretation services programs. Unpaid accounts with invoice dates greater than 30 days old bear interest at 1% per month. We determine the allowance for accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At June 30, 2022 and 2021, the allowance was \$0 and \$5,400, respectively

Contributions Receivable

We record unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. We determine the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2022 and 2021, no allowance for contributions receivable was recorded.

Cash and Cash Equivalents

For purposes of the statement of cash flows, we consider all cash and investment instruments purchased with original maturities of three months or less to be cash equivalents. At June 30, 2022 and 2021, there were no cash equivalents.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the estimated fair market value as of the date of donation. Depreciation is calculated using the straight-line basis over the estimated useful lives of the respective assets. Purchases or donations of equipment over \$1,000 are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred.

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable. For the years ended June 30, 2022 and 2021, no assets were considered to be impaired.

HUMANITIES TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2021

NOTE 1 - Summary of Significant Accounting Policies (continued)

Investments

We record investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Investment income, net, is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Merchandise Inventory

Merchandise inventory is reported at the lower of cost (first-in, first-out method) or net realizable value and consists of fundraising items sold by the Organization at the Southern Festival of Books.

Agency Endowment Fund

The Organization's beneficial interest in an agency endowment fund held by the Community Foundation of Middle Tennessee is recognized as an asset. Investment income and changes in the value of the fund are recognized in the statements of activities, and distributions received from the fund are recorded as decreases in the beneficial interest (see Note 6).

Accrued Leave

Employee benefits expense is accrued and recognized for general leave and sabbatical leave that employees are allowed to accumulate and be paid upon termination of employment. Employees are allowed up to 30 days of paid general leave per year during the first five continuous years of employment, and an additional paid day for every year after five, to a maximum of 15 additional paid days of general leave. Employees are allowed to accumulate up to 60 days of sabbatical leave, although a maximum of 30 days will be paid upon termination of employment.

Donated Goods, Facilities, and Services

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. The estimated value not recorded for these volunteer hours was \$28,956 and \$27,950 during 2022 and 2021, respectively. Contributed goods are recorded at fair value at the date of donation.

We value donated professional services based on active market rates, which is generally the going rate for what the professional charges during the normal course of business. We record donated professional services at the respective fair values of the services received. We received \$26,250 of donated professional services from professional authors during our special events for the year ended June 30, 2022. No significant contributions of such goods or services were received during the year ended June 30, 2021.

Prior Year Summarized Financial Information

The financial statements include certain prior year summarized comparative information in total but not by asset class or natural expense classification by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived. Those prior year financial statements were audited by other auditors whose report dated October 27, 2021, expressed an unmodified opinion on those statements.

HUMANITIES TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2021

NOTE 1 - Summary of Significant Accounting Policies (continued)

Income Tax Status

We are a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and are classified as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes is included in the accompanying financial statements. We do not believe there are any uncertain tax positions. Further, we do not believe that we have any unrelated business income, which would be subject to federal taxes.

Use of Estimates

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

Functional Allocation of Expenses

The costs of providing program services and supporting services have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses and support services that can be identified specifically with program expenses are allocated directly to their natural expenditure classification. Other expenses that are common to several programs or supporting functions are allocated based on various relationships. Multiple expenses have been allocated on the basis of estimates of time and effort.

Fair Values of Financial Instruments

The carrying values of current assets and current liabilities approximate fair values due to the short maturities of these instruments.

Concentrations of Credit Risk

We maintain our cash with one bank which occasionally exceeds federally insured limits. We were in excess of this limit at June 30, 2022 and 2021. We have not experienced any losses in this account and do not believe that we are exposed to any significant credit risk on our cash.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

NOTE 2 - Availability and Liquidity

In the next fiscal year, we plan to receive the same level of contributions, and consider contributions for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization has minimal amounts of liabilities in order to maintain most of its financial assets to be readily available. Cash is currently held in one bank account. This cash is readily available. We manage our liquidity and reserves following three guiding principles: Operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. If our analysis of liquid assets reveals inadequate funds for near-term operating needs, we will immediately reduce spending of program and management and general expenditures.

