FiftyForward

Consolidated Financial Statements and Supplementary Information
June 30, 2019 and 2018

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BLANKENSHIP

Independent Auditor's Report

To the Board of Directors of
FiftyForward

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of FiftyFoward and its affiliates (a not-for-profit organization) (collectively, the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2019, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, 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 audit. 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. 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.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FiftyForward and its affiliates as of June 30, 2019, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior Year Financial Statements

The financial statements of the Organization, as of and for the year ended June 30, 2018, were audited by other auditors, whose report, dated October 15, 2018, expressed an unmodified opinion on those statements.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as of and for the year ended June 30, 2019, as a whole. The accompanying consolidating schedules of financial position and activities, as well as the accompanying schedule of expenditures of federal, state and local awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 as of and for the year ended June 30, 2019, 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 information as of and for the year ended June 30, 2019 is fairly stated, in all material respects, in relation to the financial statements as a whole. The supplementary information as of and for the year ended June 30, 2018, was audited by other auditors, whose report, dated October 15, 2018, expressed an unmodified opinion on such information 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 October 15, 2019, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Goodlettsville, Tennessee
October 15, 2019

FiftyForward
Consolidated Statements of Financial Position
June 30, 2019 and 2018

	2019	2018
ASSETS		
Current assets		
Cash	$ 174,901	$ 304,006
Accounts receivable	78,030	88,448
Grants receivable	226,657	444,338
Promises to give	433,777	411,022
Conservator receivables	82,344	151,622
Prepaid expenses and other assets	128,134	71,657
Prepaid rent, current portion	113,223	113,223
Total current assets	1,237,066	1,584,316
Fixed assets, net	7,701,153	8,008,039
Cash restricted for long-term purposes	1,303,143	1,506,896
Investments	1,552,746	1,599,039
Conservator trust funds	4,213,224	4,828,156
Prepaid rent, long-term portion	908,533	1,021,756
Pension plan overfunding	19,884	-
Total assets	$ 16,935,749	$ 18,548,202
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 138,165	$ 376,263
Accrued expenses	102,002	84,583
Due to grantor	250,000	-
Deferred revenue	183,490	130,521
Total current liabilities	673,657	591,367
Accrued pension plan liability	-	130,865
Conservator trust funds	4,213,224	4,828,156
Total liabilities	4,886,881	5,550,388
Net assets		
Net assets without donor restrictions	8,825,835	9,307,612
Net assets with donor restrictions	3,223,033	3,690,202
Total net assets	12,048,868	12,997,814
Total liabilities and net assets	$ 16,935,749	$ 18,548,202

See notes to consolidated financial statements.

FiftyForward
Consolidated Statement of Activities
For the Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue			
Contributions	$ 1,107,656	$ 173,288	$ 1,280,944
Grant revenue	1,237,970	262,000	1,499,970
United Way	14,271	297,400	311,671
Service fees	894,376	-	894,376
Special events	264,278	-	264,278
Membership dues	174,108	-	174,108
Ticket sales	171,907	-	171,907
Investment income	679	43,707	44,386
In-kind contributions	90,951	-	90,951
Other income	18,838	-	18,838
Rental income	246,512	-	246,512
Gain on disposal of assets	5,200	-	5,200
Net assets released from restrictions	1,243,564	(1,243,564)	-
Total public support and revenue	5,470,310	(467,169)	5,003,141
Expenses			
Program services	4,729,833	-	4,729,833
Support services	1,222,254	-	1,222,254
Total expenses	5,952,087	-	5,952,087
Change in net assets	(481,777)	(467,169)	(948,946)
Net assets - beginning of year	9,307,612	3,690,202	12,997,814
Net assets - end of year	$ 8,825,835	$ 3,223,033	$ 12,048,868

See notes to consolidated financial statements.

FiftyForward
Consolidated Statement of Activities
For the Year Ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue			
Contributions	$ 1,021,717	$ 350,365	$ 1,372,082
Grant revenue	1,421,511	-	1,421,511
United Way	25,643	290,200	315,843
Service fees	994,628	-	994,628
Special events	328,576	-	328,576
Membership dues	156,553	-	156,553
Ticket sales	190,804	-	190,804
Investment income	322	90,020	90,342
In-kind contributions	90,797	-	90,797
Other income	29,156	-	29,156
Rental income	260,149	-	260,149
Gain on disposal of assets	6,500	-	6,500
Net assets released from restrictions	677,470	(677,470)	-
Total public support and revenue	5,203,826	53,115	5,256,941
Expenses			
Program services	4,501,157	-	4,501,157
Support services	1,301,792	-	1,301,792
Total expenses	5,802,949	-	5,802,949
Change in net assets	(599,123)	53,115	(546,008)
Net assets - beginning of year	9,906,735	3,637,087	13,543,822
Net assets - end of year	$ 9,307,612	$ 3,690,202	$ 12,997,814

See notes to consolidated financial statements.

FiftyForward
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2019

	Program Services			Supporting Services			
	Life Long Learning	Supportive Care	Total Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries	$ 1,107,543	$ 643,061	$ 1,750,604	$ 584,194	$ 184,140	$ 768,334	$ 2,518,938
Payroll taxes and benefits	106,978	131,693	238,671	172,053	36,874	208,927	447,598
Occupancy	485,706	90,063	575,769	36,935	15,233	52,168	627,937
Professional fees	430,243	69,623	499,866	31,000	12,873	43,873	543,739
Supplies	199,256	112,710	311,966	6,936	4,557	11,493	323,459
Bank fees	23,246	-	23,246	-	-	-	23,246
Insurance	108,013	-	108,013	-	-	-	108,013
Travel	271,741	41,898	313,639	1,694	271	1,965	315,604
Repairs and maintenance	197,911	38,456	236,367	19,774	20,118	39,892	276,259
Marketing	-	4,002	4,002	36,204	10,600	46,804	50,806
Conferences and meetings	16,360	9,630	25,990	18,847	2,974	21,821	47,811
Printing and publications	16,439	-	16,439	-	-	-	16,439
Postage	6,799	880	7,679	7,460	4,230	11,690	19,369
Dues	4,980	2,751	7,731	2,979	1,604	4,583	12,314
Events	60,524	-	60,524	-	2,126	2,126	62,650
Other	725	29,384	30,109	938	3,078	4,016	34,125
	3,036,464	1,174,151	4,210,615	919,014	298,678	1,217,692	5,428,307
Depreciation	516,981	2,237	519,218	4,562	-	4,562	523,780
Total	$ 3,553,445	$ 1,176,388	$ 4,729,833	$ 923,576	$ 298,678	$ 1,222,254	$ 5,952,087

See notes to consolidated financial statements.

