



*Tennessee Family Solutions, Inc.*

*Report on Results of the June 30, 2015 Audit*



**CROSSLIN**  
**& ASSOCIATES**  
BUSINESS SOLUTION PROVIDERS



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To the Board of Directors  
of Tennessee Family Solutions, Inc.

Dear Directors:

We are pleased to provide to you our report on the results of our audit of the consolidated financial statements of Tennessee Family Solutions, Inc. for the year ended June 30, 2015.

A direct line of communication between our Firm and the Board of Directors is essential to the proper exercise of our respective responsibilities. Our appointment involves the responsibility on our part to call to your attention any significant matters which we believe require your consideration.

The accompanying report is intended solely for the use of the Board of Directors and management and presents information regarding our audit and certain other information which we believe will be of assistance to you.

We would like to take this opportunity to express our appreciation for the assistance and courtesy extended to us by your employees. We appreciate working with you, and we look forward to a continued relationship with Tennessee Family Solutions, Inc..

Very truly yours,

A handwritten signature in black ink that reads "Crosslin &amp; Associates, PLLC". The signature is written in a cursive, flowing style.

CROSSLIN & ASSOCIATES, PLLC



**Tennessee Family Solutions, Inc.  
Results of the June 30, 2015 Audit**

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**Report on Financial Statements**

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We have audited the consolidated financial statements of Tennessee Family Solutions, Inc. ("TFS") for the year ended June 30, 2015, and have issued our report thereon dated September 28, 2015.

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**Required Communications**

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Professional standards require that we provide to you the following information related to our audit:

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**Our Responsibility under U.S. Generally Accepted Auditing Standards and Government Auditing Standards**

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As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of TFS solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.



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## ***Significant Accounting Policies***

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Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by TFS are described in Note A to the financial statements. We believe TFS's significant accounting policies are appropriate and comprehensive.

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## ***Accounting Estimates***

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Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Collectibility of receivables
- Economic lives of buildings and equipment

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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## ***Audit Adjustments***

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For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on an organization's financial reporting process (that is, cause future financial statements to be materially misstated). We noted no adjustments during our audit for the year ended June 30, 2015.



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### ***Disagreements with Management***

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For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning financial accounting, reporting, or auditing that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

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### ***Consultations with Other Independent Accountants***

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In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to an organization's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, TFS made no such consultations with other accountants.

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### ***Issues Discussed Prior to our Selection as Independent Auditors***

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We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to our selection as TFS's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our selection as TFS's auditors.

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### ***Difficulties Encountered in Performing the Audit***

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We encountered no significant difficulties in performing and completing our audit.

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### ***Fraud and Illegal Acts***

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We did not identify any fraudulent or illegal acts during the course of our audit.

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### ***Other Correspondence***

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Management's Representation Letter (Appendix A)



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## ***Independence***

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We are not aware of any relations between Crosslin & Associates, PLLC and TFS that, in our professional judgement may reasonably be thought to bear on our independence that have occurred during the period July 1, 2013 through September 28, 2015.

We hereby confirm that as of September 28, 2015, we are independent with respect to TFS within the meaning of Rule 101 of the Code of Professional Conduct of the American Institute of Certified Public Accountants.



September 28, 2015

Crosslin & Associates, P.C.  
3803 Bedford Avenue, Suite 103  
Nashville, TN 37215

This representation letter is provided in connection with your audits of the consolidated statements of financial position of Tennessee Family Solutions, Inc., which comprise the consolidated statements of financial position as of June 30, 2015 and 2014, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements, for the purpose of expressing an opinion as to whether the consolidated financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

As part of your audit, you assisted management in the preparation of the draft consolidated financial statements and related notes. We have designated a competent management-level individual to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statement and related notes.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of September 28, 2015, the following representations made to you during your audit.

**Consolidated Financial Statements**

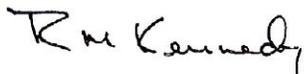
- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, including our responsibility for the preparation and fair presentation of the consolidated financial statements.
- The consolidated financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- There are no events subsequent to the date of the consolidated financial statements for which U.S. GAAP requires adjustment or disclosure.

- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- Guarantees, whether written or oral, under which the organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

### **Information Provided**

- We have provided you with:
  - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the consolidated financial statements, such as records, documentation, and other matters.
  - Additional information that you have requested from us for the purpose of the audit.
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - Financial records, related data and all audit or relevant monitoring reports, if any, received from funding sources.
  - Minutes of the meetings of directors and committees of directors which were held from July 1, 2013 to the date of this letter, or summaries of actions of recent meetings for which minutes have not yet been prepared.
- All material transactions have been recorded in the accounting records and are reflected in the consolidated financial statements.
- We have disclosed to you the results of our assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the organization and involves:
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the consolidated financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the organization's consolidated financial statements communicated by employees, former employees, grantors, regulators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing consolidated financial statements.
- We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the consolidated financial statements.
- We have disclosed to you the identity of the organization's related parties and all the related party relationships and transactions of which we are aware.
- The organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- Receivables recorded in the consolidated financial statements represent valid claims against debtors for sales, services or other charges arising on or before the balance-sheet date and have been appropriately reduced to their estimated net realizable value.

- We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual agreements that would have a material effect on the consolidated financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of consolidated financial statement amounts or other financial data significant to the audit objectives.
- We are responsible for the preparation, presentation, and content of the consolidated financial statements in the electronic format.
- If your audit report is presented on our web site, the full consolidated financial statements upon which you reported and to which you appended your signed report will be presented.
- We will clearly indicate in the electronic presentation on our web site the financial information that is subject to your audit report. We will clearly differentiate any information that may also be presented by us on or in connection with our web site that was contained in the published version of the financial statements and other supplementary information, but which is not part of the audited financial statements or other financial information covered by your audit report.
- We have assessed the security over financial statement information and the audit report presented on our web site, and are satisfied that procedures in place are adequate to ensure the integrity of the information provided. We understand the risk of potential misrepresentation inherent in publishing financial information on our web site through internal failure or external manipulation.
- Our web site, which contains the electronic consolidated financial statements, will advise the reader that such consolidated financial statements are presented for convenience and information purposes only, and while reasonable efforts have been made to ensure the integrity of such information, they should not be relied on. A copy of the printed consolidated financial statements will be provided on request.
- Tennessee Family Solutions, Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.



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Ralph Kennedy, Executive Director



David Beaven, CFO, Eidetik, Inc.

