

FiftyForward

Consolidated Financial Statements
For the Years Ended June 30, 2022 and 2021

FiftyForward
Consolidated Financial Statements
For the Years Ended June 30, 2022 and 2021

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FiftyForward
Roster of Officials
June 30, 2022

Financial Management Officials

Sallie Hussey
Teresa McDaniel

Audit Committee

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

Board of Directors

Jimmy Allen
Mike Alleyne
Neil Amrhein
Newtonia Coleman
Debbie Crigger, Secretary
Mike Edgeworth
Tracy Evers, Treasurer
Rick Ewing
Manju Kandula
Javier Martinez
Sally McKay
Lamar Moore
Rebecca Nofi
Ashley Perkins
Becky Nergenah Sanders
Paige Thompson
Nicholas Trice
Cynthia Whitfield-Story
Karen Williams
Lynn Winans
Donna Yurdin
Theresa Zuckowsky, Board Chair



Independent Auditor's Report

Board of Directors
FiftyForward

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of FiftyForward and its affiliate (a Tennessee not-for-profit corporation) (collectively, the Organization), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, 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).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date the financial statements are issued or available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating schedules of financial position and schedules of activities, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 *US Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 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 is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the roster of officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2022, 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 17, 2022

FiftyForward
Consolidated Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Current assets		
Cash	\$ 885,492	\$ 1,325,897
Accounts receivable	95,783	21,282
Grants receivable	176,683	119,621
Promises to give	550,166	531,957
Conservator receivables	34,823	16,934
Prepaid expenses and other assets	6,771	5,643
Prepaid rent, current portion	113,223	113,223
Total current assets	<u>1,862,941</u>	<u>2,134,557</u>
 Fixed assets, net	 6,503,859	 6,934,524
 Cash restricted for long-term purposes	 46,534	 59,134
Investments	1,414,853	1,753,369
Conservator trust funds	4,281,092	5,224,956
Prepaid rent, net of current portion	568,864	682,087
Total assets	<u>\$ 14,678,143</u>	<u>\$ 16,788,627</u>
 Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 85,291	\$ 69,996
Accrued expenses	85,950	105,181
Deferred revenue	-	400
Total current liabilities	<u>171,241</u>	<u>175,577</u>
 Conservator trust funds	 4,281,092	 5,224,956
Total liabilities	<u>4,452,333</u>	<u>5,400,533</u>
 Net assets		
Without donor restrictions	8,217,961	9,044,362
With donor restrictions	2,007,849	2,343,732
Total net assets	<u>10,225,810</u>	<u>11,388,094</u>
Total liabilities and net assets	<u>\$ 14,678,143</u>	<u>\$ 16,788,627</u>

FiftyForward
Consolidated Statement of Activities
For the Year Ended June 30, 2022

	Without donor restrictions	With donor restrictions	Total
Public Support and Revenues			
Contributions of cash and other financial assets	\$ 865,539	\$ 249,062	\$ 1,114,601
Grant revenues	1,266,819	-	1,266,819
United Way	9,818	297,400	307,218
Program fees	517,580	-	517,580
Special events	199,925	-	199,925
Membership dues	113,252	-	113,252
Investment loss, net	-	(234,966)	(234,966)
Contributions of nonfinancial assets	71,453	-	71,453
Other income	192,268	-	192,268
Rental income	144,724	-	144,724
Net assets released from restrictions	<u>647,379</u>	<u>(647,379)</u>	<u>-</u>
Total public support and revenues	4,028,757	(335,883)	3,692,874
Expenses			
Program services	3,753,123	-	3,753,123
Support services	<u>1,102,035</u>	<u>-</u>	<u>1,102,035</u>
Total expenses	4,855,158	-	4,855,158
Change in net assets	(826,401)	(335,883)	(1,162,284)
Net assets, beginning of year	<u>9,044,362</u>	<u>2,343,732</u>	<u>11,388,094</u>
Net assets, end of year	\$ 8,217,961	\$ 2,007,849	\$ 10,225,810

