

# **Tennessee College Access & Success Network**

Financial Statements  
For the Years Ended June 30, 2023 and 2022

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Financial Statements  
For the Years Ended June 30, 2023 and 2022

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## **Independent Auditor's Report**

Board of Directors  
Tennessee College Access & Success Network

### **Opinion**

We have audited the accompanying financial statements of Tennessee College Access & Success Network (TCASN), which comprise the statements of financial position as of June 30, 2023 and 2022, the related statements of activities, functional expenses, and cash flows for the years 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 TCASN as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 TCASN and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 TCASN'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 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, 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 TCASN'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 TCASN'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.

*Blankenship CPA Group, PLLC*

Blankenship CPA Group, PLLC  
Nashville, Tennessee  
February 12, 2024

# Tennessee College Access & Success Network

## Statements of Financial Position

June 30, 2023 and 2022

	2023	2022
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 599,818	\$ 937,454
Accounts receivable	27	4,159
Grants receivable	23,750	26,000
Prepaid expenses	<u>1,471</u>	<u>28</u>
Total current assets	625,066	967,641
 GOAL database	 89,100	 -
Property and equipment		
Computer systems	12,668	12,668
Less: accumulated depreciation	<u>(10,638)</u>	<u>(10,638)</u>
Property and equipment, net	<u>2,030</u>	<u>2,030</u>
Total assets	<b>\$ 716,196</b>	<b>\$ 969,671</b>
 <b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	\$ 28,482	\$ 12,569
Accrued expenses	<u>8,413</u>	<u>8,313</u>
Total current liabilities	36,895	20,882
 Net assets		
Without donor restrictions	577,652	410,224
With donor restrictions	<u>101,649</u>	<u>538,565</u>
Total net assets	<u>679,301</u>	<u>948,789</u>
Total liabilities and net assets	<b>\$ 716,196</b>	<b>\$ 969,671</b>

# Tennessee College Access & Success Network

## Statement of Activities

For the Year Ended June 30, 2023

	Without donor restrictions	With donor restrictions	Total
<b>Support and Revenues</b>			
Contributions of cash and other financial assets	\$ 360,032	\$ 305,000	\$ 665,032
Net assets released from restrictions	<u>741,916</u>	<u>(741,916)</u>	<u>-</u>
Total support and revenues	1,101,948	(436,916)	665,032
<b>Expenses</b>			
Program services	597,926	-	597,926
Management and general	188,221	-	188,221
Fundraising	<u>148,373</u>	<u>-</u>	<u>148,373</u>
Total expenses	934,520	-	934,520
Change in net assets	167,428	(436,916)	(269,488)
Net assets, beginning of year	<u>410,224</u>	<u>538,565</u>	<u>948,789</u>
Net assets, end of year	<b>\$ 577,652</b>	<b>\$ 101,649</b>	<b>\$ 679,301</b>

# Tennessee College Access & Success Network

## Statement of Activities

For the Year Ended June 30, 2022

	Without donor restrictions	With donor restrictions	Total
<b>Support and Revenues</b>			
Contributions of cash and other financial assets	\$ 574,737	\$ 948,490	\$ 1,523,227
Miscellaneous income	46,732	-	46,732
Net assets released from restrictions	<u>409,925</u>	<u>(409,925)</u>	<u>-</u>
Total support and revenues	1,031,394	538,565	1,569,959
<b>Expenses</b>			
Program services	512,261	-	512,261
Management and general	161,354	-	161,354
Fundraising	<u>52,319</u>	<u>-</u>	<u>52,319</u>
Total expenses	725,934	-	725,934
Change in net assets	305,460	538,565	844,025
Net assets, beginning of year	<u>104,764</u>	<u>-</u>	<u>104,764</u>
Net assets, end of year	<b>\$ 410,224</b>	<b>\$ 538,565</b>	<b>\$ 948,789</b>

