TENNESSEE VOICES FOR CHILDREN, INC.

NASHVILLE, TENNESSEE

FINANCIAL STATEMENTS,
ADDITIONAL INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2019 AND 2018

TENNESSEE VOICES FOR CHILDREN, INC.

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JUNE 30, 2019 AND 2018

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TENNESSEE VOICES FOR CHILDREN, INC.

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2019

BOARD OF DIRECTORS

President: Patrick Sims
President Elect: Bill Kirby
Treasurer: Andrew Buckwalter
Secretary: Krischan Krayer
Rhonda Ashley-Dixon
Kristin Brownlee
Laura Fair
Sarah Kmita
Devika Kumar
Chad Poff
Molly Rollins
Bama Wood

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tennessee Voices for Children, Inc.
Nashville, Tennessee

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Tennessee Voices for Children, Inc. which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KraftCPAs PLLC • Certified Public Accountants and Consultants
555 Great Circle Road • Nashville, TN 37228 • phone: 615-242-7351 • fax: 615-782-4271 • kraftcpas.com

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tennessee Voices for Children, Inc. as of June 30, 2019 and 2018, 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.

OTHER MATTERS

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR)* Part 200*, Uniform Administrative Requirement, 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. The schedule of expenditures of state awards, as required by the State of Tennessee Audit Manual, is also presented for 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 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 information 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 January 10, 2020 on our consideration of Tennessee Voices for Children, Inc.'s internal control over financial reporting and on our test 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 Tennessee Voices for Children'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 Tennessee Voices for Children, Inc.'s internal control over financial reporting and compliance.

KraftCPAs PLLC

Nashville, Tennessee
January 10, 2020

TENNESSEE VOICES FOR CHILDREN, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Cash	$ 404,153	$ 398,889
Investments	2,559,360	2,672,892
Grants receivable	686,619	399,452
Other receivables	2,811	12,094
Prepaid expenses and other	12,275	13,726
Property, building and equipment, net	875,933	902,811
TOTAL ASSETS	$ 4,541,151	$ 4,399,864
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 109,094	$ 59,345
Accrued expenses	194,435	167,573
Deferred revenue	1,500	-
TOTAL LIABILITIES	305,029	226,918
NET ASSETS		
Without donor restrictions	4,236,122	4,161,053
With donor restrictions	-	11,893
TOTAL NET ASSETS	4,236,122	4,172,946
TOTAL LIABILITIES AND NET ASSETS	$ 4,541,151	$ 4,399,864

See accompanying notes to the financial statements.

TENNESSEE VOICES FOR CHILDREN, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019			2018		
	Without Donor Restriction	With Donor Restriction	Totals	Without Donor Restriction	With Donor Restriction	Totals
SUPPORT AND REVENUE						
Grants and other contracts	$ 2,928,108	$ -	$ 2,928,108	$ 1,747,659	$ -	$ 1,747,659
Contributions	233,317	-	233,317	143,771	11,893	155,664
Conferences and other meetings	15,620	-	15,620	389	-	389
Investment income, net	105,226	-	105,226	66,429	-	66,429
Miscellaneous	34,320	-	34,320	6,680	-	6,680
Net assets released from restriction	11,893	(11,893)	-	146,523	(146,523)	-
TOTAL SUPPORT AND REVENUE	3,328,484	(11,893)	3,316,591	2,111,451	(134,630)	1,976,821
EXPENSES						
Program services	2,604,845	-	2,604,845	1,597,663	-	1,597,663
Supporting services:						
Management and general	487,828	-	487,828	387,134	-	387,134
Fundraising	160,742	-	160,742	134,230	-	134,230
TOTAL EXPENSES	3,253,415	-	3,253,415	2,119,027	-	2,119,027
CHANGE IN NET ASSETS	75,069	(11,893)	63,176	(7,576)	(134,630)	(142,206)
NET ASSETS - BEGINNING OF YEAR	4,161,053	11,893	4,172,946	4,168,629	146,523	4,315,152
NET ASSETS - END OF YEAR	$ 4,236,122	$ -	$ 4,236,122	$ 4,161,053	$ 11,893	$ 4,172,946

See accompanying notes to the financial statements.