FiftyForward
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2018

	Program Services		Total	Supporting Services		Total	
	Life Long Learning	Supportive Care	Program Services	Management and General	Fundraising	Support Services	Total
Salaries	$ 925,345	$ 648,268	$ 1,573,613	$ 564,077	$ 188,778	$ 752,855	$ 2,326,468
Payroll taxes and benefits	281,795	140,808	422,603	184,253	36,893	221,146	643,749
Occupancy	471,328	76,843	548,171	36,597	16,463	53,060	601,231
Professional fees	404,261	46,527	450,788	98,115	10,430	108,545	559,333
Supplies	218,955	94,452	313,407	21,731	1,886	23,617	337,024
Bank fees	28,461	-	28,461	-	-	-	28,461
Insurance	115,579	-	115,579	-	-	-	115,579
Travel	247,930	36,189	284,119	2,922	836	3,758	287,877
Repairs and maintenance	161,648	7,686	169,334	10,762	11,366	22,128	191,462
Marketing	-	2,981	2,981	51,592	7,367	58,959	61,940
Conferences and meetings	9,355	13,210	22,565	37,101	2,497	39,598	62,163
Printing and publications	9,104	-	9,104	5,122	1,614	6,736	15,840
Postage	9,266	2,046	11,312	6,032	432	6,464	17,776
Dues	7,738	1,674	9,412	-	1,865	1,865	11,277
Events	66,374	50	66,424	-	-	-	66,424
Other	-	3,720	3,720	1,243	1,818	3,061	6,781
	2,957,139	1,074,454	4,031,593	1,019,547	282,245	1,301,792	5,333,385
Depreciation	463,686	5,878	469,564	-	-	-	469,564
Total	$ 3,420,825	$ 1,080,332	$ 4,501,157	$ 1,019,547	$ 282,245	$ 1,301,792	$ 5,802,949

See notes to consolidated financial statements.

FiftyForward
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities		
Change in net assets	$ (948,946)	$ (546,008)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	523,780	469,564
Amortization of prepaid lease	113,223	113,223
Realized and unrealized loss on investments, net	(108,817)	(60,909)
Gain on sale of property and equipment	-	(6,500)
Contributions restricted for buildings and equipment	(19,106)	(156,181)
Change in assets and liabilities:		
Accounts receivable	10,418	(5,929)
Grants receivable	217,681	(202,056)
Promises to give	(22,755)	178
Conservator receivables	69,278	88,268
Prepaid expenses and other assets	(56,477)	27,392
Accounts payable	(238,098)	220,104
Accrued expenses	17,419	(45,707)
Due to grantor	250,000	-
Accrued pension plan	(150,749)	64,202
Deferred revenue	52,969	(11,056)
Net cash used by operating activities	(290,180)	(51,415)
Cash flows from investing activities		
Knowles Trust Fund proceeds	302,244	607,528
Knowles Trust Fund purchases	(237,134)	(636,639)
Distributions from Knowles Trust Fund	90,000	90,000
Proceeds from the sale of fixed assets	725	6,500
Purchase of fixed assets	(217,619)	(233,395)
Net cash used by investing activities	(61,784)	(166,006)
Cash flows from financing activities		
Contributions restricted for buildings and equipment	19,106	156,181
Net cash provided by financing activities	19,106	156,181
Net decrease in cash	(332,858)	(61,240)
Cash - beginning of year	1,810,902	1,872,142
Cash - end of year	$ 1,478,044	$ 1,810,902
Reconciliation to Consolidated Statements of Financial Position:		
Cash, current	$ 174,901	$ 304,006
Cash restricted for long-term purposes	1,303,143	1,506,896
	$ 1,478,044	$ 1,810,902

See notes to consolidated financial statements.

FiftyForward
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

Note 1—Nature of Organization and Summary of Significant Accounting Policies

Nature of Activities – Senior Citizens, Incorporated, d/b/a FiftyForward, provides programs and services designed to keep seniors, 50 years of age and older, fit, healthy, and involved; and to provide social services to enable home bound seniors to remain independent in their own home as long as possible. Supportive services include management and general and fundraising expenses not directly identifiable to any program, but indispensable to these activities and to FiftyForward's existence.

The J. B. Knowles's Trust (the "Trust") was established to assist in paying for the operating expenses of Knowles Senior Center. FiftyForward and the Trust are governed by the same Board of Directors.

Senior Center for the Arts, Inc. ("SCA"), is a not-for-profit organization created to support art programs. FiftyForward's Board of Directors appoints the board of SCA and has an economic interest in SCA.

Principles of Consolidation – FiftyForward, the Trust, and SCA, collectively the "Organization", are included in the accompanying financial statements. All significant inter-entity transactions and balances have been eliminated in consolidation.

Financial Statement Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as prescribed for not-for-profit organizations. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

> *Net Assets without Donor Restrictions* – Net assets that are available for use at the discretion of the Organization's Board of Directors and/or management for general operating purposes. These net assets may be used at the discretion of the Organization's management and board of directors.
>
> *Net Assets with Donor Restrictions* – Net assets whose use is limited by donor-imposed, time and/or purpose restrictions. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), the net assets are reclassified as net assets without donor restriction and reported in the consolidated statements of activities as assets released from restrictions. Contributions which are restricted for specific programs are reflected as unrestricted revenue if these funds are received and spent in the same fiscal year.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a spending policy approved by the Board of Directors.