## Tennessee College Access & Success Network

### Statement of Functional Expenses

For the Year Ended June 30, 2023

	Program services	Management and general	Fundraising	Total
Salaries	\$ 225,937	\$ 111,210	\$ 63,091	\$ 400,238
Payroll taxes	15,105	8,450	5,758	29,313
Fringe benefits	30,759	18,435	10,061	59,255
Banking fees	-	734	-	734
Computer supplies and services	8,851	-	-	8,851
Contract services	194,905	-	-	194,905
Data and technology	86,866	-	-	86,866
Grantwriter	-	-	3,355	3,355
Insurance	-	8,561	-	8,561
Legal fees	-	13,588	-	13,588
Marketing expense	-	-	64,863	64,863
Meals and entertainment	1,500	-	-	1,500
Membership dues	-	-	1,245	1,245
Miscellaneous support	4,788	-	-	4,788
Professional fees	-	26,970	-	26,970
Strategy consultant	18,425	-	-	18,425
Subscriptions	2,955	-	-	2,955
Supplies	3,620	-	-	3,620
Taxes, licenses, and fees	-	273	-	273
Travel	4,215	-	-	4,215
	<b>\$ 597,926</b>	<b>\$ 188,221</b>	<b>\$ 148,373</b>	<b>\$ 934,520</b>



## Tennessee College Access & Success Network

### Statement of Functional Expenses

For the Year Ended June 30, 2022

	Program services	Management and general	Fundraising	Total
Salaries	\$ 153,416	\$ 109,588	\$ 16,538	\$ 279,542
Payroll taxes	7,841	5,623	1,173	14,637
Fringe benefits	23,840	14,456	3,805	42,101
Banking fees	-	757	-	757
Computer supplies and services	4,036	-	-	4,036
Contract services	200,354	-	-	200,354
Data and technology	95,687	-	-	95,687
Insurance	-	7,983	-	7,983
Marketing expense	-	-	29,948	29,948
Meals and entertainment	1,170	-	-	1,170
Membership dues	-	-	855	855
Miscellaneous support	12,558	-	-	12,558
Other operating expenses	402	-	-	402
Professional fees	-	22,411	-	22,411
Strategy consultant	4,500	-	-	4,500
Subscriptions	3,774	-	-	3,774
Supplies	4,196	-	-	4,196
Taxes, licenses, and fees	-	536	-	536
Travel	487	-	-	487
	<b>\$ 512,261</b>	<b>\$ 161,354</b>	<b>\$ 52,319</b>	<b>\$ 725,934</b>

## Tennessee College Access & Success Network

### Statements of Cash Flows For the Year Ended June 30, 2023 and 2022

	2023	2022
Cash and cash equivalents, beginning of year	\$ 937,454	\$ 96,097
<b>Cash flows from operating activities</b>		
Change in net assets	(269,488)	844,025
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Change in:		
Accounts receivable	4,132	(4,159)
Grants receivable	2,250	35,015
Prepaid expenses	(1,443)	2,670
Accounts payable	15,913	12,569
Accrued expenses	100	-
Deferred revenue	-	(46,733)
Net cash provided (used) by operating activities	(248,536)	843,387
<b>Cash flows from investing activities</b>		
Payments for the development of GOAL database	(89,100)	-
Payments for the purchase of property and equipment	-	(2,030)
Net cash provided (used) by investing activities	(89,100)	(2,030)
Net change in cash and cash equivalents	(337,636)	841,357
Cash and cash equivalents, end of year	\$ 599,818	\$ 937,454

**Tennessee College Access & Success Network**  
Notes to Financial Statements  
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**Note 1. Nature of Activities**

Tennessee College Access & Success Network (TCASN) is a not-for-profit organization established to advance efforts in improving college success for Tennessee students through research, facilitation, best practices, and expertise.

Founded in 2010, TCASN is a nationally recognized leader in providing research and technical assistance for college access and success. TCASN builds capacity to conduct and share research and partner with stakeholders to increase college completion in the state. TCASN's independent voice, organizational skills, and national relationships position it to play a unique and needed role in the college access and success field.

TCASN's work includes technical assistance, research, facilitation, professional learning, advocacy, and other efforts aimed at increasing the number of Tennesseans who attain higher education degrees and certifications.