FiftyForward
Consolidated Statement of Activities
For the Year Ended June 30, 2021

	Without donor restrictions	With donor restrictions	Total
Public Support and Revenues			
Contributions of cash and other financial assets	\$ 1,155,822	\$ 232,829	\$ 1,388,651
Grant revenues	1,272,839	-	1,272,839
United Way	7,438	297,400	304,838
Program fees	361,811	-	361,811
Special events	184,082	-	184,082
Membership dues	90,068	-	90,068
Investment income	-	376,770	376,770
Contributions of nonfinancial assets	57,699	-	57,699
Other income	149,632	-	149,632
Rental income	54,620	-	54,620
Gain on disposal of assets	7,000	-	7,000
Net assets released from restrictions	<u>572,841</u>	<u>(572,841)</u>	<u>-</u>
Total public support and revenues	3,913,852	334,158	4,248,010
Expenses			
Program services	3,491,810	-	3,491,810
Support services	<u>1,171,572</u>	<u>-</u>	<u>1,171,572</u>
Total expenses	4,663,382	-	4,663,382
Change in net assets	(749,530)	334,158	(415,372)
Net assets, beginning of year	<u>9,793,892</u>	<u>2,009,574</u>	<u>11,803,466</u>
Net assets, end of year	\$ 9,044,362	\$ 2,343,732	\$ 11,388,094

FiftyForward
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program services			Supporting services			
	Life-long learning	Supportive care	Total program services	Management and general	Fundraising	Total supporting services	Total
Salaries	\$ 835,962	\$ 693,335	\$ 1,529,297	\$ 478,975	\$ 204,691	\$ 683,666	\$ 2,212,963
Payroll taxes and benefits	223,991	169,520	393,511	118,541	46,173	164,714	558,225
Supplies	300,250	175,898	476,148	10,420	56,319	66,739	542,887
Building occupancy expense	500,894	96,727	597,621	12,638	5,777	18,415	616,036
Digital services and business equipment	149,446	88,017	237,463	35,469	33,223	68,692	306,155
Marketing	-	-	-	23,165	-	23,165	23,165
Professional services	48,072	30,970	79,042	36,804	9,241	46,045	125,087
Bad debt expense	-	1,569	1,569	-	-	-	1,569
	2,058,615	1,256,036	3,314,651	716,012	355,424	1,071,436	4,386,087
Depreciation	358,721	79,751	438,472	22,112	8,487	30,599	469,071
	\$ 2,417,336	\$ 1,335,787	\$ 3,753,123	\$ 738,124	\$ 363,911	\$ 1,102,035	\$ 4,855,158

FiftyForward
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program services			Supporting services			
	Life-long learning	Supportive care	Total program services	Management and general	Fundraising	Total supporting services	Total
Salaries	\$ 814,921	\$ 590,696	\$ 1,405,617	\$ 521,322	\$ 211,534	\$ 732,856	\$ 2,138,473
Payroll taxes and benefits	215,353	150,376	365,729	126,814	51,468	178,282	544,011
Supplies	233,296	206,177	439,473	12,281	34,120	46,401	485,874
Building occupancy expense	444,543	78,954	523,497	18,225	5,184	23,409	546,906
Digital services and business equipment	152,342	74,477	226,819	35,691	36,293	71,984	298,803
Marketing	-	-	-	59,915	-	59,915	59,915
Professional services	46,685	22,481	69,166	16,833	8,158	24,991	94,157
Bad debt expense	-	3,277	3,277	-	-	-	3,277
	<u>1,907,140</u>	<u>1,126,438</u>	<u>3,033,578</u>	<u>791,081</u>	<u>346,757</u>	<u>1,137,838</u>	<u>4,171,416</u>
Depreciation	377,716	80,516	458,232	25,355	8,379	33,734	491,966
	\$ 2,284,856	\$ 1,206,954	\$ 3,491,810	\$ 816,436	\$ 355,136	\$ 1,171,572	\$ 4,663,382

