



**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**For the Years Ended June 30, 2024 and 2023**

**NISWONGER FOUNDATION, INC.**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**For the Years Ended June 30, 2024 and 2023**

**NISWONGER FOUNDATION, INC.**  
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**June 30, 2024 and 2023**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Niswonger Foundation, Inc.  
Greeneville, Tennessee

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Niswonger Foundation, Inc. (the Foundation) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and 2023, 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 and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation 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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditors' Responsibilities 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Foundation'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 Foundation'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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024, on our consideration of the Foundation'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 Foundation'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 Foundation's internal control over financial reporting and compliance.

*Blackburn, Childers & Steagall, P.C.*  
BLACKBURN, CHILDERS & STEAGALL, PLC  
Greeneville, Tennessee

October 31, 2024

**NISWONGER FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash	\$ 6,709,766	3,574,370
Restricted Cash	44,870	37,392
Grants Receivable	1,707,294	2,240,978
Investments	10,669,538	10,070,544
Other Assets	600	600
Student Loans Receivable	252,327	82,762
Note Receivable	-	10,000
Collections	101,861	101,861
Property and Equipment, Net of Accumulated Depreciation	<u>5,653,983</u>	<u>5,736,768</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 25,140,239</u></u>	<u><u>21,855,275</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Other Accrued Liabilities	\$ 542,638	896,715
Deferred Revenue	82,961	89,435
Lines of Credit	763,394	934,462
United States Department of Agriculture Loan	<u>540,904</u>	<u>601,935</u>
<b>TOTAL LIABILITIES</b>	<u>1,929,897</u>	<u>2,522,547</u>
 <b>NET ASSETS</b>		
Net Assets Without Donor Restrictions	20,310,342	18,332,728
Net Assets With Donor Restrictions		
Depot Street	<u>2,900,000</u>	<u>1,000,000</u>
<b>TOTAL NET ASSETS</b>	<u>23,210,342</u>	<u>19,332,728</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 25,140,239</u></u>	<u><u>21,855,275</u></u>

The accompanying notes are an integral part of these financial statements.

**NISWONGER FOUNDATION, INC.**  
**STATEMENTS OF ACTIVITIES**  
**For the Years Ended June 30, 2024 and 2023**

	2024	2023
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE		
Federal Grants	\$ 9,301,446	9,684,093
Non Federal Grants	2,471,624	1,420,565
Private Gifts and Grants	1,161,490	764,850
Investment Earnings, Net	240,473	226,399
Realized Gains (Losses) on Investments	41,048	(108,606)
Market Gains on Investments	724,952	1,031,705
Partnership Fees	678,854	658,982
Scholarship Loan Remission	267,099	-
Interest Income	221,187	29,789
Other Income	15,339	20,092
Net Assets Released from Restrictions	-	1,571,381
TOTAL REVENUE	15,123,512	15,299,250
EXPENSES		
Program Expenses	12,237,598	11,776,659
Administrative Expenses	908,300	806,038
TOTAL EXPENSES	13,145,898	12,582,697
NET INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	1,977,614	2,716,553
NET ASSETS WITH DONOR RESTRICTIONS		
Gifts and Grants	1,900,000	-
Net Assets Released from Restrictions	-	(1,571,381)
NET INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	1,900,000	(1,571,381)
TOTAL CHANGE IN NET ASSETS	3,877,614	1,145,172
NET ASSETS AT BEGINNING OF YEAR	19,332,728	17,708,703
PRIOR PERIOD ADJUSTMENT	-	478,853
NET ASSETS AT BEGINNING OF YEAR, RESTATED	19,332,728	18,187,556
NET ASSETS AT END OF YEAR	\$ 23,210,342	19,332,728

The accompanying notes are an integral part of these financial statements.