**Note 2. Summary of Significant Accounting Policies**

**Basis of Presentation**

The financial statements of TCASN are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP), as prescribed for not-for-profit organizations. Accordingly, net assets of TCASN 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 TCASN. These net assets may be used at the discretion of TCASN's management and its Board of Directors. Net assets, voluntarily designated by TCASN's Board of Directors for specific purposes, are reported as net assets without donor restrictions and can only be used for purposes approved by the Board. TCASN had no net assets with designations as of June 30, 2023 or 2022.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that can be met, either by actions of TCASN and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**Use of Estimates**

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

**Cash and Cash Equivalents**

TCASN considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Property and Equipment**

Property and equipment are recorded at cost. It is TCASN's policy to capitalize purchases of property and equipment over \$1,000 with an expected useful life of greater than one year. Depreciation is provided using the straight-line method over the estimated lives of the assets generally ranging from three to five years.

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**Note 2. Summary of Significant Accounting Policies**

**GOAL Database**

GOAL database consists of an internally developed online database that will be capitalized once placed in service.

**Contributions**

Contributions are recognized when a donor makes an unconditional promise to give to TCASN. Contributions that are restricted are reported as increases in net assets with donor restrictions. All other contributions are reported as increases in net assets without donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**Income Tax Status**

TCASN is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the financial statements.

TCASN follows Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) guidance that clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely to be realized upon ultimate settlement. TCASN has no tax penalties or interest reported in the accompanying financial statements.

**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 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.

**Leases (New Accounting Standard Adopted in 2023)**

In February 2016, the FASB issued ASC Topic 842, *Leases*, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, *Leases*) and operating leases, with classification affecting the pattern of expense recognition in the income statement. TCASN adopted Topic 842 on July 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior period financial statements. Under this transition provision, TCASN has applied Topic 842 to reporting periods beginning on July 1, 2022. Leases are not material to TCASN's financial statements and, therefore, separate line-item presentation and additional disclosures are not presented.

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**Note 3. Liquidity and Availability**

The following represents TCASN's financial assets:

	<b>2023</b>	<b>2022</b>
Financial assets		
Cash and cash equivalents	\$ 599,818	\$ 937,454
Accounts receivable	27	4,159
Grants receivable	<u>23,750</u>	<u>26,000</u>
Total financial assets at year-end	623,595	967,613
Less amounts not available to be used within one year		
Net assets with donor restrictions	<u>(101,649)</u>	<u>(538,565)</u>
Financial assets available to meet cash needs for general expenditures within one year	<b>\$ 521,946</b>	<b>\$ 429,048</b>

TCASN regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, TCASN considers all expenditures related to its ongoing activities of providing programs and services to its members as well as expenditures to conduct services undertaken to support these services to be general expenditures. As part of the TCASN's liquidity management, it structures financial assets to be available as its general expenditures, liabilities, and other obligations become due.

**Note 4. Net Assets With Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods:

	<b>2023</b>	<b>2022</b>
Restricted for future years	\$ -	\$ 100,000
Restricted for specific programs	<u>101,649</u>	<u>438,565</u>
	<b>\$ 101,649</b>	<b>\$ 538,565</b>

**Note 5. Paycheck Protection Program Loan**

TCASN received draws on its Paycheck Protection Program loan (PPP) in the amount of \$46,732 during the year ended June 30, 2021. During August 2021, the loan plus accrued interest, was fully forgiven by the Small Business Administration and consequently recognized as miscellaneous income in the statement of activities for the year ended June 30, 2022.

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**Note 6. Concentrations**

TCASN, at times, maintains cash balances in excess of federally insured limits. The uninsured balances totaled approximately \$392,000 and \$1,014,000 at June 30, 2023 and 2022, respectively. In management's opinion, risks relating to such deposits are minimal based on the credit rating of its primary depository institution.

During the year ended June 30, 2023, four donors comprised 78% of revenues.

**Note 7. Subsequent Events**

Management has evaluated subsequent events through February 12, 2024, the date on which the financial statements were available for issuance.