

TONY RICE CENTER, INC.

FINANCIAL STATEMENTS

JUNE 30, 2023

**JOE OSTERFELD, CPA
CERTIFIED PUBLIC ACCOUNTANT
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**TONY RICE CENTER, INC.
FINANCIAL STATEMENTS
JUNE 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Tony Rice Center, Inc.
Shelbyville, Tennessee

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Tony Rice Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tony Rice Center, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tony Rice Center, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Tony Rice Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tony Rice Center, Inc.'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 Tony Rice Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is required by the State of Tennessee and is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole. The Roster of Board Members and Executive Director is also required by the State of Tennessee and is presented for purposes of additional analysis and is not a required part of the financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 08, 2023, on our consideration of Tony Rice Center, Inc.'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 Tony Rice Center, Inc.'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 Tony Rice Center, Inc.'s internal control over financial reporting and compliance.

Joe Osterfeld
CPA

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Date: 2023.12.08 19:33:54 -06'00'

Joe Osterfeld, CPA
Columbia, Tennessee
December 08, 2023

TONY RICE CENTER, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 501,299
Grants receivable	71,392
Prepaid expenses	41,153
TOTAL CURRENT ASSETS	<u>613,844</u>
PROPERTY AND EQUIPMENT:	
Land, building, and equipment	2,397,978
Construction in progress	7,584
Less: Accumulated depreciation	<u>(1,420,328)</u>
	985,234
OTHER ASSETS:	
Utility deposit	<u>5,200</u>
TOTAL ASSETS	<u><u>\$ 1,604,278</u></u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES:	
Accrued vacation pay	\$ 12,296
Deferred revenue-fundraising	<u>2,500</u>
TOTAL CURRENT LIABILITIES	<u>14,796</u>
LONG-TERM LIABILITIES:	-
TOTAL LIABILITIES	14,796
NET ASSETS:	
Without donor restrictions	1,574,713
With restrictions	<u>14,769</u>
TOTAL NET ASSETS	<u>1,589,482</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,604,278</u></u>

The accompanying notes are an integral part of the financial statements.

TONY RICE CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	TOTALS
PUBLIC SUPPORT AND REVENUE:			
Awards	\$ -	\$ 733,561	\$ 733,561
Contributions	13,350	-	13,350
Total public support	13,350	733,561	746,911
Rents from participants	69,755	-	69,755
Board of Parole & Probation	117,227	-	117,227
DUI School & Classes	457	-	457
Miscellaneous income	18,113	-	18,113
Fundraiser	5,040	-	5,040
Gain/loss on sale of asset	2,200	-	2,200
Interest income	822	-	822
Total revenue	226,964	733,561	960,525
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of program expense	732,287	(732,287)	-
TOTAL PUBLIC SUPPORT, REVENUES, RECLASSIFICATION	959,251	1,274	960,525
EXPENSES			
Program Services: Residential halfway houses	834,894	-	834,894
Support Services: Fundraising expenses	141	-	141
Total expenses	835,035	-	835,035
CHANGE IN NET ASSETS	124,216	1,274	125,490
BEGINNING ASSETS	1,450,497	13,495	1,463,992
ENDING NET ASSETS	\$ 1,574,713	\$ 14,769	\$ 1,589,482

The accompanying notes are an integral part of the financial statements.

TONY RICE CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>PROGRAM SERVICES</u>	<u>FUNDRAISING</u>	<u>TOTAL EXPENSES</u>
Salaries and wages	\$ 442,582	\$ -	\$ 442,582
Payroll taxes	34,064	-	34,064
Fringe benefits	1,216	-	1,216
License, fees, and bonds	2,120	-	2,120
Contract labor	7,831	-	7,831
Data processing	3,599	-	3,599
Depreciation	68,506	-	68,506
Dues and subscriptions	230	-	230
Food and groceries	85,995	-	85,995
Fundraising	-	141	141
Insurance	41,767	-	41,767
Medical testing	30	-	30
Miscellaneous	1,175	-	1,175
Professional expenses	7,000	-	7,000
Repair and maintenance	37,523	-	37,523
Staff training	1,685	-	1,685
Supplies	25,716	-	25,716
Telephone	7,602	-	7,602
Travel	1,242	-	1,242
Utilities	53,052	-	53,052
Vehicle	11,959	-	11,959
	<u>\$ 834,894</u>	<u>\$ 141</u>	<u>\$ 835,035</u>

The accompanying notes are an integral part of the financial statements.

TONY RICE CENTER, INC.
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED JUNE 30, 2023

Cash flows from operating activities:	
Increase (Decrease) in net assets	\$ 125,490
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	68,506
(Increase) Decrease in grants receivable	(35,681)
(Increase) Decrease in prepaid expenses	(30,636)
Increase (Decrease) in accrued expenses	(1,365)
Net cash provided (used) by operating activities	<u>126,314</u>
Cash flow from investing activities:	
Purchase of fixed assets	(180,709)
Construction in progress	45,335
Net cash (used) by investing activities	<u>(135,374)</u>
Cash flow from financing activities:	
Net cash (used) by financing activities	<u>-</u>
Net increase (decrease) in cash and equivalents	(9,060)
Cash and cash equivalents, beginning of year	<u>510,359</u>
Cash and cash equivalents, end of year	<u><u>\$ 501,299</u></u>

Supplemental disclosures of cash flow information:

None

The accompanying notes are an integral part of the financial statements.

