

FiftyForward
Consolidated Financial Statements
and Supplementary Information
June 30, 2020 and 2019

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Table of Contents

	<u>Page</u>
Roster of Officials	1
Independent Auditor's Report	2-3
Financial Statements	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5-6
Consolidated Statements of Functional Expenses	7-8
Consolidated Statements of Cash Flows	9
Notes to Consolidated Financial Statements	10-26
Compliance Reports and Supplementary Information	
Schedule of Expenditures of Federal, State, and Local Awards	27-28
Notes to the Schedule of Expenditures of Federal, State, and Local Awards	29
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 <i>Government Auditing Standards</i>	30-31
Summary Schedule of Prior Year Findings	32
Consolidating Schedules of Financial Position	33-34
Consolidating Schedules of Activities	35-36

FiftyForward
Roster of Officials
June 30, 2020

Financial Management Officials

Sallie Hussey
Teresa McDaniel

Audit Committee

Pete Stringer
Lamar Moore, Co-chair
Theresa Zuckowsky
Dan Curran
Robin Fritz, Co-chair
Neil Amrhein
Jimmy Allen

Board of Directors

Jimmy Allen
Mike Alleyne
Neil Amrhein
Newtonia Coleman
Debbie Crigger
Mike Edgeworth
Tracy Evers
Vanessa Hickman
Erin Johnson
Manju Kandula
Jim Lancaster
Javier Martinez
Sally McKay
Lamar Moore, Secretary and Treasurer
Becky Nergenah Sanders
William Scarborough
Pete Stringer, Board Chair
Paige Thompson
Andrea Turner
Cynthia Whitfield-Story
Karen Williams
Beth Woodard
Donna Yurdin
Theresa Zuckowsky
Patricia Hart, Lifetime, Non-Voting Member



Independent Auditor's Report

Board of Directors
FiftyForward

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of FiftyForward and its affiliates (a not-for-profit organization) (collectively, the Organization), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, 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 (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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements 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 and summary schedule of prior year findings as required by the Tennessee Comptroller of the Treasury, *Audit Manual*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits 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 is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise FiftyForward's basic financial statements. The Roster of Officials is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Roster of Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on the schedule.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2020, 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.

A handwritten signature in blue ink that reads "Blankenship CPA Group, PLLC". The signature is written in a cursive, flowing style.

Blankenship CPA Group, PLLC
Goodlettsville, Tennessee
September 25, 2020

FiftyForward
Consolidated Statements of Financial Position
June 30, 2020 and 2019

	2020	2019
ASSETS		
Current assets		
Cash	\$ 1,478,092	\$ 174,901
Accounts receivable	74,434	78,030
Grants receivable	50,114	226,657
Promises to give	473,913	433,777
Conservator receivables	106,384	82,344
Prepaid expenses and other assets	28,087	128,134
Prepaid rent, current portion	113,223	113,223
Total current assets	2,324,247	1,237,066
 Fixed assets, net	 7,326,822	 7,701,153
 Cash restricted for long-term purposes	 71,077	 1,303,143
Investments	1,466,599	1,552,746
Conservator trust funds	4,677,130	4,213,224
Prepaid rent, long-term portion	795,310	908,533
Pension plan overfunding	27,706	19,884
 Total assets	 <u>\$ 16,688,891</u>	 <u>\$ 16,935,749</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 76,629	\$ 138,165
Accrued expenses	105,129	102,002
Due to grantor	-	250,000
Deferred revenue	26,537	183,490
Total current liabilities	208,295	673,657
 Conservator trust funds	 4,677,130	 4,213,224
 Total liabilities	 <u>4,885,425</u>	 <u>4,886,881</u>
 Net assets		
Net assets without donor restrictions	9,793,892	8,825,835
Net assets with donor restrictions	2,009,574	3,223,033
Total net assets	11,803,466	12,048,868
 Total liabilities and net assets	 <u>\$ 16,688,891</u>	 <u>\$ 16,935,749</u>

See notes to consolidated financial statements.

