

FOUNDATION FOR AN INDEPENDENT TOMORROW

FINANCIAL STATEMENTS

JUNE 30, 2021 and 2020

*The report accompanying these financial statements
was issued by Watkins Jackson CPAs, PLLC,
a Nevada Professional Limited Liability Company.*

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WATKINS JACKSON CPAs

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Foundation for an Independent Tomorrow
Las Vegas, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of Foundation for an Independent Tomorrow (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foundation for an Independent Tomorrow as of June 30, 2021 and 2020, 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.

Other Matters

Other 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* (CFR) 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 information 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 November 18, 2021 on our consideration of Foundation for an Independent Tomorrow'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 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 for an Independent Tomorrow'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 Foundation for an Independent Tomorrow's internal control over financial reporting and compliance.



Watkins Jackson CPAs
Las Vegas, Nevada
November 18, 2021

FOUNDATION FOR AN INDEPENDENT TOMORROW

STATEMENTS OF FINANCIAL POSITION

ASSETS	June 30, 2021	June 30, 2020
Current assets		
Cash and cash equivalents	\$ 1,531,259	\$ 1,292,662
Federal grants receivable	127,109	134,235
Prepaid expenses and other current assets	33,557	17,806
Total current assets	1,691,925	1,444,703
Refundable deposit	5,000	-
Property and equipment, net of accumulated depreciation	5,224,055	5,308,454
Total assets	<u>\$ 6,920,980</u>	<u>\$ 6,753,157</u>
LIABILITIES and NET ASSETS		
Current liabilities		
Accounts payable	\$ 30,112	\$ 67,877
Accrued expenses	73,248	84,030
Grant advances	295,591	116,717
Total current liabilities	398,951	268,624
Total liabilities	398,951	268,624
Net assets		
Without donor restrictions:		
Undesignated	6,522,029	6,484,533
Total liabilities and net assets	<u>\$ 6,920,980</u>	<u>\$ 6,753,157</u>

See Notes to Financial Statements

FOUNDATION FOR AN INDEPENDENT TOMORROW

STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS

	Year Ended June 30, 2021	Year Ended June 30, 2020
Changes in net assets without donor restrictions		
Revenues:		
Contributions and grants	\$ 2,996,469	\$ 2,540,788
Special events	131,350	231,372
Less direct benefit costs	(1,075)	(85,711)
Other	312,836	170,624
Total unrestricted revenues, gains and support	<u>3,439,580</u>	<u>2,857,073</u>
Expenses:		
Program	3,180,256	2,743,944
Fundraising	30,707	27,652
Management and general	191,121	145,068
Total expenses	<u>3,402,084</u>	<u>2,916,664</u>
Increase in net assets without donor restrictions	<u>37,496</u>	<u>(59,591)</u>
Change in net assets	37,496	(59,591)
Net assets, beginning of period	<u>6,484,533</u>	<u>6,544,124</u>
Net assets, end of period	<u><u>\$ 6,522,029</u></u>	<u><u>\$ 6,484,533</u></u>