FiftyForward
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash, beginning of year	\$ 1,385,031	\$ 1,549,169
Cash flows from operating activities		
Change in net assets	(1,162,284)	(415,372)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	469,071	491,966
Amortization of prepaid lease	113,223	113,223
Realized and unrealized losses (gains) on investments, net	155,059	(342,423)
Contributed stock	-	(25,164)
Gain on sale of property and equipment	-	(7,000)
Change in:		
Accounts receivable	(74,501)	53,152
Grants receivable	(57,062)	(69,507)
Promises to give	(18,209)	(58,044)
Conservator receivables	(17,889)	89,450
Prepaid expenses and other assets	(1,128)	22,444
Accounts payable	15,295	(6,633)
Accrued expenses	(19,231)	52
Accrued pension plan	-	27,706
Deferred revenue	(400)	(26,137)
Net cash provided (used) by operating activities	(598,056)	(152,287)
Cash flows from investing activities		
Knowles Trust Fund proceeds	1,064,716	634,764
Knowles Trust Fund purchases	(881,259)	(579,111)
Proceeds from sale of contributed stock	-	25,164
Proceeds from the sale of fixed assets	-	7,000
Purchase of fixed assets	(38,406)	(99,668)
Net cash provided (used) by investing activities	145,051	(11,851)
Net change in cash	(453,005)	(164,138)
Cash, end of year	\$ 932,026	\$ 1,385,031
Reconciliation to consolidated statements of financial position		
Cash	\$ 885,492	\$ 1,325,897
Cash restricted for long-term purposes	46,534	59,134
	\$ 932,026	\$ 1,385,031

FiftyForward
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2022 and 2021

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

Nature of Activities

Senior Citizens, Incorporated, dba FiftyForward (the Organization), 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 homebound 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.

Principles of Consolidation

FiftyForward and the Trust 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 (US 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 and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity when purchased of three months or less to be cash equivalents. Cash equivalents included in the endowment fund are presented within investments.

FiftyForward
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2022 and 2021

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

Accounts Receivable

Accounts receivable are stated at their net realizable value. It is the opinion of management that all accounts receivable at June 30, 2022 and 2021, are fully collectible.

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, 2022. Accordingly, no allowance for doubtful accounts has been recorded in the accompanying consolidated statements of financial position.

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.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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 is a not-for-profit entity that is 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.

FiftyForward
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2022 and 2021

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

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 Aid, Relief, and Economic Security Act (the CARES Act). US 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 elected to treat the PPP loan as a conditional contribution and was fully recognized as revenue during the year ended June 30, 2020. The Organization received notice of forgiveness from the Small Business Administration on June 23, 2021.

Contributions of Nonfinancial Assets

The value of donated goods and services meeting the criteria for recognition are recorded as contributions of nonfinancial assets, with the corresponding expenses recorded, when the fair values of the goods and services are available.

Revenue Recognition

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 of nonfinancial assets 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
For the Years Ended June 30, 2022 and 2021

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

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:

	Method of allocation
Depreciation	Square footage
Building occupancy	Square footage
Digital services and business equipment	Employee headcount
Professional services	Employee headcount
Repairs and maintenance	Square footage
Salaries, payroll taxes, and benefits	Time and effort
Supplies	Employee headcount

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 10.

New Accounting Pronouncement

In September 2020, FASB issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item separate from contributions of cash or other financial assets. It also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. The ASU has been applied retrospectively to all periods presented. Adoption of this ASU had no impact on net assets.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current year presentation.

FiftyForward
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2022 and 2021

Note 2. Liquidity and Availability of Resources

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

	2022	2021
Financial assets		
Cash	\$ 932,026	\$ 1,385,031
Accounts receivable	95,783	21,282
Grants receivable	176,683	119,621
Promises to give	550,166	531,957
Conservator receivables	34,823	16,934
Investments	<u>1,414,853</u>	<u>1,753,369</u>
Total financial assets at year-end	3,204,334	3,828,194
Less amounts not available to be used within one year		
Net assets with donor restrictions	2,007,849	2,343,732
Board-designated operating reserve	1,141,785	1,141,785
Amounts restricted for operational use in next year	<u>(546,462)</u>	<u>(530,229)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ 601,162	\$ 872,906

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.