TENNESSEE VOICES FOR CHILDREN, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2019

	PROGRAM SERVICES										SUPPORTING SERVICES			
	EARLY CHILDHOOD PROGRAMS	JUVENILLE JUSTICE REFORM	SURVIVOR CONNECTION (VOCA)	SYSTEM OF CARE ACROSS TENNESSEE	HEALTHY TRANSITIONS	INTENSIVE IN-HOME FAMILY PRESERVATION SERVICES	STATEWIDE FAMILY SUPPORT NETWORK	YOUTH SCREEN	OTHER PROGRAM SERVICES	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL SUPPORTING SERVICES	TOTAL FUNCTIONAL EXPENSES
Salaries	$ 93,984	$ 123,126	$ 264,175	$ 295,162	$ 68,153	$ 118,563	$ 249,704	$ 75,984	$ 241,430	$ 1,530,281	$ 328,489	$ 51,309	$ 379,798	$ 1,910,079
Employee benefits	7,408	9,122	14,202	23,597	3,178	5,473	14,619	2,873	18,656	99,128	17,423	3,137	20,560	119,688
Payroll taxes	7,427	9,363	17,729	22,198	5,377	9,091	18,982	6,617	18,366	115,150	23,697	3,763	27,460	142,610
TOTAL PAYROLL AND RELATED EXPENSES	108,819	141,611	296,106	340,957	76,708	133,127	283,305	85,474	278,452	1,744,559	369,609	58,209	427,818	2,172,377
Conferences and meetings	2,464	16,116	64,163	73,271	-	253	9,964	901	15,590	182,722	6,808	7,472	14,280	197,002
Event expense	-	-	-	-	-	-	-	-	-	-	-	53,590	53,590	53,590
Bad debt expense	-	-	-	-	-	-	-	-	-	-	3,964	-	3,964	3,964
Depreciation	-	-	-	-	-	-	-	-	-	-	26,878	-	26,878	26,878
Insurance	1,312	1,129	2,437	4,242	941	1,256	2,677	1,078	2,704	17,776	2,069	334	2,403	20,179
Equipment rental and maintenance	1,038	1,062	635	819	644	619	1,010	1,663	3,809	11,299	3,310	273	3,583	14,882
Miscellaneous	-	-	-	-	560	-	-	-	2,261	2,821	1,338	304	1,642	4,463
Occupancy	3,389	1,176	25,056	865	2,198	2,793	3,067	2,775	4,417	45,736	5,686	438	6,124	51,860
Office supplies	5,243	12,665	15,087	8,730	1,293	2,902	10,166	1,965	15,221	73,272	26,041	14,022	40,063	113,335
Postage	59	41	140	241	36	54	533	99	138	1,341	223	1,133	1,356	2,697
Printing and publications	5,528	1,126	3,624	2,398	75	97	40,168	54	1,620	54,690	259	4,015	4,274	58,964
Professional	5,748	33,728	4,964	54,902	3,386	6,318	13,242	5,205	42,489	169,982	32,137	18,091	50,228	220,210
Telephone and internet	2,227	2,390	5,455	7,772	1,184	2,641	4,504	1,254	6,354	33,781	4,242	582	4,824	38,605
Travel	9,261	20,448	41,558	107,304	10,286	10,322	24,420	2,238	41,029	266,866	5,264	2,279	7,543	274,409
TOTAL FUNCTIONAL EXPENSES	$ 145,088	$ 231,492	$ 459,225	$ 601,501	$ 97,311	$ 160,382	$ 393,056	$ 102,706	$ 414,084	$ 2,604,845	$ 487,828	$ 160,742	$ 648,570	$ 3,253,415

See accompanying notes to the financial statements.

TENNESSEE VOICES FOR CHILDREN, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2018

