

# **Association of Infant Mental Health in Tennessee**

Financial Statements  
For the Years Ended September 30, 2022 and 2021

**Association of Infant Mental Health in Tennessee**  
Financial Statements  
For the Years Ended September 30, 2022 and 2021

**Contents**

<b>Roster of Officials</b>	1
<b>Independent Auditor's Report</b>	2
<b>Financial Statements</b>	
Statements of Financial Position	5
Statements of Activities	6
Statements of Functional Expenses	8
Statements of Cash Flows	10
Notes to Financial Statements	11
<b>Compliance Section</b>	
Schedule of Expenditures of Federal Awards	15
Notes to Schedule of Expenditures of Federal Awards	16
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>	17
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	19
Schedule of Findings and Questioned Costs	22
Summary Schedule of Prior Year Findings	24

# **Association of Infant Mental Health in Tennessee**

Roster of Officials

September 30, 2022

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## **Financial Management Officials**

Angela Webster, Executive Director

## **Board of Directors**

Elle Benson, President

Charlie Biggs, Vice President

Susie Lafferty, Treasurer

Jan Dick, Secretary

Katy Spurlock, Past President

Sandra Allen

Darneshia Bell

Kathy Benedetto

Jared Bigham

Mekel Harris

Joey Hassell

Michele Moser

Micki Yearwood



## Independent Auditor's Report

Board of Directors  
Association of Infant Mental Health in Tennessee

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the accompanying financial statements of Association of Infant Mental Health in Tennessee (a not-for-profit organization, the Association), which comprise the statements of financial position as of September 30, 2022 and 2021, 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 financial statements referred to above present fairly, in all material respects, the financial position of Association of Infant Mental Health in Tennessee as of September 30, 2022 and 2021, 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 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 Association 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 Association'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 Association'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 Association'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 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 GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the 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 do 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 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 March 15, 2023, on our consideration of the Association'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 Association'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 Association's internal control over financial reporting and compliance.

*Blankenship CPA Group, PLLC*

Blankenship CPA Group, PLLC  
Nashville, Tennessee  
March 15, 2023

## Association of Infant Mental Health in Tennessee

### Statements of Financial Position

September 30, 2022 and 2021

	2022	2021
<b>Assets</b>		
Current assets		
Cash	\$ 447,688	\$ 60,681
Accounts receivable	56,650	-
Grants receivable	212,859	255,285
Prepays	<u>6,784</u>	<u>2,683</u>
Total current assets	<b>\$ 723,981</b>	<b>\$ 318,649</b>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	\$ 127,349	\$ 130,754
Accrued expenses	8,632	11,457
Line of credit	<u>100,180</u>	<u>20,000</u>
Total current liabilities	236,161	162,211
Net assets		
Without donor restrictions	472,370	146,438
With donor restrictions	<u>15,450</u>	<u>10,000</u>
Total net assets	<u>487,820</u>	<u>156,438</u>
Total liabilities and net assets	<b>\$ 723,981</b>	<b>\$ 318,649</b>

# Association of Infant Mental Health in Tennessee

## Statement of Activities For the Year Ended September 30, 2022

	Without donor restrictions	With donor restrictions	Total
<b>Public Support and Revenues</b>			
Grants	\$ 1,920,591	\$ 15,000	\$ 1,935,591
Contributions	14,612	-	14,612
Service fees	248,650	-	248,650
Sponsorships	38,900	-	38,900
Conferences	55,190	-	55,190
Membership dues	3,760	-	3,760
Net assets released from restrictions	9,550	(9,550)	-
Total public support and revenues	2,291,253	5,450	2,296,703
<b>Expenses</b>			
Program services	1,786,115	-	1,786,115
Management and general	179,206	-	179,206
Total expenses	1,965,321	-	1,965,321
Change in net assets	325,932	5,450	331,382
Net assets, beginning of year	146,438	10,000	156,438
Net assets, end of year	\$ 472,370	\$ 15,450	\$ 487,820