The Organization is the trustee of the J.B. Knowles Trust and has the use of annual unrestricted trust earnings, subject to Trust covenants, to support general operations. During the years ended June 30, 2022 and 2021, the Organization received \$103,550 and \$90,000 respectively of funds from the Trust for general operations. The annual transfer of Trust earnings is not included as a promise to give in the calculation above.

FiftyForward
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2022 and 2021

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, 2022 and 2021.

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
For the Years Ended June 30, 2022 and 2021

Note 3. Fair Value of Investments

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, 2022. All of the assets detailed below are held in the Trust.

	Level 1	Level 2	Level 3	Total
Mutual funds				
Large-blend	\$ 180,600	\$ -	\$ -	\$ 180,600
Small/mid blend	<u>125,194</u>	<u>-</u>	<u>-</u>	<u>125,194</u>
Total mutual funds	305,794	-	-	305,794
Common trust funds				
Fixed income	-	341,586	-	341,586
Multi-strategy div.	-	107,416	-	107,416
Equity funds	<u>-</u>	<u>539,951</u>	<u>-</u>	<u>539,951</u>
Total common trust funds	-	988,953	-	988,953
Total	\$ 305,794	\$ 988,953	\$ -	1,294,747
Cash Equivalents				<u>120,106</u>
Total investments				\$ 1,414,853

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, 2021. All of the assets detailed below are held in the Trust.

	Level 1	Level 2	Level 3	Total
Mutual funds				
Large-blend	\$ 262,906	\$ -	\$ -	\$ 262,906
Small/mid blend	<u>264,878</u>	<u>-</u>	<u>-</u>	<u>264,878</u>
Total mutual funds	527,784	-	-	527,784
Common trust funds				
Fixed income	-	452,005	-	452,005
Equity funds	<u>-</u>	<u>718,767</u>	<u>-</u>	<u>718,767</u>
Total common trust funds	-	1,170,772	-	1,170,772
Total	\$ 527,784	\$ 1,170,772	\$ -	1,698,556
Cash Equivalents				<u>54,813</u>
Total investments				\$ 1,753,369

FiftyForward
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2022 and 2021

Note 3. Fair Value of Investments

The following table summarizes the investment income (loss) for the years ended June 30:

	2022	2021
Interest and dividends, net of investment fees	\$ 19,821	\$ 17,745
Realized and unrealized gains (losses)	<u>(254,787)</u>	<u>359,025</u>
	\$ (234,966)	\$ 376,770

Note 4. Promises to Give

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

	2022	2021
United Way allocation	\$ 297,400	\$ 297,400
Foundation and other	3,704	1,728
FiftyForward endowment	<u>249,062</u>	<u>232,829</u>
	\$ 550,166	\$ 531,957

All pledges are expected to be collected within one year.

Note 5. Fixed Assets

Fixed assets consist of the following as of June 30:

	2022	2021
Land	\$ 575,000	\$ 575,000
Building and improvements	12,746,539	12,708,134
Furniture and equipment	1,376,899	1,376,899
Computer equipment	135,623	135,623
Vehicles	615,622	615,622
Less: accumulated depreciation	<u>(8,945,824)</u>	<u>(8,476,754)</u>
Fixed assets, net	\$ 6,503,859	\$ 6,934,524

FiftyForward
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2022 and 2021

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:

Year ended June 30,	
2023	\$ 113,223
2024	113,223
2025	113,223
2026	113,223
2027	113,223
Thereafter	<u>115,972</u>
	\$ 682,087

Note 7. Employee Pension Plans

The Organization terminated the defined benefit pension plan as of May 31, 2021. Annuity contracts were purchased for the participants from over funded pension plan assets. The remaining asset balance was remitted to the Organization.