Cash – The Organization considers all highly liquid investments with an original maturity when purchased of three months or less to be cash equivalents.

Note 1—Nature of Organization and Summary of Significant Accounting Policies (Continued)

Unconditional Promises to Give – Contributions are recognized when a donor makes an unconditional promise to give to the Organization. Contributions that are not restricted, or are restricted by the donor and the restriction expires during the fiscal year, are reported as increases in net assets without donor restrictions. All other contributions are reported as increases in net assets with donor restrictions. Management considers all unconditional promises to give to be fully collectible at June 30, 2019 and 2018. Accordingly, no allowance for doubtful accounts has been recorded in the accompanying consolidated statements of financial position.

Accounts Receivable – Accounts receivable are stated at their net realizable value. It is the opinion of management that all accounts receivable at June 30, 2019 and 2018, are fully collectible.

Fixed Assets – The Organization capitalizes all expenses for land, building, and equipment in excess of $5,000. Land, building, and equipment are carried at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful life of the asset, which ranges from 3 to 40 years.

Investments – The Organization accounts for investments in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) guidelines for not-for-profit organizations. Under these guidelines, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the consolidated statements of financial position. Investment income and realized and unrealized gains and losses are reported as changes in net assets without donor restriction unless the use of income has been restricted by the donor. See Note 3 for additional information on fair value measurements.

Deferred Revenue – Amounts received in advance for service and program fees are deferred and recognized when earned.

Estimates – The preparation of financial statements in conformity with U.S. 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes – FiftyForward and SCA are not-for-profit organizations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Trust’s income is set aside for charitable purposes. As such, its income is not subject to federal income tax. Accordingly, the Organization has made no provision for income taxes.

Note 1—Nature of Organization and Summary of Significant Accounting Policies (Continued)

Donated Goods and Services – The value of donated goods and services meeting the criteria for recognition are recorded as in-kind contributions, with the corresponding expenses recorded, when the fair values of the goods and services are available.

Functional Allocation of Expenses – The consolidated statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. A portion of General and Administrative costs that benefit multiple functional areas have been allocated among the programs and supporting services as follows:

Expense	Method of Allocation
Depreciation	Square Footage
Occupancy	Square Footage
Professional fees	Time and Effort
Repairs and maintenance	Time and Effort
Salaries, payroll taxes, and benefits	Time and Effort
Travel	Time and Effort

Restricted Endowment Funds – The Uniform Prudent Management Institutional Funds Act ("UPMIFA") was enacted in Tennessee effective July 1, 2007. The FASB ASC 958-205 provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of UPMIFA. The guidance requires that the amount of net assets with donor restrictions (a time restriction in perpetuity) cannot be reduced by losses on investments of the funds or by an organization's expenditures from the fund unless the donor required the gift to be held in specific investments or under special circumstances necessary to comply with donor intentions. It also requires disclosure of a description of the governing board's interpretation of the law that underlies the Organization's net asset classification of donor-restricted endowment funds, a description of the Organization's policies for the appropriation of endowment assets for expenditures (its endowment spending policies), a description of the Organization's endowment investment policies, and additional disclosures not previously required. These disclosures are provided in Note 9.

Reclassifications – Certain prior period amounts are reclassified to conform to current year presentation.

Note 1—Nature of Organization and Summary of Significant Accounting Policies (Continued)

Accounting Pronouncements Adopted – In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for not-for-profit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions,” (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all not-for-profits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of not-for-profit financial statements. In addition, ASU 2016-14 removes the requirement that not-for-profit entities that chose to prepare the statements of cash flows using the direct method must also present a reconciliation (the indirect method). The Organization has adopted this ASU as of and for the year ended June 30, 2019.

ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, which requires presentation of the total change in cash and restricted cash in the statement of cash flows for the period, was adopted during the year ended June 30, 2019 and retrospectively presented.

Note 2—Liquidity and Availability of Resources

The following represents the Organization’s financial assets as of June 30, 2019:

Financial assets:	
Cash	$ 1,478,044
Accounts receivable	78,030
Grants receivable	226,657
Promises to give	433,777
Conservator receivables	82,344
Investments	1,552,746
Total financial assets at year end	3,851,598
Less amounts not available to be used within one year:	
Net assets with donor restrictions	3,223,033
Amount due to grantor (See Note 15)	250,000
Amounts restricted for operational use in next year	(459,688)
	3,013,345
Financial assets available to meet cash needs for general expenditures within one year	$ 838,253

Note 2—Liquidity and Availability of Resources (Continued)

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization's strategic goal is to build a cash balance that will support three to six months of operating expenses. The Organization's working capital and cash flows have seasonal variations during the fiscal year attributable to cash receipts for program services and a concentration of contributions received at calendar year-end. Additionally, the Organization receives support from government agencies through annual grants which are paid on an expense reimbursement basis typically within thirty days of the request for reimbursement. The Organization has no long term debt and its assets are not pledged as collateral or compensating balances to secure any financial obligations. The FiftyForward Endowment, Inc. is a separate organization that supports the activities of FiftyForward through a planned distribution of the Endowment's assets. As needed and by special request, the FiftyForward Endowment has adjusted its annual support of FiftyForward to assist in meeting expenditures.

Note 3—Fair Value of Investments

The Organization has adopted the provisions of the Fair Value Measurement Topic of the FASB ASC. This guidance establishes a framework for measuring fair value for financial assets and financial liabilities. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by the observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The 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 need to maximize the use of observable inputs and minimize the use of unobservable inputs.

No changes in the valuation methodology have been made during the years ended June 30, 2019 and 2018.

Note 3—Fair Value of Investments (Continued)

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 the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth the Organization's major categories of assets measured at fair value on a recurring basis, by level within the fair value hierarchy as of June 30, 2019. All of the assets detailed below are held in the Trust.