**NISWONGER FOUNDATION, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Years Ended June 30, 2024 and 2023**

	PROGRAM	ADMINISTRATIVE	TOTAL
<u>2024</u>			
Salaries and Wages	\$ 407,775	101,943	509,718
Payroll Taxes	41,212	10,303	51,515
Employee Benefits	96,708	24,176	120,884
Professional Services	-	167,141	167,141
Travel and Conferences	-	14,681	14,681
Supplies and Materials	-	17,091	17,091
Insurance	-	26,958	26,958
Interest	-	61,697	61,697
Utilities	-	25,896	25,896
Media	-	15,940	15,940
Other Expenses	-	239,046	239,046
Depreciation	-	203,428	203,428
Scholarship Program	189,710	-	189,710
School Partnership Program	89,485	-	89,485
CareerConnect Program	652,045	-	652,045
CARE Program	799,502	-	799,502
Partnership Program	451,070	-	451,070
NTC Grant	271,056	-	271,056
AP Access for All Grant	2,630,297	-	2,630,297
Miscellaneous Program Expenses	611,270	-	611,270
FAFSA Grant	38,826	-	38,826
STEM Grant	1,883,234	-	1,883,234
Project on Track Grant	4,075,408	-	4,075,408
	<u>\$ 12,237,598</u>	<u>908,300</u>	<u>13,145,898</u>
<u>2023</u>			
Salaries and Wages	\$ 429,698	107,424	537,122
Payroll Taxes	36,440	9,110	45,550
Employee Benefits	103,375	25,844	129,219
Professional Services	-	53,910	53,910
Travel and Conferences	-	25,126	25,126
Supplies and Materials	-	10,969	10,969
Insurance	-	22,646	22,646
Interest	-	76,659	76,659
Utilities	-	23,544	23,544
Media	-	25,691	25,691
Other Expenses	-	221,689	221,689
Depreciation	-	203,426	203,426
Scholarship Program	296,321	-	296,321
School Partnership Program	41,599	-	41,599
CareerConnect Program	175,479	-	175,479
CARE Program	738,549	-	738,549
Partnership Program	437,207	-	437,207
Rural LIFE Grant	496,843	-	496,843
NTC Grant	284,247	-	284,247
AP Access for All Grant	2,740,259	-	2,740,259
Miscellaneous Program Expenses	322,940	-	322,940
STEM Grant	2,209,116	-	2,209,116
Project on Track Grant	3,464,586	-	3,464,586
	<u>\$ 11,776,659</u>	<u>806,038</u>	<u>12,582,697</u>

The accompanying notes are an integral part of these financial statements.

**NISWONGER FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 3,877,614	1,145,172
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used For) Operating Activities		
Depreciation	203,428	203,426
Interest and Dividends	(240,473)	(226,399)
Realized (Gains) Losses on Investments	(41,048)	108,606
Market (Gains) Losses on Investments	(724,952)	(1,031,705)
(Increase) Decrease in Grants Receivable	533,684	(974,850)
(Increase) Decrease in Student Loans Receivable	(169,565)	-
(Increase) Decrease in Note Receivable	10,000	6,000
Increase (Decrease) in Accounts Payable and Other Accrued Liabilities	(354,077)	(163,894)
Increase (Decrease) in Deferred Revenue	<u>(6,474)</u>	<u>89,435</u>
Net Cash Provided By (Used For) Operating Activities	<u>3,088,137</u>	<u>(844,209)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	407,479	2,779,800
Purchase of Property and Equipment	<u>(120,643)</u>	<u>-</u>
Net Cash Provided By Investing Activities	<u>286,836</u>	<u>2,779,800</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	4,209,935	868,881
Repayment of Indebtedness	<u>(4,442,034)</u>	<u>(2,568,851)</u>
Net Cash Used for Financing Activities	<u>(232,099)</u>	<u>(1,699,970)</u>
NET INCREASE IN CASH	3,142,874	235,621
CASH AND RESTRICTED CASH AT BEGINNING OF YEAR	<u>3,611,762</u>	<u>3,376,141</u>
CASH AND RESTRICTED CASH AT END OF YEAR	<u><u>\$ 6,754,636</u></u>	<u><u>3,611,762</u></u>

(Continued)

**NISWONGER FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended June 30, 2024 and 2023**

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	<u>2024</u>	<u>2023</u>
CASH REPORTED ON STATEMENT OF FINANCIAL POSITION		
Cash	\$ 6,709,766	3,574,370
Restricted Cash	44,870	37,392
	<u>\$ 6,754,636</u>	<u>3,611,762</u>
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	<u>\$ 61,697</u>	<u>76,659</u>
 NONCASH INVESTING AND FINANCING ACTIVITIES		
Prior Period Adjustment to Grants Receivable	<u>\$ -</u>	<u>(478,853)</u>

The accompanying notes are an integral part of these financial statements.