See Notes to Financial Statements

FOUNDATION FOR AN INDEPENDENT TOMORROW

STATEMENTS OF FUNCTIONAL EXPENSES

	Program	Fundraising	Management and General	Total
<u>Year ended June 30, 2021</u>				
Salaries and related expense	\$ 1,579,891	\$ -	\$ 128,620	\$ 1,708,511
Instructional	935,872	-	-	935,872
Insurance	26,071	393	1,178	27,642
Client assistance	77,420	2,064	-	79,484
Printing and mailing	1,035	-	141	1,176
Professional services				
Donated	150,000	25,000	25,000	200,000
Other	24,756	45	3,099	27,900
Supplies	24,410	-	3,325	27,735
Fees, licenses and dues	1,348	-	184	1,532
Office and equipment maintenance	68,507	543	6,045	75,095
Depreciation	163,273	2,182	9,042	174,497
Marketing and promotions	73,532	-	10,016	83,548
Utilities, including telephone	31,887	480	1,440	33,807
Other	22,254	-	3,031	25,285
	<u>\$ 3,180,256</u>	<u>\$ 30,707</u>	<u>\$ 191,121</u>	<u>\$ 3,402,084</u>
<u>Year ended June 30, 2020</u>				
Salaries and related expense	\$ 1,363,873	\$ 1,272	\$ 96,334	\$ 1,461,479
Instructional	721,529	-	-	721,529
Insurance	19,909	300	899	21,108
Client assistance	180,701	3,907	-	184,608
Printing and mailing	1,238	1	188	1,427
Professional services				
Donated	112,500	18,750	18,750	150,000
Other	37,623	38	5,711	43,372
Supplies	21,386	61	2,946	24,393
Fees, licenses and dues	2,181	2	331	2,514
Office and equipment maintenance	34,158	514	1,543	36,215
Depreciation	163,058	2,201	9,295	174,554
Marketing and promotions	26,249	26	3,984	30,259
Utilities, including telephone	32,427	488	1,465	34,380
Other	27,112	92	3,622	30,826
	<u>\$ 2,743,944</u>	<u>\$ 27,652</u>	<u>\$ 145,068</u>	<u>\$ 2,916,664</u>

See Notes to Financial Statements

FOUNDATION FOR AN INDEPENDENT TOMORROW

STATEMENTS OF CASH FLOWS

	Year Ended June 30, 2021	Year Ended June 30, 2020
Cash Flows from Operating Activities		
(Decrease) Increase in net assets	\$ 37,496	\$ (59,591)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	174,497	174,554
(Increase) decrease in operating assets:		
Contributions and grants receivable	7,126	(77,986)
Prepaid expenses and other current assets	(15,751)	2,979
Increase (decrease) in operating liabilities:		
Accounts payable	(37,765)	(11,850)
Accrued expenses	(10,782)	28,765
Grant advances	178,874	93,288
Net cash provided by operating activities	328,695	150,159
Cash Flows from Investing Activities		
Purchase of property and equipment	(90,098)	(56,827)
Net cash used in investing activities	(90,098)	(56,827)
Net increase in cash	238,597	93,332
Cash and equivalents, beginning of period	1,292,662	1,199,330
Cash and equivalents, end of period	<u>\$ 1,531,259</u>	<u>\$ 1,292,662</u>
Supplemental cash flow information		
Donated goods and services	\$ 200,000	\$ 194,872

See Notes to Financial Statements

FOUNDATION FOR AN INDEPENDENT TOMORROW
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND JUNE 30, 2020

NOTE 1. NATURE OF OPERATIONS

Activities

Foundation for an Independent Tomorrow (the “Foundation”) empowers motivated unemployed and underemployed Nevadans to become self-sufficient and achieve financial stability through individual mentoring and support for education, training and employment preparation. The Foundation assists qualified individuals that are 18 years of age or over, have a high school diploma or GED, are United States citizens, and can demonstrate a need for educational assistance or vocational training.

Concentrations

Because the Foundation operates exclusively in Las Vegas, Nevada, future operations could be affected by adverse economic conditions in the area.

During the years ended June 30, 2021 and 2020, the Foundation received approximately 63% and 69% respectively, of its support and revenue in the form of grants awarded as a recipient/sub recipient of federal funds from two funding sources. Accounts receivable during the years ended June 30, 2021 and 2020 from these same funding sources were approximately 100% and 97%, respectively.

From time-to-time, the Foundation may carry cash and cash equivalents on deposit with financial institutions in excess of federally-insured limits, and the risk of losses related to such concentrations may be increasing as a result of recent economic developments discussed in the foregoing paragraph. The extent of a future loss to be sustained as a result of uninsured deposits in the event of a future failure of a financial institution, if any, however, is not subject to estimation at this time.

