

LEGISLATIVE TRACKING FORM

Filing for Council Meeting Date: 04/07/26

Resolution Ordinance

Contact/Prepared By: _____

Date Prepared: _____

Title (Caption): A resolution approving amendment one to grant contracts with various nonprofit organizations for the provision of free and high-quality out-of-school programs through the Nashville After Zone Alliance.

Submitted to Planning Commission? N/A Yes-Date: _____ Proposal No: _____

Proposing Department: _____ Requested By: _____

Affected Department(s): _____ Affected Council District(s): _____

Legislative Category (check one):

- | | | |
|---|--|--|
| <input type="checkbox"/> Bonds | <input type="checkbox"/> Contract Approval | <input type="checkbox"/> Intergovernmental Agreement |
| <input type="checkbox"/> Budget - Pay Plan | <input type="checkbox"/> Donation | <input type="checkbox"/> Lease |
| <input type="checkbox"/> Budget - 4% | <input type="checkbox"/> Easement Abandonment | <input type="checkbox"/> Maps |
| <input type="checkbox"/> Capital Improvements | <input type="checkbox"/> Easement Accept/Acquisition | <input type="checkbox"/> Master List A&E |
| <input type="checkbox"/> Capital Outlay Notes | <input type="checkbox"/> Grant | <input type="checkbox"/> Settlement of Claims/Lawsuits |
| <input type="checkbox"/> Code Amendment | <input type="checkbox"/> Grant Application | <input type="checkbox"/> Street/Highway Improvements |
| <input type="checkbox"/> Condemnation | <input type="checkbox"/> Improvement Acc. | <input type="checkbox"/> Other: _____ |

FINANCE Amount +/-: \$ _____ Funding Source: Capital Improvement Budget Capital Outlay Notes Departmental/Agency Budget Funds to Metro General Obligation Bonds Grant Increased Revenue Sources Signed by: <u>Daniel Harden</u> Approved by OMB: _____ Approved by Finance/Accounts: _____ Approved by Div Grants Coordination: _____	Match: \$ _____ Judgments and Losses Local Government Investment Project Revenue Bonds Self-Insured Liability Solid Waste Reserve Unappropriated Fund Balance 4% Fund Other: _____ Date to Finance Director's Office: _____ APPROVED BY FINANCE DIRECTOR'S OFFICE: _____
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ADMINISTRATION Council District Member Sponsors: _____ Council Committee Chair Sponsors: _____ Approved by Administration: _____ Date: _____
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DEPARTMENT OF LAW Date to Dept. of Law: _____ Approved by Department of Law: _____ Settlement Resolution/Memorandum Approved by: _____ Date to Council: _____ For Council Meeting: _____ <input type="checkbox"/> E-mailed Clerk <input type="checkbox"/> All Dept. Signatures <input type="checkbox"/> Copies <input type="checkbox"/> Backing <input type="checkbox"/> Legislative Summary <input type="checkbox"/> Settlement Memo <input type="checkbox"/> Clerk Letter <input type="checkbox"/> Ready to File

Resolution No. RS_____

A resolution approving amendment one to grant contracts with various nonprofit organizations for the provision of free and high-quality out-of-school programs through the Nashville After Zone Alliance.

WHEREAS, Section 7-3-314 of the Tennessee Code Annotated states that metropolitan forms of government may provide financial assistance to nonprofit organizations in accordance with the guidelines of the Metropolitan Government; and,

WHEREAS, Section 5.04.070 of the Metropolitan Code of Laws provides that the Council may, by Resolution, appropriate funds for the financial aid of nonprofit organizations; and,

WHEREAS, RS2025-1324 approved grant contracts between the Metropolitan Government (“Metro”), by and through the Nashville Public Library, and various nonprofit organizations including Boys and Girls Clubs of Middle Tennessee and Youth Encouragement Services, Inc., for the provision of free and high-quality out-of-school programs through the Library’s Nashville After Zone Alliance (“NAZA”) program; and,

WHEREAS, the parties wish to amend these grant contracts to increase the total value to allow for additional summer programming, a copy of which amendments are attached hereto and incorporated herein; and,

WHEREAS, it is to the benefit of the citizens of The Metropolitan Government of Nashville and Davidson County that these amendments to the grant contracts be approved.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. That amendment one to the grant contracts between the Metropolitan Government of Nashville and Davidson County, by and through the Nashville Public Library, and various nonprofit organizations increases the contract values as shown below:

Nonprofit Organization	Amount
Boys and Girls Clubs of Middle Tennessee	\$25,600.00
Youth Encouragement Services, Inc.	\$28,000.00

Section 2. The Metropolitan Government is hereby authorized to enter into the grant contract amendments, attached hereto and incorporated herein, with the nonprofit organizations listed in Section 1.

Section 3. This resolution shall take effect from and after its adoption, the welfare of the Metropolitan Government of Nashville and Davidson County requiring it.

RECOMMENDED BY:

DocuSigned by:

Terrri Luke

Terrri Luke, Director
Nashville Public Library

INTRODUCED BY:

Member(s) of Council

APPROVED AS TO AVAILABILITY
OF FUNDS:

Signed by:

Jenneen Reed/mjr

Jenneen Reed, Director
Department of Finance

APPROVED AS TO FORM AND
LEGALITY:

Signed by:

Kelli Woodward

Assistant Metropolitan Attorney



AMENDMENT NUMBER 1 TO CONTRACT NUMBER L-6632 BETWEEN THE METROPOLITAN
GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY AND BOYS AND GIRLS CLUBS OF MIDDLE
TENNESSEE

This Amendment is entered into on the day this document is filed with the Metropolitan Clerk's Office, by and between THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (METRO) and BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE.

WITNESSETH

WHEREAS, the parties desire to modify the terms and conditions and to add or delete certain other terms and conditions to their original agreement dated JUNE 17, 2025. Metro Contract numbered L-6632, hereinafter the "GRANT CONTRACT."

WHEREAS, the parties desire to increase funding to offer summer programming serving 20 youth for May-June 2026;

WHEREAS, the additional funds will cover the cost of general programming including the salaries of BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE staff and contractors among other expenses allowed by Metro;

WHEREAS, NAZA will appropriate the additional funds from its existing budget allocated in FY26 Metro budget ordinance and no new funding is requested from Metro, the parties hereby agree as set forth below:

This amendment affects the following changes to the contract:

1. Amend clause C.1. Contract Value to increase by \$25,600.00 for a revised contract total of \$53,700.00. The amended clause will read as follows:

"Maximum Liability. In no event will Metro's maximum liability under this Grant Contract exceed \$53,700.00 (20 slots for afterschool, 20 slots for summer, and youth led activities). The Grant Budget will constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Budget line items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient."

Subject to modification and amendments as provided in section D.2 of this agreement, this amount will constitute the Grant Amount and the entire compensation to be provided to the Recipient by Metro."

2. This amendment replaces Annex 3 – Grant Budget with the revised Annex 3, attached hereto and incorporated herein.
3. This amendment replaces Annex 8 - Program Sites with the revised Annex 8, attached hereto and incorporated herein.

This amendment shall not be binding upon the parties until it has been signed by the Recipient and authorized representatives of the Metropolitan Government, approved by appropriate legislation of the Metropolitan Council, and filed in the office of the Metropolitan Clerk.

[BALANCE OF PAGE IS INTENTIONALLY LEFT BLANK]

**THE METROPOLITAN GOVERNMENT OF NASHVILLE
AND DAVIDSON COUNTY:**

**RECIPIENT: BOYS AND GIRLS CLUBS OF MIDDLE
TENNESSEE**

APPROVED AS TO AVAILABILITY OF FUNDS:

Signed by:

Jenneen Reed/mjr

62377A2A8742469
Director of Finance

Authorized Officer:

Name (Print): Eric HIGGS

Signature: *[Handwritten Signature]*

Title: CEO

APPROVED AS TO RISK AND INSURANCE:

Signed by:

Balogun Cobb

68804BF12FD741C...
Director of Insurance

Sworn to and subscribed to before me a Notary Public,
this 20th day of February, 2026

Notary Public

[Handwritten Signature]



APPROVED AS TO FORM AND LEGALITY:

Signed by:

Kelli Woodward

2CBBFAAF2F2B4D4
Metropolitan Attorney

FILED IN THE OFFICE OF THE CLERK:

Metropolitan Clerk

My Commission expires 5/8/2029


NASHVILLE PUBLIC LIBRARY

Terri Luke

FF49BEDE9E034BE
Library Director

Metropolitan Government of Nashville and Davidson County/Nashville Public Library/ NAZA Funds For FY 2026 Program

CONTRACT # (Office Use):		1-Jul-25	BUDGET EXPLANATION/DETAILS	OTHER FUNDING Funding amount from other sources invested in services the same number of slots requested from NAZA
START DATE:		20-Jun-26		
END DATE:		Jerry Montgomery		
CONTACT PERSON		(615) 938-6836		
CONTACT TELEPHONE				
COST CATEGORIES	TOTAL BUDGET REQUEST			
After-School Programs		After-school program starts 09/02/2025 Per slot rate for afterschool is \$1,355		
Salaries and Wages	21,000.00	Salaries included are club director (1) and club staff (1) at 18% of the total wages for the school year		
Benefits and Taxes	1,600.00	Types of benefits, rates and number of staff, whose benefits are charged to this grant		
Total Personnel Expenses	22,600.00			
Office Supplies	3,500.00	12% of the total grant will cover office supplies used for after school activities		
Communications	0.00	Estimated unit number and unit cost or % of total cost charged to this grant		
Postage and Shipping	0.00	Estimated unit number and unit cost or % of total cost charged to this grant		
Occupancy	0.00	Estimated unit number and unit cost or % of total cost charged to this grant		
Equipment Rental and Maintenance	0.00	Estimated unit number and unit cost or % of total cost charged to this grant		
Printing and Publications	0.00	Estimated unit number and unit cost or % of total cost charged to this grant		
Travel/Conferences & Meetings	0.00	Mileage, parking and other travel unit cost and unit number		
Insurance	0.00	Unit cost or % of total cost charged to this grant		
Direct youth costs (learning supplies, learning software, programs, games, food, etc.)	0.00	Per youth average cost or cost per purchase type		
Transportation	500.00	Daily rate, number of days separated by afterschool and summer (if applicable)		
Field Trips	1,500.00	For 20 students the plan would be 4 field trips over the course of the year equating to \$18.75/trip		
partners	0.00	Any contracted services, including external enhancement partners- cost per contract or per		
Other Non-Personnel	0.00	Anything else that is part of programming cost but is not listed		
Indirect Cost	0.00	Partners can choose to budget either separate line items above or request an indirect cost or up to 20% of their total budget. The indirect cost requests must be accompanied by agency's cost allocation plan.		
Total Non-personnel	5,500.00			
Afterschool sub-total	28,100.00			

Summer Programs		Summer program funded in this cycle is July 1-31,2025 and June 1- 30, 2026 Per slot rate for summer to be calculated at \$8 an hour per slot. Maximum cost per youth slot for summer program is \$320 per week for partners programming 5 days per week for 8 hours per day.	
Salaries and Wages	25,600.00	Salaries included are club directors (3) and club staff (4) at 25% of the total wages for the school year	
Benefits and Taxes	0.00	Types of benefits, rates and number of staff, whose benefits are charged to this grant	
Total Personnel Expenses	25,600.00		
Office Supplies	0.00	Estimated unit number and unit cost or % of total cost charged to this grant	
Communications	0.00	Estimated unit number and unit cost or % of total cost charged to this grant	
Postage and Shipping	0.00	Estimated unit number and unit cost or % of total cost charged to this grant	
Occupancy	0.00	Estimated unit number and unit cost or % of total cost charged to this grant	
Equipment Rental and Maintenance	0.00	Estimated unit number and unit cost or % of total cost charged to this grant	
Printing and Publications	0.00	Estimated unit number and unit cost or % of total cost charged to this grant	
Travel/Conferences & Meetings	0.00	Milage, parking and other travel unit cost and unit number	
Insurance	0.00	Unit cost or % of total cost charged to this grant	
Direct youth costs (learning supplies, learning software, programs, games, food, etc.)	0.00	Per youth average cost or cost per purchase type	
Field Trips	0.00	Per youth average cost or cost per trip and estimated number of youth participating	
Professional Fees/Enhancement partners	0.00	Any contracted services, including external enhancement partners- cost per contract or per hour/class	
Other Non-Personnel	0.00	Anything else that is part of programming cost but is not listed	
Indirect Cost	0.00	Partners can choose to budget either separate line items above or request an indirect cost of up to 20% of their total budget. The Indirect cost requests must be accompanied by agency's cost allocation plan.	
Total Non-personnel	0.00		
Summer sub-total	25,600.00		
TOTAL	53,700.00		
RECIPIENT AUTHORIZED SIGNATURE:		Eric Higgs	
TITLE			
DATE	2/2/2026	CEO	

RESPONSE #26550 SUBMITTED ON 02/02/2026 12:17:09 PM

NAZA Annex 8 - 2025-2026 Finalized Entries

Name of Organization

Boys & Girls Clubs of Middle Tennessee

Programming Information

Days of Week of Afterschool Program

5 days per week

Edit section title

Afterschool site plan

Community Site

Please check box if planning summer programming

X

Afterschool Program Name

Afterschool Enrichment Program

Afterschool Programming

Name of Community Site Location

Andrew Jackson Boys & Girls Club

Address of Community Program Site

AJ: 916 16th Ave N,

For Community Sites Only

Target School for Community Site

Head Middle School

Target School for Community Site

Hull Jackson Elementary School

Target School for Community Site

IT Creswell Middle School

Target School for Community Site

Jones Paideia Elementary School

Target School for Community Site

Martin Luther King High School

Target School for Community Site

Robert Churchwell Elementary

Target School for Community Site

Eakin Elementary School

Number of youths targeted for site

20



3rd Party Transportation needed? **No**

Summer Programming Information

Summer Program Name **Boys & Girls Club of Middle Tennessee**

Summer Programming Information

Edit section title

Name of Summer Site Location **Andrew Jackson Boys & Girls Club**

Summer Location address **916 16th Ave N, Nashville, TN, 37208**

Number of summer youth targeted for site **20**

Weeks of Programming **4 weeks**

Days per Week of Summer Program **5 days per week**

Hours per Day **8 hours**

Programming Time Frame **9:00am - 5pm**

Proposed months of Summer programming **June 2026**

Signature



Jerry Montgomery

Name

2026-02-02 18:17:46 (UTC)

Date



BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

Year Ended December 31, 2024

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE

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BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

Michael Balcer	Director
Brian Bialek	Director
Allen Bolden	Director
Eric Bymaster	Director
BJ Crowder	Director
Drew Emerson	Director
Farzin Ferdowski	Director
Cort Fontenot	Director
Chase Foy	Director
Anne Keeble Frazer	Director
John Gallagher	Director
Jerry Geraghty	Treasurer
Andrea Hart	Board Chair
Phil Henry	Director
Donald Holmes	HR Chair
Marion Ligon	Director
Whit McCrary, IV	Director
Rebecca Ozols Goss	Director
Katie Payne	Director
Lee Schaefer	Secretary
Julie Sebree	Director
Jensen Sessums	Resource Development Chair
Tonya Sisco	Operations Co-Chair
RJ Stillwell	Immediate Past Chair
Mark Traylor	Operations Co-Chair
Jack Wallace	Director
Hunter West	Director
Lani Williams	Director
Ward Wilson	Director
Amanda Farnsworth	Director
Kenneth Webb	Director
Stephen Wilson	Director
Warren Brent, Jr.	Director



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Boys & Girls Clubs of Middle Tennessee

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Boys & Girls Clubs of Middle Tennessee (the Organization), a nonprofit organization, which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boys & Girls Clubs of Middle Tennessee as of December 31, 2024, 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 Boys & Girls Clubs of Middle Tennessee 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 Organization'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 Organization'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 and state financial assistance, 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 and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included with the financial statements. The other information comprises the roster of board of directors but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2025, on our consideration of Boys & Girls Clubs of Middle Tennessee'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 Organization'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 Organization's internal control over financial reporting and compliance.

The logo for UHY LLP is written in a stylized, cursive script. The letters 'UHY' are larger and more prominent, with 'LLP' following in a smaller, similar font.