**NISWONGER FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Niswonger Foundation, Inc. (the Foundation) is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Foundation is a private operating foundation which administers its own programs to create opportunities for individual and community growth through education and other sustainable projects. The Foundation accomplishes this mission through its scholarship and leadership programs, partnerships with local school districts and the disbursement of grants and contributions. The Foundation does not seek funding from the general public and, in the past, the vast majority of contributions have been from their primary benefactor, Mr. Scott M. Niswonger.

**Basis of Accounting**

The accounts of the Foundation are maintained, and the financial statements are prepared, on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. Accordingly, all significant receivables, payables and other liabilities are reflected in the financial records.

**Reclassification**

Certain 2023 amounts have been reclassified to conform with the 2024 financial statement presentation.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC). Under the FASB ASC, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the Foundation. These net assets may be used at the discretion of the Foundation's management and board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**NISWONGER FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Temporary restrictions met within the same fiscal year are reported as net assets without donor restrictions.

**Adoption of Accounting Standard**

Effective July 1, 2023, the Foundation adopted FASB Accounting Standards Update (ASU) 2016-13, *Financial Instruments-Credit Losses* (Topic 326) (ASU 2016-13). This standard significantly changes how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Foundation that are subject to the guidance in FASB ASC 326 were student loans receivable. The impact of the adoption was not considered material to the financial statements and primarily results in enhanced disclosures only.

**Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include those used in computing the fair value of investments and the present value discount on student loans receivable. Actual results could differ from those estimates and it is at least reasonably possible that these significant estimates will change within the next year.

**Cash and Restricted Cash**

For purposes of the Statements of Cash Flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Foundation's restricted cash is limited in use for the USDA debt reserve requirement.

**NISWONGER FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments**

The Foundation records investments in marketable securities with readily determinable market values and all investments in debt securities at their fair value. Unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities. Fair values for investment securities are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. Gains and losses and investment income derived from investments, receivables, and the like are accounted for as net assets with or without donor restrictions based on restrictions, if any, imposed by donors.

**Student Loans Receivable**

The Foundation reports their interest-free student loans receivable at their outstanding principal amounts. Student loans receivable are considered by management to be fully collectible and, accordingly, no allowance for credit losses is considered necessary. In making that determination, management evaluated history off collections, current economic conditions, future forecasts, and relevant borrower information. Student loans enter repayment one year after graduation or immediately if the student drops out of school. The loans are considered to be in default upon the student's failure to make a regularly-scheduled monthly payment.

**Collections**

The Foundation has capitalized its collections since its inception. Collection items are recorded at cost if purchased and at fair value at date of accession if donated. Gains and losses from any deaccessions are reported as changes in net assets based on the absence or existence and nature of donor-imposed restrictions. Collection items are protected, kept unencumbered, cared for and preserved. The Foundation's collection consists of antique furniture donated to the Foundation. These items are considered to be inexhaustible and are, therefore, not depreciated.

**Property and Equipment**

Property and equipment are recorded at cost when purchased, and are depreciated using the straight-line method over the estimated useful lives of the assets as follows:

	Years
Buildings	39
Furniture and Equipment	5 to 7

The Foundation follows the practice of capitalizing all expenditures in excess of \$5,000 for property and equipment at cost; the fair value of donated fixed assets is similarly capitalized. Routine repairs and maintenance are expensed as incurred.

**NISWONGER FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences**

Employees of the Foundation are entitled to paid vacation and discretionary time, which accrues each year at variable rates according to each employee's position and length of service. All vacation and discretionary time must be used in the year earned, and cannot be carried forward into future periods if unused. There is no liability for discretionary time since the Foundation's policy is that employees will not be paid for any accrued discretionary time under any circumstances. The Foundation's policy regarding accrued vacation time is that upon separation from service, employees would be paid for the vacation time accrued in that year.

**Contributions**

Contributions, including in-kind contributions, which are restricted by the donor, are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

**Income Taxes**

The Foundation is exempt from federal income taxes and classified as a private operating foundation under Section 501 of the IRC. It is subject to a 1.00% federal excise tax on net investment income, including realized gains, as defined by the IRC. The Foundation follows the FASB ASC, which provides guidance on accounting for uncertainty in income taxes recognized in an organization's financial statements. As of June 30, 2024 and 2023, the Foundation had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Foundation's policy is to recognize interest and penalties on unrecognized tax benefits in income tax expense in the financial statements. However, no interest or penalties were recorded during the years ended June 30, 2024 or 2023.