The Organization has an Internal Revenue Service (IRS) Section 403(b) tax-sheltered annuity 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, 2022 and 2021.

Participation in the defined benefit plan was limited to those employed prior to June 30, 1992. All participants and all benefits in the defined benefit plan were 100% vested at plan termination. The benefits were based on an employee's years of service and annual pay. The funding of this defined benefit plan was 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 were 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 was determined as the minimum pension benefit. If the benefit under the defined contribution plan exceeded the minimum pension benefit, then the employee would only receive the defined contribution plan benefit.

FiftyForward
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2022 and 2021

Note 7. Employee Pension Plans

If the defined contribution plan benefit was less than the minimum pension benefit, then the defined benefit pension plan made up the difference so that the employee's pension plan was equal to the minimum pension benefit. Shown below is the funded status of the now terminated defined benefit plan and amounts recognized in the Organization's consolidated statements of activities at June 30, 2021:

Interest cost	\$ -
Actual return on plan assets	-
Net asset gain during the period deferred	(40,886)
Amortization of net loss	<u>13,180</u>
Net periodic pension (benefit) expense	\$ (27,706)
Discount rate	n/a
Rate of compensation increase	n/a
Expected rate of return on plan assets	n/a
Measurement date	n/a
Accumulated benefit obligation	\$ -
Change in projected benefit obligation	
Benefit obligation, beginning of year	\$ (940,345)
Interest cost	-
Actuarial gain (loss)	-
Liquidation of plan assets	940,345
Benefit paid	<u>-</u>
Benefit obligation, end of year	-
Change in plan assets	
Benefit obligation, beginning of year	968,051
Expected return on plan assets	-
Benefits paid	-
Employer contribution	-
Liquidation of plan assets	(1,008,937)
Gain	<u>40,886</u>
Plan assets, end of year	-
Accrued pension plan asset (liability)	\$ -

FiftyForward
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2022 and 2021

Note 7. Employee Pension Plans

Disclosure information for the year ended June 30, 2021:

Reconciliation of funded status	
Funded status, end of year	\$ 442,179
Pension benefit (expense)	27,706
Defunding due to liquidation of plan assets	(469,885)
Employer contribution	-
Net periodic pension (benefit) expense	\$ -
Change in unrecognized loss	
Unrecognized loss, beginning of year	\$ 414,473
Recognized gain	(40,886)
Liquidation of plan assets	(386,767)
(Gain) loss due to assets	13,180
Unrecognized loss, end of year	\$ -

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. The Organization has elected to treat the PPP loan as a conditional contribution in the financial statements. At June 30, 2020, the Organization had recognized contribution income in the amount of \$571,725 as the Organization believed the conditions for forgiveness had been substantially met. During the year ended June 30, 2021, the Organization received notification the PPP loan was forgiven in full.

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 \$4,281,092 and \$5,224,956 at June 30, 2022 and 2021, 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 \$18,140 and \$16,934 at June 30, 2022 and 2021, respectively.

FiftyForward
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2022 and 2021

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:

	2022	2021
Capital campaign	\$ 46,534	\$ 59,134
J.B. Knowles Trust	1,414,853	1,753,369
United Way allocation	297,400	297,400
Other donations	-	1,000
FiftyForward endowment pledges	<u>249,062</u>	<u>232,829</u>
	\$ 2,007,849	\$ 2,343,732

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, 2022 and 2021, based on the provisions discussed above, the Organization transferred \$103,550 and \$90,000, respectively, from the Trust which approximated 5.7% of the Trust balance at June 30, 2022 and 2021. The Trust's net investment gain (loss) for the years ended June 30, 2022 and 2021, totaled (\$234,966) and \$376,770, 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.