HUMANITIES TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2021

NOTE 2 - Availability and Liquidity (continued)

Financial assets available for general expenditure within one year of the statement of financial position, consist of the following:

Financial assets for the year ended

| | |
|---------------------------------|-------------------|
| Cash and cash equivalents | \$ 419,840 |
| Investments | 78,825 |
| Grants and contracts receivable | 27,740 |
| Merchandise inventory | 7,487 |
| | <u>\$ 533,892</u> |

NOTE 3 – Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). We group assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 - Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 - Other observable inputs, either directly or indirectly, including: 1) Quoted prices for similar assets/liabilities in active markets; 2) Quoted prices for identical or similar assets in non-active markets; 3) Inputs other than quoted prices that are observable for the asset/liability; and, 4) Inputs that are derived principally from or corroborated by other observable market data.

Level 3 - Unobservable inputs that cannot be corroborated by observable market data.

NOTE 4 – Investments

The following investment balance and related fair value measurements were recorded at June 30, 2022 and 2021, respectively:

| | Total | Level 1 | Level 2 | Level 3 |
|--------------------------------|-------------------|------------------|-------------|------------------|
| Certificate of deposit | 10,000 | 10,000 | - | - |
| Marketable securities | - | - | - | - |
| Mutual funds | 68,825 | 68,825 | - | - |
| Agency endowment fund (NOTE 6) | 21,209 | - | - | 21,209 |
| | <u>\$ 100,034</u> | <u>\$ 78,825</u> | <u>\$ -</u> | <u>\$ 21,209</u> |

HUMANITIES TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2021

NOTE 4 – Investments (continued)

| | Total | Level 1 | Level 2 | Level 3 |
|--------------------------------|-------------------|-------------------|-------------|------------------|
| Certificate of deposit | 10,000 | 10,000 | - | - |
| Marketable securities | 2,712 | 2,712 | - | - |
| Mutual funds | 105,519 | 105,519 | - | - |
| Agency endowment fund (NOTE 6) | 24,321 | - | - | 24,321 |
| | <u>\$ 142,552</u> | <u>\$ 118,231</u> | <u>\$ -</u> | <u>\$ 24,321</u> |

Investment income, net, consisted of the following for the years ending June 30,

| | 2022 | 2021 |
|---|--------------------|------------------|
| Interest and dividend income, net fees of \$2,340 and \$2,001, respectively | \$ 14,269 | \$ 12,126 |
| Net realized/unrealized gains (losses) during the year | (39,800) | 17,637 |
| | <u>\$ (25,531)</u> | <u>\$ 29,763</u> |

NOTE 5 – Regrants Payable

Regrants payable consist of amounts awarded, but not yet paid, to state and public agencies and not-for-profit institutions, organizations, and groups under the Organization's grant program.

A summary of regrants activity is as follows for the year ended June 30,

| | 2022 | 2021 |
|-------------------------------------|-------------------|-------------------|
| Regrants payable, beginning of year | \$ 185,425 | \$ 390,012 |
| Regrants awarded | 1,069,896 | 120,993 |
| Awards paid to recipients | (1,089,784) | (291,137) |
| Write off of awards | (10,000) | (25,774) |
| Other adjustments | (6,838) | (8,669) |
| Regrants payable, end of year | <u>\$ 148,699</u> | <u>\$ 185,425</u> |

NOTE 6 – Agency Endowment Fund

The Organization has a beneficial interest in the Humanities Tennessee Endowment Fund (the "Fund"), an agency endowment fund held by the Community Foundation of Middle Tennessee (the "Community Foundation"). Earnings on this fund are used to benefit various programs for the humanities. The Fund is charged a 0.4% administrative fee annually. Upon request by the Organization, income from the Fund representing a 5% annual return may be distributed to the Organization or to another suggested beneficiary.

