

October 18, 2019

To the Board of Directors of
Niswonger Foundation, Inc.
223 North Main Street
P.O. Box 1508
Greeneville, TN 37744

We have audited the financial statements of Niswonger Foundation, Inc. (the Foundation) for the year ended June 30, 2019, and we will issue our report thereon dated October 18, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 9, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Foundation are described in Note 1 to the financial statements. As described in Note 1, the Foundation changed accounting policies related to the presentation of net asset classifications and disclosure of liquidity and availability of resources by adopting FASB Accounting Standards Update (ASU) 2016-14, *Not for Profit Entities (Topic 958); Presentation of Financial Statements of Not-for-Profit Entities*, in 2019. We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the fair value of investments, which is based on quoted market prices, when available, and on quoted market prices of comparable instruments if quoted market prices are unavailable. Some investments are valued at the net asset value (NAV) provided by the investment broker, which is considered a practical expedient to estimate fair value. The NAV is based on the value of the underlying assets owned by the fund, minus liabilities, and then divided by the number of shares outstanding. We evaluated the key factors and assumptions used to develop the estimate of the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of student loans receivable is based on a discount rate of 4%, which management considers to be a reasonable estimate of the future value of cash flows.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements as attached in Appendix A. The following material misstatement detected as a result of audit procedures was corrected by management: (1) To record the present value discount on notes receivable. The following material reclassifications detected as a result of audit procedures were corrected by management: to reclassify investment activity and to reclassify net asset classifications.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 18, 2019.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

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

Very truly yours,



BLACKBURN, CHILDERS & STEAGALL, PLC

Niswonger Foundation, Inc.
Schedule A - Summary of Posted Adjustments
June 30, 2019

	Debit	Credit	Net Income (Loss) Effect
AJE.01			
R-40100-0	-	23,105	
R-40200-0	-	797,286	
R-40300-0	803,128	-	
R-81550-0	17,263	-	
			-
To reclassify investment activity.			
AJE.02			
R-10200-0	56,261	-	
R-40450-0	-	56,261	
			56,261
To record receivable for federal grant funds expended but not drawn-down at year end.			
AJE.03			
R-40150-0	-	27,716	
R-81620-0	27,716	-	
			-
To record imputed interest from interest-free demand loans.			
AJE.04			
R-31000-0	-	2,508	
R-80550-0	2,508	-	
			(2,508)
To reconcile net assets.			
AJE.05			
R-40000-0	-	9,600	
R-81570-0	9,600	-	
			-
To record rent of donated facilities from Tusculum University.			
AJE.06			
R-10052-F	49,427	-	
R-22010-0	-	49,427	
			(49,427)
To reclassify an accounts payable.			
AJE.07			
R-13010-0	-	143,764	
R-40240-0	143,764	-	
			(143,764)
To adjust to the present value of student loans receivable.			
AJE.08			
R-31000-0	353,625	-	
R-32000-0	-	353,625	
			-
To reclassify net assets for financial statement purposes.			
TOTAL	\$ 1,463,292	1,463,292	(139,438)