FiftyForward
Consolidated Statement of Activities
For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue			
Contributions	\$ 1,875,486	\$ 173,498	\$ 2,048,984
Grant revenue	1,234,564	-	1,234,564
United Way	25,285	297,400	322,685
Service fees	720,699	-	720,699
Special events	224,283	-	224,283
Membership dues	139,655	-	139,655
Ticket sales	134,066	-	134,066
Investment income	548	3,853	4,401
In-kind contributions	78,386	-	78,386
Other income	41,858	-	41,858
Rental income	202,503	-	202,503
Gain on disposal of assets	11,000	-	11,000
Net assets released from restrictions	1,688,210	(1,688,210)	-
Total public support and revenue	<u>6,376,543</u>	<u>(1,213,459)</u>	<u>5,163,084</u>
Expenses			
Program services	4,236,896	-	4,236,896
Support services	1,171,590	-	1,171,590
Total expenses	<u>5,408,486</u>	<u>-</u>	<u>5,408,486</u>
Change in net assets	968,057	(1,213,459)	(245,402)
Net assets - beginning of year	8,825,835	3,223,033	12,048,868
Net assets - end of year	<u>\$ 9,793,892</u>	<u>\$ 2,009,574</u>	<u>\$ 11,803,466</u>

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	<u>5,470,310</u>	<u>(467,169)</u>	<u>5,003,141</u>
Expenses			
Program services	4,729,833	-	4,729,833
Support services	1,222,254	-	1,222,254
Total expenses	<u>5,952,087</u>	<u>-</u>	<u>5,952,087</u>
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	<u>\$ 8,825,835</u>	<u>\$ 3,223,033</u>	<u>\$ 12,048,868</u>

See notes to consolidated financial statements.

FiftyForward
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020

	<u>Program Services</u>			<u>Supporting Services</u>			
	<u>Life-Long Learning</u>	<u>Supportive Care</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Support Services</u>	<u>Total</u>
Salaries	\$ 992,883	\$ 647,244	\$ 1,640,127	\$ 528,946	\$ 194,328	\$ 723,274	\$ 2,363,401
Payroll taxes and benefits	211,897	131,178	343,075	134,837	38,607	173,444	516,519
Occupancy	465,938	67,486	533,424	27,845	8,423	36,268	569,692
Professional fees	322,693	64,795	387,488	25,925	10,409	36,334	423,822
Supplies	122,237	115,734	237,971	9,790	41,725	51,515	289,486
Bank fees	23,022	344	23,366	194	2,712	2,906	26,272
Insurance	65,449	31,678	97,127	21,281	7,165	28,446	125,573
Travel	230,065	22,274	252,339	4,286	419	4,705	257,044
Repairs and maintenance	124,519	38,460	162,979	8,884	16,628	25,512	188,491
Marketing	3,811	2,851	6,662	18,201	16,007	34,208	40,870
Conferences and meetings	5,124	5,283	10,407	12,822	810	13,632	24,039
Printing and publications	-	-	-	12,294	-	12,294	12,294
Postage	3,307	931	4,238	3,559	4,538	8,097	12,335
Dues	2,155	3,986	6,141	4,994	-	4,994	11,135
Other	7,554	24,536	32,090	-	-	-	32,090
	2,580,654	1,156,780	3,737,434	813,858	341,771	1,155,629	4,893,063
Depreciation	450,639	48,823	499,462	15,961	-	15,961	515,423
Total	<u>\$ 3,031,293</u>	<u>\$ 1,205,603</u>	<u>\$ 4,236,896</u>	<u>\$ 829,819</u>	<u>\$ 341,771</u>	<u>\$ 1,171,590</u>	<u>\$ 5,408,486</u>

See notes to consolidated financial statements.

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

	<u>Program Services</u>			<u>Supporting Services</u>			
	<u>Life-Long Learning</u>	<u>Supportive Care</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Support Services</u>	<u>Total</u>
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
	<u>3,036,464</u>	<u>1,174,151</u>	<u>4,210,615</u>	<u>919,014</u>	<u>298,678</u>	<u>1,217,692</u>	<u>5,428,307</u>
Depreciation	<u>516,981</u>	<u>2,237</u>	<u>519,218</u>	<u>4,562</u>	<u>-</u>	<u>4,562</u>	<u>523,780</u>
Total	<u>\$ 3,553,445</u>	<u>\$ 1,176,388</u>	<u>\$ 4,729,833</u>	<u>\$ 923,576</u>	<u>\$ 298,678</u>	<u>\$ 1,222,254</u>	<u>\$ 5,952,087</u>

See notes to consolidated financial statements.