HUMANITIES TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2021

NOTE 6 – Agency Endowment Fund (continued)

A schedule of changes in the Organization's beneficial interest in this Fund follows for the year ended June 30,

| | 2022 | 2021 |
|--|------------------|------------------|
| Balance, beginning of year | \$ 24,321 | \$ 19,534 |
| Change in value of beneficial interest in agency endowment fund: | | |
| Investment income | (3,039) | 4,963 |
| Administrative expenses | (73) | (176) |
| | (3,112) | 4,787 |
| | <u>\$ 21,209</u> | <u>\$ 24,321</u> |

NOTE 7 – Deferred Revenue

The following is a summary of activity for the Organization's deferred revenues for the year ended June 30, 2022:

| | 2022 | 2021 |
|--|------------------|------------------|
| Deferred revenue – beginning of year | \$ 30,188 | \$ 106,670 |
| Cash received from grants in advance | 2,125,719 | 910,487 |
| Cash expended for regrants and covered costs | (2,207,789) | (986,969) |
| Deferred revenue – June 30, 2022 | <u>\$ 51,882</u> | <u>\$ 30,188</u> |

NOTE 8 – Deferred Lease Incentive

The Organization leases office space under a noncancelable operating lease that expires in December 2029. Under terms of the lease agreement, the Organization is required to make minimum monthly payments ranging from \$3,404 to \$4,124. Total rent expense recognized under this arrangement for the years ended June 30, 2022 and 2021, was \$43,730 and \$45,902, respectively. In consideration for entering into the lease, the Organization was granted an allowance totaling \$80,000 for tenant improvements. This allowance has been recorded in the statement of financial position as deferred lease incentive and is being credited to lease expense over the term of the lease.

Future minimum lease payments required under the Organization's current lease as of June 30, 2022 are as follows:

| | |
|------------------------------|-------------------|
| For the year ending June 30, | |
| 2023 | \$ 44,249 |
| 2024 | 45,329 |
| 2025 | 46,409 |
| 2026 | 47,489 |
| 2027 | 48,569 |
| Thereafter | 173,964 |
| | <u>\$ 406,009</u> |

HUMANITIES TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2021

NOTE 9 – Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2022 and 2021, consist of an endowment fund established in 2006 to support the Tennessee Young Writers workshop (see NOTE 6). The original contribution to the endowment fund was subject to a donor restriction stipulating that the original principal of the gift is to be held and invested by the Organization indefinitely, and income from the fund is to be used to fund an annual scholarship. The Organization has informally adopted investment and spending policies based on the requirements of the State Prudent Management of Institutional Funds Act ("SPMIFA"). Based on the Organization's interpretation of SPMIFA, and in accordance with donor restrictions, contributions to the endowment fund are classified as net assets with donor restrictions of a perpetual nature. The historic dollar value of those contributions must be maintained in perpetuity. Income from the fund is classified as net assets with donor restrictions until the purpose restriction is satisfied, at which time the net assets are reclassified to net assets without donor restrictions. However, if the restriction is fulfilled in the same reporting period in which the income is earned, the income is reported as without donor restriction.

NOTE 10 – Retirement Plan

The Organization sponsors a simplified employee pension plan covering all full-time employees. Employer contributions are based on 10% of the participating employee's annual compensation. Contributions to the plan for the years ended June 30, 2022 and 2021 amounted to \$50,955 and \$49,456, respectively, and are included in employee benefits expense.

NOTE 11 – Commitments and Contingencies

Reimbursable expenditures and other revenues related to government grants and contracts are subject to adjustment based upon review by the granting agency. The Organization has not experienced any significant adjustments during 2022 or 2021 and does not anticipate any significant adjustments resulting from this subsequent review and approval.

The Organization receives a substantial amount of its support from a single federal grantor. A significant reduction in the level of this support, if this were to occur, could have an adverse effect on the Organization's programs and activities.

NOTE 12 - Subsequent Events

We have evaluated events subsequent to the year ended June 30, 2022. As of November 30, 2022, the date that the financial statements were available to be issued, we are not aware of any material subsequent events which would require recognition or disclosure in the accompanying financial statements.