	Level 1	Level 2	Total
Mutual funds:			
Multi-strategy alternative	$ -	$ 171,054	$ 171,054
Diversified emerging markets	73,727	-	73,727
Total mutual funds	73,727	171,054	244,781
Exchange traded funds:			
Large blend	246,769	-	246,769
Small/mid blend	85,257	-	85,257
Master limited partnerships	55,254	-	55,254
Total exchange traded funds	387,280	-	387,280
Common trust funds:			
Fixed income	113,279	231,665	344,944
Equity funds	-	540,520	540,520
Total common trust funds	113,279	772,185	885,464
Total	$ 574,286	$ 943,239	1,517,525
Cash			35,221
Total investments			$ 1,552,746

Note 3—Fair Value of Investments (Continued)

The following table sets forth the Organization's major categories of assets measured at fair value on a recurring basis, by level within the fair value hierarchy as of June 30, 2018. All of the assets detailed below are held in the Trust.

	Level 1	Level 2	Total
Mutual funds:			
Multi-strategy alternative	$ -	$ 183,508	$ 183,508
Diversified emerging markets	74,789	-	74,789
Total mutual funds	74,789	183,508	258,297
Exchange traded funds:			
Large blend	243,676	-	243,676
Small/mid blend	108,343	-	108,343
Energy limited partnerships	99,778	-	99,778
Total exchange traded funds	451,797	-	451,797
Common trust funds:			
Fixed income	139,691	219,046	358,737
Equity funds	-	493,926	493,926
Total common trust funds	139,691	712,972	852,663
Total	$ 666,277	$ 896,480	1,562,757
Cash			36,282
Total investments			$ 1,599,039

The following table summarizes the investment returns for the years ended June 30:

	2019	2018
Interest and dividends, net of investment fees	$ 26,629	$ 29,432
Realized and unrealized gains	17,757	60,910
	$ 44,386	$ 90,342

Note 4—Promises to Give

Promises to give consist of the following unconditional contributions receivable as of June 30:

	2019	2018
United Way allocation	$ 297,400	$ 290,200
Foundation and other	24,089	4,000
FiftyForward Endowment	112,288	116,822
	$ 433,777	$ 411,022

All pledges are expected to be collected within one year.

Note 5—Fixed Assets

Fixed assets consist of the following as of June 30:

	2019	2018
Land	$ 575,000	$ 575,000
Construction in progress	25,749	24,000
Building and improvements	12,626,559	12,487,013
Furniture and equipment	1,395,989	1,395,989
Computer equipment	75,599	-
Vehicles	678,954	706,922
	15,377,850	15,188,924
Less accumulated depreciation	(7,676,697)	(7,180,885)
	$ 7,701,153	$ 8,008,039

Note 6—Prepaid Rent

FiftyForward paid for construction and renovation at the YMCA Bellevue Center in 2017. FiftyForward leases space but does not own the real estate or building where the YMCA Bellevue Center was built. Expenses relating to the construction have been classified as prepaid rent. The lease has a maturity date of February 29, 2029. Prepaid rent is being amortized over the remaining lease term.

Future amortization is as follows:

Year Ending June 30,	
2020	$ 113,223
2021	113,223
2022	113,223
2023	113,223
2024	113,223
Thereafter	455,641
	$ 1,021,756

Note 7—Employee Pension Plans

The Organization has an IRS Section 403(b) tax sheltered annuity plan, a defined contribution money purchase pension plan, and a defined benefit pension plan. Employees may voluntarily contribute to the tax sheltered annuity plan. The Organization does not make any contributions to this plan.

The Organization also has an IRS Section 401(k) defined contribution retirement plan. Eligibility for participation in the plan is attainment of age 21 and completion of one year of service in which 1,000 hours of service is completed. Participants become fully vested in the Organization’s contributions and related earnings after five years of service. The plan allows for voluntary contributions by employees and provides for employer contributions at the discretion of the Board of Directors. The Organization did not contribute to this plan during the years ended June 30, 2019 and 2018.

Note 7—Employee Pension Plans (Continued)

Participation in the defined benefit plan is limited to those employees employed prior to June 30, 1992. All participants and all benefits in the defined benefit plan are 100% vested. The benefits are based on an employee's years of service and annual pay. The funding of this defined benefit plan is based on actuarial determination using the aggregate cost method which spreads the cost of projected benefits over the employees' aggregate projected future compensation.

For employees who are participants in both the defined benefit plan and the defined contribution plan, any amount determined to be due to an employee under this defined benefit plan is determined as the minimum pension benefit. If the benefit under the defined contribution plan exceeds the minimum pension benefit, then the employee will only receive the defined contribution plan benefit.

If the defined contribution plan benefit is less than the minimum pension benefit, then the defined benefit pension plan makes up the difference so that the employee's pension plan is equal to the minimum pension benefit. Shown below is the funded status of the defined benefit plan and amounts recognized in the Organization's consolidated statements of activities at June 30:

	2019	2018
Interest cost	$ 40,341	$ 32,307
Actual return on plan assets	(81,687)	(55,219)
Net asset gain during the period deferred	21,247	14
Amortization of net loss	36,093	22,730
Net periodic pension (benefit) expense	$ 15,994	$ (168)
Discount rate	*4.15%	3.95%
Rate of compensation increase	4.00%	4.00%
Expected rate of return on plan assets	7.00%	7.00%
Measurement date	7/1/2019	7/1/2017
Accumulated benefit obligation	$ 928,047	$ 991,912
Change in projected benefit obligation:		
Benefit obligation, beginning of year	$ (991,912)	$ (840,769)
Interest cost	(40,341)	(32,307)
Actuarial gain (loss)	49,403	(162,114)
Benefit paid	54,803	43,278
Benefit obligation, end of year	$ (928,047)	$ (991,912)
Change in plan assets:		
Plan assets, beginning of year	$ 861,047	$ 774,106
Expected return on plan assets	60,440	55,205
Benefits paid	(54,803)	(43,278)
Employer contribution	60,000	75,000
Gain	21,247	14
Plan assets, end of year	$ 947,931	$ 861,047
Accrued pension plan asset (liability)	$ 19,884	$ (130,865)

* The discount rate was decreased from 4.15%, which was used for expected values as of June 30, 2019, to 3.55% for actual values as of June 30, 2019.