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, 2022:

	Without donor restrictions	With donor restrictions	Total
Trust net assets, beginning of year	\$ -	\$ 1,753,369	\$ 1,753,369
Investment return/(loss)	-	(234,966)	(234,966)
Distributions	<u>-</u>	<u>(103,550)</u>	<u>(103,550)</u>
Trust net assets, end of year	\$ -	\$ 1,414,853	\$ 1,414,853

FiftyForward
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2022 and 2021

Note 10. Net Assets with Donor Restrictions

The following table summarizes the changes in Trust net assets for the year ended June 30, 2021:

	Without donor restrictions	With donor restrictions	Total
Trust net assets, beginning of year	\$ -	\$ 1,466,599	\$ 1,466,599
Investment return	-	376,770	376,770
Distributions	-	(90,000)	(90,000)
Trust net assets, end of year	<u>\$ -</u>	<u>\$ 1,753,369</u>	<u>\$ 1,753,369</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, 2022 and 2021.

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, 2022 and 2021, 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:

	Minimum	Maximum
Asset Class		
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.

FiftyForward
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2022 and 2021

Note 10. Net Assets with Donor Restrictions

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 \$3,320,310 as of June 30, 2022.

Note 12. Contributions of Nonfinancial Assets

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 based on market comparisons.

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 based on market comparisons.

Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

FiftyForward
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2022 and 2021

Note 12. Contributions of Nonfinancial Assets

The Organization also receives contributions of nonfinancial assets in the form of meals provided to its volunteers by other agencies involved in the programs. Additionally, at times, the Organization receives in-kind professional services, supplies, equipment, janitorial services, printing, legal, real estate consulting, and recognition donations. In valuing these goods and services, the Organization estimated the fair value on the basis of wholesale values that would be received for selling similar products.

A summary of contributions of nonfinancial assets received and included as contributions and expenses in the consolidated statements of activities is as follows for the years ended June 30:

	2022	2021
Rent and land use	\$ 57,650	\$ 57,650
Meals	<u>13,803</u>	<u>49</u>
	\$ 71,453	\$ 57,699

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, 2022 and 2021, totaled \$145,850 and \$609,525, 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. If a significant reduction in the level of this support were to occur, it 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 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 15. Subsequent Events

The Organization has evaluated events and transactions for subsequent events that would impact the financial statements through October 17, 2022, the date on which the financial statements were available to be issued.

Compliance Section and Supplementary Information

FiftyForward
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2022

Grantor, Pass-through Grantor, Program Name	Assistance listing	Contract number	Expenditures
Federal Awards			
<u>U.S. Department of Agriculture</u>			
<i>Passed through Tennessee Department of Human Services</i>			
Child and Adult Care Food Program (CACFP)	10.558	N/A	\$ 12,007
<u>U.S. Department of Justice</u>			
<i>Passed through Tennessee Department of Finance and Administration</i>			
Crime Victim Assistance	16.575	35411	90,547
<u>U.S. Department of Health and Human Services</u>			
<i>Passed through Greater Nashville Regional Council</i>			
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	2019-10	16,834
<i>Passed through Greater Nashville Regional Council</i>			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	2019-10	216,142
COVID-19-Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Center	93.044	2021-C10	29,375
Total Aging Cluster			<u>245,517</u>
<i>Passed through National Institute of Health</i>			
Trans-NIH Research Support	93.310	3OT2OD025315-01S5	<u>322,729</u>
Total Research and Development Cluster			322,729
<i>Passed through Tennessee Department of Health and Human Services</i>			
Community Services Block Grant (CSBG)	93.569	Z21-49302	8,865
Community Services Block Grant (CSBG)	93.569	Z22-49302	<u>109,716</u>
Total 477 Cluster			118,581
COVID-19-Elder Abuse Prevention Intervention Projects	93.747	Z22-49352	6,565
<u>Corporation for National and Community Service</u>			
Retired and Senior Volunteer Program (RSVP)	94.002	21SRHTN002	104,672
Foster Grandparent Program	94.011	19SFSTN004	<u>229,116</u>
Total Foster Grandparent/Senior Companion Cluster			<u>229,116</u>
Total federal awards			\$ 1,146,568

