FOUNDATION FOR AN INDEPENDENT TOMORROW

AUDITED FINANCIAL STATEMENTS

AND

SUPPLEMENTAL REPORT ON COMPLIANCE WITH GOVERNMENT REPORTING STANDARDS AND

UNIFORM GUIDANCE

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Foundation for an Independent Tomorrow (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022 and 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Foundation for an Independent Tomorrow as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation for an Independent Tomorrow and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

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 for an Independent Tomorrow's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 for an Independent Tomorrow'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 for an Independent Tomorrow'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 March 27, 2023 on our consideration of the 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 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 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 the Foundation for an Independent Tomorrow's internal control over financial reporting and compliance.

Watkins Jackson CPAs

Watkins Jackson CPAs
Las Vegas, Nevada
March 27, 2023

FOUNDATION FOR AN INDEPENDENT TOMORROW

STATEMENTS OF FINANCIAL POSITION

ASSETS		June 30, 2022		June 30, 2021
Current assets				
Cash and cash equivalents	$	825,059	$	852,853
Investments		634,165	$	678,406
Grants and other receivables		27,084		-
Federal grants receivable		183,696		127,109
Prepaid expenses and other current assets		29,612		33,557
Total current assets		1,699,616		1,691,925
Refundable deposit		5,000		5,000
Property and equipment, net of accumulated depreciation		5,036,335		5,224,055
Total assets	$	6,740,951	$	6,920,980

LIABILITIES and NET ASSETS				
Current liabilities				
Accounts payable	$	38,569	$	30,112
Accrued expenses		114,389		73,248
Grant advances		179,786		295,591
Total current liabilities		332,744		398,951
Total liabilities		332,744		398,951
Net assets				
Without donor restrictions:				
Undesignated		6,408,207		6,522,029
Total liabilities and net assets	$	6,740,951	$	6,920,980

See Notes to Financial Statements

FOUNDATION FOR AN INDEPENDENT TOMORROW

STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS

	Year Ended June 30, 2022	Year Ended June 30, 2021
Changes in net assets without donor restrictions		
Revenues:		
Contributions and grants	$ 3,400,492	$ 2,996,469
Special events	270,241	131,350
Less direct benefit costs	(91,476)	(1,075)
Other	605,192	312,836
	4,184,449	3,439,580
Net assets released from restrictions through satisfaction of program restrictions	-	-
Total unrestricted revenues, gains and support	4,184,449	3,439,580
Expenses:		
Program	4,070,140	3,180,256
Fundraising	31,970	30,707
Management and general	196,161	191,121
Total expenses	4,298,271	3,402,084
Change in net assets without donor restrictions	(113,822)	37,496
Changes in temporarily restricted net assets		
Contributions	-	-
Net assets released from restrictions	-	-
Change in temporarily restricted net assets	-	-
Change in net assets	(113,822)	37,496
Net assets, beginning of period	6,522,029	6,484,533
Net assets, end of period	$ 6,408,207	$ 6,522,029

See Notes to Financial Statements

FOUNDATION FOR AN INDEPENDENT TOMORROW

STATEMENTS OF FUNCTIONAL EXPENSES

	Program	Fundraising	Management and General	Total
Year ended June 30, 2022				
Salaries and related expense	$ 1,708,098	$ -	$ 132,838	$ 1,840,936
Instructional	1,626,642	-	-	1,626,642
Insurance	43,370	653	1,959	45,982
Client assistance	101,217	3,075	-	104,292
Printing and mailing	1,055	-	125	1,180
Professional services				
Donated	150,000	25,000	25,000	200,000
Other	62,525	-	7,385	69,910
Supplies	22,535	-	2,662	25,197
Fees, licenses and dues	2,258	-	267	2,525
Office and equipment maintenance	62,340	566	4,626	67,532
Depreciation	175,395	2,182	10,142	187,719
Marketing and promotions	50,912	-	6,013	56,925
Utilities, including telephone	32,781	494	1,481	34,756
Other	31,012	-	3,663	34,675
	$ 4,070,140	$ 31,970	$ 196,161	$ 4,298,271
Year ended June 30, 2021				
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
	$ 3,180,256	$ 30,707	$ 191,121	$ 3,402,084

See Notes to Financial Statements

FOUNDATION FOR AN INDEPENDENT TOMORROW

STATEMENTS OF CASH FLOWS

	Year Ended June 30, 2022	Year Ended June 30, 2021
Cash Flows from Operating Activities		
(Decrease) Increase in net assets	$ (113,822)	$ 37,496
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Unrealized loss (gain) on investments	43,773	4,905
Depreciation	187,720	174,497
(Increase) decrease in operating assets:		
Contributions and grants receivable	(83,671)	7,126
Prepaid expenses and other current assets	3,945	(15,751)
Refundable deposit	-	(5,000)
Increase (decrease) in operating liabilities:		
Accounts payable	8,457	(37,765)
Accrued expenses	41,141	(10,782)
Grant advances	(115,805)	178,874
Net cash (used in) provided by operating activities	(28,262)	333,600
Cash Flows from Investing Activities		
Proceeds from investments, (net of purchases)	468	(165,831)
Purchase of property and equipment	-	(90,098)
Net cash (used in) provided by investing activities	468	(255,929)
Net increase in cash	(27,794)	77,671
Cash and equivalents, beginning of period	852,853	775,182
Cash and equivalents, end of period	$ 825,059	$ 852,853
Supplemental cash flow information		
Donated goods and services	$ 200,000	$ 200,000

See Notes to Financial Statements

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, 2022 and 2021, the Foundation received approximately 65% and 63% 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, 2022 and 2021 from these same funding sources were approximately 87% and 100%, 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)(l)(A)(vi). The Foundation's tax returns for 2018 through 2021 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.