Tax-exempt status

The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). Accordingly, no income tax is reflected in the accompanying financial statements. In addition, the Foundation is classified as a publicly supported charitable organization under IRC Section 509(a)(1); therefore, donations qualify for the maximum charitable contribution deduction under IRC Section 170(b)(1)(A)(vi). The Foundation’s tax returns for 2017 through 2020 remain open for possible examination by the Internal Revenue Service.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Foundation has adopted guidance issued by the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) Topic 958, Not-for-Profit Entity. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. The financial statements have been prepared on the accrual basis of accounting.

Cash equivalents

Cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less.

FOUNDATION FOR AN INDEPENDENT TOMORROW
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND JUNE 30, 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment

Property and equipment (Note 5) are stated at cost if purchased or fair value if donated. It is the policy of the Foundation to capitalize costs individually of \$500 or more. Depreciation is computed using either an accelerated or straight line method over the following useful lives:

	<u>Estimated lives</u>
Building	39 years
Office equipment	5 years
Software	3 years
Furniture and fixtures	7-10 years

Donated furniture and equipment (and property purchased with restricted funds, if any) is included in unrestricted net assets unless otherwise specified by the donor.

Net assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Revenue and support with and without restrictions

Revenues from exchange transactions, including substantially all grants and contracts, are recognized when earned. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without restrictions and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions. As of June 30, 2021, the Organization has no net assets with donor restriction. However, when both net assets without donor restrictions and net assets with donor restrictions are available for use, it is the Organization's policy to use net assets with donor restrictions first, then net assets without donor restrictions.

As required under ASC Subtopic 958-605, "*Accounting for Contributions Received and Contributions Made*," all contributions are recognized as support in the statement of activities in the period received, including unconditional pledges receivable, at their estimated net realizable value (with present value discounts if due in more than one year amortized as contribution income over the expected holding period) and net of any allowance for estimated uncollectible receivables.

Contributions of cash or other assets received with donor restrictions are reported as unrestricted support when the donor restrictions are fulfilled within the same accounting period. However, restricted contributions of cash or other assets received in prior years are deemed expended before restricted contributions received in the current year for the same purpose.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2021 and 2020 was \$65,418 and \$30,259, respectively.

Use of estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required 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.

FOUNDATION FOR AN INDEPENDENT TOMORROW
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND JUNE 30, 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

The following expenses were allocated on the basis of direct expenses: Salaries and related expense, Instructional, Client assistance and Donated professional services.

The following expenses were allocated on the basis of payroll allocation: Printing and mailing, Other professional services, Fees, Licenses and dues, and Marketing and promotions.

The following expenses were allocated on the basis of space allocation: Insurance, Office and equipment maintenance and Utilities, including telephone.

The following expenses were allocated by a function of payroll and space allocation: Supplies, Depreciation and Other.

Functional expenses

Certain expenses are allocated functionally based in significant part on estimates by management.

Donated services and assets

Significant portions of the Foundation's functions are conducted by unpaid volunteers. The value of the contributed services is not reflected in the accompanying financial statements when they do not meet the criteria for recognition under ASC Subtopic 958-605. Donated (in-kind) assets are recognized as unrestricted contribution revenue at their estimated fair value when received unless otherwise specified by the donor. Donated services that were given accounting recognition in the year ended June 30, 2021 and 2020 consist of \$200,000 and \$150,000, respectively.

Reclassifications

Certain reclassifications of prior year amounts have been made to conform to the current year presentation.

Fair value of financial instruments

The Foundation's financial instruments include federal grants receivable, prepaid expenses, accounts payable and accrued expenses. The fair value hierarchy under U.S. GAAP distinguishes between assumptions based on market data (observable inputs) and an entity's own assumptions (unobservable inputs). The hierarchy prioritizes valuation inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of three levels:

Level one – Unadjusted quoted market prices in active markets for identical assets or liabilities.

Level two – Inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level three – Unobservable inputs developed using estimates and assumptions, which are developed by the reporting entity and reflect those assumptions that a market participant would use.