FiftyForward
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2022

Grantor, Pass-through Grantor, Program Name	Contract number	Expenditures
State Financial Assistance		
<u>Tennessee Commission on Aging and Disability</u>		
Passed through Greater Nashville Regional Council		
Senior Citizens Operations Grant	2019-10	\$ 38,300
Total Tennessee Commission on Aging and Disability		<u>38,300</u>
Total state financial assistance		\$ 38,300

FiftyForward
Notes to Schedule of Expenditures of
Federal Awards and State Financial Assistance
For the Year Ended June 30, 2022

Note 1. Basis of Accounting

The accompanying schedule of expenditures of federal awards and state financial assistance 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 *US 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 not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



**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 basic consolidated financial statements of FiftyForward and its affiliate (a not-for-profit organization, the Organization), which comprise the consolidated statement of financial position as of June 30, 2022, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements as listed in the table of contents (collectively, the financial statements), and have issued our report thereon dated October 17, 2022.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 17, 2022



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

Board of Directors
FiftyForward

Report on Compliance for Each Major Federal Program
Opinion on Each Major Federal Program

We have audited FiftyForward's (the Organization) compliance with the types of compliance requirements identified as subject to audit 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, 2022. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Governmental Auditing Standards*); and the audit requirements of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 17, 2022

FiftyForward
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with US 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?	None reported
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 programs (Assistance Listing and name of federal program or cluster)	
94.011 Foster Grandparent/Senior Companion Cluster	
93.310 Research and Development Cluster	
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

Section II. Financial Statement Findings

None Identified

Section III. Federal Award Findings and Questioned Costs

None Identified

FiftyForward
Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2021

Section I. **Financial Statement Findings**

There were no prior year findings reported.

Section II. **Federal Award Findings and Questioned Costs**

There were no prior year findings or questioned costs reported.

FiftyForward
Consolidating Schedule of Financial Position
June 30, 2022

	FiftyForward	The J.B. Knowles Trust	Total
Assets			
Current assets			
Cash	\$ 885,492	\$ -	\$ 885,492
Accounts receivable	95,783	-	95,783
Grants receivable	176,683	-	176,683
Promises to give	550,166	-	550,166
Conservator receivables	34,823	-	34,823
Prepaid expenses and other assets	6,771	-	6,771
Prepaid rent, current portion	113,223	-	113,223
Total current assets	1,862,941	-	1,862,941
Fixed assets, net	6,503,859	-	6,503,859
Cash restricted for long-term purposes	46,534	-	46,534
Investments	-	1,414,853	1,414,853
Conservator trust funds	4,281,092	-	4,281,092
Prepaid rent, long-term portion	568,864	-	568,864
Total assets	\$ 13,263,290	\$ 1,414,853	\$ 14,678,143
Liabilities and Net Assets			
Current liabilities			
Accounts payable	\$ 85,291	\$ -	\$ 85,291
Accrued expenses	85,950	-	85,950
Total current liabilities	171,241	-	171,241
Conservator trust funds	4,281,092	-	4,281,092
Total liabilities	4,452,333	-	4,452,333
Net assets			
Without donor restrictions	8,217,961	-	8,217,961
With donor restrictions	592,996	1,414,853	2,007,849
Total net assets	8,810,957	1,414,853	10,225,810
Total liabilities and net assets	\$ 13,263,290	\$ 1,414,853	\$ 14,678,143