	PROGRAM SERVICES								SUPPORTING SERVICES			
	EARLY CHILDHOOD PROGRAMS	SYSTEM OF CARE ACROSS TENNESSEE	HEALTHY TRANSITIONS	INTENSIVE IN-HOME FAMILY PRESERVATION SERVICES	STATEWIDE FAMILY SUPPORT NETWORK	YOUTH SCREEN	OTHER PROGRAM SERVICES	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL SUPPORTING SERVICES	TOTAL FUNCTIONAL EXPENSES
Salaries	$ 113,197	$ 164,853	$ 78,180	$ 110,709	$ 194,374	$ 77,231	$ 186,801	$ 925,345	$ 264,759	$ 54,753	$ 319,512	$ 1,244,857
Employee benefits	8,491	12,785	7,605	7,965	14,432	5,506	21,467	78,251	16,737	4,924	21,661	99,912
Payroll taxes	8,839	12,681	6,113	8,656	14,910	6,059	13,753	71,011	19,799	4,108	23,907	94,918
TOTAL PAYROLL AND RELATED EXPENSES	130,527	190,319	91,898	127,330	223,716	88,796	222,021	1,074,607	301,295	63,785	365,080	1,439,687
							-					
Conferences and meetings	2,520	13,452	-	146	6,883	1,600	13,183	37,784	4,790	3,248	8,038	45,945
Event expense	-	-	-	-	-	-	-	-	-	37,796	37,796	37,673
Bad debt expense	-	-	-	-	-	-	-	-	4,159	-	4,159	4,159
Depreciation	-	-	-	-	-	-	-	-	26,740	-	26,740	26,740
Insurance	1,827	2,453	2,005	1,911	3,451	1,283	3,313	16,243	2,662	569	3,231	19,474
Equipment rental and maintenance	1,369	500	1,147	938	1,311	2,818	2,573	10,656	1,150	338	1,488	12,144
Miscellaneous	-	-	2,025	-	-	-	1,126	3,151	2,895	1,444	4,339	7,490
Occupancy	3,254	759	2,809	3,051	3,206	2,361	4,530	19,970	5,846	1,316	7,162	27,132
Office supplies	2,622	16,565	7,515	1,172	3,878	2,148	3,228	37,128	2,840	10,455	13,295	50,423
Postage	270	390	211	216	539	173	438	2,237	284	686	970	3,207
Printing and publications	1,765	784	15,144	123	19,235	230	1,953	39,234	720	1,627	2,347	41,581
Professional	7,736	33,851	8,099	8,775	13,845	8,568	54,561	135,435	26,996	12,018	39,014	174,449
Telephone and internet	2,202	4,802	1,391	3,429	5,225	1,274	5,029	23,352	3,158	592	3,750	27,102
Travel	7,848	56,472	35,537	8,270	18,564	1,827	69,348	197,866	3,599	356	3,955	201,821
TOTAL FUNCTIONAL EXPENSES	$ 161,940	$ 320,347	$ 167,781	$ 155,361	$ 299,853	$ 111,078	$ 381,303	$ 1,597,663	$ 387,134	$ 134,230	$ 521,364	$ 2,119,027

See accompanying notes to the financial statements.

TENNESSEE VOICES FOR CHILDREN, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 63,176	$ (142,206)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	26,878	26,740
Bad debt expense	3,964	4,159
Unrealized gains on investments	(34,893)	(18,792)
(Increase) decrease in:		
Grants receivable	(291,131)	(146,459)
Contributions receivable	-	65,000
Other receivables	9,283	(2,407)
Prepaid expenses and other	1,451	8,597
Increase (decrease) in:		
Accounts payable	49,749	18,622
Accrued expenses	26,862	29,417
Deferred revenue	1,500	(8,000)
TOTAL ADJUSTMENTS	(206,337)	(23,123)
NET CASH USED IN OPERATING ACTIVITIES	(143,161)	(165,329)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(53,482)	(39,850)
Sale of investments	201,907	272,241
Purchase of property, building and equipment	-	(7,447)
NET CASH PROVIDED BY INVESTING ACTIVITIES	148,425	224,944
INCREASE IN CASH	5,264	59,615
CASH - BEGINNING OF YEAR	398,889	339,274
CASH - END OF YEAR	$ 404,153	$ 398,889

See accompanying notes to the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Tennessee Voices for Children, Inc. ("TVC" or the "Agency") is a statewide advocacy agency for families whose children have emotional, behavioral and/or mental health issues. Its mission is to deliver leadership, support, and services that champion voice, hope and empowerment for the emotional and behavioral well-being of children, youth, and their families. TVC takes an active role in the development of family-friendly policies and encourages and supports family involvement on advisory boards such as the statewide Mental Health Planning Council, Behavioral Health Organizations, advisory councils, and community planning groups. Funding for TVC's services is provided principally by federal and state grants and certain contract revenues.

Basis of Presentation

The accompanying financial statements present the financial position and changes in net assets of TVC on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Resources are classified as net assets without donor restrictions and net assets with donor restrictions, based on the existence or absence of donor-imposed restrictions, as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors 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. There are no donor restrictions that are perpetual in nature. Net assets with donor restrictions at June 30, 2018 were restricted for administrative development. There were no net assets with donor restrictions at June 30, 2019.