Note 7—Employee Pension Plans (Continued)

Disclosure information for the years ended June 30:

	2019	2018
Reconciliation of funded status:		
Funded status, end of year	$ 365,347	$ (66,663)
Pension benefit (expense)	(15,994)	168
Employer contribution	60,000	75,000
Gain (loss)	-	356,842
Prepaid benefit cost	$ 409,353	$ 365,347
Change in unrecognized loss:		
Unrecognized loss, beginning of year	$ 496,212	$ 356,842
Recognized gain	(36,093)	(22,730)
(Gain) loss due to assets	(70,650)	162,100
Unrecognized loss, end of year	$ 389,469	$ 496,212

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

Year Ending June 30,	
2020	$ 92,553
2021	89,986
2022	87,230
2023	84,283
2024	81,137
Thereafter	351,903
	$ 787,092

The Organization plans to make contributions to the pension plan in the amount of $60,000 during the year ending June 30, 2020.

Note 8—Conservator Trust Funds

The Organization was named a conservator by court order in accordance with Tennessee Code Annotated 34-3-100, for which trust accounts are established for the purpose of receiving income and paying personal expenses of individuals that are the subject of the court order. All of the trust funds are maintained in brokerage and bank accounts. Conservator trust funds totaled $4,213,224 and $4,828,156 at June 30, 2019 and 2018, respectively. The trust funds are reflected as both an asset and liability in the accompanying consolidated statements of financial position. The Organization earns $83 an hour for work on the conservator accounts that is paid by the trust funds. The Organization tracks time spent on conservator accounts and presents a billing to the court for approval. Conservatorship fees receivable totaled $82,344 and $151,622 at June 30, 2019 and 2018, respectively.

Note 9—Net Assets with Donor Restrictions

Net assets restricted by donors for time and purpose restrictions consisted of the following as of June 30:

	2019	2018
Capital campaign	$ 1,203,401	$ 1,335,403
J.B. Knowles Trust	1,552,746	1,599,039
United Way allocations	297,400	290,200
Promises to give	1,000	2,000
Retired Senior Volunteer Program	-	69,702
Knowles Center Internship	5,198	-
Madison Station	-	59,339
Living at Home		65,653
Bordeaux	-	42,500
Adult Day Care	-	13,878
Brentwood Martin	-	2,500
Foster Grandparents	-	811
Time restricted for operations	50,000	-
Other donations	1,000	90,001
CNM grant remainder	-	2,354
FiftyForward Endowment pledges	112,288	116,822
	$ 3,223,033	$ 3,690,202

The Organization became the trustee of the Trust during the fiscal year ended June 30, 2003. A court order approved the transfer of the Trust to the Organization from the former trustee, the Mayor of Nashville. The principal in the Trust is restricted in perpetuity subject to the following provisions. Annually, the Organization has the unrestricted use of the greater of the Trust's net investment income or 5% of the principal balance subject to a minimum threshold criteria. However, any encroachment decreasing the principal balance by more than 10% must be approved by the court. Based on these provisions, the initial balance that was transferred to the Organization is reported as a net asset with donor restrictions. During the years ended June 30, 2019 and 2018, based on the provisions discussed above, the Organization transferred $90,000 each year from the Trust which approximated 5.7% of the Trust balance at June 30, 2019 and 2018. The Trust net investment gain for the years ended June 30, 2019 and 2018, totaled $43,707 and $90,020, respectively.

Note 9—Net Assets with Donor Restrictions (Continued)

Interpretation of Relevant Law – The Board of Directors of the Organization has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted Trust funds absent explicit donor stipulations to the contrary, such as net accumulations of investment income (loss) needed to meet corpus withdrawals as described above. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent Trust, (b) the original value of subsequent gifts to the permanent Trust, and (c) accumulations to the permanent Trust made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted Trust fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Organization's net assets with donor restrictions is comprised of assets in the Trust. The following table summarizes the changes in Trust net assets for the year ended June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Trust net assets, beginning of year	$ -	$ 1,599,039	$ 1,599,039
Investment return	-	43,707	43,707
Distributions	-	(90,000)	(90,000)
Trust net assets, end of year	$ -	$ 1,552,746	$ 1,552,746

The following table summarizes the changes in Trust net assets for the year ended June 30, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Trust net assets, beginning of year	$ -	$ 1,599,019	$ 1,599,019
Investment return	-	90,020	90,020
Distributions	-	(90,000)	(90,000)
Trust net assets, end of year	$ -	$ 1,599,039	$ 1,599,039

Funds with Deficiencies – From time to time, the fair value of assets associated with individual donor-restricted Trust funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. No Trust funds had fair values below the level that the donor or UPMIFA required at June 30, 2019 and 2018.

Note 9—Net Assets with Donor Restrictions (Continued)

Trust Investment Policy and Risk Parameters – The Organization has adopted investment and spending policies for Trust assets that attempt to provide a stable source of perpetual financial support by its Trust while seeking to preserve the purchasing power of the Trust assets. Trust assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period, as well as amounts designated by the Board of Directors, if any, to be held in perpetuity.

At June 30, 2019 and 2018, under the Organization's policy, as approved by the Board of Directors, Trust assets are to be invested under the following allocation guidelines for each asset class:

Asset Class	Minimum	Maximum
Cash and cash equivalents	0%	20%
Fixed income	20%	75%
Equity	25%	65%
Publicly traded real estate (REITs)	0%	10%
Alternative investments	0%	5%

Across all asset classes, the investment policy prohibits investments in non-liquid securities, private placements, futures, uncovered options, and short sales.

Strategies Employed for Achieving Investment Objectives – To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy – The Organization has a policy of appropriating an annual distribution from the Trust funds that shall not exceed net investment income or 5% of the Trust assets value. Specific agreements with donors for income taken relative to their specific restricted gifts are exempted.

Note 10—FiftyForward Endowment, Inc.