Investments
Marketable equity securities and other investments are stated at their fair value, which is determined by quoted market prices. Net appreciation (depreciation) in the fair value of investments, which consists of the realized and gains or (losses) and the unrealized gains or (losses) on these investments, are included in the statements of activities.

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:

	Estimated lives
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, 2022, 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, 2022 and 2021 was $41,927 and $65,418, 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.

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, 2022 and 2021 consist of $200,000 and $200,000, 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, accrued expenses and grant advances. 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.

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, 2022. 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, accrued expenses and grant advances approximate their respective fair values.

Recently Issued Accounting Pronouncements
The Organization has adopted all recently issued Accounting Standards Updates (“ASU”). The adoption of the recently issued ASU’s, including those not yet effective, is not anticipated to have a material effect on the financial position or results of operations of the Organization.

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, 2022, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date:

Financial assets, at year end:	
Cash and cash equivalents	$ 825,059
Investments	634,165
Grants and other receivables	27,084
Federal grants receivable	183,696
Total financial assets, at year end:	1,670,004
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Accounts payable and accrued expenses	(152,958)
Grant advances	(179,786)
Total financial assets available to management for general expenditure within one year	$ 1,337,260

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, 2022 and June 30, 2021, the Foundation had uninsured cash balances in the amounts of $334,824 and $338,172, 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. At June 30, 2022 and June 30, 2021, the Foundation had uninsured cash and cash equivalent balances in the amounts of $134,165 and $178,406, respectively. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

NOTE 5. INVESTMENTS

Investments are stated at fair value and are divided among two investment managers as follows:

	Balance as of June 30,		
	2021	2022	Change in Value
Investments	$ 814,051	$ 779,715	$ (34,336)
Interest and dividend income			9,437
Net unrealized gain (loss)			$ (43,773)

As of June 30, 2022 and 2021, investments included $634,165 and $678,406 in marketable securities.

NOTE 6. FEDERAL GRANTS RECEIVABLE

The Foundation had balances due from Federal grant awards as of June 30, 2022 and 2021 totaling $183,696 and $127,109, respectively.

NOTE 7. PROPERTY AND EQUIPMENT

	2022	2021
Land	$ 677,505	$ 677,505
Building	5,993,867	5,993,867
Office equipment, furniture and fixtures	501,661	501,661
	7,173,033	7,173,033
Less accumulated depreciation	(2,136,698)	(1,948,978)
	$ 5,036,335	$ 5,224,055

Depreciation expense for fiscal years ending June 30, 2022 and 2021 were $187,720 and $174,497, respectively.

NOTE 8. RELATED PARTY TRANSACTIONS

The Foundation received contributions from officers, directors and their employers or controlled affiliate, including cash, goods and services, which for 2022 and 2021 totaled $459,933 and $494,951, respectively.

NOTE 9. 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, 2022 and 2021 totaled $179,786 and $295,591, respectively.

NOTE 10. FEDERAL GRANTS

For the years ended June 30, 2022 and 2021, the Foundation recorded as revenue federally funded grant amounts received totaling $2,740,308 and $2,169,366, respectively.

NOTE 11. 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 $6,927 and $8,651 for the years ended June 30, 2022 and 2021, 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 12. LEASE

The Foundation operates a truck driving school under Academy School of Truck Driving, LLC. The Foundation has a property lease for the location of the training. The lease is payable in monthly payments of $5,150 as of June 30, 2022, with annual increases in monthly payments determined by the Consumer Price Index for all Urban Consumers – United States City Average. The lease terminates on February 28, 2025.

NOTE 13. 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, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number		Expenditures
U.S. DEPARTMENT OF LABOR				
Workforce Innovation and Opportunity Act, Title 1 - Adult Program	17.258	N/A	$	566,347
				566,347
Reentry Employment Opportunities - Project Grants	17.270	N/A		2,189,258
				2,189,258
Total Expenditures of Federal Awards			$	2,755,605

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, 2022

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 year ended June 30, 2022 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, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number		Expenditures
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
				1,391,029
Reentry Employment Opportunities - Project Grants	17.270	N/A		810,651
				810,651
Total Expenditures of Federal Awards			$	2,201,680

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 year 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.

INDEPENDENT AUDITOR'S REPORTS ON COMPLIANCE

AND INTERNAL CONTROL

WATKINS JACKSON CPAs

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL 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)

Opinion on Each Major Federal Program

We have audited Foundation for an Independent Tomorrow's 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 Foundation for an Independent Tomorrow's major federal programs for the year ended June 30, 2022 and 2021. 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.

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 year ended June 30, 2022 and 2021.

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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Foundation for an Independent Tomorrow 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 Foundation for an Independent Tomorrow'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 Foundation for an Independent Tomorrow's federal programs.

Auditor's 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 Foundation for an Independent Tomorrow'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 Foundation for an Independent Tomorrow's compliance with the requirements of each major federal program as a whole.

702-326-6424 * 5550 Painted Mirage Road, Suite 320, Las Vegas NV 89149 * www.wjcpas.net

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 Foundation for an Independent Tomorrow'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 Foundation for an Independent Tomorrow'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 Foundation for an Independent Tomorrow'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 a 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 Auditor's 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.

Watkins Jackson CPAs

Watkins Jackson CPAs
Las Vegas, Nevada
March 27, 2023

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, 2022 and 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 March 27, 2023.

Report on 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Foundation for an Independent Tomorrow'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 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 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

Watkins Jackson CPAs
Las Vegas, Nevada
March 27, 2023

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

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

None noted.

None noted.