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 Statements of Activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Support

TVC receives grant revenues from various federal, state and local agencies. Grant revenue is recognized in the period a liability is incurred for eligible expenditures under the terms of the grant. Grant funds received prior to expenditure are recorded initially as deferred revenue.

TVC reports any gifts of equipment or materials as unrestricted support unless explicit donor restrictions specify how the assets must be used. Gifts of long-lived assets with explicit restrictions as to how the assets are to be used or funds restricted for the acquisition of long-lived assets are reported as restricted support. Expirations of donor restrictions are recognized when the donated or acquired long-lived assets are placed in service.

Conference Revenue

TVC holds a biennial conference for which revenue is recognized as income when the related event occurs. Any conference revenue received in advance is reported as deferred revenue.

Cash

Cash consists principally of checking account balances.

Allowance for Uncollectible Accounts

An allowance for uncollectible receivables is not provided in the financial statements based on management's assessment of specific accounts and historical collection experience.

Investments

Investments consist of money market funds and shares of a mutual fund. Money market funds and mutual funds are carried at their quoted market value on the last business day of the reporting period. Changes in unrealized gains and losses are recognized currently in the Statement of Activities for the year.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net realized and unrealized gains and losses are reflected in the Statement of Activities.

Property, Building and Equipment

Property, building and equipment are reported at cost at the date of purchase or at estimated fair value at the date of gift to TVC. TVC's policy is to capitalize expenditures with a cost of $5,000 or more and an estimated useful life greater than one year. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets as follows: five to seven years for furniture and equipment and fifteen to forty years for the building and improvements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

TVC classifies its investments based on a hierarchy consisting of: Level 1 (valued using quoted prices from active markets for identical assets), Level 2 (not traded on an active market but for which observable market inputs are readily available), and Level 3 (valued based on significant unobservable inputs).

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

Investments - Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include highly liquid securities and certain other products, such as mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows and are classified within Level 2 of the valuation hierarchy. In certain cases where there is limited activity, or less transparency around inputs to the valuation, securities are classified within Level 3 of the valuation hierarchy.

There have been no changes in the valuation methodologies used at June 30, 2019 and 2018.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while TVC believes its valuation methods are appropriate and consistent with that of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Donated Services

TVC's policy is to record support and expenses for contributed services that require specialized skills and would be purchased if not provided by the donor, at the estimated fair value of the services received.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Program Services - include programs to improve and expand services related to the emotional and behavioral well-being of children. Some of TVC's programs are:

- Early Childhood Programs - Provides on-site consultation and training to parents and staff associated with childcare and Head Start programs throughout Tennessee. Program staff is also involved in state and national research to identify effective strategies for working with young children with challenging behaviors.

- Juvenile Justice Reform (JJR) - This program is a collaborative effort (to divert families from further court and DCS involvement) between TVC, the Mental Health and Substance Abuse Department, and the Montgomery, Robertson and Sumner county Juvenile Courts. The JJR program is a strength-based and family-driven program that supports children, youth and families involved in the Juvenile Justice system. In the JJR program, a Family Support Provider and Youth and Family Therapist meets weekly with both youth and parents to help them identify strength-based goals that address issues that may be contributing to the youth's court involvement.

- Survivor Connection (previously VOCA) - This program provides high quality intensive in-home services that directly improve the health and well-being of victims of crime with priority given to victims of child abuse, domestic violence, sexual assault and services for underserved victims. TVC intends to respond to the emotional and physical needs of crime victims, assist to stabilize their lives after victimization, assist victims in understanding and participating in the criminal justice system and provide victims of crime with a measure of safety and security. A wraparound team provides support and teaches families to advocate for themselves and utilize both formal and informal supports in the community.

- System of Care Across Tennessee - In partnership with the Tennessee Department of Mental Health and Substance Abuse Services, the Tennessee Commission on Children and Youth and Centerstone Research Institute, TVC provides high-fidelity wraparound services to children, youth, young adults (0-21) and their families in Clay County, Cocke County and Decatur County. These services are designed to support those with the highest level of behavioral health need. Each county employs a Family Support Specialist and a Care Coordinator who work as a team with enrolled youth and families driving the services they receive.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and Supporting Services (Continued):

Program Services (Continued):

- Healthy Transitions - seeks to improve access to treatment and support services for youth and young adults ages 16-25 that either have, or are at risk of developing a serious mental health illness, serious emotional disturbance, or co-occurring disorder. The goal of Healthy Transitions is to assist these youth and young adults in improving their health and wellness, leading self-directed lives, and reaching their full potential.