Nashville, Tennessee
August 13, 2025

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
STATEMENT OF FINANCIAL POSITION
December 31, 2024

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 307,590
Restricted cash	163,237
Grants, contracts and other receivables	401,171
Restricted pledges receivable	10,000
Prepaid expenses and deposits	52,994
Investments	<u>1,541,441</u>
Total current assets	<u>2,476,433</u>
Property and equipment, net	4,333,590
Membership rights, net	17,408
Long-term restricted pledges receivable, net	7,067
Restricted grants receivable	180,000
Beneficial interest in agency endowment fund held by the Community Foundation of Middle Tennessee	<u>48,919</u>
	<u>4,586,984</u>
 TOTAL ASSETS	 <u>\$ 7,063,417</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 628,513
Accrued expenses	287,143
Notes payable - current portion	<u>13,869</u>
Total current liabilities	<u>961,097</u>
Notes payable - long-term portion	<u>45,841</u>
Total liabilities	1,006,938

NET ASSETS

Without donor restrictions	5,647,256
With donor restrictions	<u>409,223</u>
Total net assets	<u>6,056,479</u>

TOTAL LIABILITIES AND NET ASSETS \$ 7,063,417

See notes to the financial statements.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE:			
Gross special events revenue	\$ 1,040,422	\$ -	\$ 1,040,422
Less direct cost of special events	<u>(658,931)</u>	<u>-</u>	<u>(658,931)</u>
Net special events revenue	<u>381,491</u>	<u>-</u>	<u>381,491</u>
Individual gifts and contributions	2,369,394	145,000	2,514,394
Federal awards and financial assistance	1,074,838	-	1,074,838
Other grants	964,303	-	964,303
United Way grants, allocations, and designations	190,846	180,000	370,846
Program service fees	339,436	-	339,436
Contributed nonfinancial assets	207,405	-	207,405
Net assets released from restrictions	<u>754,422</u>	<u>(754,422)</u>	<u>-</u>
Total public support	<u>5,900,644</u>	<u>(429,422)</u>	<u>5,471,222</u>
Net investment gain	452,235	9,495	461,730
Miscellaneous revenue	<u>84,832</u>	<u>-</u>	<u>84,832</u>
Total public support and revenue	<u>\$ 6,819,202</u>	<u>\$ (419,927)</u>	<u>\$ 6,399,275</u>
EXPENSES			
Program services			
Comprehensive youth development	<u>5,643,706</u>	<u>-</u>	<u>5,643,706</u>
Supporting services			
Management and general	532,592	-	532,592
Fundraising	<u>238,328</u>	<u>-</u>	<u>238,328</u>
Total supporting services	<u>770,920</u>	<u>-</u>	<u>770,920</u>
Total expenses	<u>6,414,626</u>	<u>-</u>	<u>6,414,626</u>
CHANGE IN NET ASSETS	404,576	(419,927)	(15,351)
NET ASSETS, Beginning of year	<u>5,242,680</u>	<u>829,150</u>	<u>6,071,830</u>
NET ASSETS, End of year	<u>\$ 5,647,256</u>	<u>\$ 409,223</u>	<u>\$ 6,056,479</u>

See notes to the financial statements.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2024

Salaries Employee taxes & benefits Total payroll & related expenses Advertising Awards and grants Bank charges Communications Depreciation & amortization Equipment rental and maintenance Contributed rent Contributed goods Interest expense Membership dues Miscellaneous Postage and shipping Professional fees Program activities Special events Supplies Technology equipment purchases Trainings and conferences Travel and mileage Transportation Utilities and occupancy costs Total expenses by function Less expenses included with revenues on the statement of activities: Direct cost of special events	Program Services		Supporting Services			Total
	Comprehensive Youth Development	Management and General	Fundraising	Supporting Services	Total Supporting Services	Total
\$	3,308,001	267,827	\$ 168,121	\$ 435,948	\$ 3,743,949	
	562,477	67,067	40,758	107,825	670,302	
	3,870,478	334,894	208,879	543,773	4,414,251	
	53,286	-	22,838	22,838	76,124	
	20,597	-	-	-	20,597	
	-	30,599	-	30,599	30,599	
	35,482	1,513	744	2,257	37,739	
	116,488	-	-	-	116,488	
	28,799	420	-	420	29,219	
	56,800	-	-	-	56,800	
	150,605	-	-	-	150,605	
	-	4,413	-	4,413	4,413	
	34,489	2,999	-	2,999	37,488	
	33,274	10,069	434	10,503	43,777	
	4,397	776	-	776	5,173	
	275,461	59,006	-	59,006	334,467	
	64,208	-	-	-	64,208	
	-	-	658,931	658,931	658,931	
	341,730	53,993	2,464	56,457	398,187	
	28,520	-	-	-	28,520	
	45,268	4,169	2,678	6,847	52,115	
	3,234	636	291	927	4,161	
	145,878	-	-	-	145,878	
	334,712	29,105	-	29,105	363,817	
	5,643,706	532,592	897,259	1,429,851	7,073,557	
	-	-	(658,931)	(658,931)	(658,931)	
	\$ 5,643,706	\$ 532,592	\$ 238,328	\$ 770,920	\$ 6,414,626	

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
STATEMENT OF CASH FLOWS
Year Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (15,351)
Adjustments to reconcile changes in net assets to net cash used by operating activities:	
Depreciation and amortization	116,488
Gain on investments	(396,374)
Change in value of beneficial interest in agency endowment fund	(4,816)
Changes in:	
Grants, contracts, and other receivables	142,528
Prepaid expenses and deposits	(9,694)
Construction in progress	(2,569,413)
Accounts payable	434,023
Accrued expenses	(23,968)
Contract liabilities	31,572
Net cash used by operating activities	<u>(2,295,005)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of investments	2,952,171
Purchases of investments	(913,455)
Purchases of property and equipment	(61,205)
Net cash provided by investing activities	<u>1,977,511</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on long-term debt	(13,285)
Net cash used by financing activities	<u>(13,285)</u>

NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

(330,779)

CASH, CASH EQUIVALENTS, AND RESTRICTED CASH,

Beginning of year	<u>801,606</u>
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CASH, CASH EQUIVALENTS, AND RESTRICTED CASH,

End of year	<u><u>\$ 470,827</u></u>
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Supplemental Cash Flow Information:

Cash balance consists of:

Cash and cash equivalents	\$ 307,590
Restricted cash	163,237
	<u>\$ 470,827</u>
Interest paid	<u><u>\$ 4,413</u></u>

See notes to the financial statements.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

History and Nature of Activity

Boys & Girls Clubs of Middle Tennessee (the Organization) is a nonprofit organization affiliated with the Boys & Girls Clubs of America. Founded in 1903, the Boys & Girls Clubs of Middle Tennessee consists of nine club facilities throughout the region. The goal of the Organization is to enable all young people, especially those who need it most, to reach their full potential as productive, caring, and responsible citizens. It strives to improve each child 's life by instilling in them a sense of competence, usefulness, belonging, and power/influence. It focuses on three priority outcomes: academic success, healthy lifestyles, good character, and citizenship.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets and revenues, expenses, 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:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors. Restrictions fulfilled in the same accounting period in which the contributions are received are reported in the Statement of Activities as net assets without donor restrictions.

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

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents

The Organization maintains cash at financial institutions with strong credit ratings. Cash is insured by the Federal Deposit Insurance Corporations (FDIC) up to \$250,000 per bank. At times, the Organization may have balances in excess of FDIC coverage. Management has deemed this a normal business risk.

All unrestricted cash and investment instruments purchased with an original maturity date of ninety days or less from the date of issuance are considered a cash equivalent.

Grants, Contracts and Other Receivables

Grants and contract receivables consist of amounts due related to services provided under nonexchange grant and contract agreements and are presented net of an estimation of credit losses.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants, Contracts and Other Receivables (Continued)

Management's estimate of credit losses is based on historical collection experience and a review of the current status of the account. It is reasonably possible that management's estimate of credit losses for uncollectible accounts could change. There was no estimation for credit losses December 31, 2024.

Fair Value Measurements

The fair value of financial instruments including cash and cash equivalents, restricted cash, grants, contracts and other receivables, prepaid expenses and deposits, accounts payable, accrued expenses, and contract liabilities approximate carrying value due to the short-term nature of these accounts.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its financial instruments based on the fair value hierarchy established which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

- Level 1: Financial instruments are valued based on quoted prices in active markets for identical assets or liabilities.
- Level 2: Financial instruments are valued using quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data of substantially the full term of the assets or liabilities.
- Level 3: Financial instruments are valued using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable and when determination of the fair value requires significant management judgment or estimation.

There were no triggering events that required fair value measurements of the Organization's non-financial assets and liabilities at December 31, 2024.

Property and Equipment

Property and equipment are recorded at cost, or, if donated, at the estimated fair market value at the date of donation. Expenditures over \$5,000 for property and equipment, and any expenditure over \$500 for leasehold improvements are reviewed for capitalization. Depreciation is provided utilizing the straight-line method over the estimated useful lives of the respective assets, which range from 5 to 40 years. Expenditures for repairs and maintenance are charged to expense as incurred.

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable. At December 31, 2024, no assets were considered to be impaired.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Organization determines if an arrangement is a lease at inception by determining whether the agreement conveys the right to control the use of the identified asset for a period of time, whether the Organization has the right to obtain substantially all of the economic benefits from use of the identified asset, and the right to direct the use of the asset. Lease liabilities are recognized at the commencement date based upon the present value of the remaining future minimum lease payments over the lease term using the rate implicit in the lease or the Organization's incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest the Organization would have to pay to borrow on a collateralized basis over a similar term in an amount equal to the lease payments in a similar economic environment or the risk-free rate. The risk-free rate is defined as the daily treasury par yield curve rate for a period of time that approximates the lease term. The Organization's lease terms include options to renew or terminate the lease when it is reasonably certain that it will exercise the option.

Public Support

The Organization recognizes contributions as revenue when they are received or unconditionally pledged and records these as revenues with donor restrictions or without donor restrictions according to donor stipulations that limit the use of these assets due to either a time or purpose restriction. Contributions received with donor restrictions that are met in the year of receipt are recorded as revenues without donor restrictions. When a restriction expires or is met in a subsequent year, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Conditional contributions or promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts on multi-year pledges is recorded as additional contribution revenue as either with or without donor restrictions based on any donor-imposed restrictions, if any, on the related contributions.

Contributed Nonfinancial Assets

Donated services are recognized if they create or enhance non-financial assets, or the donated service requires specialized skills, was performed by a donor who possesses such skills, and would have been purchased by the Organization if not donated. Such services are recognized at fair value as support and expense in the period the services are performed.

Revenue Recognition for Contracts with Customers

The Organization's revenue streams under contracts with customers are comprised of special events, grants and contracts, and program service fees.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition for Contracts with Customers (Continued)

For each revenue stream identified above, revenue recognition is subject to the completion of performance obligations. For each contract with a customer, the Organization determines whether the performance obligations in the contracts are distinct or should be bundled. Factors to be considered include the pattern of transfer, whether participants (customers) can benefit from the resources, and whether the resources are readily available. The Organization's revenue is recognized when a given performance obligation is satisfied, either over a period of time or at a given point in time. The Organization recognizes revenue over a period of time if the customer receives and consumes the benefit that the Organization provided, or if the Organization's performance does not create an asset with an alternative use and has an enforceable right to payment for the performance.

The revenue is recognized at a given point in time when the control of the goods or service is transferred to the customer and when the customer can direct its use and obtain substantial benefit from the goods or service. The transaction price is calculated as the amount of consideration to which the Organization expects to be entitled.

The following explains the performance obligations related to each revenue stream and how they are recognized.

Special Events – The Organization holds events that contain both contribution revenue and exchange revenue. The revenue is recognized upon receipt if there are no conditions or recognized as conditions are satisfied, typically when the event takes place.

Grants and Contracts - The Organization receives grants and contracts from various sources to fund programs in accordance with the Organization's mission. The Organization's grants and contracts revenue stream contains both contribution revenue and exchange revenue. The contribution grants and contracts revenue are either recognized upon receipt if there are no conditions or recognized as conditions are satisfied, typically as costs are incurred. The exchange grants and contracts are reviewed for performance obligations and as the performance obligations were met, revenue was recognized.

Program Service Fees – The Organization receives program service fees for services provided at the Organization's locations. Revenue is recognized at the time the service is provided.

Income Taxes

The Organization is a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code and is classified as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes is included in the accompanying financial statements. Management does not believe there are any uncertain tax positions. Further, it does not believe that the Organization has any unrelated business income, which would be subject to federal taxes.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Functional Allocation of Expenses

The costs of providing program services and supporting services 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. Expenses and support services that can be identified specifically with the Comprehensive Youth Development program are allocated directly to their natural expenditure classification. Other expenses that are common to several programs or supporting functions are allocated based on various relationships. Multiple expenses have been allocated on the basis of estimates of time and effort.

Advertising

Advertising is expensed as incurred. Total advertising expense for the year ended December 31, 2024, was \$76,124.

Subsequent Events

The Organization has performed a review of events subsequent to the statement of financial position date through August 13, 2025, the date financial statements were available to be issued.

NOTE 2 — AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date comprise the following:

Cash and cash equivalents	\$ 307,590
Grants, contracts and other receivables	401,171
Investments	<u>1,541,441</u>
	<u>\$ 2,250,202</u>

The Organization has certain donor-restricted assets limited to use which are only available for restricted programs. Accordingly, these assets have been excluded in the qualitative information above.

The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 3 — MEMBERSHIP RIGHTS

In 2017, a membership purchase agreement with the Golf Club of Tennessee (Golf Club) was renewed for \$260,000 for an additional 10 years. In the agreement, the Golf Club allowed for 10 \$26,000 annual payments to cover the cost. The amortization expense for the year ended December 31, 2024, was \$26,000.

NOTE 4 — RESTRICTED PLEDGES RECEIVABLE

Pledges receivable consisted of the following at:

	December 31, 2024
Due in less than one year (current)	\$ 10,000
Due past one year	10,000
Less: discounts to net present value	<u>(2,933)</u>
Restricted pledges receivable, net	<u>\$ 17,067</u>

Gross restricted pledges receivable of \$10,000 for golf membership renewal rights in 2024, have been discounted for the time value of money using a discount rate of 4.65%. The rate was determined using the interest method after an allowance had been established.

NOTE 5 — INVESTMENTS

Investments consisted of the following at:

	December 31, 2024	
	Fair Value	Cost
Equities	\$ 966,281	\$ 492,578
Fixed Income	467,100	487,925
Taxable Reinsurance	80,297	90,000
Real Estate Funds	<u>27,763</u>	<u>25,240</u>
	<u>\$ 1,541,441</u>	<u>\$ 1,095,743</u>

The net investment gain included the following for the year ended:

	December 31, 2024
Interest and dividend income	\$ 91,914
Realized gain – net	716
Unrealized gain – net	395,658
Investment fees	<u>(26,558)</u>
	<u>\$ 461,730</u>

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 5 — INVESTMENTS (Continued)

The following is a description of the valuation methodologies used for assets measured at fair value:

Equities and fixed income - Equities and fixed income securities are valued at closing price reported on the active market on which the individual securities are traded.

Real estate funds – The Organization holds real estate funds that invest primarily in real estate securities, including those of companies that own significant real estate assets, such as real estate investment trusts (REITs). The fair value of the investment has been estimated using the net asset value per share of the investments (NAV), which represents the amounts at which the Organization may acquire or redeem its fund interests.

The following table summarizes the financial assets measured at fair value on a recurring basis segregated by level of valuation inputs within the fair value hierarchy utilized to measure fair value as of December 31, 2024:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 966,281	\$ 966,281	\$ -	\$ -
Fixed Income	<u>467,100</u>	<u>467,100</u>	<u>-</u>	<u>-</u>
Total investments at fair value	<u>\$ 1,433,381</u>	<u>\$ 1,433,381</u>	<u>\$ -</u>	<u>\$ -</u>
Investments reported at NAV:				
Taxable Reinsurance	80,297			
Real Estate Funds	<u>27,763</u>			
	1,541,441			
Beneficial interest in agency endowment fund (Note 9)	<u>48,919</u>			
	<u>\$ 1,590,360</u>			

There were no transfers between Level 1, Level 2, and Level 3 investments during the year ended December 31, 2024.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 6 — PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Cost	
Land	\$ 18,000
Buildings and improvements	2,053,184
Vehicles	778,661
Furniture, equipment, and software	104,230
Construction in progress	<u>3,491,966</u>
	6,446,041
Accumulated depreciation	<u>(2,112,451)</u>
	<u>\$ 4,333,590</u>

Depreciation expense for the year ended December 31, 2024, was \$90,488.

NOTE 7 — NOTE PAYABLE

In November 2023, the Organization secured a note to purchase a vehicle for \$75,000. The balance remaining at December 31, 2024, was \$59,710. The vehicle is secured by a loan which bears interest annually at 8.99%. Until maturity, the loan requires a minimum monthly payment of \$1,561.23, which will be applied to the monthly interest calculation with any excess applied to principal. The note matures in November 2028, with any unpaid principal due at that time.

Future maturities of the note payable are as follows:

<u>Year Ending</u> <u>December 31,</u>	
2025	\$ 13,869
2026	15,170
2027	16,593
2028	<u>14,078</u>
	<u>\$ 59,710</u>

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 8 — NET ASSETS WITH DONOR RESTRICTIONS

Net assets with restrictions consisted of the following at:

	December 31, 2024
Purpose Restrictions:	
Scholarships	\$ 18,237
Teen Tech Focus	60,000
CARE Latino Reading Success	85,000
Time Restrictions:	
United Way of Greater Nashville	180,000
Restricted pledges	17,067
Held in Perpetuity:	
Beneficial interest in agency endowment fund	39,424
	<u>\$ 409,223</u>

NOTE 9 — BENEFICIAL INTEREST IN AGENCY ENDOWMENT FUND

In the year ended December 31, 2024, the Community Foundation of Middle Tennessee, (the Foundation) a non-profit organization, is in control of an endowment fund for the Organization. The Foundation has ultimate authority and control over all property of the fund and the income derived therefrom. The endowment is considered a reciprocal transfer and is therefore recorded as an asset on the statement of financial position.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

Since the Foundation has control over the fund and the earnings, the Organization has not established an investment policy for the fund, nor has it established policies for expenditures from the fund. It is not aware of any deficiencies in the fair value of assets in the fund as compared to the required amounts by the donors. The Organization recognizes contribution income when the Foundation makes a distribution. The Organization recognizes investment earnings and fees in the statement of activities, as they are reported to it by the Foundation.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 9 — BENEFICIAL INTEREST IN AGENCY ENDOWMENT FUND (Continued)

Activity in the beneficial interest in agency endowment fund is as follows:

	Year Ended December 31, 2024
Balance – beginning of period	\$ 44,103
Change in value of beneficial interest in agency endowment fund:	
Investment income	428
Changes in value	4,652
Administrative expenses	<u>(265)</u>
Total change in value of beneficial interest in agency endowment fund	<u>4,815</u>
	<u>\$ 48,918</u>

NOTE 10 — LEASES

The Organization leases office space and various office equipment under lease agreements classified as operating leases. Total lease expenses for the year ended December 31, 2024, were \$102,149. The Organization’s leases have remaining lease terms of less than one year and do not contain provisions to renew the leases for additional terms. These leases are classified as short-term operating leases and are not included as lease liabilities.