FiftyForward Endowment, Inc. (the "Endowment") is a separate organization that financially supports the activities of the Organization. The Endowment is organized as a 501(c)(3) not-for-profit organization for the purpose of supporting activities of senior citizens including but not limited to the Organization. The Organization does not control the decisions and activities of the Endowment and vice versa. The Organization has made grants to the Endowment as disclosed annually in the consolidated statements of functional expenses. The Organization is not required to make any grants to the Endowment. Annually, the Endowment makes an unconditional pledge to the Organization for support of the Organization's activities for the next fiscal year that is reported in the consolidated statements of activities. The Endowment's pledge is approximately 5% of the fair market value of the Endowment's investments. The Endowment is not required to make a pledge to the Organization of this or any other amount and has made different amounts of donations in the past. The Endowment's cumulative pledges and donations to the Organization were $2,564,472 as of June 30, 2019.

Note 11—In-Kind Support

The Organization has an agreement with the Metropolitan Government of Nashville and Davidson County to use the site where The J. B. Knowles Center Hart Building is located as a senior center for 40 years for $1. The fair value of the use of the land for the 40 years is estimated to be $16,250 per year for a total of $650,000.

The Organization also has in-kind agreements to use its College Grove facilities. The fair market value of the rent of these facilities is estimated to be $41,400 per year.

The Organization also receives in-kind support in the form of meals, uniforms, and medical services provided to its volunteers by other agencies involved in the programs. Additionally, the Organization receives in-kind professional services, supplies, equipment, janitorial services, printing, legal, real estate consulting, and recognition donations. A summary of in-kind support received and included as contributions and expenses in the consolidated statements of activities for the years ended June 30, 2019 and 2018, is as follows:

	2019	2018
Rent and land use	$ 57,650	$ 57,650
Assistance	33,301	33,147
	$ 90,951	$ 90,797

Note 12—Concentrations

The Organization maintains its cash in bank accounts that at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes the Organization is not exposed to any significant credit risk regarding cash balances. Uninsured balances at June 30, 2019 and 2018, totaled $706,791 and $138,695, respectively.

Note 13—Commitments and Contingencies

The Organization is substantially funded by grants from federal, state, and local government agencies and by annual contributions from United Way. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's programs and activities. In addition, the grants prescribe allowable expenditure guidelines with which the Organization must comply. The grants are received prospectively, subject to subsequent verification of allowable expenditures or provision of qualifying services.

The Organization uses land donated by the City of Brentwood with a fair market value of $375,000, which is the site of the Martin Senior Center. The Organization has title to the land subject to a provision that if the Organization sells the land, the City of Brentwood will receive a portion of the proceeds.

The Organization uses donated facilities from the Metropolitan/Davidson County government with a fair market value of $117,000 for its Northwest Senior Center site. The Organization has title to the property subject to a provision that if the Organization ceases to operate a senior center facility, the property will revert back to the local government.

Note 14—Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FASB issued ASU 2015-14 that deferred the effective date for the Organization until annual periods beginning after December 15, 2018. Earlier adoption is permitted subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. The Organization is currently evaluating the effect the provisions of this ASU will have on the financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, to supersede nearly all lease guidance under U.S. GAAP. ASU 2016-02 requires the recognition of lease assets and lease liabilities on the balance sheet by lessees for those leases currently classified as operating leases. ASU 2016-02 also requires qualitative disclosures along with specific quantitative disclosures and is effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early application is permitted. Entities are required to apply the amendments at the beginning of the earliest period presented using a modified retrospective approach. The Organization is currently evaluating the effect the provisions of this ASU will have on the financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13). ASU 2016-13 requires organizations to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The ASU is effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. Early application is permitted. Entities are required to apply the amendments at the beginning of the earliest period presented using a modified retrospective approach. The Organization is currently evaluating the effect the provisions of this ASU will have on the financial statements.

In August 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU No. 2018-08 will result in treatment of most federal grants as donor-restricted conditional contributions rather than exchange transactions and applies to all entities that make or receive contributions. The new standard also clarifies the criteria for evaluation whether contributions are unconditional or conditional. The Organization will adopt the provision of ASU No. 2018-18 in fiscal year 2020.

Note 15—Subsequent Events

After June 30, 2019, there was a change in plans for a project which was funded by a grantor. Due to the change in the project, the grantor requested the $250,000 granted to the Organization during fiscal year 2019 be refunded. The Organization agreed and repaid the funds as of October 2, 2019. This subsequent event is reflected in the financial statements accordingly as a decrease in revenue and a liability due to the grantor. Management has evaluated subsequent events through October 15, 2019, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

FiftyForward
Schedule of Expenditures of Federal, State, and Local Awards
June 30, 2019

Grantor / Pass-Through Grantor	Program Name	CFDA Number	Contract Number	Expenditures
Federal Awards				
U.S. Department of Agriculture /				
Tennessee Department of Health and Human Services	Child and Adult Care Food Program (CACFP)	10.558	N/A	$ 21,047
U.S. Department of Justice /				
Tennessee Department of Finance and Administration	Crime Victim Assistance	16.575	35411	70,296
U.S. Department of Health and Human Services /				
Tennessee Department of Health and Human Services	Social Services Block Grant (SSBG)	93.667	Z19-49302	96,748
Tennessee Department of Health and Human Services	Social Services Block Grant (SSBG)	93.667	Z18-49302A	31,693
				128,441
	Research and Development Cluster			
National Institutes of Health	Trans-NIH Research Support	93.310	3 OT2 OD025315-01S2	162,555
Greater Nashville Regional Council	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	2019-10	4,000
	Aging Cluster			
Greater Nashville Regional Council	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	2019-10	80,500
Greater Nashville Regional Council	National Family Caregiver Support, Title III, Part E	93.052	2019-07	11,811
Corporation for National and Community Service				
	Foster Grandparent/Senior Companion Cluster			
N/A - Direct	Foster Grandparent Program	94.011	16SFSTN004	273,579
N/A - Direct	Retired and Senior Volunteer Program	94.002	18SRSTN004	102,117
Total Federal Awards				$ 854,346

See independent auditors' report.