- Intensive In-Home Family Preservation Services (“Family Connection”) - provides families the tools they need to maintain children and youth with complex needs at home, in school, and in the community. The program is family-driven, providing assistance in navigating the child-serving systems, advocacy, support, and therapeutic skill-building to prevent placement outside the home to a higher level of care. Program staff ensures that caregivers are an integral part of the intervention at all stages.

- Statewide Family Support Network (“SFSN”) - provides valuable support, information and training to parents and caregivers across the state, empowering them to successfully “navigate” the complex child-serving systems to obtain the services necessary for their children and youth with emotional and behavioral disorders. SFSN staff provides direct assistance, support groups, information and skill-based training, family representation on over 145 councils and coalitions, Youth in Action Council facilitation, and outreach to schools, mental health providers, and policy-makers in Tennessee.

- Youth Screen - provided by TVC to interested school districts in any county in Tennessee and was developed by Columbia University. Youth Screen provides a screening for teens that helps identify teens that are at risk for a variety of mental health issues including: suicide, depression, anxiety disorders, substance abuse and other health related problems.

Supporting Services:

- Management and General - relates to the overall direction of the organization. These expenses are not identifiable with a particular program or with fundraising, but are indispensable to the conduct of those activities and are essential to the organization. Specific activities include organization oversight, business management, recordkeeping, budgeting, financing, and other administrative activities.

- Fundraising - includes costs of activities directed toward appeals for financial support, including special events. Other activities include the creation and distribution of fundraising materials.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allocation of Functional Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or activity based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management.

The expenses that are allocated include salaries and related expenses, conferences and meetings, insurance, equipment rental and maintenance, miscellaneous, occupancy, office supplies, postage, printing and publications, professional, telephone and internet, and travel, which are allocated on the basis of estimates of time and effort. Accordingly, expenses have been allocated among the program activities consisting of the Agency's grant program and related supervisory and advisory services and supporting services consisting of the Agency's administration and management and fundraising functions. Functional expenses may be direct or indirect.

Use of Estimates in the Preparation of Financial Statements

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

Income Taxes

TVC qualifies as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income taxes are not provided.

TVC files a U.S. Federal Form 990 for organizations exempt from income tax.

Management performs an evaluation of all income tax positions taken or expected to be taken in the course of preparing TVC's income tax returns to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. Management has performed its evaluation of all income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there are no provisions for income taxes, penalties or interest receivable or payable relating to uncertain income tax positions in the accompanying financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities* (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. TVC has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. In July 2018, the FASB issued ASU 2018-10, Codification Improvements to Topic 842, Leases, which makes narrow scope improvements to the standard for specific issues. In July 2018, the FASB also issued ASU 2018-11, Leases (Topic 842): Targeted Improvements, which provides an optional transition method allowing the standard to be applied at the adoption date. A modified retrospective transition approach is required. An entity may adopt the guidance either (1) retrospectively to each prior reporting period presented in the financial statements with a cumulative-effect adjustment recognized at the beginning of the earliest comparative period presented or (2) retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment. The Agency expects to adopt the guidance retrospectively at the beginning of the period of adoption, July 1, 2020, through a cumulative-effect adjustment, and will not apply the new standard to comparative periods presented.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in GAAP when it becomes effect and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. The Agency is currently evaluating the effect that the updated standard will have on the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. The ASU has different effective dates for resource recipients and resource providers. Early adoption is permitted. The Agency is currently evaluating the impact of the adoption of this guidance on its financial statements.

Events Occurring After Reporting Date

The Agency has evaluated events and transactions that occurred between June 30, 2019 and January 10, 2020, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, comprise the following as of June 30, 2019:

Cash	$ 404,153
Investments	2,559,360
Grants receivable	686,619
Other receivables	2,811
Financial assets available to meet general expenditures over the next twelve months	$ 3,652,943

As part of the liquidity management plan, the Agency invests cash in excess of normal requirements in short-term investments and money market funds.