**Functional Allocation of Expenses**

The costs of providing the various programs and supporting services have been summarized on a functional basis. Salaries and wages, payroll taxes, and employee benefits have been allocated 80% to program expenses and 20% to administrative expenses.

**Revenue Recognition**

The Foundation recognizes revenue from partnership fees when the performance obligation of providing the services are met. Partnership fees are paid each semester at a set price for each participating student. These charges are fully earned and recognized throughout the year as revenue.

**NISWONGER FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

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**NOTE 2 - AVAILABILITY AND LIQUIDITY**

The following represents the Foundation's financial assets at June 30, 2024 and 2023 available to meet general expenditures over the next 12 months:

	<u>2024</u>	<u>2023</u>
Financial Assets at Year-End		
Cash	\$ 6,709,766	3,574,370
Investments	10,669,538	10,070,544
Student Loans Receivable	252,327	82,762
Note Receivable	-	10,000
Total Financial Assets at Year-End	<u>17,631,631</u>	<u>13,737,676</u>
Less Amounts Not Available to be Used Within One Year:		
Net Assets with Donor Restrictions	<u>2,900,000</u>	<u>1,000,000</u>
Financial Assets Not available to be Used Within One Year	<u>2,900,000</u>	<u>1,000,000</u>
Financial Assets Available to Meet General Expenditures in One Year	<u><u>\$ 14,731,631</u></u>	<u><u>12,737,676</u></u>

As part of the Foundation's liquidity management, assets are made available as expenditures and other liabilities are due. The goal is to have a cash reserve of one to two months to meet cash needs for general expenses. For short term liquidity issues and for unanticipated liquidity requests, the Foundation has a line of credit in the amount of \$1,000,000. See Note 5 for more information about the line of credit.

**NISWONGER FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

**NOTE 3 - FAIR VALUE MEASUREMENTS**

Fair values of assets measured on a recurring basis at June 30, 2024 and 2023 are as follows:

		<b>Fair Value Measurements at Reporting Date Using:</b>		
		Quoted Prices In Active Markets for Identical Assets (Level One)	Significant Other Observable Inputs (Level Two)	Significant Unobservable Inputs (Level Three)
	Total Fair Value			
<b>2024</b>				
Investments				
Equity Securities	\$ 4,137,769	4,137,769	-	-
Mutual Funds - Equities	4,491,766	4,491,766	-	-
Mutual Funds - Equities Measured at Net Asset Value <sup>a</sup>	1,391,120	-	-	-
Total Investments	<u>\$ 10,020,655</u>	<u>8,629,535</u>	<u>-</u>	<u>-</u>
<b>2023</b>				
Investments				
Equity Securities	\$ 2,520,085	2,520,085	-	-
Mutual Funds - Equities	5,842,264	5,842,264	-	-
Mutual Funds - Equities Measured at Net Asset Value <sup>a</sup>	1,264,258	-	-	-
Total Investments	<u>\$ 9,626,607</u>	<u>8,362,349</u>	<u>-</u>	<u>-</u>

<sup>a</sup> In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

Certain mutual funds and private equity funds 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.

In addition to the investments shown above which are stated at fair value, the Foundation's investments also include cash and cash equivalents totaling \$648,883 and \$443,937 as of June 30, 2024 and 2023, respectively.

**NISWONGER FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

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**NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)**

A summary of return on investments consists of the following for the years ended June 30, 2024 and 2023:

	2024	2023
Interest and Dividends	\$ 286,956	270,093
Net Realized Gains (Losses)	41,048	(108,606)
Net Unrealized Gains (Losses)	724,952	1,031,705
Advisory Fees	(46,483)	(43,694)
Net Return	<u>\$ 1,006,473</u>	<u>1,149,498</u>

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2024 and 2023 consisted of the following:

	2024	2023
Land	\$ 132,700	132,700
Furniture and Equipment	289,071	289,071
Buildings	6,023,818	6,023,818
Construction in Progress	120,643	-
	<u>6,566,232</u>	<u>6,445,589</u>
Less: Accumulated Depreciation	<u>(912,249)</u>	<u>(708,821)</u>
Total Property and Equipment	<u>\$ 5,653,983</u>	<u>5,736,768</u>

Depreciation expense for the years ended June 30, 2024 and 2023 was \$203,428 and \$203,426, respectively.