FiftyForward
Schedule of Expenditures of Federal, State, and Local Awards (Continued)
June 30, 2019

Grantor / Pass-Through Grantor	Program Name	CFDA Number	Contract Number	Expenditures
State Financial Assistance				
Tennessee Comission on Aging and Disability/				
Greater Nashville Regional Council	Senior Citizens Operations Grant	N/A	2019-10	$ 38,300
N/A - Direct	Senior Citizens Grant	N/A	N/A	250,000
Tennessee Arts Commission	Arts Program Categorical Grant	N/A	31625-05260	4,250
Total State Awards				$ 292,550
Local Awards				
Metropolitan Government of Nashville		N/A	L-4089	$ 125,000
Williamson County		N/A		31,950
Brentwood City		N/A		50,000
Total Local Awards				$ 206,950

See independent auditors' report.

FiftyForward
Notes to the Schedule of Expenditures
of Federal, State, and Local Awards
June 30, 2019

Note 1—Basis of accounting

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

Note 2—Major program determination

In accordance with Uniform Guidance, large loans are included in the base in considering Type A major programs and from the calculation the threshold used to determine Type A programs.

Note 3—Indirect cost rate

The Organization has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

See independent auditors' report.

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 of
FiftyForward

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 consolidated financial statements of FiftyForward (a not-for-profit organization, the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2019, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements (collectively, the financial statements), and have issued our report thereon dated October 15, 2019.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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.

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.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Organization'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 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Goodlettsville, Tennessee
October 15, 2019

BLANKENSHIP

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors of
FiftyForward

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

Management is responsible for compliance with federal statutes, 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 the Organization'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 the Organization'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 the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002. Our opinion on each major federal program is not modified with respect to these matters.

The Organization's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance
Management of the Organization 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 the Organization'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 the Organization'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-002 that we consider to be a significant deficiency.

FiftyForward's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. FiftyForward's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Goodlettsville, Tennessee
October 15, 2019

FiftyForward
Schedule of Findings and Questioned Costs
June 30, 2019

A. Summary of Auditor's Results

Financial Statements	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency identified?	None reported
Noncompliance material to financial statements noted?	No
Federal Awards	
Internal control over major federal programs:	
Material weakness identified?	No
Significant deficiency identified?	Yes
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)?	No

Identification of major federal program:
- 94.011 Foster Grandparent/Senior Companion Cluster
- 93.310 Research and Development Cluster - Trans-NIH Research Support

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

B. Financial Statement Findings

None Identified

C. Federal Award Findings and Questioned Costs

Finding 2019-001 (Compliance Finding – CFDA 94.011)

Condition and Cause: The Organization did not ensure that required federal reports were submitted within the specified time period.

Criteria: Form SF-SAC (the data collection form) is due within the earlier of 30 days after receipt of the auditors' reports, or nine months after the end of the audit period.

Form SF-425 (Federal Financial Report) is due no later than 30 days after the end of each reporting period for CFDA 94.011 Foster Grandparent Program.

Effect of Condition: The Organization did not comply with the timely filing requirement with respect to the data collection form and SFR 4425 referred to above.

Questioned Costs: None

Response and Corrective Action Plan: See management's corrective action plan.

Finding 2019-002 (Significant Deficiency Internal Control and Compliance Finding – CFDA 94.011)

Condition: The Organization did not have a policy in place to ensure that all eligible income was included in the annual income review for determining participant eligibility.

Criteria: Federal Regulation 45 CFR Part 2552.44 indicates that for determining income eligibility, income references to money, wages, and salaries before any deductions: social security compensations, government employee pensions, private pensions, regular insurance or annuity payments, and 401(k) or other retirement savings plans.

Cause: The Foster Grandparent Policy and Procedures only requires that the applicant provide copies of their and, if applicable, spouse's social security income letter.

Effect of Condition: The Organization may have approved applicants that were not eligible for the Foster Grandparent program.

Questioned Costs: Unknown

Response and Corrective Action Plan: See management's corrective action plan.

FiftyForward
Summary Schedule of Prior Year Findings
For the Fiscal Year Ended June 30, 2018

Financial Statement Findings

Finding Number	Finding Title	Status
N/A	None	N/A

Federal Award Findings and Questioned Costs

Finding Number	Finding Title	Status
N/A	None	N/A

Fifty Forward
Love life at 50+

FiftyForward supports, champions and enhances life for those 50 and older.

Management's Response and Corrective Action Plan
For The Year Ended June 30, 2019

October 15, 2019

Federal Award Findings and Questioned Costs

Finding 2019-001 The organization did not comply with the timely filing requirement with respect to the data collection form and SFR 425 for CFDA 94.011 Foster Grandparent Program.

Management accepts the finding.

Corrective Action Plan: The reporting date for the data collection form and the reporting dates for the SFR 425 have been set as calendar reminders. Timely submission of the reports will be monitored by the Finance Director.

Finding 2019-002 The Organization may have approved applicants who were not eligible for the CFDA 94.011 Foster Grandparent Program.

Management accepts the finding.

Corrective Action Plan: The Foster Grandparent Program Policy and Procedures will adhere to Federal regulations for the program. A meeting to review the Federal regulations will be held no later than November 1, 2019. Adherence to the current policies and procedures will be monitored by the Foster Grandparent Program Director and the Associate Executive Director for Supportive Care Services and Active Aging.