NOTE 3 - CONCENTRATIONS OF CREDIT RISK

Grants receivable represent concentrations of credit risk to the extent the grants are receivable from concentrated sources. The Agency receives approximately 90% of its funding from federal, state and local grants and contracts.

The Agency maintains cash balances at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to statutory limits. At times, the Agency's deposits at financial institutions may exceed federally insured limits. The Agency has not experienced any losses in such accounts and management considers this to be a normal business risk.

Certain cash and securities held in broker/dealer accounts are insured by the Securities Investor Protection Corporation ("SIPC"), up to $500,000 per broker/dealer (including a maximum of $250,000 for cash claims), in certain circumstances such as fraud or failure of the institution. The SIPC does not insure against market risk.

NOTE 4 - INVESTMENTS

Investments consisted of the following as of June 30:

	2019	2018
Money market funds	$ 848,538	$ 1,050,444
Mutual funds	1,710,822	1,622,448
	$ 2,559,360	$ 2,672,892

NOTE 5 - GRANTS RECEIVABLE

Grants receivable consisted of the following as of June 30:

	2019	2018
State of Tennessee Department of Mental Health	$ 459,280	$ 350,464
Advantage Behavioral Health	16,096	-
State of Tennessee Department of Children's Services	74,806	48,988
Tennessee State University	1,902	-
State of Tennessee Department of Finance and Administration	134,535	-
	$ 686,619	$ 399,452

NOTE 6 - PROPERTY, BUILDING AND EQUIPMENT

Property, building, and equipment consisted of the following as of June 30:

	2019	2018
Land	$ 192,254	$ 192,254
Building and improvements	714,379	714,379
Furniture and equipment	95,589	95,589
	1,002,222	1,002,222
Less: accumulated depreciation	(126,289)	(99,411)
	$ 875,933	$ 902,811

NOTE 7 - FAIR VALUE MEASUREMENTS

The following table set forth TVC's major categories of assets measured at fair value on a recurring basis, by level, within the fair hierarchy, as of June 30:

	Level 1	Level 2	Level 3	Total
2019				
Investments:				
Mutual Funds:				
Bond Fund	$ 529,303	$ -	$ -	$ 529,303
Growth and Income Fund	522,350	-	-	522,350
Growth Fund	288,039	-	-	288,039
Balance Fund	371,130	-	-	371,130
Total Mutual Funds	1,710,822	-	-	1,710,822
Total investments at fair value	$ 1,710,822	$ -	$ -	$ 1,710,822
2018				
Investments:				
Mutual Funds:				
Bond Fund	$ 765,771	$ -	$ -	$ 765,771
Growth and Income Fund	361,616	-	-	361,616
Growth Fund	166,131	-	-	166,131
Balance Fund	328,930	-	-	328,930
Total Mutual Funds	1,622,448	-	-	1,622,448
Total investments at fair value	$ 1,622,448	$ -	$ -	$ 1,622,448

NOTE 8 - CONTINGENCIES

The Agency has received various government grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowance of expenditures, management believes that any required reimbursements would not be significant. Accordingly, no provision has been made for potential reimbursements to grantors.

NOTE 9 - EMPLOYEE BENEFIT PLANS

TVC sponsors the Tennessee Voices for Children 403(b) Plan (the "Plan") under Section 403(b) of the Internal Revenue Code established on January 1, 2009. All employees are eligible to make elective deferrals on the first of the month following their date of hire. Upon completion of one month of service, employees become eligible for matching and nonelective contributions.

TVC may make discretionary matching and nonelective contributions to the Plan. TVC's discretionary match was 2% for the years ended June 30, 2019 and 2018. TVC also made nonelective contributions to the Plan in 2019 and 2018. Total contributions amounted to $23,154 and $19,961 for the years ended June 30, 2019 and 2018, respectively.

NOTE 10 - IN-KIND SUPPORT

In-kind expenditures reflected in the financial statements consisted of the following for the year ended June 30, 2019:

Salaries	$ 36,544
Occupancy	23,834
Travel	7,621
	$ 67,999

There were no in-kind expenditures for the year ended June 30, 2018.

In-kind salaries for non-technical volunteer services on certain grant programs of approximately $40,000 have been removed from in-kind support and program services expenses since they do not meet the requirements of FASB ASC 958 for the year ended June 30, 2019.