FiftyForward
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ (245,402)	\$ (948,946)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	515,423	523,780
Amortization of prepaid lease	113,223	113,223
Realized and unrealized losses (gains) on investments, net	19,167	(17,756)
Gain on sale of property and equipment	(11,000)	-
Contributions restricted for buildings and equipment	-	(19,106)
Change in assets and liabilities:		
Accounts receivable	3,596	10,418
Grants receivable	176,543	217,681
Promises to give	(40,136)	(22,755)
Conservator receivables	(24,040)	69,278
Prepaid expenses and other assets	100,047	(56,477)
Accounts payable	(61,536)	(238,098)
Accrued expenses	3,127	17,419
Due to grantor	(250,000)	250,000
Accrued pension plan	(7,822)	(150,749)
Deferred revenue	(156,953)	52,969
Net cash provided (used) by operating activities	<u>134,237</u>	<u>(199,119)</u>
Cash flows from investing activities		
Knowles Trust Fund proceeds	915,142	302,244
Knowles Trust Fund purchases	(848,162)	(238,195)
Proceeds from the sale of fixed assets	11,000	725
Purchase of fixed assets	<u>(141,092)</u>	<u>(217,619)</u>
Net cash used by investing activities	<u>(63,112)</u>	<u>(152,845)</u>
Cash flows from financing activities		
Contributions restricted for buildings and equipment	<u>-</u>	<u>19,106</u>
Net cash provided by financing activities	<u>-</u>	<u>19,106</u>
Net increase (decrease) in cash	71,125	(332,858)
Cash - beginning of year	<u>1,478,044</u>	<u>1,810,902</u>
Cash - end of year	<u>\$ 1,549,169</u>	<u>\$ 1,478,044</u>
Reconciliation to Consolidated Statements of Financial Position:		
Cash, current	\$ 1,478,092	\$ 174,901
Cash restricted for long-term purposes	71,077	1,303,143
	<u>\$ 1,549,169</u>	<u>\$ 1,478,044</u>

See notes to consolidated financial statements.

FiftyForward
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

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 homes 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 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 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.

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, 2020 and 2019. Accordingly, no allowance for doubtful accounts has been recorded in the accompanying consolidated statements of financial position.

FiftyForward
Notes to Consolidated Financial Statements (Continued)
June 30, 2020 and 2019

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

Accounts Receivable – Accounts receivable are stated at their net realizable value. It is the opinion of management that all accounts receivable at June 30, 2020 and 2019, 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.

PPP Loan - On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. The Organization received a loan in accordance with the Paycheck Protection Program (PPP) section of the Coronavirus Air, Relief, and Economic Security Act (the CARES Act). U.S. GAAP provides organizations with two alternatives for reporting the loan and any future forgiveness: 1) proceeds can be treated as debt and future forgiveness recognized as income when the loan or any portion thereof is formally discharged; or 2) proceeds can be treated as a conditional contribution where they recognize a refundable advance and derecognize the liability, and recognize income, as the conditions for forgiveness are substantially met or explicitly waived. The Organization has elected to treat the PPP loan as a conditional contribution.

FiftyForward
Notes to Consolidated Financial Statements (Continued)
June 30, 2020 and 2019

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.

Revenue Recognition – On July 1, 2019, the Organization adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers and all subsequent amendments to the ASU* (collectively, ASC 606), which supersedes most existing revenue recognition guidance and outlines a single comprehensive standard for revenue recognition across all industries. ASC 606 requires revenue to be recognized in an amount that reflects the consideration the entity expects to be entitled in an exchange of goods or services. The Organization performed an analysis of revenue streams and transitions to determine in-scope applicability. The adoption of ASC 606 did not materially impact the financial statements and related disclosures.

On July 1, 2019, the Organization adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The adoption of this ASU resulted in the treatment of most governmental grants as donor-restricted conditional contributions rather than exchange transactions. The new standard also clarified the criteria for evaluating whether contributions are unconditional or conditional. The adoption of this ASU did not materially impact the financial statements and related disclosures.

Grant revenues are recognized when qualified reimbursable expenses are incurred or when services are performed. Grant funds received in advance are recognized as deferred grant revenue until earned. Grant receivables represent amounts due from grants which have been earned but not received. All grant receivables are reported at estimated collectible amounts.

Donated materials and equipment, if any, are reflected as contributions in the accompanying financial statements at their estimated fair values at date of receipt. Amounts for donated services are not reflected in the financial statements as no objective basis is available to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time in program services.