Sincerely,

Sallie Hussey

Sallie Hussey
Executive Director

FiftyForward
Consolidating Schedule of Financial Position
June 30, 2019

	FiftyForward	Senior Center for the Arts, Inc.	The J.B. Knowles Trust	Total
ASSETS				
Current assets				
Cash	$ 128,227	$ 46,674	$ -	$ 174,901
Accounts receivable	78,030	-	-	78,030
Grants receivable	224,107	2,550	-	226,657
Promises to give	433,409	368	-	433,777
Conservator receivables	82,344	-	-	82,344
Prepaid expenses and other assets	120,928	7,206	-	128,134
Prepaid rent, current portion	113,223	-	-	113,223
Total current assets	1,180,268	56,798	-	1,237,066
Fixed assets, net	7,691,745	9,408	-	7,701,153
Cash restricted for long-term purposes	1,303,143	-	-	1,303,143
Investments	-	-	1,552,746	1,552,746
Conservator trust funds	4,213,224	-	-	4,213,224
Prepaid rent, long-term portion	908,533	-	-	908,533
Pension plan overfunding	19,884	-	-	19,884
Total assets	$ 15,316,797	$ 66,206	$ 1,552,746	$ 16,935,749
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	$ 138,165	$ -	$ -	$ 138,165
Accrued expenses	102,002	-	-	102,002
Due to grantor	250,000	-	-	250,000
Due to (from) related party	(118,791)	118,791	-	-
Deferred revenue	147,176	36,314	-	183,490
Total current liabilities	518,552	155,105	-	673,657
Conservator trust funds	4,213,224	-	-	4,213,224
Total liabilities	4,731,776	155,105	-	4,886,881
Net assets				
Net assets without donor restrictions	8,914,734	(88,899)	-	8,825,835
Net assets with donor restrictions	1,670,287	-	1,552,746	3,223,033
Total net assets	10,585,021	(88,899)	1,552,746	12,048,868
Total liabilities and net assets	$ 15,316,797	$ 66,206	$ 1,552,746	$ 16,935,749

See independent auditor's report.

FiftyForward

Consolidating Schedule of Financial Position

June 30, 2018

	FiftyForward	Senior Center for the Arts, Inc.	The J.B. Knowles Trust	Total
ASSETS				
Current assets				
Cash	$ 263,566	$ 40,440	$ -	$ 304,006
Accounts receivable	88,448	-	-	88,448
Grants receivable	436,903	7,435	-	444,338
Promises to give	410,601	421	-	411,022
Conservator receivables	151,622	-	-	151,622
Prepaid expenses and other assets	59,912	11,745	-	71,657
Prepaid rent, current portion	113,223	-	-	113,223
Total current assets	1,524,275	60,041	-	1,584,316
Fixed assets, net	7,997,564	10,475	-	8,008,039
Cash restricted for long-term purposes	1,506,896	-	-	1,506,896
Investments	-	-	1,599,039	1,599,039
Conservator trust funds	4,828,156	-	-	4,828,156
Prepaid rent, long-term portion	1,021,756	-	-	1,021,756
Total assets	$ 16,878,647	$ 70,516	$ 1,599,039	$ 18,548,202
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	$ 376,263	$ -	$ -	$ 376,263
Accrued expenses	84,583	-	-	84,583
Due to (from) related party	(108,264)	108,264	-	-
Deferred revenue	111,612	18,909	-	130,521
Total current liabilities	464,194	127,173	-	591,367
Accrued pension plan liability	130,865	-	-	130,865
Conservator trust funds	4,828,156	-	-	4,828,156
Total liabilities	5,423,215	127,173	-	5,550,388
Net assets				
Net assets without donor restrictions	9,364,690	(57,078)	-	9,307,612
Net assets with donor restrictions	2,090,742	421	1,599,039	3,690,202
Total net assets	11,455,432	(56,657)	1,599,039	12,997,814
Total liabilities and net assets	$ 16,878,647	$ 70,516	$ 1,599,039	$ 18,548,202

See independent auditor's report.

FiftyForward

Consolidating Schedule of Activities

For the Year Ended June 30, 2019

	FiftyForward	Senior Center for the Arts, Inc.	The J.B. Knowles Trust	Total
Public Support and Revenue				
Contributions	$ 1,272,030	$ 8,914	$ -	$ 1,280,944
Grant revenue	1,495,720	4,250	-	1,499,970
United Way	311,671	-	-	311,671
Service fees	894,008	368	-	894,376
Special events	264,158	120	-	264,278
Membership dues	174,108	-	-	174,108
Ticket sales	-	171,907	-	171,907
Investment income	679	-	43,707	44,386
In-kind contributions	90,951	-	-	90,951
Other income	17,242	1,596	-	18,838
Rental income	241,588	4,924	-	246,512
Gain on disposal of assets	5,200	-	-	5,200
Net assets released from restrictions	90,000	-	(90,000)	-
Total public support and revenue	4,857,355	192,079	(46,293)	5,003,141
Expenses				
Program services	4,540,886	188,947	-	4,729,833
Support services	1,186,880	35,374	-	1,222,254
Total expenses	5,727,766	224,321	-	5,952,087
Change in net assets	(870,411)	(32,242)	(46,293)	(948,946)
Net assets (deficit) - beginning of year	11,455,432	(56,657)	1,599,039	12,997,814
Net assets (deficit) - end of year	$ 10,585,021	$ (88,899)	$ 1,552,746	$ 12,048,868

See independent auditor's report.

FiftyForward
Consolidating Schedule of Activities
For the Year Ended June 30, 2018

	FiftyForward	Senior Center for the Arts, Inc.	The J.B. Knowles Trust	Total
Public Support and Revenue				
Contributions	$ 1,360,205	$ 11,877	$ -	$ 1,372,082
Grant revenue	1,407,461	14,050	-	1,421,511
United Way	315,843	-	-	315,843
Service fees	994,628	-	-	994,628
Special events	328,406	170	-	328,576
Membership dues	156,553	-	-	156,553
Ticket sales	-	190,804	-	190,804
Investment income	322	-	90,020	90,342
In-kind contributions	90,797	-	-	90,797
Other income	28,260	896	-	29,156
Rental income	249,999	10,150	-	260,149
Gain on disposal of assets	6,500	-	-	6,500
Net assets released from restrictions	90,000	-	(90,000)	-
Total public support and revenue	5,028,974	227,947	20	5,256,941
Expenses				
Program services	4,251,042	250,115	-	4,501,157
Support services	1,301,792	-	-	1,301,792
Total expenses	5,552,834	250,115	-	5,802,949
Change in net assets	(523,860)	(22,168)	20	(546,008)
Net assets (deficit) - beginning of year	11,979,292	(34,489)	1,599,019	13,543,822
Net assets (deficit) - end of year	$ 11,455,432	$ (56,657)	$ 1,599,039	$ 12,997,814

See independent auditor’s report.