FiftyForward
Consolidating Schedule of Financial Position
June 30, 2021

	FiftyForward	The J.B. Knowles Trust	Total
Assets			
Current assets			
Cash	\$ 1,325,897	\$ -	\$ 1,325,897
Accounts receivable	21,282	-	21,282
Grants receivable	119,621	-	119,621
Promises to give	531,957	-	531,957
Conservator receivables	16,934	-	16,934
Prepaid expenses and other assets	5,643	-	5,643
Prepaid rent, current portion	113,223	-	113,223
Total current assets	2,134,557	-	2,134,557
Fixed assets, net	6,934,524	-	6,934,524
Cash restricted for long-term purposes	59,134	-	59,134
Investments	-	1,753,369	1,753,369
Conservator trust funds	5,224,956	-	5,224,956
Prepaid rent, long-term portion	682,087	-	682,087
Total assets	\$ 15,035,258	\$ 1,753,369	\$ 16,788,627
Liabilities and Net Assets			
Current liabilities			
Accounts payable	\$ 69,996	\$ -	\$ 69,996
Accrued expenses	105,181	-	105,181
Deferred revenues	400	-	400
Total current liabilities	175,577	-	175,577
Conservator trust funds	5,224,956	-	5,224,956
Total liabilities	5,400,533	-	5,400,533
Net assets			
Without donor restrictions	9,044,362	-	9,044,362
With donor restrictions	590,363	1,753,369	2,343,732
Total net assets	9,634,725	1,753,369	11,388,094
Total liabilities and net assets	\$ 15,035,258	\$ 1,753,369	\$ 16,788,627

FiftyForward
Consolidating Schedule of Activities
For the Year Ended June 30, 2022

	FiftyForward	The J.B. Knowles Trust	Eliminations	Total
Public Support and Revenues				
Contributions	\$ 1,218,151	\$ -	\$ (103,550)	\$ 1,114,601
Grant revenues	1,266,819	-	-	1,266,819
United Way	307,218	-	-	307,218
Program fees	517,580	-	-	517,580
Special events	199,925	-	-	199,925
Membership dues	113,252	-	-	113,252
Investment income	-	(234,966)	-	(234,966)
In-kind contributions	71,453	-	-	71,453
Other income	192,268	-	-	192,268
Rental income	144,724	-	-	144,724
Gain on disposal of assets	-	-	-	-
Total public support and revenues	<u>4,031,390</u>	<u>(234,966)</u>	<u>(103,550)</u>	<u>3,692,874</u>
Expenses				
Program services	3,753,123	103,550	(103,550)	3,753,123
Support services	<u>1,102,035</u>	<u>-</u>	<u>-</u>	<u>1,102,035</u>
Total expenses	<u>4,855,158</u>	<u>103,550</u>	<u>(103,550)</u>	<u>4,855,158</u>
Change in net assets	(823,768)	(338,516)	-	(1,162,284)
Net assets, beginning of year	<u>9,634,725</u>	<u>1,753,369</u>	<u>-</u>	<u>11,388,094</u>
Net assets, end of year	\$ 8,810,957	\$ 1,414,853	\$ -	\$ 10,225,810

FiftyForward
Consolidating Schedule of Activities
For the Year Ended June 30, 2021

	FiftyForward	The J.B. Knowles Trust	Eliminations	Total
Public Support and Revenues				
Contributions	\$ 1,478,651	\$ -	\$ (90,000)	\$ 1,388,651
Grant revenues	1,272,839	-	-	1,272,839
United Way	304,838	-	-	304,838
Program fees	361,811	-	-	361,811
Special events	184,082	-	-	184,082
Membership dues	90,068	-	-	90,068
Investment income	-	376,770	-	376,770
In-kind contributions	57,699	-	-	57,699
Other income	149,632	-	-	149,632
Rental income	54,620	-	-	54,620
Gain on disposal of assets	7,000	-	-	7,000
Total public support and revenues	<u>3,961,240</u>	<u>376,770</u>	<u>(90,000)</u>	<u>4,248,010</u>
Expenses				
Program services	3,491,810	90,000	(90,000)	3,491,810
Support services	<u>1,171,572</u>	<u>-</u>	<u>-</u>	<u>1,171,572</u>
Total expenses	<u>4,663,382</u>	<u>90,000</u>	<u>(90,000)</u>	<u>4,663,382</u>
Change in net assets	(702,142)	286,770	-	(415,372)
Net assets, beginning of year	<u>10,336,867</u>	<u>1,466,599</u>	<u>-</u>	<u>11,803,466</u>
Net assets, end of year	\$ 9,634,725	\$ 1,753,369	\$ -	\$ 11,388,094