Contributions and Support – Contributions received are recorded as increases in net assets without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions are considered to be available for general operations use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases to net assets with donor restrictions. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as increases to net assets without donor restrictions.

FiftyForward
Notes to Consolidated Financial Statements (Continued)
June 30, 2020 and 2019

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

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 (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.

FiftyForward
Notes to Consolidated Financial Statements (Continued)
June 30, 2020 and 2019

Note 2—Liquidity and Availability of Resources

The following represents the Organization's financial assets as of June 30:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash	\$ 1,549,169	\$ 1,478,044
Accounts receivable	74,434	78,030
Grants receivable	50,114	226,657
Promises to give	473,913	433,777
Conservator receivables	106,384	82,344
Investments	1,466,599	1,552,746
Total financial assets at year-end	<u>3,720,613</u>	<u>3,851,598</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	2,009,574	3,223,033
Board-designated operating reserve	1,141,785	-
Amount due to grantor (see note 15)	-	250,000
Amounts restricted for operational use in next year	<u>(470,898)</u>	<u>(459,688)</u>
	<u>2,680,461</u>	<u>3,013,345</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,040,152</u>	<u>\$ 838,253</u>

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 30 days of the request for reimbursement. The Organization has no long-term debt and the 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.

FiftyForward
Notes to Consolidated Financial Statements (Continued)
June 30, 2020 and 2019

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, 2020 and 2019.

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.

FiftyForward
Notes to Consolidated Financial Statements (Continued)
June 30, 2020 and 2019

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, 2020. All of the assets detailed below are held in the Trust.

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Exchange-traded funds:			
Large-blend	\$ 244,833	\$ -	\$ 244,833
Small/mid blend	<u>194,041</u>	<u>-</u>	<u>194,041</u>
Total exchange-traded funds	<u>438,874</u>	<u>-</u>	<u>438,874</u>
Common trust funds:			
Fixed income	12,474	383,408	395,882
Equity funds	<u>-</u>	<u>591,634</u>	<u>591,634</u>
Total common trust funds	<u>12,474</u>	<u>975,042</u>	<u>987,516</u>
Total	<u><u>\$ 451,348</u></u>	<u><u>\$ 975,042</u></u>	1,426,390
Cash			<u>40,209</u>
Total investments			<u><u>\$ 1,466,599</u></u>

FiftyForward
Notes to Consolidated Financial Statements (Continued)
June 30, 2020 and 2019

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, 2019. All of the assets detailed below are held in the Trust.

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

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

	<u>2020</u>	<u>2019</u>
Interest and dividends, net of investment fees	\$ 23,568	\$ 26,629
Realized and unrealized (losses) gains	<u>(19,167)</u>	<u>17,757</u>
	<u>\$ 4,401</u>	<u>\$ 44,386</u>

FiftyForward
Notes to Consolidated Financial Statements (Continued)
June 30, 2020 and 2019

Note 4—Promises to Give

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

	<u>2020</u>	<u>2019</u>
United Way allocation	\$ 297,400	\$ 297,400
Foundation and other	3,015	24,089
FiftyForward Endowment	173,498	112,288
	<u>\$ 473,913</u>	<u>\$ 433,777</u>

All pledges are expected to be collected within one year.

Note 5—Fixed Assets

Fixed assets consist of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Land	\$ 575,000	\$ 575,000
Construction in progress	-	25,749
Building and improvements	12,636,518	12,626,559
Furniture and equipment	1,400,151	1,395,989
Computer equipment	99,220	75,599
Vehicles	615,622	678,954
	15,326,511	15,377,850
Less accumulated depreciation	<u>(7,999,689)</u>	<u>(7,676,697)</u>
	<u>\$ 7,326,822</u>	<u>\$ 7,701,153</u>

Note 6—Prepaid Rent

During calendar 2007, FiftyForward contributed \$2,000,000 toward construction of the FiftyForward J.L. Turner Center located in the Bellevue YMCA. An agreement between the two parties acknowledged that in consideration for the contributed construction costs FiftyForward received a long term lease on the building space but did not own the real estate or building. Accordingly, expenses related to the construction were classified as prepaid rent. The original agreement was amended in 2017 to include a maturity date of February 29, 2029 for prepaid rent. Future amortization is as follows:

<u>Year Ending June 30,</u>	
2021	\$ 113,223
2022	113,223
2023	113,223
2024	113,223
2025	113,223
Thereafter	342,418
	<u>\$ 908,533</u>

FiftyForward
Notes to Consolidated Financial Statements (Continued)
June 30, 2020 and 2019

Note 7—Employee Pension Plans

The Organization has an IRS Section 403(b) tax-sheltered annuity plan, a defined contribution 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, 2020 and 2019.