HUMANITIES TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022

| Federal Grantor/ Pass-Through Grantor | Program/ Cluster Name | CFDA Number | Contract Number | Passed Through to Subrecipients | Expenditures |
|---|--|----------------|--------------------|------------------------------------|--------------|
| <u>Federal Awards:</u> | | | | | |
| National Endowment for the Humanities | Promotion of the Humanities - Federal/State Partnership | 45.129 | 2020522-SO | \$ 128,242 | \$ 1,219,035 |
| Total Program 45.129 | | | | 128,242 | 1,219,035 |
| National Endowment for the Arts | Promotion of the Arts - Grants to Organizations and Individuals | 45.024 | 1885834-52 | - | 10,000 |
| Total Program 45.024 | | | | - | 10,000 |
| <u>COVID-19 Related Funding</u> | | | | | |
| National Endowment for the Humanities | Promotion of the Humanities - Federal/State Partnership | 45.129 | ZSO-283158-21 | 941,454 | 941,454 |
| Total Program 45.129 COVID-19 Related Funding | | | | 941,454 | 941,454 |
| | | | | | |
| TOTAL FEDERAL AWARDS | | | | 1,069,696 | 2,170,489 |
| | | | | | |
| Grantor/ Pass-Through Grantor | Program/ Cluster Name | CFDA Number | Contract Number | Passed Through to Subrecipients | |
| <u>State Financial Assistance</u> | | | | | |
| State of Tennessee Arts Commission | N/A | N/A | N/A | - | 23,900 |
| Metro Nashville Arts Commission | N/A | N/A | B2210 | - | 13,400 |
| TOTAL STATE AWARDS | | | | - | 37,300 |
| TOTAL FEDERAL AND STATE AWARDS | | | | \$ 1,069,696 | \$ 2,207,789 |

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Note 1 - Basis of Presentation: The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Example Entity under programs of the federal government for the year ended June 30, 2022. The information in this Schedule 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). Because the Schedule presents only a selected portion of the operations of Humanities Tennessee, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Humanities Tennessee.

Note 2 - Summary of Significant Accounting Policies: Expenditures reported on the Schedule are reported on the (identify basis of accounting) basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 - Indirect Cost Rate: Humanities Tennessee did not elect to use the 10% de minimis indirect cost rate as there were no indirect costs that are allocated to the awards for the year ended June 30, 2022.



PATTERSON, HARDEE & BALLENTINE, P.C.

Certified Public Accountants

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 Humanities Tennessee, Inc.

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 Humanities Tennessee, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, 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 November 30, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Humanities Tennessee, Inc.'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 Humanities Tennessee, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Humanities Tennessee, Inc.'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 Humanities Tennessee, Inc.'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.

Patterson Handee & Bellentine

November 30, 2022



PATTERSON, HARDEE & BALLENTINE, P.C.

Certified Public Accountants

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

To the Board of Directors
Humanities Tennessee, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Humanities Tennessee, Inc.'s 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 Humanities Tennessee, Inc.'s major federal programs for the year ended June 30, 2022. Humanities Tennessee, Inc.'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, Humanities Tennessee, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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; 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). 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 Humanities Tennessee, Inc. 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 Humanities Tennessee, Inc.'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 Humanities Tennessee, Inc.'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 Humanities Tennessee, Inc.'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 generally accepted auditing standards, *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 Humanities Tennessee, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Humanities Tennessee, Inc.'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 Humanities Tennessee, Inc.'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 Humanities Tennessee, Inc.'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.

Patterson Handley & Bellentone

November 30, 2022

HUMANITIES TENNESSEE, INC.
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

| | | |
|--|-------------------|---------------|
| Type of auditor's reports issued: | <i>Unmodified</i> | |
| Internal control over financial reporting: | <u>YES</u> | <u>NO</u> |
| Material weakness identified? | | X |
| Significant deficiency identified that are not considered to be material weakness? | | None reported |
| Noncompliance material to financial statements noted? | | X |

Federal Awards

| | | |
|---|-------------------|---------------|
| Type of auditor's reports issued on compliance for major programs: | <i>Unmodified</i> | |
| Internal control over major programs: | <u>YES</u> | <u>NO</u> |
| Material weakness identified? | | X |
| Significant deficiency identified that are not considered to be material weakness? | | None reported |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.520 (e)? | | X |

Identification of Major Programs

| | |
|---------------------|---|
| <u>CFDA Number:</u> | <u>Name of Federal Program or Cluster:</u> |
| 45.129 | Promotion of the Humanities – Federal/State Partnership |

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

| | | |
|--|------------|-----------|
| | <u>YES</u> | <u>NO</u> |
| Auditee qualified as low-risk auditee? | | X |

HUMANITIES TENNESSEE, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
JUNE 30, 2022

There were no findings in the prior year.