# Association of Infant Mental Health in Tennessee

## Statement of Activities For the Year Ended September 30, 2021

	Without donor restrictions	With donor restrictions	Total
<b>Public Support and Revenues</b>			
Grants	\$ 1,264,071	\$ 10,000	\$ 1,274,071
Contributions	5,277	-	5,277
Service fees	38,785	-	38,785
Sponsorships	28,250	-	28,250
Conferences	6,901	-	6,901
Membership dues	2,670	-	2,670
Net assets released from restrictions	8,946	(8,946)	-
Total public support and revenues	1,354,900	1,054	1,355,954
<b>Expenses</b>			
Program services	1,199,995	-	1,199,995
Management and general	78,002	-	78,002
Total expenses	1,277,997	-	1,277,997
Change in net assets	76,903	1,054	77,957
Net assets, beginning of year	69,535	8,946	78,481
Net assets, end of year	\$ 146,438	\$ 10,000	\$ 156,438

# Association of Infant Mental Health in Tennessee

## Statement of Functional Expenses For the Year Ended September 30, 2022

	<b>Program services</b>					
	<b>Training and technical assistance</b>	<b>Community engagement</b>	<b>Reflective supervision and consultation</b>	<b>Total program services</b>	<b>Management and general</b>	<b>Total</b>
Salaries	\$ 242,154	\$ 391,734	\$ 112,163	\$ 746,051	\$ 86,657	\$ 832,708
Payroll taxes and benefits	46,983	68,099	22,694	137,776	12,758	150,534
Rent	4,770	4,523	432	9,725	38	9,763
Consulting	303,767	75,281	246,058	625,106	14,103	639,209
Professional fees	10,903	32,309	11,200	54,412	21,443	75,855
Travel	7,165	21,068	2,643	30,876	658	31,534
Conferences and meetings	23,760	59,295	4,675	87,730	21,960	109,690
Supplies	7,572	23,917	9,930	41,419	1,493	42,912
Utilities	6,816	11,169	2,850	20,835	1,965	22,800
Insurance	1,036	1,420	573	3,029	89	3,118
Interest expense	-	-	-	-	3,413	3,413
Dues and subscriptions	-	-	-	-	30	30
Printing and publications	439	21,938	3,108	25,485	9,999	35,484
Postage	2,265	1,310	96	3,671	539	4,210
Bank and credit card fees	-	-	-	-	2,146	2,146
Miscellaneous	-	-	-	-	1,915	1,915
	<b>\$ 657,630</b>	<b>\$ 712,063</b>	<b>\$ 416,422</b>	<b>\$ 1,786,115</b>	<b>\$ 179,206</b>	<b>\$ 1,965,321</b>

## Association of Infant Mental Health in Tennessee

### Statement of Functional Expenses For the Year Ended September 30, 2021

	<b>Program services</b>				<b>Management and general</b>	<b>Total</b>
	<b>Training and technical assistance</b>	<b>Community engagement</b>	<b>Reflective supervision and consultation</b>	<b>Total program services</b>		
Salaries	\$ 129,367	\$ 123,312	\$ 111,174	\$ 363,853	\$ 38,319	\$ 402,172
Payroll taxes and benefits	34,504	33,082	29,990	97,576	7,111	104,687
Rent	2,350	2,080	136	4,566	-	4,566
Consulting	172,350	18,104	254,756	445,210	15,334	460,544
Professional fees	38,070	25,409	20,863	84,342	8,170	92,512
Travel	1,335	2,473	56	3,864	12	3,876
Conferences and meetings	29,613	10,482	19,435	59,530	3,383	62,913
Supplies	68,854	6,318	2,851	78,023	1,510	79,533
Utilities	3,650	3,617	3,299	10,566	691	11,257
Insurance	369	350	532	1,251	-	1,251
Interest expense	-	-	-	-	218	218
Dues and subscriptions	-	-	-	-	1,103	1,103
Printing and publications	23,572	20,493	1,683	45,748	-	45,748
Postage	2,934	2,116	125	5,175	-	5,175
Bank and credit card fees	291	-	-	291	1,475	1,766
Miscellaneous	-	-	-	-	676	676
	<b>\$ 507,259</b>	<b>\$ 247,836</b>	<b>\$ 444,900</b>	<b>\$ 1,199,995</b>	<b>\$ 78,002</b>	<b>\$ 1,277,997</b>