Participation in the defined benefit plan is limited to those 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 employee's 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:

	2020	2019
Interest cost	\$ 32,054	\$ 40,341
Actual return on plan assets	(82,673)	(81,687)
Net asset gain during the period deferred	18,325	21,247
Amortization of net loss	29,468	36,093
Net periodic pension (benefit) expense	<u>\$ (2,826)</u>	<u>\$ 15,994</u>
Discount rate	3.55%	4.15%
Rate of compensation increase	n/a	4.00%
Expected rate of return on plan assets	7.00%	7.00%
Measurement date	7/1/2020	7/1/2019
Accumulated benefit obligation	\$ 940,345	\$ 928,047

FiftyForward
Notes to Consolidated Financial Statements (Continued)
June 30, 2020 and 2019

Note 7—Employee Pension Plans (Continued)

	<u>2020</u>	<u>2019</u>
Change in projected benefit obligation:		
Benefit obligation, beginning of year	\$ (928,047)	\$ (991,912)
Interest cost	(32,054)	(40,341)
Actuarial gain (loss)	(72,797)	49,403
Benefit paid	92,553	54,803
Benefit obligation, end of year	<u>\$ (940,345)</u>	<u>\$ (928,047)</u>
Change in plan assets:		
Plan assets, beginning of year	\$ 947,931	\$ 861,047
Expected return on plan assets	64,348	60,440
Benefits paid	(92,553)	(54,803)
Employer contribution	30,000	60,000
Gain	18,325	21,247
Plan assets, end of year	<u>\$ 968,051</u>	<u>\$ 947,931</u>
Accrued pension plan asset (liability)	<u>\$ 27,706</u>	<u>\$ 19,884</u>

Disclosure information for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Reconciliation of funded status:		
Funded status, end of year	\$ 409,353	\$ 365,347
Pension benefit (expense)	2,826	(15,994)
Employer contribution	30,000	60,000
Prepaid benefit cost	<u>\$ 442,179</u>	<u>\$ 409,353</u>
Change in unrecognized loss:		
Unrecognized loss, beginning of year	\$ 389,469	\$ 496,212
Recognized gain	(29,468)	(36,093)
(Gain) loss due to assets	54,472	(70,650)
Unrecognized loss, end of year	<u>\$ 414,473</u>	<u>\$ 389,469</u>

FiftyForward
Notes to Consolidated Financial Statements (Continued)
June 30, 2020 and 2019

Note 7—Employee Pension Plans (Continued)

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

<u>Year Ending June 30,</u>	
2021	\$ 92,553
2022	89,696
2023	86,629
2024	83,356
2025	79,871
Thereafter	<u>340,485</u>
	<u>\$ 772,590</u>

Due to the pension plan being overfunded, the Organization has elected to close the pension plan in fiscal year 2021 and not make any further contributions.

Note 8—PPP Loan

On April 20, 2020, the organization received a loan in the amount of \$571,725 in accordance with the PPP section of the CARES Act. Under this loan program, the Organization may be eligible for forgiveness of some portion of the loan up to 100%, if and when qualifying conditions are met. Accounting for the loan and any future forgiveness could have an impact on future financial reporting. As of the report date, management is actively monitoring qualifying conditions to maximize future loan forgiveness and has expended 100% on potential qualifying costs as defined by the legislation. The unsecured note bears interest at the rate of 1.00% and is due in 17 payments of \$33,630, starting after the forgiveness application is processed. The Organization has elected to treat the PPP loan as a conditional contribution in the financial statements. As of June 30, 2020, the Organization has recognized contribution income in the amount of \$571,725 as the Organization believes the conditions for forgiveness have been substantially met.

Note 9—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 \$4,677,130 and \$4,213,224 at June 30, 2020 and 2019, 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 \$106,384 and \$82,344 at June 30, 2020 and 2019, respectively.