**NOTE 5 - LINE OF CREDIT**

At June 30, 2024 and 2023, the Foundation had an available bank line of credit for an amount up to \$1,000,000. This line of credit is unsecured. Interest, as described below, is due monthly on amounts borrowed under this agreement. The rate as of June 30, 2024 was 5.33%, which was the SOFR rate. The rate at June 30, 2023 was 6.33%, which was the SOFR rate. This line of credit matures in September 2024 and is annually renewable thereafter. At June 30, 2024 and 2023, the outstanding balance on the line of credit was \$763,394 and \$934,462, respectively.

**NISWONGER FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

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**NOTE 5 - LINE OF CREDIT (CONTINUED)**

Interest expense related to the line of credit for the years ended June 30, 2024 and June 30, 2023, was \$47,944 and \$61,592, respectively.

**NOTE 6 - RELATED PARTY TRANSACTIONS**

The Foundation holds building, workman's compensation, and liability insurance policies with a member of senior management spouse's insurance agency. Insurance payments for the years ended June 30, 2024 and 2023, was \$37,524 and \$39,882, respectively.

**NOTE 7 - LONG-TERM DEBT**

Long-term debt consists of a note payable to the United States Department of Agriculture (USDA) dated December 5, 2016 with monthly payments of \$6,232 due January 5, 2017 through December 5, 2032. Interest is payable monthly at an annual rate of 2.375%. Security for payment of the note consists of all real property and equipment acquired with Rural Housing Service funds and all revenues in connection with the operation of the facilities.

At June 30, 2024 and 2023, the outstanding balance on the note payable was \$540,904 and \$601,935, respectively. Interest expense related to long term debt for the years ended June 30, 2024 and 2023 was \$13,753 and \$15,067, respectively.

The following is a schedule of future maturities of long-term debt:

Year Ending June 30		
2025	\$	62,619
2026		64,123
2027		65,662
2028		67,239
2029		68,853
Thereafter		212,408
	\$	<u>540,904</u>

**NISWONGER FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

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**NOTE 8 - RETIREMENT PLAN**

The Foundation maintains a defined contribution pension plan under IRS Code Section 403(b). The Foundation makes a discretionary monthly contribution based on a percentage of each qualified employee's salary, as determined by the Foundation. Contributions totaling \$27,437 and \$27,449 were made by the Foundation for the years ended June 30, 2024 and 2023, respectively, in addition to the elective deferrals made by employees, if any.

**NOTE 9 - CONCENTRATIONS**

The Foundation maintains cash balances at a single financial institution. At times during the years ended June 30, 2024 and 2023, balances on deposit at financial institutions exceeded Federal Deposit Insurance Corporation (FDIC) insured limits. Cash amounts are neither insured nor guaranteed by the FDIC. However, the Foundation has not experienced any loss in such accounts and believes it is not exposed to any significant credit risk on its cash balances.

**NOTE 10 - COMMITMENTS**

The Foundation has approved future budgeted expenditures for several of its school partnership programs with local school districts. These expenditures are contingent upon the recipient programs' satisfactory completion of agreed-upon project objectives. Approved budgeted funding by year is as follows:

For the Fiscal Year Ending:  
June 30, 2025

\$	45,500
<hr/>	
\$	45,500
<hr/>	

**NOTE 11 - PRIOR PERIOD ADJUSTMENT**

Grants receivable related to expenses that should have been recorded in fiscal year 2022 were noted during fiscal year 2023 and adjusted accordingly. Net assets at the beginning of fiscal year 2023 increased by \$478,853 for the effects of the adjustment.