**Association of Infant Mental Health in Tennessee**  
**Statements of Cash Flows**  
For the Years Ended September 30, 2022 and 2021

	<b>2022</b>	<b>2021</b>
Cash, beginning of year	\$ 60,681	\$ 116,991
<b>Cash flows from operating activities</b>		
Change in net assets	331,382	77,957
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Change in:		
Accounts receivable	(56,650)	-
Grants receivable	42,426	(92,627)
Prepays	(4,101)	(2,259)
Accounts payable	(3,405)	48,173
Deferred revenues	-	(9,000)
Accrued expenses	(2,825)	3,107
Refundable advances	-	(51,661)
Net cash provided (used) by operating activities	306,827	(26,310)
<b>Cash flows from financing activities</b>		
Net change in line of credit	80,180	20,000
Payment on note payable	-	(50,000)
Net cash provided (used) by financing activities	80,180	(30,000)
Net change in cash	387,007	(56,310)
Cash, end of year	<b>\$ 447,688</b>	<b>\$ 60,681</b>

**Association of Infant Mental Health in Tennessee**  
Notes to Financial Statements  
For the Years Ended September 30, 2022 and 2021

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**Note 1. Nature of Activities and Summary of Significant Accounting Policies**

**Nature of Activities**

Association of Infant Mental Health in Tennessee (the Association) was born out of a grassroots initiative which brought together individuals and agencies interested in infant and early childhood mental health. The Association continues to work to develop relationships across departments and agencies, identify existing resources and opportunities, and work to identify what is needed to address the mental health needs of infants, young children, and their families. The Association's mission is accomplished via three primary program areas of focus: Training and Technical Assistance, Community Engagement, and Professional Development support which includes Infant Mental Health Endorsement® and Reflective Supervision/Consultation.

**Financial Statement Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP) as prescribed for not-for-profit organizations. Accordingly, net assets of the Association 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 Association'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 restrictions and reported in the statement of activities as net assets released from restrictions. Contributions which are restricted for specific programs are reflected as unrestricted revenues if these funds are received and spent in the same fiscal year.

**Cash**

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

**Accounts and Grants Receivable**

Accounts receivable are stated at their net realizable value. In management's opinion, all accounts receivable at September 30, 2022 and 2021 are fully collectible.

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 at September 30, 2022 and 2021 are fully collectible.

**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.

**Association of Infant Mental Health in Tennessee**  
Notes to Financial Statements  
For the Years Ended September 30, 2022 and 2021

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**Note 1. Nature of Activities and Summary of Significant Accounting Policies**

**Membership Dues**

Membership dues are recognized over the membership period. The Association believes the value received is commensurate with the annual dues amount.

**Revenue Recognition**

Revenues are recognized at the time of the contribution from the donor. Grant revenues are recognized at the time the grant is awarded if no performance obligation is required. Revenues from reimbursement-driven grants are recognized once the costs have been incurred and the right to collect exists. Program service revenue is recognized upon performance of service.

**Income Taxes**

The Association is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the Association has made no provision for income taxes.

**Functional Allocation of Expenses**

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Association are reported as expenses of those functional areas. All items in the statements of functional expenses have been determined on an invoice-by-invoice basis except for salaries, payroll taxes, and benefits, which are allocated based on time and effort spent and in accordance with grant requirements.