NOTE 11 — CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents, and various grant, contract and contributions receivables. Grant, contract and contributions receivable represent concentrations of credit risk to the extent they are receivable from concentrated sources. Two grantors represent 70% of total receivables of the Organization at December 31, 2024. One vendor represents 77% of total accounts payable at December 31, 2024.

Investments are subject to market risk, the risk inherent in a fluctuating market. The broker/dealer that is the custodian of the Organization's securities is covered by the Securities Investor Protection Corporation (SIPC), which provides protection to investors in certain circumstances such as fraud or failure of the institution. Coverage is limited to \$500,000, including up to \$250,000 in cash. The SIPC does not insure against market risk.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 12 — EMPLOYEE BENEFIT PLAN

Substantially all of the Organization's employees are covered by a defined contribution money purchase plan known as the Boys & Girls Clubs of America Master Pension Plan and Trust (the Plan). The Organization funds its share of pension expense for the year in quarterly contributions to the Plan. The Plan provides for elective employer contributions. The Organization contributes five percent of eligible employees' annual compensation to the Plan. Employees become eligible to participate on the plan anniversary date if they are at least 21 years of age and have worked at least 1,000 hours in the immediately preceding twelve months. Employee benefits are fully vested after six years of service as a plan participant.

During 2024, a total of \$130,335, was contributed to the plan, of which \$79,086 was accrued at December 31, 2024.

NOTE 13 — RELATED PARTIES

The Organization is a locally governed affiliate that is required to pay membership dues to the national organization. In return, the Organization receives support from the national organization which helps fund programs. During the year ended December 31, 2024, the Organization remitted a total of \$18,692, in membership dues and received \$118,602, in funding, included in contributions on the statement of activities. The Organization also paid \$25,000 for technology support to the national organization, included in expenses on the statement of activities.

The Organization is also part of the Tennessee Alliance which is a collective of all Boys & Girls Clubs of Tennessee which raises money to distribute to the Tennessee clubs. During the year ended December 31, 2024, the Organization remitted \$16,433, in membership dues and received funding of \$554,195, included in contributions on the statement of activities.

NOTE 14 — CONTRIBUTED NONFINANCIAL ASSETS

The Organization periodically receives donations of services, when donated services (a) create or enhance non-financial assets, or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The value of the donation is recorded as contribution revenue in the period received.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 14 — CONTRIBUTED NONFINANCIAL ASSETS (Continued)

The following donations are reflected as contributions of nonfinancial assets with no associated donor restriction in the accompanying statement of activities:

	<u>Valuation Techniques and Inputs</u>	Year Ended December 31, 2024
Donated rent	Fair value estimated based on current rates for similar rentals	\$ 56,800
Contributed goods	Contributed goods at estimated fair value based on current rates for similar items	<u>150,605</u>
		<u>\$ 207,405</u>

Contributions of nonfinancial assets and their use in programs and other activities are as follows for the year ended:

	<u>December 31, 2024</u>			
	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Donated rent	\$ 56,800	\$ -	\$ -	\$ 56,800
Contributed goods	<u>150,605</u>	<u>-</u>	<u>-</u>	<u>150,605</u>
	<u>\$ 207,405</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207,405</u>



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
Boys & Girls Clubs of Middle Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Boys & Girls Clubs of Middle Tennessee (the Organization), a nonprofit organization, which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 13, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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.

Our consideration of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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*.

Boys & Girls Clubs of Middle Tennessee's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Boys & Girls Clubs of Middle Tennessee's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Boys & Girls Clubs of Middle Tennessee's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

The logo for UHY LLP is written in a stylized, cursive font. The letters 'UHY' are larger and more prominent, with 'LLP' following in a smaller, similar script.

Nashville, Tennessee
August 13, 2025



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 of
Boys & Girls Clubs of Middle Tennessee

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited Boys & Girls Clubs of Middle Tennessee (the Organization)'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 the Organization's major federal program for the year ended December 31, 2024. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Boys and Girls Clubs of Middle Tennessee complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on 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 the Organization 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 the major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal program.

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 the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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.

UHY LLP

Nashville, Tennessee
August 13, 2025

**BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 Year Ended December 31, 2024**

<u>Grantor, Program Title (Cluster, Pass-Through Grantor)</u>	<u>Pass-Through Identifying Number</u>	<u>Assistance Listing Number</u>	<u>Passed Through to Subrecipients</u>	<u>TOTAL EXPENDITURES</u>
FEDERAL AWARDS				
<u>U.S. DOE THROUGH TENNESSEE DEPARTMENT OF EDUCATION</u>				
21st Century Learning Centers	S287C190043	84.287	\$ -	\$ 672,568
Total - U.S. DOE THROUGH TENNESSEE DEPARTMENT OF EDUCATION		84.287		672,568
<u>U.S. DOJ THROUGH OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION</u>				
Mentoring at Boys and Girls Clubs		0	\$ -	\$ 118,602
Total - U.S. DOJ THROUGH OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION		0		118,602
<u>U.S. DHHS THROUGH TENNESSEE DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Sexual Risk Avoidance Education		93.787	\$ -	\$ 148,000
Total - U.S. DHHS THROUGH TENNESSEE DEPARTMENT OF HEALTH AND HUMAN SERVICES		93.787		148,000
TOTAL FEDERAL AWARDS				\$ 939,170
<u>STATE FINANCIAL ASSISTANCE</u>				
<u>TENNESSEE ALLIANCE</u>				
Lottery Education After-School Program	N/A	N/A	\$ -	\$ 231,584
Temporary Assistance to Needy Families	N/A	N/A	\$ -	\$ 8,919
Total - TENNESSEE ALLIANCE				240,503
<u>TENNESSEE DEPARTMENT OF LABOR</u>				
Summer Youth Employment and Work Experience	N/A	N/A	\$ -	\$ 103,815
<u>TENNESSEE DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Tennessee Child Care Certificate Program	N/A	N/A	\$ -	\$ 22,934
TOTAL STATE FINANCIAL ASSISTANCE				\$ 367,252
TOTAL FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE				\$ 1,306,422

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
December 31, 2024

BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the federal and state grant activity of Boys & Girls Club of Middle Tennessee for the year ended December 31, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. These grants are 100% pass-through to Boys & Girls Club of Middle Tennessee. The Organization is assuming all audit responsibility.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Direct expenses are recorded based upon actual expenses incurred that are allowable per the program requirements. Indirect expenses are allocated based upon recorded direct expenses. The Organization allocates indirect costs using the Restricted Indirect Cost Rate (RICR) for each contract, which is calculated using the following, $(\text{General Management Costs} + \text{Fixed Costs}) / \text{Other Expenditures}$. The RICR applied during the year ended December 31, 2024, ranged from 4% to 7%.

NONCASH ASSISTANCE

No federal awards were expended in the form of noncash assistance.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
December 31, 2024

SUMMARY OF AUDITOR’S RESULTS

Financial Statements

- 1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified
- 2. Internal control over financial reporting:
 - a) Material weaknesses identified? No
 - b) Significant deficiencies identified that are not considered to be material weakness? Yes
- 3. Noncompliance material to financial statements noted? No

Federal Awards

- 1. Internal control over major programs:
 - a) Material weaknesses identified? No
 - b) Significant deficiencies identified that are not considered to be material weakness? None Reported
- 2. Type of auditors’ report issued on compliance for major programs: Unmodified
- 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

4. Identification of major Federal programs:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.287	21 st Century Learning Centers

- 5. Dollar threshold used to distinguish between Type A and Type B programs \$750,000
- 6. Auditee qualified as low-risk auditee? Yes

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
December 31, 2024

FINANCIAL STATEMENT FINDINGS

2024-001 — FINANCIAL CLOSE POLICIES AND PROCEDURES

Criteria: Best practices and sound internal control standards recommend that organizations establish formalized, documented financial close policies and procedures to ensure timely, accurate, and complete financial reporting.

Condition: The Organization does not have formal, documented policies and procedures governing the financial close process. As a result, the annual close for the fiscal year ended December 31, 2024 was significantly delayed. This delay also impacted the commencement and completion of the annual audit.

Cause: Management has not developed or implemented written policies and procedures for the financial close process, relying instead on informal practices and institutional knowledge. Due to turnover in the CFO and Controller positions, this directly contributed to the delay noted above.

Effect or potential effect: The absence of formal close procedures contributed to significant delays in the completion of the year-end close and the start of the audit. Delays in financial reporting can reduce the usefulness of financial information for decision-making, impact stakeholder confidence, and risk noncompliance with external reporting deadlines.

Recommendation: We recommend that management develop and implement formal, written policies and procedures for the financial close process. These should include clear timelines, task assignments, documentation requirements, and review controls to facilitate timely completion of the financial close.

Management's response: See Management's Corrective Action Plan.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

None noted.



BOYS & GIRLS CLUBS
OF MIDDLE TENNESSEE

CLUB SUPPORT CENTER
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President/CEO

Donald Holmes
Board Chairman

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- Lani Williams
- Ward Wilson*

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- Ron Samuels*
- Scott Turner*
- Kenneth Webb*
- Don Williamson

*Past Chairperson

Management's Corrective Action Plan

August 13, 2025

Boys and Girls Clubs of Middle Tennessee (the "Organization") respectfully submits the following corrective action plan for the report dated August 13, 2025.

Name and address of independent public accounting firm:

UHY, LLP
1889 General George Patton Drive
Suite 200
Franklin, Tennessee 37067

Audit period: January 1, 2024 – December 31, 2024

This finding from the December 31, 2024 schedule of current year findings and questioned costs is discussed below. The finding is numbered consistently with the numbers assigned in the schedule.

Financial Statement Finding

Finding 2024-001 – Financial Close Policies and Procedures

Recommendation: Management should develop and implement formal written policies and procedures for the financial close process. These should include clear timelines, task assignments, documentation requirements, and review controls to facilitate timely completion of the financial close.

Corrective Action: Management acknowledges the importance of timely financial reporting and agrees that formal, written procedures can further strengthen the financial close process. While delays in the current year's close were influenced by turnover in certain key positions, we recognize the value of documenting responsibilities, timelines, and review steps. We will draft formal month-end and year-end close procedures and anticipate implementing them prior to the close of the next fiscal year to support timely reporting and audit readiness.

Person Responsible for Corrective Action: Chief Financial Officer

Anticipated Completion Date for Corrective Action: Procedures are being taken immediately to develop written monthly close procedures including responsibilities, with an anticipated completion date of October 31, 2025.

If there are questions regarding this corrective action plan, please call Eric Higgs, Chief Executive Officer, or Richard Neal, Chief Financial Officer, at 615.983.6836.

Sincerely,

Eric Higgs, Chief Executive Officer

Boys and Girls Clubs of Middle Tennessee

Grant contract between the Metropolitan Government of Nashville and Davidson County and **Boys & Girls Clubs of Middle Tennessee**, Contract # L-16632 July 1, 2025 – June 30, 2026

**GRANT CONTRACT
BETWEEN THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY
AND
BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE**

This Grant Contract issued and entered into by and between the Metropolitan Government of Nashville and Davidson County, Nashville Public Library ("Metro") on behalf of Nashville After Zone Alliance (NAZA), and **Boys & Girls Clubs of Middle Tennessee**, ("Recipient"), is for the provision of free and high-quality afterschool programs, as further defined in the "SCOPE OF PROGRAM". The Recipient's annual report and audit are incorporated herein by reference.

A. SCOPE OF PROGRAM:

A.1. Schedule and Content

NAZA-funded programs will align with the Metro Schools calendar and be available to youth Monday through Thursday during the fall semester (September 2 to December 12, 2025) and spring semester (January 7 to May 8, 2026), on days when MNPS is in session. Programs should run at least for 28 weeks. *NAZA-funded programs may choose to offer longer programs.*

Please note that NAZA-funded programs will not begin before Labor Day due to unavailability of MNPS transportation.

*NAZA-funded summer program with **Boys & Girls Clubs of Middle Tennessee** will occur between July 1-31, 2025 and/or June 1-30, 2026. (not applicable to organizations not providing summer programming)*

NAZA-funded activities should support youths' physical, social, emotional, cognitive and academic skills development, help them build purpose through learning, and have relevance to their real-life experiences. Throughout the program day, staff should intentionally infuse opportunities for youth to read, write, speak, and listen as well as allocate time for community building and reflection. When possible, programs should consider encouraging youth to be part of activity design or leading to enable them practice leadership skills. Each day should begin with check-in and snack/meals (when in person). Additional activities may be offered by the NAZA funded partner outside of this timeframe at the partner's expense, with no cost to youth and their families.

A typical program day should focus to creatively combine:

- School day supports (reading, homework, etc.)
- Enrichments (e.g. arts education; STEAM engineering challenges, service learning, etc.) reflecting youth voice and choice and have a learning focus, either provided by program staff or external enrichment partners.
- Focus on youth's skill building, in line with Nashville's Vision for Holistic Youth Development (curricula with activities will be available for individual skills).
- Other Experiences (e.g. physical activity, health and wellness, mental health, healthy eating activities, team games with rules, career exploration, field trips and other age-appropriate developmental activities.) that offer fun, support team and relationship building and foster holistic youth development.
- Youth-led activities or projects if the Recipient chose to apply and was awarded additional (up to \$1000) for youth-led projects. The Recipient must follow NAZA's Boys & Girls Clubs of Middle

Grant contract between the Metropolitan Government of Nashville and Davidson County and **Boys & Girls Clubs of Middle Tennessee**, Contract # L-6632 July 1, 2025 – June 30, 2026

Tennessee YIA guidance for youth leadership along with other best practices and consult with NAZA team members (YIA Coordinator and/or Partnerships Manager) for the best results.

- NAZA funds should not in any shape or form be related to any religious content or affiliation. NAZA-funded programs should not proselytize during their regular programming time, nor should youth be accepted or denied based on their religious affiliation or commitment to engaging in any type of religious activities before or after NAZA programming time.
- While we encourage using various learning software and educational games to enhance youth learning, we strictly prohibit enabling access to any video games that include violence, shooting or other unwanted behaviors, especially those rated M for Mature, are of solely entertainment purposes during NAZA-funded time. Programming time should focus on young people's development.

Each after-school programming day should begin with check-in and a snack or meal. Additional activities may be offered by the funded partner outside of this timeframe at the partner's expense, with no cost to youth and their families.

The Recipient must ask parents and youth (who are not participating in sports) to commit to attend regularly, on an on-going basis when program is in session, for both fall and spring semesters. **Only youth who have returned a fully completed enrollment form may participate in NAZA-funded programs.**

Requirements for Programming

By initialing each item below, Recipient agrees to the following:

1. gls **Supervision:** Recipient commits to maintaining a staff: youth ratio not to exceed 1:15 at all times by establishing and maintaining a mechanism for substitutions. Youth will be supervised at all times by program staff.
2. gls **School Relationships:** Recipient will be actively involved in communicating and collaborating with schools to enhance youth learning. They will participate in planning meetings with school principals and staff, including Community Achieves staff to help meet school outcomes and to track youth progress. Program staff will also meet with principals and school staff when needed or possible to address strategies for program recruitment, retention, and attendance tracking.

Recipient will receive space approval from school administration for programming.

3. gls **Recruitment and Family Engagement:** Recipient is responsible for recruiting youth, leading program activities, and engaging in family outreach. Recipient will promote consistent participation/retention levels by contacting each family/youth before programming begins, whenever absences begin to develop a pattern, and to confirm an exit/withdrawal if appropriate. Recipient will serve at least 90% of the youth they projected to serve.

Youth with no afterschool options should be the first priority for enrollment in NAZA-funded programs. If spots are available, youth participating in school-sponsored athletics can choose to attend school athletics as a portion of their NAZA-funded program time if they can commit to partially (at least one hour per day) attend NAZA-funded programming and the program has more than one staff on site. Only students participating in at least one hour of programming can benefit from a snack/meal, learning time, and transportation home and counted towards the funded slots. Only youth who have returned a fully completed enrollment form, signed by parent/guardian, may participate.

- 4) gls **Attendance:** Recipient commits to maintain daily attendance, updating the NAZA attendance tracking tool (Salesforce) on a weekly basis (daily direct attendance taking in the Salesforce is strongly

Grant contract between the Metropolitan Government of Nashville and Davidson County and **Boys & Girls Clubs of Middle Tennessee**, Contract # L-6632 July 1, 2025 – June 30, 2026

recommended); this requires a computer or any other device with internet access. Recipient staff will ensure that youth sign in with their given first and last name daily using the NAZA approved sign-in sheets to verify youth participation. The youth attendance reflected on the sign-in sheet/daily attendance log must match the attendance entered into the Salesforce platform.

Monthly attendance must be accurately updated in the Salesforce by the 2nd working day of each following month so that NAZA can report the attendance numbers to the Mayor's office accurately.

5) gsk **Meals/Snacks:** Recipient is required to provide healthy, prepackaged snack or meal options to youth every day of programming.

6) gsk **Experiential Activities:** Recipient is encouraged to engage external enrichment providers at least twice per semester to increase the diversity of appealing programming options for youth. Enrichment providers are individuals and organizations that offer enriching activities within the afterschool context. For example, they might include teaching artists, mentors, health educators, yoga and martial arts teachers, spoken word literacy teachers, or career exploration and life skills experts.

7) gsk **System-Wide Meetings & Events:** Recipient is responsible for hosting at least 2 free, youth-led events during the 2025-2026 school year that 1) incorporate and highlight growth practices from Nashville's Vision for Holistic Youth Development and 2) that are open to the public to attend during the year, such as a fall and/or spring showcase, an open house, a visual or performing arts piece, a poetry reading or spoken word event, etc.