ADDITIONAL INFORMATION

TENNESSEE VOICES FOR CHILDREN, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2019

Grant Description		Federal CFDA#	Grant Number	Grant Period	Accrued (Deferred) 7/1/2018	Federal Receipts	Expenditures	Other Adjustments	Accrued (Deferred) 6/30/2019
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES									
PASSED THROUGH STATE OF TENNESSEE DEPARTMENT OF MENTAL HEALTH									
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)		93.104	56112	10/01/17 - 09/30/18	$ 148,367	$ 469,510	$ 321,143	$ -	$ -
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)		93.104	60174	10/01/18 - 09/30/19	-	281,228	395,926	-	114,698
Block Grants for Community Mental Health Services		93.958	54417	07/01/17 - 06/30/18	35,527	35,527	-	-	-
Block Grants for Community Mental Health Services		93.958	58813	07/01/18 - 06/30/19	-	135,901	173,527	-	37,626
Block Grants for Community Mental Health Services		93.958	54737	07/01/17 - 06/30/18	24,819	25,019	-	200	-
Block Grants for Community Mental Health Services		93.958	59044	07/01/18 - 06/30/19	-	103,486	122,600	(200)	18,914
Block Grants for Community Mental Health Services		93.958	60924	12/01/18 - 06/30/19	-	19,364	34,455	-	15,091
Block Grants for Prevention and Treatment of Substance Abuse		93.959	53539	07/01/17 - 06/30/18	12,900	12,900	-	-	-
Block Grants for Prevention and Treatment of Substance Abuse		93.959	58045	07/01/18 - 06/30/19	-	73,242	84,000	-	10,758
Substance Abuse and Mental Health Services - Projects of Regional and National Significance		93.243	56352	10/01/17 - 09/30/18	31,549	58,201	26,652	-	-
Substance Abuse and Mental Health Services - Projects of Regional and National Significance		93.243	59989	10/01/18 - 09/30/19	-	66,745	90,059	-	23,314
TOTAL PASSED THROUGH STATE OF TENNESSEE DEPARTMENT OF MENTAL HEALTH					253,162	1,281,123	1,248,362	-	220,401
PASSED THROUGH ADVANTAGE BEHAVIORAL HEALTH:									
Substance Abuse and Mental Health Services - Projects of Regional and National Significance		93.243	N/A	09/30/18 - 09/29/19	-	58,470	74,566	-	16,096
TOTAL PASSED THROUGH ADVANTAGE BEHAVIORAL HEALTH:					-	58,470	74,566	-	16,096
PASSED THROUGH TENNESSEE STATE UNIVERSITY:									
Child Care and Development Block Grant		93.575	N/A	11/1/2018 - 06/30/19	-	4,770	6,672	-	1,902
TOTAL PASSED THROUGH TENNESSEE STATE UNIVERSITY					-	4,770	6,672	-	1,902
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES					253,162	1,344,363	1,329,600	-	238,399
U.S. OFFICE FOR VICTIMS OF CRIME									
PASSED THROUGH STATE OF TENNESSEE DEPARTMENT OF FINANCE AND ADMINISTRATION									
Crime Victim Assistance	*	16.575	56204	07/01/18 - 09/30/19	-	315,808	450,343	-	134,535
Crime Victim Assistance	*	16.575	56204	07/01/18 - 09/30/19	-	53,042	53,042	-	-
TOTAL U.S. OFFICE FOR VICTIMS OF CRIME					-	368,850	503,385	-	134,535
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT									
PASSED THROUGH STATE OF TENNESSEE DEPARTMENT OF CHILDREN'S SERVICES									
Child Abuse Prevention		93.590	45285	07/01/17 - 09/30/18	9,988	9,988	-		-
Child Abuse Prevention		93.590	45285	07/01/18 - 09/30/19	-	33,792	43,480	-	9,688
TOTAL U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT					9,988	43,780	43,480	-	9,688
TOTAL EXPENDITURES OF FEDERAL AWARDS					$ 263,150	$ 1,756,993	$ 1,876,465	$ -	$ 382,622

Summary of Expenditures by CFDA Number

16.575	$ 503,385
93.104	717,069
93.243	191,277
93.958	330,582
93.959	84,000
93.575	6,672
93.590	43,480
Total	$ 1,876,465

* Considered a major program under *Title 2 U.S. Code of Federal Regulations (CFR)* Part 200

See Notes to Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Awards on page 21.

TENNESSEE VOICES FOR CHILDREN, INC.

