



Montemayor Britton Bender PC

CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Management
Front Steps, Inc.

COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE

We have audited the financial statements of Front Steps, Inc. (Front Steps) for the year ended 30 September 2021, and have issued our report thereon dated 1 November 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, and *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) as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated 5 January 2022. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and Uniform Guidance

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles, *Government Auditing Standards* and Uniform Guidance. Our audit of the financial statements does not relieve you or management of your responsibilities.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Front Steps are described in Note 2 to the financial statements. As described in Note 12, Front Steps changed accounting policies related to its financial statement presentation by adopting Accounting Standards Update (ASU) 2014-09, *Revenue From Contracts with*

2110 BOCA RATON DRIVE
BUILDING B, SUITE 102
AUSTIN, TEXAS 78747
PHONE: 512.442.0380
FAX: 512.442.0817
www.montemayor.team



Board of Directors and Management
Front Steps, Inc.
Communications with Those Charged with Governance
Page 2

Customers (Topic 606), in the year ended 30 September 2021. Accordingly, the accounting changes have been applied using the modified retrospective basis for current and future periods. We noted no transactions entered into by Front Steps during the period for which there is lack of authoritative guidance on consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

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:

1. Management's estimate of the useful lives of fixed assets is based on general knowledge of the assets involved and customary lives used by other organizations for similar assets. We evaluated the key factors and assumptions used to develop the estimated useful lives of fixed assets (and related accumulated depreciation) in determining that they are reasonable in relation to the financial statements taken as a whole.
2. Management's estimate of the functional allocation of expenses is based on estimates of time spent by staff on various functional activities and management's review and analysis. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole

Difficulties Encountered in Performing the Audit

We encountered significant difficulties receiving documentation in order to complete our audit, resulting delays and additional hours to complete the audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. The attached schedule also summarizes material misstatements detected as a result of audit procedures that were corrected by management.



Board of Directors and Management
Front Steps, Inc.
Communications with Those Charged with Governance
Page 3

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated 1 November 2022.

Management Consultations with Other Independent Accountants

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 Front Steps' financial statements or a determination of the type of auditor's 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, there were no such consultations with other accountants.

Other

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

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of Front Steps and is not intended to be, and should not be, used by anyone other than these specified parties.

Montygn Britton Bender PC

1 November 2022
Austin, Texas

FRONT STEPS, INC.

CORRECTED AND UNCORRECTED MISSTATEMENTS

30 SEPTEMBER 2021

CORRECTED

Cash-Payroll account	\$150,000	
Cash-Operating account		\$150,000
Miscellaneous expenses	\$56,490	
Accounts payable		\$56,490
Accrued payroll	\$103,281	
Personnel expenses		\$103,281

UNCORRECTED MISSTATEMENTS

Withheld transportation fees	\$19,577	
Payroll expense		\$19,577
Cash	\$63,789	
Accounts payable		\$63,789
Cash	\$11,956	
Payroll liabilities		\$11,956
Prepaid expenses	\$21,560	
License and permits		\$21,560