FiftyForward
Notes to Consolidated Financial Statements (Continued)
June 30, 2020 and 2019

Note 10—Net Assets with Donor Restrictions

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

	<u>2020</u>	<u>2019</u>
Capital campaign	\$ 71,077	\$ 1,203,401
J.B. Knowles Trust	1,466,599	1,552,746
United Way allocations	297,400	297,400
Knowles Center Internship	-	5,198
Time restricted for operations	-	50,000
Other donations	1,000	2,000
FiftyForward Endowment pledges	173,498	112,288
	<u>\$ 2,009,574</u>	<u>\$ 3,223,033</u>

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, 2020 and 2019, 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, 2020 and 2019. The Trust's net investment gain for the years ended June 30, 2020 and 2019, totaled \$3,852 and \$43,707, respectively.

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.

FiftyForward
Notes to Consolidated Financial Statements (Continued)
June 30, 2020 and 2019

Note 10—Net Assets with Donor Restrictions (Continued)

The Organization's net assets with donor restrictions are comprised of assets in the Trust. The following table summarizes the changes in Trust net assets for the year ended June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Trust net assets, beginning of year	\$ -	\$ 1,552,746	\$ 1,552,746
Investment return	-	3,853	3,853
Distributions	-	(90,000)	(90,000)
Trust net assets, end of year	<u>\$ -</u>	<u>\$ 1,466,599</u>	<u>\$ 1,466,599</u>

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	<u>\$ -</u>	<u>\$ 1,552,746</u>	<u>\$ 1,552,746</u>

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, 2020 and 2019.

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.

FiftyForward
Notes to Consolidated Financial Statements (Continued)
June 30, 2020 and 2019

Note 10—Net Assets with Donor Restrictions (Continued)

At June 30, 2020 and 2019, 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 11—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 \$2,737,970 as of June 30, 2020.

FiftyForward
Notes to Consolidated Financial Statements (Continued)
June 30, 2020 and 2019

Note 12—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 is as follows for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Rent and land use	\$ 57,650	\$ 57,650
Assistance	20,736	33,301
	<u>\$ 78,386</u>	<u>\$ 90,951</u>

Note 13—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, 2020 and 2019, totaled \$810,692 and \$706,791, respectively.

Note 14—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.

FiftyForward
Notes to Consolidated Financial Statements (Continued)
June 30, 2020 and 2019

Note 15—Refunding of Grant

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 accrued this liability as of June 30, 2019 and repaid the funds during fiscal year 2020.

Note 16—Recent Accounting Pronouncements

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. FASB issued ASU 2020-05 that deferred the effective date for Organizations who have not adopted the standard until annual periods 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.

Note 17—Subsequent Events

The Organization has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended June 30, 2020 through September 25, 2020, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

FiftyForward
Schedule of Expenditures of Federal, State, and Local Awards (Continued)
For the Year Ended June 30, 2020

<u>Grantor / Pass-Through Grantor</u>	<u>Program Name</u>	<u>CFDA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
<u>Federal Awards</u>				
U.S. Department of Agriculture / Tennessee Department of Health and Human Services	Child and Adult Care Food Program (CACFP)	10.558	N/A	<u>\$ 13,490</u>
U.S. Department of Justice / Tennessee Department of Finance and Administration	Victory Over Crime	16.575	35411	<u>71,436</u>
U.S. Department of Health and Human Services / Tennessee Department of Health and Human Services	Social Services Block Grant (SSBG)	93.569	Z19-49302	<u>4,873</u>
Tennessee Department of Health and Human Services	Social Services Block Grant (SSBG)	93.569	Z20-49302	<u>91,545</u>
				<u>96,418</u>
	<u>Research and Development Cluster</u>			
National Institutes of Health	All of Us Research Project	93.31	3OT2OD025315-01S3	<u>150,443</u>
Greater Nashville Regional Council	Special Programs for the Aging, Title III, Part D, Disease Prevention, and Health Promotion Services	93.043	2019-10	<u>2,956</u>
	<u>Aging Cluster</u>			
Greater Nashville Regional Council	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services, and Senior Centers	93.044	2019-10	<u>80,500</u>
Greater Nashville Regional Council	National Family Caregiver Support, Title III, Part E	93.052	2019-07	<u>3,398</u>
Corporation for National and Community Service	<u>Foster Grandparent/Senior Companion Cluster</u>			
N/A - Direct	Foster Grandparent Program	94.011	19SFSTN004	<u>226,924</u>
N/A - Direct	Retired Senior Volunteer Program	94.002	18SRSTN004	<u>93,747</u>
Total Federal Awards				<u>\$ 739,312</u>

See independent auditor's report.

