

November 3, 2020

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, 2020, and we will issue our report thereon dated November 3, 2020. 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 May 20, 2020. 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. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2020. 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 misstatements detected as a result of audit procedures were corrected by management: AJE.04- To record prior year entries and AJE.07-To record depreciation expense. The following material reclassifications detected as a result of audit procedures were corrected by management: AJE.06-To reclassify investment activity and to reclassify net asset classifications.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on 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 November 3, 2020.

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, 2020

	Debit	Credit	Net Income (Loss) Effect
AJE.01			
R-10200-0	Federal Grant Funds Receivable	\$ 26,200	-
R-11020-0	NTC Grant Revenue	-	18,155
R-40450-0	Rural Life Grant	-	8,045
			26,200
To record receivable for federal grant funds expended but not drawn-down at year end.			
AJE.02			
R-40150-0	Income from Contribution	-	10,154
R-81620-0	Interest Expense	10,154	-
			-
To record imputed interest from interest-free demand loans.			
AJE.03			
R-13010-0	Present Value Discount	8,224	-
R-40240-0	Present Value Discount- Scholars	-	8,224
			8,224
To record the present value discount on notes receivable.			
AJE.04			
R-10200-0	Federal Grant Funds Receivable	56,261	-
R-13010-0	Present Value Discount	-	143,764
R-22010-0	Accounts Payable	-	49,427
R-31000-0	Net Assets- Unrestricted	136,930	-
			-
To post prior year entry.			
AJE.05			
R-31000-0	Net Assets - Unrestricted	-	7
R-80550-0	Office Supplies	7	-
			(7)
To reconcile net assets.			
AJE.06			
R-40100-0	Investment Income	75,880	-
R-40200-0	Realized gains/losses	-	1,072,752
R-40300-0	Unrealized gains/losses	984,964	-
R-81550-0	Investment Fees	11,908	-
			-
To reclassify investment activity.			
AJE.07			
R-17000-0	Accumulated Depreciation	-	139,219
R-81700-0	Depreciation Expense	139,219	-
			(139,219)
To record depreciation expense.			

Niswonger Foundation, Inc.
Schedule A - Summary of Posted Adjustments
June 30, 2020

		Debit	Credit	Net Income (Loss) Effect
AJE.08				
R-15000-0	Furniture and Equipment	249	-	
R-15100-0	Buildings - Operating	449	-	
R-80440-0	Office Space / New Bldg	-	449	
R-80440-0	Office Space / New Bldg	-	249	
				698
To adjust the fixed assets balance to actual.				
AJE.09				
R-31000-0	Net Assets - Unrestricted	304,891	-	
R-32000-0	Temporarily Restricted Net Assets	-	304,891	
				-
To reclassify net assets for financial statement purposes.				
CAJE.01				
R-15100-0	Buildings - Operating	15,100	-	
R-15100-0	Buildings - Operating	4,162	-	
R-22010-0	Accounts Payable	-	19,262	
				-
To include invoices in accounts payable.				
CAJE.02				
R-15100-0	Buildings - Operating	1,432	-	
R-22010-0	Accounts Payable	-	1,432	
				-
To include additional invoice in accounts payable.				
CAJE.03				
R-15100-0	Furniture and Equipment	-	986	
R-15100-0	Furniture and Equipment	-	992	
R-15100-0	Furniture and Equipment	-	20,750	
R-15100-0	Furniture and Equipment	-	2,199	
R-15100-0	Furniture and Equipment	-	569	
R-80440-0	Office Space / New Bldg	986	-	
R-80440-0	Office Space / New Bldg	992	-	
R-80440-0	Office Space / New Bldg	20,750	-	
R-80440-0	Office Space / New Bldg	2,199	-	
R-80440-0	Office Space / New Bldg	569	-	
				(25,496)
To expense the assets below the capitalization threshold.				
CAJE.04				
R-24100-0	First Tennessee Line of Credit	-	720	
R-81620-0	Interest Expense	720	-	
				(720)
To write off debt.				
TOTAL		\$ 1,802,246	1,802,246	(130,320)