FOUNDATION FOR AN INDEPENDENT TOMORROW
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND JUNE 30, 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Foundation has determined the estimated fair values of its financial instruments using available market information and commonly accepted valuation methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the Foundation estimates are not necessarily indicative of the amounts that it, or holders of the instruments, could realize in a current market exchange. The use of different assumptions or valuation methodologies could have a material effect on the estimated fair value amounts.

The fair value estimates are based on information available as of June 30, 2021. These amounts have not been revalued since those dates, and current estimates of fair value could differ significantly from the amounts presented.

Federal grants receivable, prepaid expenses, accounts payable and accrued expenses approximate their respective fair values.

Recently Adopted Issued Accounting Pronouncements

On June 21, 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The Organization adopted the standard as of July 1, 2020 using the modified retrospective method. This ASU clarifies the guidance for evaluating whether a transaction is conditional or unconditional with regard to contributions. Federal grants are considered conditional contributions and the recognition of grant revenue is deferred until barriers imposed under the grant document are met. Revenue is recognized as the related qualifying expenses are incurred as allowable by the grants. Accordingly, only grant advances for awards not completed as of the effective date have been recorded in the accompanying statements of financial position. Based on the Organization's review of the adoption of this ASU certain prior year balances have changed as reflected below using the modified retrospective method.

	Before Adoption Fiscal year ended June 30, 2020	After Adoption Fiscal year ended June 30, 2020
Revenue – Contributions and grants	\$ 2,634,076	\$ 2,540,788
Net assets, beginning of period	6,567,553	6,544,124
Net assets, end of period	6,601,250	6,484,533
Grant advances	-	116,717

NOTE 3. INFORMATION REGARDING LIQUIDITY AND AVAILABILITY

The Foundation is substantially supported by grant and contribution revenues and considers contributions restricted for programs which are ongoing, major, and central to its operations to be available to meet cash needs for general expenditures. The Foundation manages its liquidity and reserves by operating within a range of financial soundness and stability while maintaining sufficient liquid assets and reserves to meet the near-term operating needs and provide reasonable assurance that liabilities and other obligations will be discharged as they become due. The table on the following page reflects the Foundation's financial assets as of June 30, 2021, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date:

FOUNDATION FOR AN INDEPENDENT TOMORROW
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND JUNE 30, 2020

NOTE 3. INFORMATION REGARDING LIQUIDITY AND AVAILABILITY (CONTINUED)

	<u>2021</u>
Financial assets, at year end:	
Cash	\$ 1,531,259
Federal grants receivable	<u>127,109</u>
Total financial assets, at year end:	1,658,368
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Accounts payable and accrued expenses	(103,360)
Grant advances	<u>(295,591)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 1,259,417</u>

NOTE 4. CASH AND CASH EQUIVALENTS

The Foundation maintains certain cash balances in institutions insured by the Federal Deposit Insurance Corporation (FDIC). All non-interest bearing transaction deposit accounts at an FDIC-insured institution, including all personal and business checking deposit accounts that do not earn interest, are insured to \$250,000. At June 30, 2021 and June 30, 2020, the Foundation had uninsured cash balances in the amounts of \$338,172 and \$198,026, respectively. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

The Foundation maintains certain cash balances in institutions insured by the Securities Investor Protection Corporation (SIPC). All interest bearing transaction deposit accounts and securities at an SIPC-insured institution, are insured to \$500,000 and \$250,000 for cash balances. At June 30, 2021 and June 30, 2020, the Foundation had uninsured cash and cash equivalent balances in the amounts of \$565,715 and \$312,820, respectively. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

NOTE 5. FEDERAL GRANTS RECEIVABLE

The Foundation had balances due from Federal grant awards as of June 30, 2021 and 2020 totaling \$127,109 and \$134,235, respectively.