**Note 2. Liquidity and Availability of Resources**

The following represents the Association's financial assets as of September 30:

	<b>2022</b>	<b>2021</b>
Financial assets		
Cash	\$ 447,688	\$ 60,681
Accounts receivable	56,650	-
Grants receivable	<u>212,859</u>	<u>255,285</u>
Total financial assets at year-end	717,197	315,966
Less amounts not available to be used within one year		
Net assets with donor restrictions	<u>(15,450)</u>	<u>(10,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<b>\$ 701,747</b>	<b>\$ 305,966</b>

The Association's monthly operating expenses are approximately \$164,000. The Association has a \$125,000 line of credit that could be available for operating needs in the future.

**Association of Infant Mental Health in Tennessee**  
Notes to Financial Statements  
For the Years Ended September 30, 2022 and 2021

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**Note 3. Line of Credit**

The Association has entered into an open ended line of credit allowing for maximum borrowings of \$125,000. The line of credit accrues interest on outstanding balances at the bank's Prime Rate plus 1% and never less than 4.25%. At September 30, 2022, the current interest rate was 7.25%. The line is collateralized by substantially all assets of the Association and had an outstanding balance of \$100,180 and \$20,000 as of September 30, 2022 and 2021, respectfully. See note 10 for subsequent event related to a new line of credit.

**Note 4. Note Payable**

In May 2019, the Association entered into a note payable with another not-for-profit in the amount of \$50,000. The note payable had an imputed interest rate of 2.96%. Interest only payments of \$131 were required monthly. During the year ended September 30, 2021, the Association entered into an agreement with the not-for-profit to extend the maturity date from December 31, 2020 to January 31, 2021. The note payable was paid in full during fiscal year 2021.

**Note 5. Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of \$15,450 and \$10,000 as of September 30, 2022 and 2021, respectively. Funds are restricted for expansion of Infant Mental Health Endorsements® in rural east Tennessee and raising public awareness of infant and early childhood mental health/perinatal mental health.

**Note 6. Employer Retirement Contributions**

The Association provides a 5% retirement contribution to employees based on gross pay. During the years ended September 30, 2022 and 2021, the Association contributed \$39,319 and \$19,061, respectively.

**Note 7. Related Party Transactions**

The Association entered into transactions with an organization on whose board the Association's Executive Director serves. Transactions for consulting, licensing, and conferences amounted to \$243,800 and \$181,250 for the years ended September 30, 2022 and 2021, respectively. Amounts payable to this organization totaled \$18,642 and \$45,333 at September 30, 2022 and 2021, respectively.

The Association received a grant and a sponsorship from an organization on whose board a member of the Association's board serves. Amounts received from this organization totaled \$52,500 for the year ended September 30, 2022. This relationship did not exist during the year ended September 30, 2021.

The Association received a governmental grant from an organization for which two board members are employed. Amounts received from this organization totaled \$114,094 for the year ended September 30, 2022. Amounts receivable from this organization totaled \$28,754 at September 30, 2022. These relationships did not exist during the year ended September 30, 2021.

**Association of Infant Mental Health in Tennessee**  
Notes to Financial Statements  
For the Years Ended September 30, 2022 and 2021

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**Note 8. Commitments and Contingencies**

The Association is substantially funded by grants from federal agencies. A significant reduction in the level of this support, if such were to occur, may have an effect on the Association's programs and activities. In addition, the grants prescribe allowable expenditure guidelines with which the Association must comply.

**Note 9. Concentrations**

As of September 30, 2022, the Association held cash balances at one financial institution that exceeded the amount insured by the Federal Deposit Insurance Corporation by approximately \$200,000. The Association has not experienced any losses in its bank accounts and management does not believe the Association is exposed to any significant credit risk. No concentration of cash existed at September 30, 2021.

Two vendors make up approximately 53% of all non-payroll expenditures. These vendors provide highly specialized services and would be difficult to replace.