TONY RICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Tony Rice Center, Inc. (the Center) is a nonprofit corporation organized in the State of Tennessee on June 29, 1990 for the purpose of rehabilitation and life transition of individuals recovering from addiction to alcohol and drugs. The Center is located in Shelbyville, Tennessee and provides services for the treatment of alcohol and drug dependency to men and women in the Middle Tennessee area. Supportive services include fund raising expenses. A board of directors governs the Center.

Basis of Accounting

The financial statements of Tony Rice Center, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant accounts receivable, accounts payable, and other liabilities.

Basis of Presentation

Financial Statement presentation follow US generally accepted accounting principles which require the Center to report information regarding its financial position and activities according to:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by action of Tony Rice Center, Inc. and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

Cash includes petty cash and amounts in demand deposits and money market accounts. Cash, in excess of current requirements, is invested in interest-bearing accounts such as certificates of deposits. For purposes of the statements of cash flows, the Board considers cash and investments with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at their net realizable value. It is the opinion of management that all of the receivables at fiscal year-end are collectible.

Compensated Absences

Employees are entitled to paid vacation depending on length of service and other factors. Sick leave is not accrued because it does not accumulate or vest with employees.

Inventories

Inventories of food and supplies are stated at the lower of cost or market using the first in first out method.

TONY RICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Deferred Revenue

Income from fundraising activities is deferred and recognized over the period to which the function relates.

Depreciation

Property and equipment additions in excess of \$10,000 are recorded at their cost or fair market value for donated items and depreciated over their estimated useful lives using the straight-line method.

Donated Assets

Donated assets) such as property and equipment, are recorded as contributions at their estimated fair value at the date of donation.

Functional Allocation of Expenses

The costs of providing the services and other activities of the Center have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Salaries and related employee expenses are allocated to program, fundraising, and support service functions based on estimated time employees spend on each function. The remaining expenses are specifically allocated whenever practical or are allocated based on salaries. Building and occupancy costs are allocated on the basis of square footage. Depreciation is allocated on the basis of usage for furniture and equipment.

Income Taxes

The Tony Rice Center, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation. The Center's Form 990, Return of Organization Exempt from Income Tax, for the years ending June 30, 2021, 2022 and 2023 are subject to examination by the IRS, generally for 3 years after they are filed. There are no examinations currently in process. Management has concluded that the Corporation has taken no uncertain tax positions as of June 30, 2023. Therefore, no provision for income taxes has been included in the Corporation's financial statements.

Planned Major Maintenance Activities

Costs or fair market value for donated items and services for planned major maintenance in excess of \$1,000 are treated as additions to property and equipment and depreciated over their estimated useful lives using the straight-line method. For the year ended June 30, 2023, there were no planned major maintenance activities.

Services and Materials

Donated services of unpaid volunteers in support of the Center's operating activities have not been recognized in the accompanying financial statements. Because of the difficulty in assigning values for such services, these items are not generally recognized in the financial statements. When the value of donated services is ascertainable, the amounts are reflected in the financial statements as revenues and expenses.

TONY RICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

With and Without Donor Restrictions Revenue and Support

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and the nature of any donor restrictions. Donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets released from restrictions.

NOTE 2 - CASH AND CREDIT RISK

The Center's cash is deposited in checking and money market accounts at three banks. The Center did not have any funds deposited at either bank that exceeded the FDIC deposit insurance coverage at June 30, 2023.

NOTE 3 - GRANTS RECEIVABLE

Grants and contracts receivable consist of grant receivables from the State of Tennessee.

NOTE 4 - PROPERTY EQUIPMENT

Property and equipment consists of the following::

<u>Category</u>	<u>Useful Life</u>	<u>Cost or Basis</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	N/A	\$ 72,640	\$ -	\$ 72,640
Land improvements	10	185,321	132,343	52,978
Buildings	30-40	1,879,172	1,070,688	808,484
Furniture and equipment	3-7	164,626	160,138	4,488
Vehicles	5	96,219	57,159	39,060
		<u>2,397,978</u>	<u>1,420,328</u>	<u>977,650</u>
Construction in progress		7,584	-	7,584
		<u>\$ 2,405,562</u>	<u>\$ 1,420,328</u>	<u>\$ 985,234</u>

Depreciation expense for the year ended June 30, 2023 was \$68,506.

TONY RICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 - FINANCIAL DEPENDENCE

The Center is substantially funded by grants from U.S. Department of Health and Human Services and the Tennessee Department of Health. A significant reduction in the level of this support, if this were to occur, may have an adverse effect in the Agency's programs and activities.

In addition, the grants prescribe allowable expenditure guidelines with which Center must comply. The grants are received prospectively, subject to subsequent verification of the incurring of allowable expenditures or provision of qualifying services.