NOTE 6. PROPERTY AND EQUIPMENT

	<u>2021</u>	<u>2020</u>
Land	\$ 677,505	\$ 677,505
Building	5,993,867	5,993,867
Office equipment, furniture and fixtures	<u>501,661</u>	<u>411,563</u>
	7,173,033	7,082,935
Less accumulated depreciation	<u>(1,948,978)</u>	<u>(1,774,481)</u>
	<u>\$ 5,224,055</u>	<u>\$ 5,308,454</u>

Depreciation expense for fiscal years ending June 30, 2021 and 2020 were \$174,497 and \$174,554, respectively.

FOUNDATION FOR AN INDEPENDENT TOMORROW
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND JUNE 30, 2020

NOTE 7. RELATED PARTY TRANSACTIONS

The Foundation received contributions from officers, directors and their employers or controlled affiliate, including cash, goods and services, which for 2021 and 2020 totaled \$494,951 and \$342,810, respectively.

NOTE 8. GRANT ADVANCES

The Foundation receives grant awards from federal agencies. Such award instruments are to be used for specific programs in accordance with grant requirements. Grant advances for federal awards as of June 30, 2021 and 2020 totaled \$295,591 and \$116,717, respectively.

NOTE 9. FEDERAL GRANTS

For the years ended June 30, 2021 and 2020, the Foundation recorded as revenue federally funded grant amounts received totaling \$2,169,366 and \$1,970,663, respectively.

NOTE 10. EMPLOYEE BENEFIT PLANS

The Foundation's employees are eligible (subject to certain requirements) to participate in a 401(k) plan. The Foundation makes discretionary matching contributions based on an amount determined by the Board of Directors. The Foundation contributed \$8,651 and \$8,573 for the years ended June 30, 2021 and 2020, respectively.

Vesting of the Foundations contributions is determined by the number of years of an employee's service from date of hire to date of termination.

NOTE 11. SUBSEQUENT EVENTS

We have evaluated the existence of both recognized and unrecognized subsequent events through the date of the audit report, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

FOUNDATION FOR AN INDEPENDENT TOMORROW**Schedule of Expenditures of Federal Awards
For the year ended June 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF LABOR			
Workforce Innovation and Opportunity Act, Title 1 - Adult Program	17.258	N/A	\$ 992,281
Workforce Innovation and Opportunity Act, Title 1 - National Dislocated Worker - ER	17.277	N/A	398,748
			<u>1,391,029</u>
Reentry Employment Opportunities - Project Grants	17.270	N/A	810,651
			<u>810,651</u>
Total Expenditures of Federal Awards			<u>\$ 2,201,680</u>

The accompanying notes are an integral part of this schedule.

FOUNDATION FOR AN INDEPENDENT TOMORROW**Notes to the Schedule of Expenditures of Federal Awards
For the year ended June 30, 2021****NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedules of Expenditures of Federal Awards ("SEFA") includes the federal grant award activity of Foundation for an Independent Tomorrow, under programs of the federal government for the years ended June 30, 2021 in accordance with the requirements of Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. For new awards or modifications of existing awards after December 26, 2014, the expenditures reported in the SEFA follow the cost principles contained in the Uniform Guidance. The cost principles indicate the certain types of expenditures are not allowable and certain allowable costs are limited as to reimbursement. Foundation for an Independent Tomorrow has not elected to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.

NOTE 3. PASS-THROUGH AWARDS

Foundation for an Independent Tomorrow received certain federal financial assistance from pass-through awards of the passthrough entities listed on the SEFA.

NOTE 4. NON-CASH ASSISTANCE

Foundation for an Independent Tomorrow did not receive any federal non-cash assistance.

FOUNDATION FOR AN INDEPENDENT TOMORROW**Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF LABOR			
Workforce Innovation and Opportunity Act, Title 1 - Adult Program	17.258	N/A	\$ 827,684 827,684
Reentry Employment Opportunities - Project Grants	17.270	N/A	1,102,127 1,102,127
Total Expenditures of Federal Awards			\$ 1,929,811

The accompanying notes are an integral part of this schedule.