8) gsk **Branding:** Recipient agrees to recognize NAZA as a funder by, displaying NAZA signs in program spaces, indicating NAZA is a funder on their website and adding NAZA's logo on their website, supporting NAZA through social media outlets, etc.

9) gsk **Communication with NAZA:** Recipient will respond to requests from NAZA in a timely manner and provide requested documentation by the associated deadline. All staff changes must be communicated to the NAZA Operations Manager within 24 hours. *This includes staff leaving their positions: staff no longer with the program must be removed from the Salesforce platform by the NAZA Operations Manager in order to comply with FERPA guidelines.*

Any program experiencing challenges either with the host school or program site that threatens the continuity/further existence of the program, must immediately report the situation to NAZA and seek support in resolving the situation. A decision to close a program/site must be reported to NAZA immediately with documented reasons.

10) gsk **Adding Staff to Data Management System:** Program staff without Salesforce authorization, such as site assistance, coordinators, etc. should have a contact page and included in the staff listing of NAZA's Data Management System, Salesforce.

11) gsk **Partner Meetings:** Key staff and program directors from each NAZA-funded program site are expected to participate in the NAZA learning community by attending **Partner Meetings** four times during the school year. Meeting dates will be shared before the start of the school year.

12) gsk **Professional Development:**

For each NAZA -funded partner, the program director and all frontline staff working with youth are required to attend or complete several trainings. Please see below:

Program Directors and Site Managers are required to attend the following:

- NAZA Essential Operations training
- Introduction to Positive Youth Development (PYD) training

Grant contract between the Metropolitan Government of Nashville and Davidson County and **Boys & Girls Clubs of Middle Tennessee**, Contract # L-6632 July 1, 2025 – June 30, 2026

- At least two trainings on the Growth Practices.
- Program Quality Basics (PQA Basics) either in person or online (online version is available at the partner's expense if missed scheduled training offered by NAZA)
- Any training required by MNPS for staff working in school buildings will be made available to NAZA partner staff.

Note: Program Directors and Site Managers who have successfully completed PYD in the past are exempt from retaking. The NAZA Essential Operations training will be archived and accessible online, while Introduction to Positive Youth Development will be conducted multiple times annually. Returning Program Directors and Site Coordinators who have previously completed the PQA Basics or SEL PQA will only need to redo the training every 3 years. Choosing to take SEL PQA requires a prior completion of PQA Basics.

Program Directors and Site Managers strongly recommended trainings:

- Advanced Positive Youth Development
- Salesforce Student Management Systems
- Strategies for Employee Retention and Recruitment
- Any additional trainings offered to NAZA-funded partners supporting high-quality programming, as well as the achievement of their Program Improvement Plan. Returning site staff are encouraged to attend additional trainings that will support the program's continued quality improvement.
- Attend at least three professional development opportunities, in addition to other required trainings, either in-person or online, from the following: Weikart online trainings, Exploring Data Training, NAZA's Learning Management System (LMS), or NAZA Learn, Engage, Develop (L.E.D.) Conference.

For each NAZA -funded partner, front-line and part-time staff working with youth are required to attend or complete several trainings. Please see the following for requirements:

Front-line and Part-time staff are required to attend the following trainings:

- Essential Operations training (only topics labeled and related to front-line and part-time staff)
- Positive Youth Development (new staff and staff who have not completed this requirement).
- Two (2) trainings on the Growth Practices

Front-line and Part-time staff strongly recommended trainings:

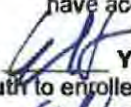

- Advanced Positive Youth Development
- Salesforce Student Management Systems
- Strategies for Employee Retention and Recruitment
- Any additional trainings offered to NAZA-funded partners supporting high-quality programming, as well as the achievement of their Program Improvement Plan. Returning site staff are encouraged to attend additional trainings that will support the program's continued quality improvement.
- Attend at least three professional development opportunities, in addition to other required trainings, either in-person or online, from the following: Weikart online trainings, Exploring Data Training, NAZA's Learning Management System (LMS), or NAZA Learn, Engage, Develop (L.E.D.) Conference.

13)  **Evaluation Tools:**

All program directors/managers and site coordinators of NAZA-funded programs will participate in the **Program Quality Improvement (PQI)** cycle. Self-assessments will be required for both fall and spring semesters. External assessments may be scheduled per need and availability of external assessors.

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The **Youth Program Quality Improvement (YPQI)** cycle is comprised of the following quality improvement activities, offered at no cost to Partners:

- a) **A baseline self-assessment** utilizing the Youth Program Quality Assessment (YPQA) or Social-Emotional Learning Program Quality Assessment (SEL PQA) tool. Program staff conduct pre-self-assessment of their program and enter results in YPQI's Scores Reporter.
 - b) Developing and uploading a **Program Improvement Plan** based on the results of all available YPQA or SELPQA assessment tools (i.e. self-assessments, external assessments, and Leading Indicator Survey results).
 - c) **A follow-up YPQA/SEL PQA self-assessment at the end of the school year**, also entered into Scores Reporter, and planning for the following fall semester based on the results of this assessment.
 - d) An external assessment will be conducted by assessors trained by Weikart Center every three years for returning partners unless otherwise requested. For new partners one external assessment will be conducted annually for the for the first three years.
 - e) The two assessments are reviewed to develop an understanding of how well the program is performing with regard to NAZA Quality Standards.
 - f) Additionally, NAZA-funded partners are required to administer YPQI's **Leading Indicators Survey, Youth** annually in the spring semester to youth enrolled at each site to capture youth experience with the program.
 - g) NAZA-funded partners are required to administer YPQI's as **Leading Indicators Survey, Staff** annually in the spring semester to capture the experiences of staff with the program.
 - h) NAZA-funded partners are also required to administer YPQI's **Leading Indicators Survey, Managers** annually in the spring semester to capture the experiences of administrators with the program.
 - i) NAZA-funded partners are also required to provide access to YPQI's **Leading Indicators Survey, Family** annually in the spring semester to attempt to capture the experiences of parents and guardians of youth in the program.
 - j) NAZA partners will have access to **students' school data** through the **data-sharing agreement** between NAZA/NPL and MNPS. Partners will be required to attend two trainings as soon as they become available on: 1) Responsible use of data, and 2) Understanding the academic data.
 - k) Partners will be required to sign the **data-sharing sub-agreement** (to be attached to the contract) of this document and adhere to all requirements under that document so that they can have access to student data.
- 14)  **Youth Survey:** Recipient is required to administer a one-time **Leading Indicator Survey, Youth** to enrolled youth at each site in the spring semester.
- 15)  **Staff Survey (Director/Manager and Staff):** Recipient is required to administer a one-time **Leading Indicator Survey, Staff** by program staff the spring semester.

Grant contract between the Metropolitan Government of Nashville and Davidson County and **Boys & Girls Clubs of Middle Tennessee**, Contract # L-66632 July 1, 2025 – June 30, 2026

16) glt **Family Survey:** Recipient is required to provide families access to a one-time **Leading Indicator Survey, Family** by program administrators the spring semester.

17) glt **Compliance with MNPS Requirements:** Programs offered at participating Metro schools will operate in full compliance with MNPS requirements, including covid-related procedures, liability insurance, criminal background checks, non-discrimination, ADA, and other related standard Metro requirements, confidentiality of student records per FERPA, operation as a non-profit, and transportation policies (as appropriate).

18) glt **Youth In Action Project Funding (if applicable):** The Recipient is required to establish and attend scheduled meetings – in-person or virtual – with NAZA Youth In Action staff. The Recipient must create conditions for youth-led projects and activities and provide project details and photographic proof of such activities in the NAZA end of the year narrative report. The Recipient also understands if proof of a youth-led project is not provided, the allotted funding will be subtracted from the final funding disbursement.

Operational Policies:

The Recipient will operate in full compliance with the following policies and maintain relevant documentation to verify compliance with the policies. The Recipient agrees to:

- Maintain an active 501(c)(3) registration unless the applicant is a public entity.
- Maintain up-to-date certificates verifying the following insurance: commercial general liability, sexual/abuse/sexual harassment, automobile liability (if applicable) and professional liability insurance with limits not less than one million dollars each occurrence. The Recipient shall provide an updated certificate of insurance upon expiration of the current certificate.
- Nondiscrimination, which precludes Recipient from discriminating on the basis of race, religion, creed, gender, gender identity, sexual orientation, national origin, color, age, and/or disability in admission, access to, or operation of programs, services, or activities. Note that Metro does not discriminate on the basis of race, religion, creed, gender, gender identity, sexual orientation, national origin, color, age, and/or disability in admission to, access to, or operation of programs, services, or activities. Metro does not discriminate in hiring or employment practices.
- Follow MNPS operating procedures on verification of criminal background checks on all program staff and volunteers. On school grounds, the MNPS criminal background check contractor shall be used for employees. As long as there is no break in service with the agency, staff will not be required to be fingerprinted yearly. If there is any break in service at all, or if they must go through a rehiring process, they are required to complete a background check including fingerprinting.
- Ensure that all educational records created, disclosed or maintained pursuant to the terms of this contract are confidential and shall be created, disclosed and maintained pursuant to the provisions of the Family Educational Rights and Privacy Act (20 U.S.C.A. s #1232g), its regulations and Board of Education policy.
- Appropriately spend Metro dollars, document the spending, and follow Metro guidelines for allowable costs. Recipient is responsible for properly documenting the spending under their contracts, organizing the documentation separately by year, and storing that documentation for three years for auditing purposes. The documents must be readily available for a Metro Audit.
- Meet NAZA's Minimum Quality Standards (**see Annex 4**) and maintain relevant documentation to verify compliance with the policies.
- Meet the 2025-2026 Performance Indicators specific to the Recipient (**see Annex 6**).

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- **Maintain accurate youth enrollment forms (Annex 7) and ensure that all youth have enrollment forms signed before they accept a youth into their program.** Enrollment forms, as well as evidence to back up outputs and outcomes cited in narrative reports, must be maintained by the Recipient and stored for three years for auditing purposes. The documents must be readily available any time that the Metro requests them, including as part of an Audit.

Enrollment forms must be fully completed and accurate. Forms should include legitimate first and last names youth, their birthdates, student ID numbers, names of legal guardians and emergency contacts, and accurate addresses, phone numbers, e-mails and medical information (as needed) among other information pieces.

In summary, the Recipient will commit to the following:

1. Delivering quality afterschool (and summer, if chosen) programming for the fall and spring semesters in locations identified in Annex 8, aligned with MNPS scheduling;
2. Submitting daily attendance using the NAZA attendance tracking tool, keeping all data updated on a weekly basis, along with all supporting documentation. Ensure monthly attendance updates are in the system by the second working day of each month;
3. Serving at least 90 percent of the number of youth the Agency projected to serve for the 2025-2026 school year and summer, reflecting ongoing youth recruitment activities, engaging programming, and strong communications with the school community; and
4. Full implementation of program quality requirements, including administration of the youth survey.

Violation or breach of this scope may result in Corrective Action. Continued violation could result in termination of the contract.

- A.2. The Recipient must spend these funds consistent with the Grant Budget, attached and incorporated herein as **Annex 3**. The Recipient must collect data to evaluate the effectiveness of their services and must provide those results to Metro upon request.
- A.3. The Recipient will only utilize these funds for services the Recipient provides to **documented residents of Davidson County**. Documentation of residency may be established with a recent utility bill; voter's registration card; driver's license or other government issued-ID; current record from a school showing address; affidavit by landlord; or affidavit by a nonprofit treatment, shelter, half-way house, or homeless assistance entity located within Davidson County. The Recipient agrees that it will not use Metro funding for services to non-Davidson County residents.
- A.4. Additionally, the Recipient must collect data on the primary county of residence of the clients it serves and provide that data to Metro upon request.

B. GRANT CONTRACT TERM:

- B.1. **Grant Contract Term.** The term of this Grant will be twelve (12) months, commencing on July 1, 2025, and ending on June 30, 2026. Metro will have no obligation for services rendered by the Recipient that are not performed within this term.
- B.2. **Grant Extension.** This grant may be extended by 12 months, not to exceed 60 months (with 12-month terms each time upon annual approval/availability of NAZA funds). To be considered for extension, the Recipient must meet the following conditions:
 - NAZA- funded partner for 5 years with no contract disruption or corrective action plan within the past 12 months;

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- Exhibit low risk on Metro Risk Assessment tool,
- Present annual audit covering the past 12 months, as of April 20 of the current year
- Pass annual compliance checks,
- Meet performance indicators set in the contract.

Upon meeting all of the criteria above a grant contract extension may be offered annually through a contract amendment process.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. **Maximum Liability.** In no event will Metro's maximum liability under this Grant Contract exceed **\$28,100 (20 slots for afterschool and youth-led activities)**. The Grant Budget will constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Budget line items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.

Subject to modification and amendments as provided in section D.2 of this agreement, this amount will constitute the Grant Amount and the entire compensation to be provided to the Recipient by Metro.

- C.2. **Use of Funds.** NAZA funds may be used for educational purposes only; organizations funded by NAZA must not promote religious practices nor proselytize during programming time. Such activities may be offered by funded partners outside of their NAZA-funded program time. However, MNPS transportation and other NAZA resources will not be available, and youth who do not wish to participate must not be penalized in any way.

- C.3. **Payment Methodology.** The Recipient will only be compensated for actual costs based upon the Grant Budget and reconciliation reports, not to exceed the maximum liability established in Section C.1.

The Recipient can expect to receive three payments during the contracted year. Each payment will be received no later than 30 days from the invoice date of the finalized and NAZA approved statement.

The Recipient must provide accurate and timely recording of programming sessions and student attendance in the NAZA Data Management System, Salesforce, before the second and third payments are processed. Daily student sign-in sheets (paper and digital) must be maintained as backup documentation to support the entries.

The first invoice may include up to 50% of the total awarded amount as an advance request to enable programs to procure necessary supplies for beneficiary youth and hire qualified staff to enable proper programming from the beginning of the year.

The first invoice will be processed after the contract is filed with Metro Clerk and within 30 days from the date of the finalized and approved invoice receipt by NAZA.

The second invoice of up to 40% of the total awarded amount will be processed as the second advance for the Spring semester and may be reduced based on the actual expenditure of the program from the first two quarters. The invoice must be submitted by January 15th along with the second scheduled expenditure report.

The third and final invoice of up to 10% of the total awarded amount is a reimbursement based on annual reconciled expenses and will be processed upon the receipt of the year-end narrative and expenditure reports due July 10th, 2026 This final payment will equal the total actual spending for

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the contract year and cannot exceed the approved awarded amount. **Any invoice for 2025-2026 year not received by the deadline date will not be processed and all remaining grant funds will expire.**

Same invoicing terms apply to organizations receiving funds for summer only.

All actually reported expenditures must have backup documentation filed at the recipient organization for Metro Audit (See Metro Non-profit Grants Manual for details on backup documentation)

If the contract is terminated earlier or any funds remain unspent based on the reports, the unspent amount will be returned to Metro.

The Recipient must send all invoices to:

Nashville After Zone Alliance
615 Church St,
Nashville, TN 37219
or email to Teriz.Fahmy@nashville.gov

C.4. Reporting

Expenditure Report. All Recipients will submit quarterly expenditure reports. Report templates will be provided by NAZA.

All grantees must submit expenditure reports four times a year to reconcile grant receipts with grant revenues. NAZA will monitor fund recipients for compliance with reporting requirements. Failure to comply with the reporting requirements would constitute a violation of the grant contract. The expenditure reports format is shown on Annex 2 attached to this contract. The quarterly expenditure reports are due on the October 15, 2025, January 20, and April 15, and July 10, 2026.

The exception are the organizations receiving summer funds only. Those partners will submit reports from quarters one and four if programming both in July 2025 and June 2026. No expenses will be allowed for quarters two and three.

In addition to the report, the Recipient may receive a request to provide backup financial documentation such as general ledger, payroll information, and other documents supporting expenses from NAZA team for financial monitoring purposes.

Said report must be in form and substance acceptable to Metro and must be prepared by a Certified Public Accounting Firm or the Chief Financial Officer of the Recipient Organization.

Program/narrative Report

All grantees must submit narrative report once a year to explain how the grant has been used on behalf of the citizens of Davidson County. The report is due on July 10, 2026.

Failure to comply with the program reporting requirements would constitute a violation of the grant contract. NAZA will provide the template during the year.

C.5. **Payment of Invoice.** The payment of any invoice by Metro will not prejudice Metro's right to object to the invoice or any other related matter. Any payment by Metro will neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs included therein.

C.6. **Unallowable Costs.** The Recipient's invoice may be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by Metro, on the basis of audits or

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monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs. Utilization of Metro funding for services to non-Davidson County residents is not allowed.

- C.7. **Deductions.** Metro reserves the right to adjust any amounts which are or become due and payable to the Recipient by Metro under this or any Contract by deducting any amounts which are or become due and payable to Metro by the Recipient under this or any Contract.
- C.8. **Travel Compensation.** Payment to the Recipient for travel, meals, or lodging is subject to amounts and limitations specified in Metro's Travel Regulations and subject to the Grant Budget.
- C.9. **Electronic Payment.** Metro requires as a condition of this contract that the Recipient have on file with Metro a completed and signed "ACH Form for Electronic Payment". If Recipient has not previously submitted the form to Metro or if Recipient's information has changed, Recipient will have thirty (30) days to complete, sign, and return the form. Thereafter, all payments to the Recipient, under this or any other contract the Recipient has with Metro, must be made electronically.