FiftyForward
Schedule of Expenditures of Federal, State, and Local Awards (Continued)
For the Year Ended June 30, 2020

<u>Grantor / Pass-Through Grantor</u>	<u>Program Name</u>	<u>CFDA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
<u>State Financial Assistance</u>				
Tennessee Commission on Aging and Disability/ Greater Nashville Regional Council	Senior Citizens Operations Grant	N/A	2019-10	\$ 38,300
N/A - Direct	Direct Appropriation Grant	N/A	N/A	<u>250,000</u>
Total State Awards				<u><u>\$ 288,300</u></u>
<u>Local Awards</u>				
Metropolitan Government of Nashville		N/A	L-4232	\$ 125,000
Williamson County		N/A	N/A	31,950
City of Brentwood		N/A	N/A	<u>50,000</u>
Total Local Awards				<u><u>\$ 206,950</u></u>

See independent auditor's report.

FiftyForward
Notes to the Schedule of Expenditures
of Federal, State, and Local Awards
June 30, 2020

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*.

Note 2—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 auditor's 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***

Board of Directors
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 and its affiliates (a not-for-profit organization, the Organization), which comprise the consolidated statements of financial position as of June 30, 2020, 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), and have issued our report thereon dated September 25, 2020.

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
September 25, 2020

FiftyForward
Summary Schedule of Prior Year Findings
For the Fiscal Year Ended June 30, 2020

Financial Statement Findings

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

Federal Award Findings and Questioned Costs

Finding Number	Finding Title	Status
2019-001	Compliance Finding - CFDA 94.011	Resolved
2019-002	Significant Deficiency Internal Control and Compliance Finding – CFDA 94.011	Resolved

FiftyForward
Consolidating Schedule of Financial Position
June 30, 2020

	<u>FiftyForward</u>	<u>Senior Center for the Arts, Inc.</u>	<u>The J.B. Knowles Trust</u>	<u>Total</u>
ASSETS				
Current assets				
Cash	\$ 1,469,715	\$ 8,377	\$ -	\$ 1,478,092
Accounts receivable	69,614	4,820	-	74,434
Grants receivable	50,114	-	-	50,114
Promises to give	473,501	412	-	473,913
Conservator receivables	106,384	-	-	106,384
Prepaid expenses and other assets	19,343	8,744	-	28,087
Prepaid rent, current portion	113,223	-	-	113,223
Total current assets	<u>2,301,894</u>	<u>22,353</u>	<u>-</u>	<u>2,324,247</u>
Fixed assets, net	7,318,479	8,343	-	7,326,822
Cash restricted for long-term purposes	71,077	-	-	71,077
Investments	-	-	1,466,599	1,466,599
Conservator trust funds	4,677,130	-	-	4,677,130
Prepaid rent, long-term portion	795,310	-	-	795,310
Pension plan overfunding	27,706	-	-	27,706
Total assets	<u>\$ 15,191,596</u>	<u>\$ 30,696</u>	<u>\$ 1,466,599</u>	<u>\$ 16,688,891</u>
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	\$ 76,629	\$ -	\$ -	\$ 76,629
Accrued expenses	105,129	-	-	105,129
Due to grantor	-	-	-	-
Due to (from) related party	(89,014)	89,014	-	-
Deferred revenue	3,830	22,707	-	26,537
Total current liabilities	<u>96,574</u>	<u>111,721</u>	<u>-</u>	<u>208,295</u>
Conservator trust funds	<u>4,677,130</u>	<u>-</u>	<u>-</u>	<u>4,677,130</u>
Total liabilities	<u>4,773,704</u>	<u>111,721</u>	<u>-</u>	<u>4,885,425</u>
Net assets				
Net assets without donor restrictions	9,874,917	(81,025)	-	9,793,892
Net assets with donor restrictions	542,975	-	1,466,599	2,009,574
Total net assets	<u>10,417,892</u>	<u>(81,025)</u>	<u>1,466,599</u>	<u>11,803,466</u>
Total liabilities and net assets	<u>\$ 15,191,596</u>	<u>\$ 30,696</u>	<u>\$ 1,466,599</u>	<u>\$ 16,688,891</u>

See independent auditor's report.