SCHEDULE OF EXPENDITURES OF STATE AWARDS

FOR THE YEAR ENDED JUNE 30, 2019

Grant Description	Grant Number	Grant Period	Accrued (Deferred) 7/1/2018	State Receipts	Expenditures	Accrued (Deferred) 6/30/2019
STATE OF TENNESSEE DEPARTMENT OF MENTAL HEALTH						
Family Support and Advocacy	54740	07/01/17 - 06/30/18	$ 83,490	$ 83,490	$ -	$ -
Family Support and Advocacy	58900	07/01/18 - 06/30/19	-	279,654	397,362	117,708
Block Grants for Community Mental Health Services	54737	07/01/17 - 06/30/18	2,485	2,485	-	-
Juvenile Justice Reform Local Diversion Grant	60822	11/01/18 - 06/30/19	-	157,703	274,617	116,914
Family Support Providers in Juvenile Courts	54572	07/01/17 - 06/30/18	11,327	11,327	-	-
Family Support Providers in Juvenile Courts	58518	07/01/18 - 06/30/19	-	39,348	43,605	4,257
TOTAL STATE OF TENNESSEE DEPARTMENT OF MENTAL HEALTH			97,302	574,007	715,584	238,879
STATE OF TENNESSEE DEPARTMENT OF CHILDREN'S SERVICES						
Intensive In-Home Family Preservation Services	44961	07/01/16 - 06/30/18	39,000	39,000	-	-
Intensive In-Home Family Preservation Services	56224	7/1/2018 - 06/30/19	-	177,729	236,054	58,325
Adverse Childhood Experiences Initiative	58651	07/01/18 - 06/30/19	-	43,207	50,000	6,793
TOTAL STATE OF TENNESSEE DEPARTMENT OF CHILDREN'S SERVICES			39,000	259,936	286,054	65,118
TOTAL EXPENDITURES OF STATE AWARDS			$ 136,302	$ 833,943	$ 1,001,638	$ 303,997

See Notes to Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Awards on page 21.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND SCHEDULE OF EXPENDITURES OF STATE AWARDS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Awards (the "Schedules") include the federal and state grant activity, respectively, of the Agency and are presented on the accrual basis of accounting. The information in the Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of Title 2 U. S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedules present only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedules are reported on the accrual 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. The organization has elected not to use the 10-percent de minims indirect cost rate as allowed under the Uniform Guidance.

OTHER REPORTS

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
Tennessee Voices for Children, Inc.
Nashville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Tennessee Voices for Children, Inc. ("TVC"), which comprise the statement of financial position as of June 30, 2019, 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 January 10, 2020.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered TVC's internal control over financial reporting (internal control) to determine the 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 TVC's internal control. Accordingly, we do not express an opinion on the effectiveness of TVC'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 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 may exist that have not been identified.

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COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether TVC'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kraft CPAs PLLC

Nashville, Tennessee
January 10, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Directors
Tennessee Voices for Children, Inc.
Nashville, Tennessee

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited Tennessee Voices for Children, Inc.'s ("TVC") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of TVC's major federal programs for the year ended June 30, 2019. TVC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for compliance with federal statues, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on compliance for each of TVC's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about TVC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of TVC's compliance.

OPINION ON EACH MAJOR FEDERAL PROGRAM

In our opinion, TVC 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, 2019.

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REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of TVC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered TVC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of TVC's 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 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Kraft CPAs PLLC

Nashville, Tennessee
January 10, 2020

TENNESSEE VOICES FOR CHILDREN, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of report auditor issued on whether the financial statements were prepared in accordance with GAAP:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	________ yes	___x___ no
• Significant deficiency(ies) identified?	________ yes	___x___ none reported
Noncompliance material to financial statements noted?	________ yes	___x___ no

Federal Awards

Internal control over major federal programs:		
• Material weakness(es) identified?	________ yes	___x___ no
• Significant deficiency(ies) identified?	________ yes	___x___ none reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	________ yes	___x___ no

Identification of major programs:

CFDA Number(s)	*Name of Federal Program or Cluster*
16.575	Crime Victim Assistance

Dollar threshold used to distinguish between type A and type B programs:	$750,000	
Auditee qualified as low-risk auditee?	___x___ yes	________ no

Section II - Financial Statement Findings

There were no audit findings in the prior or current year.

Section III - Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs in the prior or current year.