D. STANDARD TERMS AND CONDITIONS:

- D.1. **Required Approvals.** Metro is not bound by this Grant Contract until it is approved by the appropriate Metro representatives as indicated on the signature page of this Grant.
 - D.1.1. Grantee is not entitled to payment under this grant contract until grantee provides an updated audit. The date of issue for the audit must be after June 16, 2024. Grantee must provide the updated audit to Metro by August 18, 2025, or this contract is void. Metro will not incur any liability for services rendered by grantee or payment to the grantee until an updated audit is received and accepted by Metro
- D.2. **Modification and Amendment.** This Grant Contract may be modified only by a written amendment that has been approved in accordance with all Metro procedures and by appropriate legislation of the Metropolitan Council.
- D.3. **Termination for Cause.** Metro shall have the right to terminate this Grant Contract immediately if Metro determines that Recipient, its employees or principals have engaged in conduct or violated any federal, state or local laws which affect the ability of Recipient to effectively provide services under this Grant Contract. Should the Recipient fail to properly perform its obligations under this Grant Contract or if the Recipient violates any terms of this Grant Contract, Metro will have the right to immediately terminate the Grant Contract and the Recipient must return to Metro any and all grant monies for services or programs under the grant not performed as of the termination date. The Recipient must also return to Metro any and all funds expended for purposes contrary to the terms of the Grant Contract. Such termination will not relieve the Recipient of any liability to Metro for damages sustained by virtue of any breach by the Recipient.
- D.4. **Termination—Notice.** Metro may terminate this Grant Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the Recipient. Metro shall give the Recipient at least thirty (30) days written notice before the effective termination date.
- D.5. **Termination –Funding.** This Grant Contract is subject to the appropriation and availability of local, State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, Metro shall have the right to terminate this Grant Contract immediately upon written notice to the Recipient. Upon receipt of the written notice, the Recipient shall cease all work associated with this Grant Contract on or before the effective termination date specified in the written notice. Should such an event occur, the Recipient shall be entitled to compensation for all satisfactory and authorized services completed as of the effective termination date. The Recipient

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shall be responsible for repayment of any funds already received in excess of satisfactory and authorized services completed as of the effective termination date.

- D.6. **Subcontracting.** The Recipient may not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of Metro. Notwithstanding any use of approved subcontractors, the Recipient will be considered the prime Recipient and will be responsible for all work performed.
- D.7. **Conflicts of Interest.** The Recipient warrants that no part of the total Grant Amount will be paid directly or indirectly to an employee or official of Metro as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Recipient in connection with any work completed or performed relative to this Grant Contract.
- D.8. **Nondiscrimination.** The Recipient hereby agrees, warrants, and assures that no person will be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Recipient on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification which is in violation of applicable laws. The Recipient must, upon request, show proof of such nondiscrimination and must post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.9. **Records.** The Recipient must maintain documentation for all charges to Metro under this Grant Contract. The books, records, and documents of the Recipient, insofar as they relate to work performed or money received under this Grant Contract, must be maintained for a period of three (3) full years from the date of the final payment or until the Recipient engages a licensed independent public accountant to perform an audit of its activities. The books, records, and documents of the Recipient insofar as they relate to work performed or money received under this Grant Contract are subject to audit at any reasonable time and upon reasonable notice by Metro or its duly appointed representatives. Records must be maintained in accordance with the standards outlined in the Non-Profit Grants Manual. The financial statements must be prepared in accordance with generally accepted accounting principles.
- D.10. **Monitoring.** The Recipient's activities conducted and records maintained pursuant to this Grant Contract are subject to monitoring and evaluation by The Metropolitan Office of Financial Accountability or Metro's duly appointed representatives. The Recipient must make all audit, accounting, or financial records, notes, and other documents pertinent to this grant available for review by the Metropolitan Office of Financial Accountability, Internal Audit or Metro's representatives, upon request, during normal working hours.
- D.11. **Narrative Reporting.** The Recipient must submit a Year-End Program Report, to be received by July 10th. Said report shall detail the outcome of the activities funded under this Grant Contract.
- D.12. **Financial Reporting.** The Recipient must submit quarterly expenditure report for the 2025-2026 programming year to reconcile grant receipts with grant revenues. Reports must be received no later than October 15, January 20, April 15 and July 10 of FY '26 (July 1, 2025 – June 30, 2026).
- D.13. **Strict Performance.** Failure by Metro to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement is not a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract is considered to be waived, modified, or deleted except by a written amendment by the appropriate parties as indicated on the signature page of this Grant.

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D.14. Insurance. The Recipient agrees to carry adequate public liability and other appropriate forms of insurance, and to pay all applicable taxes incident to this Grant Contract. **All types of Insurances below are required.**

D.14.1 Proof of Insurance

During the term of this Contract, for any and all awards, CONTRACTOR shall, at its sole expense, obtain and maintain in full force and effect for the duration of this Contract, including any extension, the types and amounts of insurance identified below by a checked box. Proof of insurance shall be required naming METRO as additional insured and identifying the Purchase Order on the Acord document.

D.14.2 General Liability Insurance

In the amount of one million (\$1,000,000.00) dollars

D.14.3 Automobile Liability Insurance

In the amount of one million (\$1,000,000.00) dollars (if vendor will be making on-site deliveries)

D.14.4 Worker's Compensation Insurance

With statutory limits required by the State of Tennessee or other applicable laws and Employer's Liability Insurance with limits of no less than one hundred thousand (\$100,000.00) dollars, as required by the laws of Tennessee (Not required for companies with fewer than five (5) employees).

D.14.5 Sexual Molestation and Abuse Insurance

In the amount of one million (\$1,000,000.00) dollars.

D.14.6 Such Insurance shall:

Contain or be endorsed to contain a provision that includes METRO as additional insureds with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed insureds.

For any claims related to this agreement, CONTRACTOR'S insurance coverage shall be primary insurance as respects METRO, its officers, officials, employees, and volunteers. Any insurance or self-insurance programs covering METRO, its officials, officers, employees, and volunteers shall be excess of CONTRACTOR'S insurance and shall not contribute with it.

Automotive Liability Insurance including vehicles owned, hired, and non-owned. Said insurance shall include coverage for loading and unloading hazards. Insurance shall contain or be endorsed to contain a provision that includes METRO, its officials, officers, employees, and volunteers as additional insureds with respect to liability arising out of automobiles owned, leased, hired, or borrowed by or on behalf of CONTRACTOR.

Worker's Compensation (if applicable), CONTRACTOR shall maintain workers' compensation insurance with statutory limits as required by the State of Tennessee or other applicable laws and employers' liability insurance. CONTRACTOR shall require each of its subcontractors to provide Workers' Compensation for all of the latter's employees to be engaged in such work unless such employees are covered by CONTRACTOR'S workers' compensation insurance coverage.

D.14.7

Prior to commencement of services, CONTRACTOR shall furnish METRO with original certificates and amendatory endorsements affecting coverage required by this section and provide that such insurance shall not be cancelled, allowed to expire, or be materially reduced in coverage except on 30 days' prior written notice to:

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DEPARTMENT OF LAW
INSURANCE AND RISK MANAGEMENT
METROPOLITAN COURTHOUSE, SUITE 108
PO BOX 196300
NASHVILLE, TN 37219-6300

Provide certified copies of endorsements and policies if requested by METRO in lieu of or in addition to certificates of insurance.

Replace certificates, policies, and/or endorsements for any such insurance expiring prior to completion of services. Maintain such insurance from the time services commence until services are completed and attach the certificates of insurance in the METRO system. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by METRO as a material breach of contract.

Place such insurance with insurer licensed to business in Tennessee and having A.M. Best Company ratings of no less than A-. Modification of this standard may be considered upon appeal to the METRO Director of Risk Management Services.

Require all subcontractors to maintain during the term of the agreement Commercial General Liability insurance, Business Automobile Liability insurance, and Worker's Compensation/Employers Liability insurance (unless subcontractor's employees are covered by CONTRACTOR'S insurance) in the same manner as specified for CONTRACTOR. CONTRACTOR shall file subcontractor's certificates of insurance in METRO's system.

Any deductibles and/or self-insured retentions greater than \$10,000.00 must be disclosed to and approved by METRO prior to the commencement of services.

If the CONTRACTOR has or obtains primary or excess policy(ies), there shall be no gap between the limits of the primary policy and the deductible features of the excess policies.

D.15. **Metro Liability.** Metro will have no liability except as specifically provided in this Grant Contract.

D.16. **Independent Contractor.** Nothing herein will in any way be construed or intended to create a partnership or joint venture between the Recipient and Metro or to create the relationship of principal and agent between or among the Recipient and Metro. The Recipient must not hold itself out in a manner contrary to the terms of this paragraph. Metro will not become liable for any representation, act, or omission of any other party contrary to the terms of this paragraph.

D.17. **Indemnification and Hold Harmless.**

(a) Recipient agrees to indemnify, defend, and hold harmless Metro, its officers, agents and employees from any claims, damages, penalties, costs and attorney fees for injuries or damages arising, in part or in whole, from the negligent or intentional acts or omissions of Recipient, its officers, employees and/or agents, including its sub or independent contractors, in connection with the performance of the contract, and any claims, damages, penalties, costs and attorney fees arising from any failure of Recipient, its officers, employees and/or agents, including its sub or independent contractors, to observe applicable laws, including, but not limited to, labor laws and minimum wage laws.

(b) Metro will not indemnify, defend or hold harmless in any fashion the Recipient from any claims, regardless of any language in any attachment or other document that the Recipient may provide.

(c) Recipient will pay Metro any expenses incurred as a result of Recipient's failure to fulfill any obligation in a professional and timely manner under this Contract.

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(d) Recipient's duties under this section will survive the termination or expiration of the grant.

- D.18. **Force Majeure.** "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the party. Except as provided in this Section, any failure or delay by a party in the performance of its obligations under this Grant Contract arising from a Force Majeure Event is not a breach under this Grant Contract. The non-performing party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the party continues to use diligent, good faith efforts to resume performance without delay. Recipient will promptly notify Metro within forty-eight (48) hours of any delay caused by a Force Majeure Event and will describe in reasonable detail the nature of the Force Majeure Event.
- D.19. **State, Local and Federal Compliance.** The Recipient agrees to comply with all applicable federal, state and local laws and regulations in the performance of this Grant Contract. Metro shall have the right to terminate this Grant Contract at any time for failure of Recipient to comply with applicable federal, state or local laws in connection with the performance of services under this Grant Contract.
- D.20. **Governing Law and Venue.** The validity, construction and effect of this Grant Contract and any and all extensions and/or modifications thereof will be governed by and construed in accordance with the laws of the State of Tennessee. The venue for legal action concerning this Grant Contract will be in the courts of Davidson County, Tennessee.
- D.21. **Completeness.** This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.22. **Headings.** Section headings are for reference purposes only and will not be construed as part of this Grant Contract.
- D.23. **Metro Interest in Equipment.** The Recipient will take legal title to all equipment and to all motor vehicles, hereinafter referred to as "equipment," purchased totally or in part with funds provided under this Grant Contract, subject to Metro's equitable interest therein, to the extent of its *pro rata* share, based upon Metro's contribution to the purchase price. "Equipment" is defined as an article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds \$5,000.00.
- The Recipient agrees to be responsible for the accountability, maintenance, management, and inventory of all property purchased totally or in part with funds provided under this Grant Contract. Upon termination of the Grant Contract, where a further contractual relationship is not entered into, or at any time during the term of the Grant Contract, the Recipient must request written approval from Metro for any proposed disposition of equipment purchased with Grant funds. All equipment must be disposed of in such a manner as parties may agree as appropriate and in accordance with any applicable federal, state or local laws or regulations.
- D.24. **Assignment—Consent Required.** The provisions of this contract will inure to the benefit of and will be binding upon the respective successors and assignees of the parties hereto. Except for the rights of money due to Recipient under this contract, neither this contract nor any of the rights and obligations of Recipient hereunder may be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer will not release Recipient from its obligations hereunder. Notice of assignment of any rights to money due to Recipient under this Contract must be sent to the attention of the Metro Department of Finance.

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- D.25. **Gratuities and Kickbacks.** It will be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparations of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therefore. It will be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or a person associated therewith, as an inducement for the award of a subcontract or order. Breach of the provisions of this paragraph is, in addition to a breach of this contract, a breach of ethical standards which may result in civil or criminal sanction and/or debarment or suspension from participation in Metropolitan Government contracts.
- D.26. **Communications and Contacts.** All instructions, notices, consents, demands, or other communications from the Recipient required or contemplated by this Grant Contract must be in writing and must be made by facsimile transmission, or by first class mail, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

Metro

For contract-related matters:
 Nashville Public Library
 NAZA Communications Manager
 615 Church Street
 Nashville, TN 37219
 (615) 862-5894

For inquiries regarding invoices:
 Nashville Public Library
 NAZA Procurement Officer
 615 Church Street
 Nashville, TN 37219
 615-862-5800 ext. 73731

Recipient

Eric Higgs, CEO
 Boys & Girls Clubs of Middle Tennessee
 1704 Charlotte Ave
 Nashville, TN, 37203
 615-983-6836

- D.27. **Lobbying.** The Recipient certifies, to the best of its knowledge and belief, that:
 - a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
 - b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a

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Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this grant, loan, or cooperative agreement, the Recipient must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

- c. The Recipient will require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all subcontractors of federally appropriated funds shall certify and disclose accordingly.

D.28. Certification Regarding Debarment and Convictions.

- a. Recipient certifies that Recipient, and its current and future principals:
 - i. are not presently debarred, suspended, or proposed for debarment from participation in any federal or state grant program;
 - i. have not within a three (3) year period preceding this Grant Contract been convicted of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) grant;
 - ii. have not within a three (3) year period preceding this Grant Contract been convicted of embezzlement, obstruction of justice, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and
 - iii. are not presently indicted or otherwise criminally charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in sections D.25(a)(ii) and D.25(a)(iii) of this certification.
- b. Recipient shall provide immediate written notice to Metro if at any time Recipient learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals fall under any of the prohibitions of Section D.25(a).

D.29. Effective Date. This contract will not be binding upon the parties until it has been signed first by the Recipient and then by the authorized representatives of the Metropolitan Government and has been filed in the office of the Metropolitan Clerk. When it has been so signed and filed, this contract will be effective as of the date first written above.

Annexes

The following annexes constitute part of this contract:

Annex 1 – Metro Invoice Template

Annex 5 – Partner Data-Sharing Sub-Agreement

Annex 2 – Expenditure Report Template

Annex 6 – Performance Indicators

Annex 3 – Budget

Annex 7 – Enrollment forms

Annex 4 – Minimum Standards for NAZA funding

Annex 8 – Program site/s

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THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

APPROVED AS TO AVAILABILITY OF FUNDS:

Signed by:
Jennene Reed/MJW
Director of Finance

APPROVED AS TO RISK AND INSURANCE:

DocuSigned by:
Balagan Cobb
Director of Insurance

APPROVED AS TO FORM AND LEGALITY:

DocuSigned by:
Jessa Ortiz-Marsh
Metropolitan Attorney

FILED IN THE OFFICE OF THE CLERK:

Austin Kyle
Metropolitan Clerk

NASHVILLE PUBLIC LIBRARY

DocuSigned by:
Terri Luke
Library Director

RECIPIENT: Boys & Girls Clubs of Middle Tennessee

By (Signature): [Signature]

Authorized Officer Name:
Title: CEO

Sworn to and subscribed to before me a Notary Public, this 11 day of June, 2025

Notary Public

Trent Dillard
Trent Dillard



My Commission expires 10/04/2027

RESPONSE #22185 SUBMITTED ON 05/08/2025 05:43:53 AM

NAZA Annex 8 - 2025-2026 Finalized Entries

Name of Organization **Boys & Girls Clubs of Middle Tennessee**

Programming Information

Days of Week of Afterschool Program **5 days per week**

Edit section title

Afterschool site plan **Community Site**

Please check box if planning summer programming *No answer given*

Afterschool Program Name **Afterschool Enrichment Program**

Afterschool Programming

Name of Community Site Location **Andrew Jackson**

Address of Community Program Site **916 16th Ave N, Nashville, TN, 37208**

For Community Sites Only

Target School for Community Site **Head Middle School**

Target School for Community Site **Hull Jackson Elementary School**

Target School for Community Site **IT Creswell Middle School**

Target School for Community Site **Jones Paideia Elementary School**

Target School for Community Site **Martin Luther King High School**

Target School for Community Site **Robert Churchwell Elementary**



Target School for Community Site **Eakin Elementary School**

Number of youths targeted for site **20**

3rd Party Transportation needed? **No**

Signature

Jerry Montgomery

Jerry Montgomery

Name

2025-05-08 10:44:15 (UTC)

Date





METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DEPARTMENT OF FINANCE
700 2ND AVENUE SOUTH, SUITE 201
NASHVILLE, TENNESSEE 37210

**Metropolitan Government of Nashville and Davidson County
Recipient of Direct Appropriation
Certifications of Assurance**

Recipient Name


As a condition of receipt of this funding, the Recipient assures that it will comply fully with the provisions of the following laws.

- The Americans with Disabilities Act (ADA) of 1990, 42 U.S.C. Section 12116;
- Title VI of the Civil Rights Act of 1964, as amended which prohibits discrimination on the basis of race, color, and national origin;
- Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination against qualified individuals with disabilities;

CERTIFICATION REGARDING LOBBYING - Certification for Contracts, Grants, Loans, and Cooperative Agreements

By accepting this funding, the signee hereby certifies, to the best of his or her knowledge and belief, that:

- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this grant, loan, or cooperative agreement, the Recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The Recipient shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients of federally appropriated funds shall certify and disclose accordingly.