**Note 10. Subsequent Events**

Management has evaluated subsequent events through March 15, 2023, the date on which the financial statements were available for issuance.

In January 2023, the Association entered into a revolving line of credit allowing for maximum borrowings of \$200,000. The line of credit accrues interest on outstanding balances at the bank's Prime Rate plus 1.63%. The line is collateralized by substantially all assets of the Association. Any balance outstanding on the line of credit is due in full January 2024 with any accrued interest due monthly. The remaining balance of the previous line of credit was transferred to the new line of credit and the previous line of credit was closed.



## **Compliance Section**

# Association of Infant Mental Health in Tennessee

## Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2022

Grantor, Pass-through Grantor, Program Name	Assistance listing (CFDA)	Contract number	Expenditures
<b>Federal Awards</b>			
<u>U.S. Department of Health and Human Services</u>			
<i>Passed through Tennessee Department of Human Services</i>			
Child Care and Development Block Grant	93.575	72121	\$ 1,756,560
<i>Passed through Tennessee Department of Health</i>			
Maternal, Infant, and Early Childhood Home Visiting Grant Program	93.870	GR-22-72198-01	104,658
Maternal, Infant, and Early Childhood Home Visiting Grant Program	93.870	GR 23-75574-00	9,505
			<hr/> 114,163
<b>Total Federal Expenditures</b>			<b>\$ 1,870,723</b>

**Association of Infant Mental Health in Tennessee**  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2022

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**Note 1. Basis of Accounting**

The schedule of expenditures of federal awards includes the federal grant activity of the Association and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations and the requirements of Title 2 *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

**Note 2. Indirect Cost Rate**

The Association has elected to use the 10% de minimis indirect cost rate as 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  
Association of Infant Mental Health in Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Association of Infant Mental Health in Tennessee (a not-for-profit organization, the Association), which comprise the statement of financial position as of September 30, 2022, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated March 15, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Association'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 Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 Association'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 Association'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  
Nashville, Tennessee  
March 15, 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  
Association of Infant Mental Health in Tennessee

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

***Opinion on Each Major Federal Program***

We have audited Association of Infant Mental Health in Tennessee's (the Association) 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 Association's major federal programs for the year ended September 30, 2022. The Association'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 Association 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 September 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 (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 Association 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 Association'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 Association'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 Association'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 Association'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 Association'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 Association'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 Association'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  
Nashville, Tennessee  
March 15, 2023



## Association of Infant Mental Health in Tennessee

### Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2022

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#### 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(es) identified?	<u>      </u> Yes	<u>  X  </u> No
Significant deficiency(ies) identified?	<u>      </u> Yes	<u>  X  </u> None Reported
Noncompliance material to financial statements noted?	<u>      </u> Yes	<u>  X  </u> No

##### *Federal Awards*

Internal control over major programs:

Material weakness(es) identified?	<u>      </u> Yes	<u>  X  </u> No
Significant deficiency(ies) identified?	<u>      </u> Yes	<u>  X  </u> 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 section 2 CFR 200.516(a)?	<u>      </u> Yes	<u>  X  </u> No
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Identification of major programs:

Assistance Listing	Name of Federal Program or Cluster
93.575	Child Care and Development Fund Cluster

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

Auditee qualified as low-risk auditee?	<u>      </u> Yes	<u>  X  </u> No
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**Association of Infant Mental Health in Tennessee**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2022

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Section II. Financial Statement Findings

None.

Section III. Federal Award Findings and Questioned Costs

None.

**Association of Infant Mental Health in Tennessee**  
Schedule of Prior Year Findings  
For the Year Ended September 30, 2022

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**Financial Statement Findings**

<b>Finding Number</b>	<b>Finding Title</b>	<b>Status</b>
N/A	There were no prior findings reported.	N/A

**Federal Award Findings and Questioned Costs**

<b>Finding Number</b>	<b>Finding Title</b>	<b>Status</b>
N/A	There were no prior findings reported.	N/A