FiftyForward
Consolidating Schedule of Financial Position
June 30, 2019

	<u>FiftyForward</u>	<u>Senior Center for the Arts, Inc.</u>	<u>The J.B. Knowles Trust</u>	<u>Total</u>
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	<u>1,180,268</u>	<u>56,798</u>	<u>-</u>	<u>1,237,066</u>
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	<u>\$ 15,316,797</u>	<u>\$ 66,206</u>	<u>\$ 1,552,746</u>	<u>\$ 16,935,749</u>
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	<u>518,552</u>	<u>155,105</u>	<u>-</u>	<u>673,657</u>
Conservator trust funds	<u>4,213,224</u>	<u>-</u>	<u>-</u>	<u>4,213,224</u>
Total liabilities	<u>4,731,776</u>	<u>155,105</u>	<u>-</u>	<u>4,886,881</u>
Net assets				
Net assets without donor restrictions	8,914,734	(88,899)	-	8,825,835
Net assets with donor restrictions	<u>1,670,287</u>	<u>-</u>	<u>1,552,746</u>	<u>3,223,033</u>
Total net assets	<u>10,585,021</u>	<u>(88,899)</u>	<u>1,552,746</u>	<u>12,048,868</u>
Total liabilities and net assets	<u>\$ 15,316,797</u>	<u>\$ 66,206</u>	<u>\$ 1,552,746</u>	<u>\$ 16,935,749</u>

See independent auditor's report.

FiftyForward
Consolidating Schedule of Activities
For the Year Ended June 30, 2020

	FiftyForward	Senior Center for the Arts, Inc.	The J.B. Knowles Trust	Eliminations	Total
Public Support and Revenue					
Contributions	\$ 2,127,473	\$ 11,511	\$ -	\$ (90,000)	\$ 2,048,984
Grant revenue	1,234,564	-	-	-	1,234,564
United Way	322,685	-	-	-	322,685
Service fees	720,699	-	-	-	720,699
Special events	224,283	-	-	-	224,283
Membership dues	139,655	-	-	-	139,655
Ticket sales	-	134,066	-	-	134,066
Investment income	548	-	3,853	-	4,401
In-kind contributions	78,386	-	-	-	78,386
Other income	37,922	3,936	-	-	41,858
Rental income	202,102	401	-	-	202,503
Gain on disposal of assets	11,000	-	-	-	11,000
Total public support and revenue	<u>5,099,317</u>	<u>149,914</u>	<u>3,853</u>	<u>(90,000)</u>	<u>5,163,084</u>
Expenses					
Program services	4,113,470	123,426	90,000	(90,000)	4,236,896
Support services	<u>1,152,976</u>	<u>18,614</u>	<u>-</u>	<u>-</u>	<u>1,171,590</u>
Total expenses	<u>5,266,446</u>	<u>142,040</u>	<u>90,000</u>	<u>(90,000)</u>	<u>5,408,486</u>
Change in net assets	(167,129)	7,874	(86,147)	-	(245,402)
Net assets (deficit) - beginning of year	<u>10,585,021</u>	<u>(88,899)</u>	<u>1,552,746</u>	<u>-</u>	<u>12,048,868</u>
Net assets (deficit) - end of year	<u>\$ 10,417,892</u>	<u>\$ (81,025)</u>	<u>\$ 1,466,599</u>	<u>\$ -</u>	<u>\$ 11,803,466</u>

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	Eliminations	Total
Public Support and Revenue					
Contributions	\$ 1,362,030	\$ 8,914	\$ -	\$ (90,000)	\$ 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
Total public support and revenue	<u>4,857,355</u>	<u>192,079</u>	<u>43,707</u>	<u>(90,000)</u>	<u>5,003,141</u>
Expenses					
Program services	4,540,886	188,947	90,000	(90,000)	4,729,833
Support services	<u>1,186,880</u>	<u>35,374</u>	<u>-</u>	<u>-</u>	<u>1,222,254</u>
Total expenses	<u>5,727,766</u>	<u>224,321</u>	<u>90,000</u>	<u>(90,000)</u>	<u>5,952,087</u>
Change in net assets	(870,411)	(32,242)	(46,293)	-	(948,946)
Net assets (deficit) - beginning of year	<u>11,455,432</u>	<u>(56,657)</u>	<u>1,599,039</u>	<u>-</u>	<u>12,997,814</u>
Net assets (deficit) - end of year	<u>\$ 10,585,021</u>	<u>\$ (88,899)</u>	<u>\$ 1,552,746</u>	<u>\$ -</u>	<u>\$ 12,048,868</u>

See independent auditor's report.