Signature of Authorized Representative: 

Name: Eric Higgs

Title: CEO

Agency Name: Boys & Girls Clubs of Middle TN

Date: 4/2/25



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

Department of Finance
700 President Ronald Reagan Way, STE 201
Nashville, Tennessee 37210

**Metropolitan Government of Nashville and Davidson County
Recipient of Metro Grant Funding
Non-Profit Grants Manual Receipt Acknowledgement**

Recipient Name:

As a condition of receipt of this funding, the recipient acknowledges the following:

- Receipt of the Non-Profit Grants Manual, updated February 2, 2023, issued by the Division of Grants and Accountability. Electronic version can be located at the following: Non-Profit Grant Resources
- The recipient has read, understands and hereby affirms that the agency will adhere to the requirements and expectations outlined within the Non-Profit Grants Manual.
- The recipient understands that if the organization has any questions regarding the Non-Profit Grants Manual or its content, they will consult with the Metro department that awarded their grant.

**Note to Organizations: Please read the Non-Profits Grants Manual carefully to ensure that you understand the requirements and expectations before signing this document.*

Signature of Authorized Representative: _____

Name: Eric Hager

Title: CEO

Agency Name: Boys & Girls Clubs of Middle TN

Date: 4/2/23

Department of the Treasury

District
Director Delaware-Maryland District

31 Hopkins Plaza, Baltimore, MD 21201

▷

JULY 14, 1998

P.O. Box 13163, Room 817
Baltimore, MD 21203

Employer Identification Number:
62-0540402

BOYS AND GIRLS CLUB OF
MIDDLE TENNESSEE, INC.
PO BOX 110268
NASHVILLE, TN 37222-0268

Person to Contact:
EP/EO Tax Examiner

Telephone Number:
(410) 962-6058

Dear Sir/Madam:

This is in response to your inquiry received JULY 10, 1998, requesting a copy of the letter which granted tax exempt status to the above named organization.

Our records show that the organization was granted exemption from Federal Income Tax under section 501(c)(3) of the Internal Revenue Code effective SEPTEMBER, 1954.

We have also determined that the organization is not a private foundation because it is described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you under section 170 of the Code.

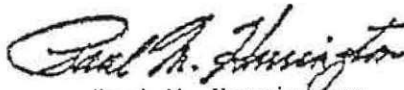
As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during the calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

You are required to file Form 990, Return of Organization Exempt from Income Tax, only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

A copy of our letter certifying the status of the organization is not available, however, this letter may be used to verify your tax-exempt status.

Because this letter could help resolve any questions about your exempt status, it should be kept in your permanent records.

Sincerely yours,



Paul M. Harrington
District Director

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STATE OF TENNESSEE

CHARTER OF INCORPORATION

Be it Known, THAT F.T.Thropp; Littell J. Rust, E. R. Stahlman, D. L. Howe, Lee J. Loventhal; W. O. Tirrill, Jos. Lindger; Howard Andrews; Jas. B. Hill, C. H. Brandon, V. J. Alexander; Jno. M. Cate, J. T. Howell, William Fume; John E. DeWitt, John Howe Payton, J. O. Lusk Cheek, W. V. Davidson, Gardner Beckett and H. A. Vantrease, are hereby constituted a body politic and corporate, by the name and style of;

"NASHVILLE BOY'S CLUB"

for the encouragement, support and maintenance of a "boy's Club," for the uplift and improvement of the mental, social, moral, physical and economic condition of "underprivileged boy's; and with the power and authority to acquire any real or personal property and take, receive and hold any and all gifts, bequests or devises of property for the purposes of said corporation, subject to such limitations and conditions as the donor or testator may attach thereto.

The general powers of said corporation shall be, to sue and be sued by the corporate name; to have and use a common seal, which it may alter at pleasure; if no common seal, then the signature of the name of the corporation by any duly authorized officer shall be legal and binding; to purchase and hold or receive by gift, bequest or devise, in addition to the personal property owned by said corporation, real estate necessary for the transaction of the corporate business, and also to purchase or accept any real estate in payment or in part payment of any debt due to the corporation, and sell the same; to establish by-laws, and make all rules and regulations not inconsistent with the laws and Constitution deemed expedient for the management of corporate affairs, and to appoint such subordinate officers and agents in addition to a President and Secretary or Treasurer, as the business of the corporation may require, designate the name of the office and fix the compensation of the offices.

The said five or more incorporators shall, within a convenient time after the registration of this charter in the office of the Secretary of State, elect from their number a President, Secretary, and Treasurer, or the last two offices may be combined into one; said officers and the other incorporators to constitute the first Board of Directors. In all elections each member to be entitled to one vote, and the result, to be determined by a majority of the votes of the members. The corporation shall have the right to elect any member.

2

The Board of Directors may have the power to increase the number of Directors from seven to ten, if they deem the interest of the corporation requires such increase. And the first or any subsequent Board of Directors may have the power to elect other members, who, on acceptance of membership, shall become incorporators equally with the original incorporators. The Board of Directors shall have the right to determine what amount of money paid into the treasury shall be a prerequisite for membership, or, if necessary, what amount shall be thus annually paid, and failure thus to pay shall, in the discretion of the Directors, justify the expulsion of said defaulting member. The term of all officers may be fixed by the by-laws, the said term not, however, to exceed three years. All officers hold over until their successors are duly elected and qualified.

The general welfare of society, not individual profit, is the object for which this charter is granted, and hence the members are not stockholders in the legal sense of the term, and no dividends or profits shall be divided among the members. The members may at any time voluntarily dissolve the corporation by a conveyance of its assets and property to any other corporation holding a charter from the State for the purposes not of individual profit, first providing for corporate debts.

A violation of any of the provisions of this charter shall subject the corporation to dissolution at the instance of the State.

This charter is subject to modification or amendment: and in case said modification or amendment is not accepted, corporate business is to cease, and the assets and property, after payment of debts, are to be conveyed, as aforesaid, to some other corporation holding a charter for purposes not connected with individual profit. Acquiescence in any modification thus declared shall be determined in a meeting, specially called for that purpose, and only those voting in favor of the modification shall thereafter compose the corporation.

The means, assets, income or other property of the corporation shall not be employed directly or indirectly for any other purpose whatever than to accomplish the legitimate objects of its creation, and by no implication shall it possess the power to issue notes or currency, deal in currency, notes or coin, buy or sell products, or engage in any kind of trading operation, nor hold any more real estate than is necessary for legitimate purposes.

Expulsion shall be the only remedy for the nonpayment of dues by the members, and there shall be no individual liability against the members for corporate debts, but the entire corporate property shall be liable for the claims of creditors.

We, the undersigned, apply to the State of Tennessee, by virtue of the laws of the land, for a Charter of Incorporation for the purposes and with the powers, etc., declared in the foregoing instrument.

This _____ day of _____ 1917.

P. T. Throop, Littell J. Rust, W. V. Tirrill, E. B. Stahlman, B. L. Howe, Lee J. Leventhal, Jos. Lindsauer, Howard Andrews, Jas B. Hill, H. A. Vantreas, C. H. Brandon, V. J. Alexander, Jno. M. Cate, J. T. Howell, William Eume, John H. DeWitt, Jno. Howe Peyton, J. O. B. Check, W. V. Davidson, Gardner Beckett, .

Witness to signatures.
P. T. Throop.

STATE OF TENNESSEE. DAVIDSON COUNTY.

Personally appeared before me, Romans Hailey, Clerk of the County Court of said County, the within named P. T. Throop, the bargainer, with whom I am personally acquainted, and who acknowledged that he executed the within instrument for the purposes therein contained.

Witness my hand and the seal of said Court, at office, in the Courthouse, at Nashville, Tennessee, this the 20th day of March, 1917.

(SEAL) Romans Hailey, Clerk.
By Louis Feldman, D.U.

STATE OF TENNESSEE. DAVIDSON COUNTY.

Personally appeared before me, Romans Hailey, Clerk of the County Court of said County, P. T. Throop, a subscribing witness to the signatures subscribed to the annexed Charter of Incorporation etc, being first duly sworn, deposed and said that he is personally acquainted with the within named Littrell J. Rust, E. B. Stahlman, B. L. Howe, Lee J. Leventhal; W. O. Tirrill, Jos. Lindsauer, Howard Andrews, Jas. B. Hill, C. H. Brandon, V. J. Alexander, Jno. M. Cate, J. T. Howell, Wm. Eume, Jno. H. DeWitt, Jno. Howe Peyton, J. O. B. Check, W. V. Davidson, Gardner Beckett and H. A. Vantreas, the bargainers, and that they acknowledged the same in his presence to be their act and deed, for the purposes therein contained.

Witness my hand and the seal of said Court, at office, in Nashville, Tennessee, this 20th day of March, 1917.

(SEAL)
By _____

REGISTER'S OFFICE.

STATE OF TENNESSEE. DAVIDSON COUNTY.

Received for record the 20 day of Mar, A.D. 1917.

Page 117. Noted in _____

STATE OF TENNESSEE

Charter of Incorporation

BE IT KNOWN, that P. T. Throop, Littell J. Rust, E. B. Stahlman, B. L. Howe, Lee J. Loventhal, W. O. Tirrill, Joseph Lindauer, Howard Andrews, James B. Hill, C. H. Brandon, V. J. Alexander, John M. Cate, J. T. Howell, William Hume, John H. DeWitt, John Howe Peyton, J. O. Cheek, W. V. Davidson, Gardner Beckett and H. A. Vantrease are hereby constituted a body politic and corporate, by the name and style of

"NASHVILLE BOYS' CLUB,"

for the encouragement, support and maintenance of a "Boy's Club," for the uplift and improvement of the mental, social, moral, physical and economic condition of "underprivileged boys;" and with the power and authority to acquire any real or personal property and take, receive and hold any and all gifts, bequests or devises of property for the purposes of said corporation, subject to such limitations and conditions as the donor or testator may attach thereto.

The general powers of said corporation shall be to sue and be sued by the corporate name; to have and use a common seal, which it may alter at pleasure; if no common seal, then the signature of the name of the corporation, by any duly authorized officer, shall be legal and binding; to purchase and hold, or receive by gift, bequest, or devise, in addition to the personal property owned by the corporation, real estate necessary for the transaction of the corporate business, and also to purchase or accept any real estate in payment, or in part payment, of any debt due to the corporation, and sell the same; to establish by-laws, and make all rules and regulations not inconsistent with the laws and constitution, deemed expedient for the management of corporate affairs; and to appoint such subordinate officers and agents in addition to a president and secretary or treasurer, as the business of the corporation may require; to designate the name of the office and fix the compensation of the officer.

The said five or more incorporators shall, within a convenient time after the registration of this charter in the office of the Secretary of State, elect from their number a president, secretary and treasurer, or the last two officers may be combined into one, said officers and the other incorporators to constitute the first board of directors.

In all elections each member to be entitled to one vote, either in person or by proxy, and the result to be determined by a majority of the votes cast. Due notice of any election must be given by advertisement in a newspaper, personal notice to the members, or a day stated on the minutes of the board six months preceding the election.

The Board of Directors shall keep a record of all their proceedings, which shall be at all times subject to the inspection of any member. The corporation may establish branches in any other county in the state.

The Board of Directors may have the power to increase the number of directors to any number not exceeding thirty-six, if they deem the interest of the corporation requires such increase, and the first or any subsequent board of directors may

have the power to elect other members, who, on acceptance of membership, shall become corporators equally with the original corporators.

The Board of Directors shall have the right to determine what amount of money paid into the treasury shall be a pre-requisite for membership, or, if necessary, what amount shall be thus annually paid; and a failure thus to pay shall, in the discretion of the directors, justify the expulsion of said defaulting member.

The term of all officers may be fixed by the by-laws, the said term not, however, to exceed three years. All officers hold over until their successors are duly elected and qualified.

The general welfare of society, not individual profit, is the object for which this charter is granted, and hence the members are not stockholders in the legal sense of the term, and no dividends or profits shall be divided among the members.

The members may at any time voluntarily dissolve the corporation by a conveyance of its assets and property to any other corporation holding a charter from the state for purposes not of individual profit, first providing for corporate debts. A violation of any of the provisions of the charter shall subject the corporation to dissolution, at the instance of the state.

This charter is subject to modification and amendment; and in case said modification or amendment is not accepted, corporate business is to cease, and the assets and property, after payment of debts, are to be conveyed, as aforesaid, to some other corporation holding a charter for purposes not connected with individual profit. Acquiescence in any modification thus declared, shall be determined in a meeting of the members especially called for that purpose and only those voting in favor of the modification shall thereafter compose the corporation.

The means, assets, income or other property of the corporation shall not be employed, directly or indirectly, for any purpose whatever than to accomplish the legitimate objects of its creation, and by no implication or construction shall it possess the power to issue notes or currency, deal in currency, notes or coin, buy and sell products, or engage in any kind of trading operation, nor hold any more real estate than is necessary for its legitimate purposes.

Expulsion shall be the only remedy for the non-payment of dues by the members, and there shall be no individual liability against the members for corporate debts, but the entire corporate property shall be liable for the claims of creditors.

We, the undersigned, apply to the State of Tennessee, by virtue of the laws of the land, for a charter of incorporation for the purposes and with the powers, etc., declared in the foregoing instrument.

Witness our hands this 20th day of March, 1917.

Secretary of State

Corporations Section

James K. Polk Building, Suite 1800

Nashville, Tennessee 37219

DATE: 01/25/89
REQUEST NUMBER: 1121-0143
TELEPHONE CONTACT: (615) 741-0537
FILE DATE/TIME: 01/19/89 1242
EFFECTIVE DATE/TIME: 01/19/89 1242
CONTROL NUMBER: 0080129

BOYS CLUBS OF NASHVILLE & MIDDLE TENN.
U. BOX 110268
NASHVILLE, TN 37211

3216 02/01 0101 03CHECK 5.00

BOOK 7762 PAGE 986

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE
CHARTER AMENDMENT

THE STATE WILL ACKNOWLEDGE THE FILING OF THE ENCLOSED DOCUMENT ON THE DATE
GIVEN ABOVE TO BE EFFECTIVE AS INDICATED.

PLEASE BE ADVISED THAT THIS DOCUMENT MUST ALSO BE FILED IN THE OFFICE OF
THE REGISTER OF DEEDS IN THE COUNTY WHEREIN A CORPORATION HAS ITS
PRINCIPAL OFFICE IF SUCH PRINCIPAL OFFICE IS IN TENNESSEE.

IN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING,
PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE.

FEB 1 9 24 AM '89
FELIX Z. WILSON, JR. REGISTER
DAVIDSON COUNTY, TN

IDENTIFICATION REFERENCE

05635

RE: CHARTER AMENDMENT

RECEIVED: \$10.00

ON DATE: 01/24/89

COM:
BOYS CLUBS OF NASHVILLE & MIDDLE TENN.
U. BOX 110268
NASHVILLE, TN 37211

RECEIPT NUMBER: 00000379181
ACCOUNT NUMBER: 00037531

Mail

Gentry Crowell

GENTRY CROWELL
SECRETARY OF STATE



STATE OF TENNESSEE
NOV 19 2019

BOOK 7762 PAGE 987

ARTICLES OF AMENDMENT TO THE CHARTER

OF

BOYS CLUBS OF NASHVILLE AND MIDDLE TENNESSEE

Pursuant to the provisions of Section 48-303 of the Tennessee General Corporation Act, the undersigned corporation adopts the following articles of amendment to its charter:

1. The name of the corporation is:

BOYS CLUBS OF NASHVILLE AND MIDDLE TENNESSEE

2. The amendment adopted is (Insert Amendment):

NAME CHANGE: BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE

3. The amendment was duly adopted (at a meeting) ~~(by the unanimous written consent) of the (shareholders)~~ (members) on

January 5, 1989. (Strike inapplicable words)

4. If a corporation for profit, the manner, if not set forth in such amendment, in which any exchange, reclassification or

Tennessee Secretary of State
Tre Hargett



Division of Business and Charitable Organizations
312 Rosa L. Parks Avenue, 6th Floor
Nashville, Tennessee 37243-1102

August 30, 2024

Mr. ERIC HIGGS
1704 CHARLOTTE AVENUE, SUITE 200
NASHVILLE, TN 37203-2979

RE: Registration to Solicit Funds for Charitable Purposes
Organization Name: BOYS & GIRLS CLUB OF MIDDLE TENNESSEE
CO Number: CO1181
Renewal Date: 06/30/2025

Dear Mr. ERIC HIGGS :

Pursuant to the Tennessee Charitable Solicitations Act, T.C.A. § 48-101-501, *et seq.* the Tennessee Secretary of State has reviewed your application and is pleased to announce your organization's registration to solicit contributions has been **approved**.

The organization must maintain statutory compliance by submitting a renewal application and required fees on an annual basis. At that time you may be required to submit tax filings, financial statements, proof of IRS status, and other documents related to your organization and its fundraising activities. You can find additional information and submit additional filings online at <https://sos.tn.gov/charities>. The "CO" Number listed above will serve as your organization's charitable registration number and should be used when submitting any charitable filings or correspondence.

Please also be advised that if the organization's application or other provided information includes false, misleading or deceptive statements, appropriate action will be taken. Pursuant to the Tennessee Charitable Solicitations Act, a civil penalty of up to five thousand dollars (\$5,000.00) may be assessed for any violation.

Thank you for registering your organization and please do not hesitate to contact us with any questions.

Sincerely,

A handwritten signature in black ink that reads "Tre Hargett".