NOTE 6 - FUNDRAISING EXPENSES AND REVENUES

The Center holds fundraising events and other activities to earn additional funds and increase public awareness of the organization. Expenses paid and revenues received for fundraising activities, are recorded in the Statement of Activities and Statement of Functional Expenses.

NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Center's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial assets at year-end

Cash	\$ 501,299
Accounts receivable	<u>71,392</u>
Total financial assets at year-end	572,691

Less those unavailable for general expenditure
within one year due to:

Donor Restrictions	<u>14,769</u>
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Financial assets available to meet cash needs
for general expenditures within one year

\$ 557,922

TONY RICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – COVID-19 OUTBREAK

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of corona virus originating in Wuhan, China (the Covid-19 outbreak) and the risk to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the Covid-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the Covid-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Center's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the Covid-19 outbreak and the global responses to curb its spread, the Center is not able to fully estimate the effects of the Covid-19 outbreak on its results of operations, financial condition, or liquidity for the fiscal year 2023.

Although the Center is not able to estimate the full effects of the Covid-19 outbreak, management does believe they did incur some reduction in funding for the current fiscal year. For the year ended June 30, 2023, the reduction in these funds was not considered material. The effects on future years, if any, has not been determined.

NOTE 9 – COMMITMENT AND CONTINGENCY

The Board of Directors have approved the construction of a building of a Transitional Housing Dormitory. The Center received a bid of approximately \$2,130,156 on June 29, 2023. As of June 30, 2023, financing has not been obtained. Financing has to be obtained prior to construction commences. The Center expects to be able to pay mortgage payments with rents collected from clients.

NOTE 10 - DATE OF MANAGEMENT REVIEW

Management has evaluated subsequent events through December 8, 2023, which is the date the financial statements were available to be issued. No material subsequent events have occurred that need to be disclosed regarding obtaining the financing and the construction of a transitional housing dormitory as explained in note 9.

TONY RICE CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2023

Assistance Listing Number	State Grant Number	Grantor Agency and Program Name	Balance July 1, 2022	Grant Cash Receipts	Expenditures	Balance June 30, 2023
10.551		<u>U.S. Department of Agriculture</u>				
		Food Stamps	\$ -	\$ 76,857.0	\$ 76,857.0	\$ -
		Total Federal Awards	\$ -	\$ 76,857	\$ 76,857	\$ -
		<u>U.S. Department of Health and Human Services:</u>				
		Passed Through the Tennessee Department of Mental Health and Substance Abuse Services				
DGA 69861-2021-2022-035		Adult Continuum of Care	\$ (28,525)	\$ 28,525	\$	\$ -
DGA 74098-2022-2023-034		Adult Continuum of Care		586,628	641,935	(55,307)
DGA 74098-2022-2023-034		Adult Continuum of Care (Retro)		14,769	14,769	(14,769)
		Total State Awards	\$ (28,525)	\$ 615,153	\$ 656,704	\$ (70,076)
		Sub-total Federal and State Awards	\$ (28,525)	\$ 692,010	\$ 733,561	\$ (70,076)
		<u>Tennessee Department of Mental Health and Substance Abuse Services</u>				
		<u>Fee for Services Contracts</u>				
	330010	Community Treatment Collaborative	(7,186)	7,186	-	-
DGA 74079-2022-2023-047		Community Treatment Collaborative	-	115,911	117,227	(1,316)
		Total State Contracts	\$ (7,186)	\$ 123,097	\$ 117,227	\$ (1,316)
		Total Federal and State Awards & Contracts	\$ (35,711)	\$ 815,107	\$ 850,788	\$ (71,392)

(A): Amounts shown in brackets represents money due from the grantor.

This schedule is prepared on the same (accrual) basis of accounting as the financial statements.

The Agency did not elect to use the 10 percent de minimis indirect cost rate.

The Agency has approved indirect cost allocation plan with the TN Department of Mental Health and Substance Abuse Services.

The accompanying notes are an integral part of these financial statements.

TONY RICE CENTER, INC.
ROSTER OF BOARD MEMBERS AND EXECUTIVE DIRECTOR
JUNE 30, 2023

Board Members

Dr. Howard Rupard – President

Terry Anglin – Vice President

Jimmy Burton - Secretary

Shelley Jones – Treasurer

Carter Clay - Board Member

Chris Clay – Board Member

John Barbee MD – Board Member

Lance Bennett – Board Member

Amanda Gilliam- Board Member

Executive Director: Cody Harris

Joe Osterfeld, CPA

Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Tony Rice Center, Inc.
Shelbyville, 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 Tony Rice Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 8, 2023

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tony Rice Center, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tony Rice Center, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Tony Rice Center, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tony Rice Center, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Joe Osterfeld
CPA

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Joe Osterfeld, CPA
Columbia, Tennessee
December 8, 2023

TONY RICE CENTER, INC.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section I - Summary of Activities

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiencies identified that are not
 considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Section II - Financial Statement Findings

Current Year Findings: No matters were reported.

Prior Year Findings: No matters were reported.

TONY RICE CENTER, INC.
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Financial Statement Findings:

Prior Year Finding Number	Finding Title	Status / Current Year Finding Number
Not Applicable	No prior year findings	