FOUNDATION FOR AN INDEPENDENT TOMORROW**Notes to the Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020****NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedules of Expenditures of Federal Awards ("SEFA") includes the federal grant award activity of Foundation for an Independent Tomorrow, under programs of the federal government for the years ended June 30, 2020 in accordance with the requirements of Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

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NOTE 3. PASS-THROUGH AWARDS

Foundation for an Independent Tomorrow received certain federal financial assistance from pass-through awards of the passthrough entities listed on the SEFA.

NOTE 4. NON-CASH ASSISTANCE

Foundation for an Independent Tomorrow did not receive any federal non-cash assistance.

**INDEPENDENT AUDITOR'S REPORTS ON COMPLIANCE
AND INTERNAL CONTROL**



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

To the Board of Directors
Foundation for an Independent Tomorrow
(A Nonprofit Organization)

Report on Compliance for Each Major Federal Program

We have audited Foundation for an Independent Tomorrow's (a nonprofit organization) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Foundation for an Independent Tomorrow's major federal programs for the years ended June 30, 2021 and 2020. Foundation for an Independent Tomorrow's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Foundation for an Independent Tomorrow's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Foundation for an Independent Tomorrow's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Foundation for an Independent Tomorrow's compliance.

Opinion on Each Major Federal Program

In our opinion, Foundation for an Independent Tomorrow 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 years ended June 30, 2021 and 2020.

Report on Internal Control Over Compliance

Management of Foundation for an Independent Tomorrow is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Foundation for an Independent Tomorrow's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Foundation for an Independent Tomorrow's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

A handwritten signature in dark ink that reads "Watkins Jackson CPAs". The signature is written in a cursive, flowing style.

Watkins Jackson CPAs
Las Vegas, Nevada
November 18, 2021



WATKINS JACKSON CPAs

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

To the Board of Directors
Foundation for an Independent Tomorrow
(A Nonprofit Organization)

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 Foundation for an Independent Tomorrow (a nonprofit organization) which comprise the statement of financial position as of June 30, 2021, 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 November 18, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Foundation for an Independent Tomorrow'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 Foundation for an Independent Tomorrow's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation for an Independent Tomorrow'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. 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Foundation for an Independent Tomorrow's financial statements are free of 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 determination of financial statement amounts. 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Watkins Jackson CPAs
Las Vegas, Nevada
November 18, 2021

FOUNDATION FOR AN INDEPENDENT TOMORROW
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor's report issued: | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiencies identified not considered material weaknesses? | None reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|--|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| Reportable condition(s) identified that are
Not considered to be material weakness(es)? | No |
| 2. Type of auditor's report issued on compliance for major programs: | |
| Workforce Investment Act, Title 1 –
Adult and Dislocated Worker | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? | No |
| 4. Identification of major programs | |
| CFDA Number: | 17.258 (WIA Adult)
17.270 (Reintegration of ex-offenders) |
| 5. Dollar Threshold used to distinguish between Type A and Type B programs? | \$750,000 |
| 6. Auditee qualified as low-risk auditee? | Yes |

SECTION II - FINDINGS-FINANCIAL STATEMENT AUDIT

None

SECTION III - FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

None

FOUNDATION FOR AN INDEPENDENT TOMORROW
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor's report issued: | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiencies identified not considered material weaknesses? | None reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|--|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| Reportable condition(s) identified that are Not considered to be material weakness(es)? | No |
| 2. Type of auditor's report issued on compliance for major programs: | |
| Workforce Investment Act, Title 1 – Adult and Dislocated Worker | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? | No |
| 4. Identification of major programs | |
| CFDA Number: | 17.258 (WIA Adult)
17.270 (Reintegration of ex-offenders) |
| 5. Dollar Threshold used to distinguish between Type A and Type B programs? | \$750,000 |
| 6. Auditee qualified as low-risk auditee? | Yes |

SECTION II - FINDINGS-FINANCIAL STATEMENT AUDIT

None

SECTION III - FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

None

FOUNDATION FOR AN INDEPENDENT TOMORROW
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

None noted.

FOUNDATION FOR AN INDEPENDENT TOMORROW
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020

None noted.