Tre Hargett
Secretary of State

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

Year Ended December 31, 2023

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE

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**BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
ROSTER OF BOARD OF DIRECTORS
Year Ended December 31, 2023**

Michael Balcer	Director
Brian Bialek	Director
Allen Bolden	Director
Eric Bymaster	Director
Annie Brinn	Director
Scott Cloud	Director
BJ Crowder	Director
Drew Emerson	Director
Farzin Ferdowski	Past Chair
Cort Fontenot	Director
Chase Foy	Director
Anne Keeble Frazer	Director
John M. Gallagher	Director
Jerry Geraghty	Treasurer
Andrea Hart	Immediate Past Chair
Phil Henry	Director
Don Holmes	Board Chair
Craig Keeyes	Director
Marion Ligon	Director
Edward Magee	Director
Whit McCrary, IV	Director
I'Ashea Myles	Director
Rebecca Ozols	Director
Katie Payne	Director
Lee Schaefer	Secretary
Julie Sebree	Director
Jensen Sessums	Resource Development Chair
Tonya Sisco	Operations Co-Chair
RJ Stillwell	Past Chair
Mark Traylor	Operations Co-Chair
Jack Wallace	Director
Cameron Wells	Director
Hunter West	Past Chair
Lani Williams	Director
Ward Wilson	Past Chair



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Boys & Girls Clubs of Middle Tennessee

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Boys & Girls Clubs of Middle Tennessee (the Organization), a nonprofit organization, which comprise the statement of financial position as of December 31, 2023, 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 referred to above present fairly, in all material respects, the financial position of Boys & Girls Clubs of Middle Tennessee as of December 31, 2023, 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 Boys & Girls Clubs of Middle Tennessee 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 Organization'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 Organization'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 and state financial assistance, 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 and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included with the financial statements. The other information comprises the roster of board of directors but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2024 on our consideration of Boys & Girls Clubs of Middle Tennessee'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 Organization'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 Organization's internal control over financial reporting and compliance.

The logo for UHY LLP, featuring the letters 'UHY' in a large, stylized, handwritten-style font, with 'LLP' in a smaller, simpler font to the right.

Nashville, Tennessee
June 5, 2024

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
STATEMENT OF FINANCIAL POSITION
December 31, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 758,926
Restricted cash	42,680
Grants, contracts and other receivables	521,502
Restricted pledges receivable	10,000
Prepaid expenses and deposits	43,300
Investments	<u>3,183,783</u>
Total current assets	<u>4,560,191</u>

Property and equipment, net	1,819,460
Membership rights, net	17,408
Restricted pledges receivable, net	17,412
Restricted grants receivable	191,852
Beneficial interest in agency endowment fund held by the Community Foundation of Middle Tennessee	<u>44,103</u>
	<u>2,090,235</u>

TOTAL ASSETS **\$ 6,650,426**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 194,490
Accrued expenses	311,111
Notes payable - current portion	<u>12,680</u>
Total current liabilities	<u>518,281</u>

Notes payable - long-term portion	<u>60,315</u>
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Total liabilities	578,596
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NET ASSETS

Without donor restrictions	5,242,680
With donor restrictions	<u>829,150</u>
Total net assets	<u>6,071,830</u>

TOTAL LIABILITIES AND NET ASSETS **\$ 6,650,426**

See accompanying notes to the financial statements.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE:			
Gross special events revenue	\$ 1,063,295	\$ -	\$ 1,063,295
Less direct cost of special events	<u>(548,170)</u>	<u>-</u>	<u>(548,170)</u>
Net special events revenue	<u>515,125</u>	<u>-</u>	<u>515,125</u>
Individual gifts and contributions	1,536,421	394,156	1,930,577
Federal awards and financial assistance	1,346,296	-	1,346,296
Other grants	380,007	23,704	403,711
United Way grants, allocations, and designations	8,171	360,000	368,171
Program service fees	319,898	-	319,898
Contributed nonfinancial assets	149,358	-	149,358
Net assets released from restrictions	<u>1,075,676</u>	<u>(1,075,676)</u>	<u>-</u>
Total public support	<u>4,815,827</u>	<u>(297,816)</u>	<u>4,518,011</u>
Net investment gain	842,153	-	842,153
Miscellaneous revenue	<u>69,715</u>	<u>-</u>	<u>69,715</u>
Total public support and revenue	<u>\$ 6,242,820</u>	<u>\$ (297,816)</u>	<u>\$ 5,945,004</u>
EXPENSES			
Program services			
Comprehensive youth development	<u>5,625,187</u>	<u>-</u>	<u>5,625,187</u>
Supporting services			
Management and general	559,700	-	559,700
Fundraising	<u>240,478</u>	<u>-</u>	<u>240,478</u>
Total supporting services	<u>800,178</u>	<u>-</u>	<u>800,178</u>
Total expenses	<u>6,425,365</u>	<u>-</u>	<u>6,425,365</u>
CHANGE IN NET ASSETS	(182,545)	(297,816)	(480,361)
NET ASSETS, Beginning of year	<u>5,425,225</u>	<u>1,126,966</u>	<u>6,552,191</u>
NET ASSETS, End of year	<u>\$ 5,242,680</u>	<u>\$ 829,150</u>	<u>\$ 6,071,830</u>

See accompanying notes to the financial statements.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

	<u>Program Services</u>	<u>Supporting Services</u>			<u>Total</u>
	<u>Comprehensive Youth Development</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Salaries	\$ 3,226,574	\$ 290,646	\$ 163,983	\$ 454,629	\$ 3,681,203
Employee taxes & benefits	493,872	50,379	35,787	86,166	680,037
Total payroll & related expenses	<u>3,720,446</u>	<u>341,025</u>	<u>199,769</u>	<u>540,794</u>	<u>4,261,240</u>
Advertising	77,129	-	32,056	32,056	109,185
Awards and grants	24,633	-	-	-	24,633
Bank charges	-	13,248	-	13,248	13,248
Communications	37,411	1,595	785	2,380	39,791
Depreciation & amortization	105,252	-	-	-	105,252
Equipment rental and maintenance	30,034	438	-	438	30,472
Contributed rent	56,800	-	-	-	56,800
Contributed goods - special events	-	-	92,558	92,558	92,558
Interest expense	-	8,545	-	8,545	8,545
Membership dues	22,424	1,950	-	1,950	24,374
Miscellaneous	69,087	6,687	1,640	8,227	77,315
Postage and shipping	731	129	-	129	860
Professional fees	503,952	107,899	-	107,899	611,851
Program activities	77,209	-	-	-	77,209
Special events	-	-	455,612	455,612	455,612
Supplies	308,762	48,785	2,226	51,011	359,773
Technology equipment purchases	25,320	-	-	-	25,320
Trainings and conferences	52,955	4,877	3,133	8,010	60,965
Travel and mileage	9,638	1,833	868	2,701	12,339
Transportation	174,930	-	-	-	174,930
Utilities and occupancy costs	328,474	22,789	-	22,789	351,263
Total expenses by function	<u>5,625,187</u>	<u>559,700</u>	<u>788,648</u>	<u>1,348,348</u>	<u>6,973,535</u>
Less expenses included with revenues on the statement of activities:					
Direct cost of special events	-	-	(548,170)	(548,170)	(548,170)
Total expenses included in the expense section on the statement of activities	<u>\$ 5,625,187</u>	<u>\$ 559,700</u>	<u>\$ 240,478</u>	<u>\$ 800,178</u>	<u>\$ 6,425,365</u>

See accompanying notes to the financial statements.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
STATEMENT OF CASH FLOWS
Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (480,361)
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Depreciation and amortization	105,252
Realized loss on investments	89,963
Unrealized gain on investments	(881,186)
Change in value of beneficial interest in agency endowment fund	(4,679)
Changes in:	
Grants, contracts, and other receivables	(84,454)
Prepaid expenses and deposits	(5,091)
Construction in progress	(880,611)
Membership rights	(26,000)
Restricted pledges receivable, net	8,692
Accounts payable	(58,857)
Accrued expenses	(21,985)
Contract liabilities	(103,000)
Net cash used in operating activities	<u>(2,342,317)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of investments	3,383,618
Purchases of investments	(1,551,906)
Purchases of property and equipment	(15,790)
Net cash provided by investing activities	<u>1,815,922</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on long-term debt	(20,858)
Net cash provided by financing activities	<u>(20,858)</u>
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(547,253)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, Beginning of year	<u>1,348,859</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, End of year	<u>\$ 801,606</u>
Supplemental Cash Flow Information:	
Financed portion of vehicle acquired	<u>\$ 75,000</u>
Interest paid	<u>\$ 8,545</u>
Cash balance consists of:	
Cash and cash equivalents	758,926
Restricted cash	42,680
	<u>\$ 801,606</u>

See accompanying notes to the financial statements.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

History and Nature of Activity

Boys & Girls Clubs of Middle Tennessee (the Organization) is a nonprofit organization affiliated with the Boys & Girls Clubs of America. Founded in 1903, the Boys & Girls Clubs of Middle Tennessee consists of nine club facilities throughout the region. The goal of the Organization is to enable all young people, especially those who need it most, to reach their full potential as productive, caring, and responsible citizens. It strives to improve each child's life by instilling in them a sense of competence, usefulness, belonging, and power/influence. It focuses on three priority outcomes: academic success, healthy lifestyles, good character, and citizenship.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets and revenues, expenses, 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:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors. Restrictions fulfilled in the same accounting period in which the contributions are received are reported in the Statement of Activities as net assets without donor restrictions.

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

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents

The Organization maintains cash at financial institutions with strong credit ratings. Cash is insured by the Federal Deposit Insurance Corporations (FDIC) up to \$250,000 per bank. At times, the Organization may have balances in excess of FDIC coverage. Management has deemed this a normal business risk.

All unrestricted cash and investment instruments purchased with an original maturity date of ninety days or less from the date of issuance are considered a cash equivalent.

Grants, Contracts and Other Receivables

Grants and contract receivables consist of amounts due related to services provided under nonexchange grant and contract agreements and are presented net of an estimation of credit losses.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants, Contracts and Other Receivables (Continued)

Management's estimate of credit losses is based on historical collection experience and a review of the current status of the account. It is reasonably possible that management's estimate of credit losses for uncollectible accounts could change. There was no estimation for credit losses December 31, 2023.

Fair Value Measurements

The fair value of financial instruments including cash and cash equivalents, restricted cash, grants, contracts and other receivables, prepaid expenses and deposits, accounts payable, accrued expenses, and contract liabilities approximate carrying value due to the short-term nature of these accounts.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its financial instruments based on the fair value hierarchy established which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

- Level 1: Financial instruments are valued based on quoted prices in active markets for identical assets or liabilities.
- Level 2: Financial instruments are valued using quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data of substantially the full term of the assets or liabilities.
- Level 3: Financial instruments are valued using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable and when determination of the fair value requires significant management judgment or estimation.

There were no triggering events that required fair value measurements of the Organization's non-financial assets and liabilities at December 31, 2023.

Property and Equipment

Property and equipment are recorded at cost, or, if donated, at the estimated fair market value at the date of donation. Expenditures over \$5,000 for property and equipment, and any expenditure over \$500 for leasehold improvements are reviewed for capitalization. Depreciation is provided utilizing the straight-line method over the estimated useful lives of the respective assets, which range from 5 to 40 years. Expenditures for repairs and maintenance are charged to expense as incurred.

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable. At December 31, 2023, no assets were considered to be impaired.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Organization determines if an arrangement is a lease at inception by determining whether the agreement conveys the right to control the use of the identified asset for a period of time, whether the Organization has the right to obtain substantially all of the economic benefits from use of the identified asset, and the right to direct the use of the asset. Lease liabilities are recognized at the commencement date based upon the present value of the remaining future minimum lease payments over the lease term using the rate implicit in the lease or the Organization's incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest the Organization would have to pay to borrow on a collateralized basis over a similar term in an amount equal to the lease payments in a similar economic environment or the risk-free rate. The risk-free rate is defined as the daily treasury par yield curve rate for a period of time that approximates the lease term. The Organization's lease terms include options to renew or terminate the lease when it is reasonably certain that it will exercise the option.

Public Support

The Organization recognizes contributions as revenue when they are received or unconditionally pledged and records these as revenues with donor restrictions or without donor restrictions according to donor stipulations that limit the use of these assets due to either a time or purpose restriction. Contributions received with donor restrictions that are met in the year of receipt are recorded as revenues without donor restrictions. When a restriction expires or is met in a subsequent year, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Conditional contributions or promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts on multi-year pledges is recorded as additional contribution revenue as either with or without donor restrictions based on any donor-imposed restrictions, if any, on the related contributions.

Contributed Nonfinancial Assets

Donated services are recognized if they create or enhance non-financial assets, or the donated service requires specialized skills, was performed by a donor who possesses such skills, and would have been purchased by the Organization if not donated. Such services are recognized at fair value as support and expense in the period the services are performed.

Revenue Recognition for Contracts with Customers

The Organization's revenue streams under contracts with customers are comprised of special events, grants and contracts, and program service fees.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition for Contracts with Customers (Continued)

For each revenue stream identified above, revenue recognition is subject to the completion of performance obligations. For each contract with a customer, the Organization determines whether the performance obligations in the contracts are distinct or should be bundled. Factors to be considered include the pattern of transfer, whether participants (customers) can benefit from the resources, and whether the resources are readily available. The Organization's revenue is recognized when a given performance obligation is satisfied, either over a period of time or at a given point in time. The Organization recognizes revenue over a period of time if the customer receives and consumes the benefit that the Organization provided, or if the Organization's performance does not create an asset with an alternative use and has an enforceable right to payment for the performance.

The revenue is recognized at a given point in time when the control of the goods or service is transferred to the customer and when the customer can direct its use and obtain substantial benefit from the goods or service. The transaction price is calculated as the amount of consideration to which the Organization expects to be entitled.

The following explains the performance obligations related to each revenue stream and how they are recognized.

Special Events – The Organization holds events that contain both contribution revenue and exchange revenue. The revenue is recognized upon receipt if there are no conditions or recognized as conditions are satisfied, typically when the event takes place.

Grants and Contracts - The Organization receives grants and contracts from various sources to fund programs in accordance with the Organization's mission. The Organization's grants and contracts revenue stream contains both contribution revenue and exchange revenue. The contribution grants and contracts revenue are either recognized upon receipt if there are no conditions or recognized as conditions are satisfied, typically as costs are incurred. The exchange grants and contracts are reviewed for performance obligations and as the performance obligations were met, revenue was recognized.

Program Service Fees – The Organization receives program service fees for services provided at the Organization's locations. Revenue is recognized at the time the service is provided.

Income Taxes

The Organization is a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code and is classified as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes is included in the accompanying financial statements. Management does not believe there are any uncertain tax positions. Further, it does not believe that the Organization has any unrelated business income, which would be subject to federal taxes.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Functional Allocation of Expenses

The costs of providing program services and supporting services 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. Expenses and support services that can be identified specifically with the Comprehensive Youth Development program are allocated directly to their natural expenditure classification. Other expenses that are common to several programs or supporting functions are allocated based on various relationships. Multiple expenses have been allocated on the basis of estimates of time and effort.

Advertising

Advertising is expensed as incurred. Total advertising expense for the year ended December 31, 2023, was \$109,185.

Recently Adopted Accounting Standards

In June 2016, the Financial Accounting Standards Board issued accounting standards update (ASU) ASU 2016-13 Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were accounts receivable.

The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new and enhanced disclosures only.

Subsequent Events

The Organization has performed a review of events subsequent to the statement of financial position date through June 5, 2024, the date financial statements were available to be issued.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 — AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date comprise the following:

Cash and cash equivalents	\$ 758,926
Grants, contracts and other receivables	521,502
Investments	<u>2,656,000</u>
	<u>\$ 3,936,428</u>

The Organization has certain donor-restricted assets limited to use which are only available for restricted programs. Accordingly, these assets have been excluded in the qualitative information above.

The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

NOTE 3 — MEMBERSHIP RIGHTS

In 2017, a membership purchase agreement with the Golf Club of Tennessee (Golf Club) was renewed for \$260,000 for an additional 10 years. In the agreement, the Golf Club allowed for 10 \$26,000 annual payments to cover the cost. The amortization expense for the year ended December 31, 2023, was \$25,925.

NOTE 4 — RESTRICTED PLEDGES RECEIVABLE

Pledges receivable consisted of the following at:

	<u>December 31, 2023</u>
Due in less than one year (current)	\$ 10,000
Due in one or more years (non-current)	<u>20,000</u>
	30,000
Less: discounts to net present value	<u>(2,588)</u>
Restricted pledges receivable, net	<u>\$ 27,412</u>

Gross restricted pledges receivable of \$30,000 for golf membership renewal rights in 2023, have been discounted for the time value of money using a discount rate of 4.65%. The rate was determined using the interest method after an allowance had been established.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 5 — INVESTMENTS

Investments consisted of the following at:

	December 31, 2023	
	Fair Value	Cost
Equities	\$ 2,323,187	\$ 1,574,718
Fixed Income	778,045	828,880
Real Estate Funds	82,551	79,149
	3,183,783	<u>\$ 2,482,746</u>
Less: restricted investments	(527,783)	
	<u>\$ 2,656,000</u>	

The net investment gain included the following for the year ended:

	December 31, 2023
Interest and dividend income	\$ 87,473
Realized loss – net	(89,963)
Unrealized gain – net	881,186
Investment fees	(36,543)
	<u>\$ 842,153</u>

The following is a description of the valuation methodologies used for assets measured at fair value:

Equities and fixed income - Equities and fixed income securities are valued at closing price reported on the active market on which the individual securities are traded.

Real estate funds – The Organization holds real estate funds that invest primarily in real estate securities, including those of companies that own significant real estate assets, such as real estate investment trusts (REITs). The fair value of the investment has been estimated using the net asset value per share of the investments (NAV), which represents the amounts at which the Organization may acquire or redeem its fund interests.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 5 — INVESTMENTS (Continued)

The following table summarizes the financial assets measured at fair value on a recurring basis segregated by level of valuation inputs within the fair value hierarchy utilized to measure fair value as of December 31, 2023:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 2,323,187	\$ 2,323,187	\$ -	\$ -
Fixed Income	<u>778,045</u>	<u>778,045</u>	<u>-</u>	<u>-</u>
Total investments at fair value	<u>\$ 3,101,232</u>	<u>\$ 3,101,232</u>	<u>\$ -</u>	<u>\$ -</u>
Investments reported at NAV:				
Real Estate Funds	<u>82,551</u>			
	3,183,783			
Beneficial interest in agency endowment fund (Note 9)	<u>44,103</u>			
	<u>\$ 3,227,866</u>			

There were no transfers between Level 1, Level 2, and Level 3 investments during the year ended December 31, 2023.

