

October 31, 2024

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, 2024, and we will issue our report thereon dated October 31, 2024. 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 September 16, 2024. 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 allowance for credit losses by adopting FASB Accounting Standards Update (ASU) 2016-03, *Credit Losses* (Topic 326) in 2024. 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 depreciation is calculated using the straight-line method over the estimated useful lives of property.

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. The attached Appendix B summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. Management has corrected all misstatements as attached in Appendix A. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

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 October 31, 2024.

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,

A handwritten signature in cursive script that reads "Blackburn, Childers & Steagall, PLC".

BLACKBURN, CHILDERS & STEAGALL, PLC
Greeneville, Tennessee

Niswonger Foundation, Inc.
Schedule A - Summary of Posted Adjustments
June 30, 2024

	Debit	Credit	Net Income (Loss) Effect
RJE.01			
8005 Salaries	-	407,774	
8006 Fringe Benefits	-	74,758	
8015 Payroll Taxes	-	40,890	
8017 State Unemployment Tax	-	322	
8040 Pension Expense	-	21,950	
8805 Salaries - Program	407,774	-	
8806 Other Fringe Benefits/Wellness - Program	74,758	-	
8815 Payroll Taxes - Program	40,890	-	
8817 State Unemployment Tax- Program	322	-	
8840 Pension Expense - Program	21,950	-	
			-
Client do not post- reclassifying entry For financial statement presentation.			
RJE.02			
1102 NTC Grant Revenue	200,000	-	
4056 TN SCORE Grant	-	200,000	
			-
Client do not post- reclassifying entry For financial statement presentation.			
AJE.01			
1201 Accounts Receivable- Scholars	1,613	-	
4034 Scholar Loan Revenue	-	1,613	
			1,613
To clear out note receivable on old note.			
AJE.02			
2305 Deferred Revenue	6,474	-	
4033 New Venture Fund	-	6,474	
			6,474
To recognize revenue earned from money spent on the New Venture grant in the current year.			
AJE.03			
1102 NTC Grant Revenue	-	50,395	
10200 Federal Grant Funds Receivable	54,427	-	
1102-IC NTC Indirect Cost	-	4,032	
			54,427
To record Q4 NTC grant reimbursement.			

Niswonger Foundation, Inc.
Schedule A - Summary of Posted Adjustments
June 30, 2024

	Debit	Credit	Net Income (Loss) Effect
AJE.04			
2202 Grant Expense Payables	31,250	-	
2301 Accounts Payable- Other	-	31,250	
4047 STEM LD Grant Income	27,900	-	
10200 Federal Grant Funds Receivable	-	27,900	
			(27,900)
To correct receivable on STEM and reclassify payable.			
AJE.05			
3100 Net Assets- Unrestricted	1,900,000	-	
3200 Temporarily Restricted Net Assets	-	1,900,000	
			-
To adjust restricted net assets to actual.			
AJE.06			
15600 Construction in Progress	120,643	-	
30102 NEC Bldg Repairs and Upgrades	-	120,643	
			120,643
To reclassify expenses as CIP.			
CAJE.01			
2301 Accounts Payable- Other	103,510	-	
14038 Online Seat Fee	-	31,014	
14046 Comp Ed Resources Expense	-	65,975	
20068-N ETSU Various	-	6,339	
20069-N Other/future partners	-	182	
			103,510
Client entry To clear PY A/P balance.			

Niswonger Foundation, Inc.
Schedule A - Summary of Posted Adjustments
June 30, 2024

	Debit	Credit	Net Income (Loss) Effect
CAJE.02			
2202 Grant Expense Payables	-	102,133	
4008 Project on Track / TN All Corp	-	82,978	
4047 STEM LD Grant Income	-	19,155	
10200 Federal Grant Funds Receivable	102,133	-	
40012 Site Coordinators	1,300	-	
40012 Site Coordinators	9,000	-	
40013 Tutors	1,699	-	
40013 Tutors	56,182	-	
40018 Training / PD	11	-	
40018 Training / PD	5,970	-	
20032-F Staff Local	1,511	-	
20053-F Instructional Supplies	992	-	
20068-N ETSU Various	15,244	-	
20070-F Existing Potential Partners	1,408	-	
40011-L LEA Allowance	230	-	
40011-L LEA Allowance	8,586	-	
			-
Client entry To record additional A/P invoices provided by Kathy.			
CAJE.03			
1201 Accounts Receivable- Scholars	-	2,007	
4034 Scholar Loan Revenue	2,007	-	
			(2,007)
Client entry To correct Wang Note Receivable balance.			
TOTAL	\$ 3,197,784	3,197,784	256,760

Niswonger Foundation, Inc.
Schedule B - Summary of Passed Adjustments
June 30, 2024

	Debit	Credit	Net Income (Loss) Effect
PAJE.01			
13010 Present Value Discount	-	49,965	
40240 Present Value Discount- Scholars	49,965	-	
			(49,965)
Passed entry Client do not post. To record PV discount on scholar notes receivable.			
TOTAL	\$ 49,965	49,965	(49,965)