## **SUPPLEMENTARY INFORMATION**

**NISWONGER FOUNDATION, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2024**

Federal Grantor / Program Title	Assistance Listing Number (ALN)	Federal Expenditures
<b>United States Department of Education</b>		
<u>Pass-Through New Teacher Center</u>		
Education Innovation and Research	84.411 A	\$ 142,847
<b>United States Department of Education</b>		
Education Innovation and Research	84.411 B	1,907,966
Total Education Innovation and Research		<u>2,050,813</u>
<b>United States Department of Education</b>		
<u>Pass-Through Tennessee Department of Education</u>		
COVID-19 GEER Fund and Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425 C/D	2,844,487
<b>United States Department of Education</b>		
COVID-19 American Rescue Plan (ARP ESSER)	84.425U	4,358,536
Total Education Stabilization Funds		<u>7,203,023</u>
<b>United States Department of Agriculture</b>		
Community Facilities Direct Loans	10.766	601,935
<b>United States Department of Education</b>		
Innovative Approaches to Literacy; Full Service Community Schools; and Promise Neighborhood	84.215K	47,610
Total Expenditures of Federal Awards		<u>\$ 9,903,381</u>

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

***Note A - Basis of Presentation***

The schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Niswonger Foundation, Inc. under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Niswonger Foundation, Inc., it is not intended to, and does not present, the financial position, changes in net assets or cash flows of Niswonger Foundation, Inc.

**NISWONGER FOUNDATION, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2024**

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***Note B - Summary of Significant Accounting Policies***

Expenditures on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Foundation annually negotiates and receives approval on an indirect cost rate plan for all federal funds. The Foundation did not elect to use the 10 percent de minimis indirect cost rate.

***Note C - Loans Outstanding***

The Foundation had the following loan balances outstanding at June 30, 2024 for loans that the grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year were \$601,935 and there were no loans made during the year. The balance of loans outstanding at June 30, 2024 is \$540,904. See Note 7 for further information on this loan.

**INDEPENDENT AUDITORS' REPORT  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of  
Niswonger Foundation, Inc.  
Greeneville, Tennessee

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 financial statements of Niswonger Foundation, Inc. (the Foundation) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Foundation'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 Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 Foundation's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies in internal control, that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 Foundation'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 of 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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BLACKBURN, CHILDERS & STEAGALL, PLC  
Greeneville, Tennessee

October 31, 2024

**INDEPENDENT AUDITORS' REPORT  
ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Niswonger Foundation, Inc.  
Greeneville, Tennessee

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

***Opinion on Each Major Federal Program***

We have audited Niswonger Foundation, Inc.'s (the Foundation) 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 Foundation's major federal programs for the year ended June 30, 2024. The Foundation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Foundation 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 Foundation'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 Foundation's federal programs.

### ***Auditors' 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 Foundation'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 generally accepted auditing standards, *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 Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Foundation'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 Foundation'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 Foundation'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 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 Auditors' 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.



BLACKBURN, CHILDERS & STEAGALL, PLC  
Greeneville, Tennessee

October 31, 2024

**NISWONGER FOUNDATION, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2024**

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**PART I - SUMMARY OF AUDITORS' RESULTS**

1. The independent auditors' report expresses an unmodified opinion on whether the financial statements of Niswonger Foundation, Inc. were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses were disclosed during the audit of the financial statements in the schedule of findings and questioned costs.
3. No instances of noncompliance material to the financial statements of Niswonger Foundation, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in compliance and internal control over compliance over major federal award programs is reported in the schedule of findings and questioned costs.
5. The independent auditors' report on compliance for the major federal award programs for Niswonger Foundation, Inc. expresses an unmodified opinion on all major federal programs.
6. No audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in the schedule of findings and questioned costs.
7. The programs tested as major programs include:
  - U. S. Department of Education: Governor's Emergency Education Relief and Elementary and Secondary School Emergency Relief Funds: ALN #84.425C and 84.425D
  - U. S. Department of Education: American Rescue Plan: ALN #84.425U
8. The threshold used for distinguishing Types A and B programs was \$750,000.
9. Niswonger Foundation, Inc. was determined to be a low-risk auditee.

**NISWONGER FOUNDATION, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2024**

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**PART II - FINDINGS - FINANCIAL STATEMENT AUDIT**

**Current Year Findings**

None Reported.

**Prior Year Findings Not Implemented**

None Reported.

**Prior Year Findings Implemented**

None Reported.

**PART III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

**Current Year Findings**

None Reported.

**Prior Year Findings Not Implemented**

None Reported.

**Prior Year Findings Implemented**

None Reported.