NOTE 6 — PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Cost	
Land	\$ 18,000
Buildings and improvements	2,025,849
Vehicles	778,661
Furniture, equipment, and software	96,360
Construction in progress	<u>922,553</u>
	3,841,423
Accumulated Depreciation and Amortization	<u>(2,021,963)</u>
	<u>\$ 1,819,460</u>

Depreciation expense for the year ended December 31, 2023, was \$79,327.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 — NOTE PAYABLE

In November 2023, the Organization secured a note to purchase a vehicle for \$75,000. The balance remaining at December 31, 2023, was \$72,995. The vehicle is secured by a loan which bears interest annually at 8.99%. Until maturity, the loan requires a minimum monthly payment of \$1,561.23, which will be applied to the monthly interest calculation with any excess applied to principal. The note matures in November 2028, with any unpaid principal due at that time.

Future maturities of the note payable are as follows:

<u>Year Ending</u> <u>December 31,</u>	
2024	\$ 12,680
2025	13,869
2026	15,170
2027	16,593
2028	14,683
Current portion	<u>(12,680)</u>
Long-term portion	<u>\$ 60,315</u>

NOTE 8 — NET ASSETS WITH DONOR RESTRICTIONS

Net assets with restrictions consisted of the following at:

	<u>December 31,</u> <u>2023</u>
Purpose Restrictions:	
Scholarships	\$ 42,680
Building renovations	527,783
Time Restrictions:	
United Way of Greater Nashville	180,000
City of Franklin Grant	11,852
Restricted pledges	27,412
Held in Perpetuity:	
Beneficial interest in agency endowment fund	<u>39,423</u>
	<u>\$ 829,150</u>

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 9 — BENEFICIAL INTEREST IN AGENCY ENDOWMENT FUND

In the year ended December 31, 2023, the Community Foundation of Middle Tennessee, (the Foundation) a non-profit organization, is in control of an endowment fund for the Organization. The Foundation has ultimate authority and control over all property of the fund and the income derived therefrom. The endowment is considered a reciprocal transfer and is therefore recorded as an asset on the statement of financial position.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

Since the Foundation has control over the fund and the earnings, the Organization has not established an investment policy for the fund, nor has it established policies for expenditures from the fund. It is not aware of any deficiencies in the fair value of assets in the fund as compared to the required amounts by the donors. The Organization recognizes contribution income when the Foundation makes a distribution. The Organization recognizes investment earnings and fees in the statement of activities, as they are reported to it by the Foundation.

Activity in the beneficial interest in agency endowment fund is as follows:

	Year Ended December 31, 2023
Balance – beginning of period	\$ 39,423
Change in value of beneficial interest in agency endowment fund:	
Investment income	877
Changes in value	4,050
Administrative expenses	<u>(247)</u>
Total change in value of beneficial interest in agency endowment fund	<u>4,680</u>
	<u>\$ 44,103</u>

NOTE 10 — LEASES

The Organization leases office space and various office equipment under lease agreements classified as operating leases. Total lease expenses for the year ended December 31, 2023, were \$93,756. The Organization's leases have remaining lease terms of less than one year and do not contain provisions to renew the leases for additional terms. These leases are classified as short-term operating leases and are not included as lease liabilities.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 11 — CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents, and various grant, contract and contributions receivables. Grant, contract and contributions receivable represent concentrations of credit risk to the extent they are receivable from concentrated sources. Five grantors represent 92% of total receivables of the Organization at December 31, 2023. One vendor represents 80% of total accounts payable at December 31, 2023.

Investments are subject to market risk, the risk inherent in a fluctuating market. The broker/dealer that is the custodian of the Organization's securities is covered by the Securities Investor Protection Corporation ("SIPC"), which provides protection to investors in certain circumstances such as fraud or failure of the institution. Coverage is limited to \$500,000, including up to \$250,000 in cash. The SIPC does not insure against market risk.

NOTE 12 — EMPLOYEE BENEFIT PLAN

Substantially all of the Organization's employees are covered by a defined contribution money purchase plan known as the Boys & Girls Clubs of America Master Pension Plan and Trust (the "Plan"). The Organization funds its share of pension expense for the year in quarterly contributions to the Plan. The Plan provides for elective employer contributions. The Organization contributes five percent of eligible employees' annual compensation to the Plan. Employees become eligible to participate on the plan anniversary date if they are at least 21 years of age and have worked at least 1,000 hours in the immediately preceding twelve months. Employee benefits are fully vested after six years of service as a plan participant.

During 2023, a total of \$114,003, was contributed to the plan, of which \$93,634 was accrued at December 31, 2023.

NOTE 13 — RELATED PARTIES

The Organization is a locally governed affiliate that is required to pay membership dues to the national organization. In return, the Organization receives support from the national organization which helps fund programs. During the year ended December 31, 2023, the Organization remitted a total of \$15,717, in membership dues and received \$148,099, in funding, included in contributions on the statement of activities. The Organization also paid \$25,000 for technology support to the national organization, included in expenses on the statement of activities.

The Organization is also part of the Tennessee Alliance which is a collective of all Boys & Girls Clubs of Tennessee which raises money to distribute to the Tennessee clubs. During the year ended December 31, 2023, the Organization remitted \$10,177, in membership dues and received funding of \$327,302, included in contributions on the statement of activities.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 14 – CONTRIBUTED NONFINANCIAL ASSETS

The Organization periodically receives donations of services, when donated services (a) create or enhance non-financial assets, or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The value of the donation is recorded as contribution revenue in the period received.

The following donations are reflected as contributions of nonfinancial assets with no associated donor restriction in the accompanying statement of activities:

	<u>Valuation Techniques and Inputs</u>	<u>Year Ended December 31, 2023</u>
Office rent	The Organization estimated the fair value on the basis of current rates for occupancy	\$ 56,800
Other goods	Contributed goods at estimated fair value based on current rates for similar items	<u>92,558</u>
		<u>\$ 149,358</u>

Contributions of nonfinancial assets and their use in programs and other activities are as follows for the year ended:

	<u>December 31, 2023</u>			
	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Office rent	\$ 56,800	\$ -	\$ -	\$ 56,800
Other goods	<u>92,558</u>	-	-	<u>92,558</u>
	<u>\$ 149,358</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,358</u>

NOTE 15 — COVID-19 RELIEF FUNDING

Paycheck Protection Program (PPP)

The Organization was granted loans in the amounts of \$379,322 and \$440,312 in fiscal year 2021, under the PPP, administered by the Small Business Administration (SBA) under the CARES Act. The Organization received loan forgiveness of \$379,322 and \$440,312 during the years ended December 31, 2021 and 2022, respectively.

According to the rules of the SBA, the Organization is required to retain PPP loan documentation for six years and permit authorized representatives of the SBA to access such files upon request. Should the SBA conduct such a review and reject all or some of the Organization’s judgments pertaining to satisfying PPP loan eligibility or forgiveness conditions, the Organization may be required to adjust previously reported amounts and disclosures in the financial statements.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 15 — COVID-19 RELIEF FUNDING (Continued)

Employee Retention Credit (ERC)

The ERC, a credit against certain payroll taxes allowed to an eligible employer for qualifying wages, was established by the CARES Act and further amended by the Consolidated Appropriations Act (CAA) and the American Rescue Plan (ARP). The ERC is considered a conditional grant, as the Organization only qualifies for the transfer of assets if it has overcome the barrier of eligibility. For the year ended December 31, 2022, the Organization determined they met the barriers of the ERC and recorded miscellaneous revenue of \$164,213. As of December 31, 2022, this balance was included in grants, contracts and other receivables on the statement of financial position and was subsequently collected in June 2023.

Laws and regulations concerning government programs, including the ERC established by the CARES Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Organization's claim to the ERC, and it is not possible to determine the impact, if any, this would have upon the Organization.



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
Boys & Girls Clubs of Middle Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Boys & Girls Clubs of Middle Tennessee (the Organization), a nonprofit organization, which comprise the statement of financial position as of December 31, 2023, 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 June 5, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 the Organization'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.

UHY LLP

Nashville, Tennessee
June 5, 2024



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 of
Boys & Girls Clubs of Middle Tennessee

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited Boys & Girls Clubs of Middle Tennessee (the Organization)'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 the Organization's major federal program for the year ended December 31, 2023. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Boys and Girls Clubs of Middle Tennessee complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on 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 the Organization 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 the major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal program.

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 the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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.

UHY LLP

Nashville, Tennessee
June 5, 2024

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
Year Ended December 31, 2023

<u>Grantor, Program Title (Cluster, Pass-Through Grantor)</u>	<u>Pass-Through Identifying Number</u>	<u>Assistance Listing Number</u>	<u>Passed Through to Subrecipients</u>	<u>TOTAL EXPENDITURES</u>
FEDERAL AWARDS				
<u>U.S. DOE THROUGH TENNESSEE DEPARTMENT OF EDUCATION</u>				
21st Century Learning Centers	S287C100043	84.287	\$ -	\$ 1,011,798
Total - U.S. DOE THROUGH TENNESSEE DEPARTMENT OF EDUCATION		84.287	-	1,011,798
<u>U.S. DOA THROUGH TENNESSEE DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Child and Adult Care Food Program	78237740	10.558	\$ -	\$ 45,096
Total - U.S. DOA THROUGH TENNESSEE DEPARTMENT OF HEALTH AND HUMAN SERVICES		10.558	-	45,096
<u>U.S. DOJ THROUGH OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION</u>				
<u>U.S. DHHS THROUGH TENNESSEE DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Mentoring of Boys and Girls Clubs		16.726	\$ -	\$ 148,099
Total - U.S. DOJ THROUGH OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION		16.726	-	148,099
TOTAL FEDERAL AWARDS				\$ 1,204,994
STATE FINANCIAL ASSISTANCE				
<u>TENNESSEE ALLIANCE</u>				
Lottery Education After-School Program	N/A	N/A	\$ -	\$ 141,302
Total - TENNESSEE ALLIANCE		N/A	-	141,302
TOTAL STATE FINANCIAL ASSISTANCE				\$ 141,302
TOTAL FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE				\$ 1,346,296

See accompanying notes to Schedule of Expenditures of Federal Awards.

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
December 31, 2023

BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the federal and state grant activity of Boys & Girls Club of Middle Tennessee for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. These grants are 100% pass-through to Boys & Girls Club of Middle Tennessee. The Organization is assuming all audit responsibility.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Direct expenses are recorded based upon actual expenses incurred that are allowable per the program requirements. Indirect expenses are allocated based upon recorded direct expenses. The Organization allocates indirect costs using the Restricted Indirect Cost Rate (RICR) for each contract, which is calculated using the following, $(\text{General Management Costs} + \text{Fixed Costs}) / \text{Other Expenditures}$. The RICR applied during the year ended December 31, 2023, ranged from 4% to 7%.

NONCASH ASSISTANCE

No federal awards were expended in the form of noncash assistance.

**BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
December 31, 2023**

SECTION 1 SUMMARY OF AUDITOR'S RESULTS

Financial Statements

- 1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified
- 2. Internal control over financial reporting:
 - a) Material weaknesses identified? No
 - b) Significant deficiencies identified that are not considered to be material weakness? None Reported
- 3. Noncompliance material to financial statements noted? No

Federal Awards

- 1. Internal control over major programs:
 - a) Material weaknesses identified? No
 - b) Significant deficiencies identified that are not considered to be material weakness? None Reported
- 2. Type of auditors' report issued on compliance for major programs: Unmodified
- 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

4. Identification of major Federal programs:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.287	21 st Century Learning Centers

- 5. Dollar threshold used to distinguish between Type A and Type B programs \$750,000
- 6. Auditee qualified as low-risk auditee? Yes

BOYS & GIRLS CLUBS OF MIDDLE TENNESSEE
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
December 31, 2023

SECTION 2

Financial Statement Findings

None noted.

SECTION 3

Federal Award Findings and Questioned Costs

None noted.

Summary Schedule of Prior Year Findings

None noted.



AMENDMENT NUMBER 1 TO CONTRACT NUMBER L-6639 BETWEEN THE METROPOLITAN
GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY AND YOUTH ENCOURAGEMENT SERVICES, INC.

This Amendment is entered into on the day this document is filed with the Metropolitan Clerk's Office, by and between THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (METRO) and YOUTH ENCOURAGEMENT SERVICES, INC.

WITNESSETH

WHEREAS, the parties desire to modify the terms and conditions and to add or delete certain other terms and conditions to their original agreement dated JUNE 17, 2025. Metro Contract numbered L-6639, hereinafter the "GRANT CONTRACT."

WHEREAS, the parties desire to increase funding to offer summer programming serving 25 youth for May-June 2026;

WHEREAS, the additional funds will cover the cost of general programming including the salaries of YOUTH ENCOURAGEMENT SERVICES, INC. staff and contractors among other expenses allowed by Metro;

WHEREAS, NAZA will appropriate the additional funds from its existing budget allocated in FY26 Metro budget ordinance and no new funding is requested from Metro, the parties hereby agree as set forth below:

This amendment affects the following changes to the contract:

1. Amend clause C.1. Contract Value to increase by \$28,000.00 for a revised contract total of \$61,875.00. The amended clause will read as follows:

"Maximum Liability. In no event will Metro's maximum liability under this Grant Contract exceed \$61,875.00 (25 slots for afterschool, 25 slots for summer). The Grant Budget will constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Budget line items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient."

Subject to modification and amendments as provided in section D.2 of this agreement, this amount will constitute the Grant Amount and the entire compensation to be provided to the Recipient by Metro."

2. This amendment replaces Annex 3 – Grant Budget with the revised Annex 3, attached hereto and incorporated herein.
3. This amendment replaces Annex 8 - Program Sites with the revised Annex 8, attached hereto and incorporated herein.

This amendment shall not be binding upon the parties until it has been signed by the Recipient and authorized representatives of the Metropolitan Government, approved by appropriate legislation of the Metropolitan Council, and filed in the office of the Metropolitan Clerk.

[BALANCE OF PAGE IS INTENTIONALLY LEFT BLANK]

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

APPROVED AS TO AVAILABILITY OF FUNDS:

Signed by:

Jenneen Reed/mjw

62377A2A8742468...

Director of Finance

APPROVED AS TO RISK AND INSURANCE:

Signed by:

Balogun Cobb

68804BF12FD741C...

Director of Insurance

APPROVED AS TO FORM AND LEGALITY:

Signed by:

Kelli Woodward

2CBBFAAF2F3B4D4

Metropolitan Attorney

FILED IN THE OFFICE OF THE CLERK:

Metropolitan Clerk

NASHVILLE PUBLIC LIBRARY

DocuSigned by:

Terri Luke

EE49BFD9F9034BF

Library Director

RECIPIENT: YOUTH ENCOURAGEMENT SERVICES, INC.

Authorized Officer:

Name (Print):

Viva Price

Signature:

[Handwritten Signature]

Title:

Executive Director

Sworn to and subscribed to before me a Notary Public, this 24th day of February, 2026

Notary Public

Destyne Sanders



My Commission expires

3/20/2028

**Metropolitan Government of Nashville and Davidson County/Nashville Public Library/ NAZA
Funds For FY 2026 Program**

ORGANIZATION NAME	Youth Encouragement Services, Inc.	CONTRACT # (Office Use):	6639
PROGRAM NAME	YES Nashville	START DATE:	July 1, 2025
ADDRESS	3016 Nolensville Pike Nashville, TN 37211	END DATE:	June 30, 2026
CITY, STATE & ZIP	Nashville, TN 37211	CONTACT PERSON	Viva Price
FEDERAL ID # (EIN)	62-0570681	CONTACT TELEPHONE	(615) 315 - 5333
COST CATEGORIES	TOTAL BUDGET REQUEST	BUDGET EXPLANATION/DETAILS	
After-School Programs		After-school program starts 09/03/2024 Per slot rate for afterschool is \$1,355	
Salaries and Wages	26,500.00	1 Senior Program Director (NAZA lead and site program director) \$56,000 x 25% = \$14,000 1 Site Director @ \$50,000 each (25%) = \$12,500	
Benefits and Taxes	0.00	Types of benefits, rates and number of staff, whose benefits are charged to this grant	
Total Personnel Expenses	26,500.00		
Office Supplies	0.00	Estimated unit number and unit cost or % of total cost charged to this grant	
Communications	0.00	Estimated unit number and unit cost or % of total cost charged to this grant	
Postage and Shipping	0.00	Estimated unit number and unit cost or % of total cost charged to this grant	
Occupancy	0.00	Estimated unit number and unit cost or % of total cost charged to this grant	
Equipment Rental and Maintenance	0.00	Estimated unit number and unit cost or % of total cost charged to this grant	
Printing and Publications	0.00	Estimated unit number and unit cost or % of total cost charged to this grant	
Travel/Conferences & Meetings	0.00	Mileage, parking and other travel unit cost and unit number	
Insurance	5,933.00	\$5933 monthly x 10 x 10%	
Direct youth costs (learning supplies, learning software, programs, games, food, etc.)	0.00	Per youth average cost or cost per purchase type	
Transportation	1,192.00	TN Vans Loan \$1192 monthly x 10 months x 10%	
Field Trips	250.00	Enrichment experiences & celebrations	
Professional Fees/Enhancement partners	0.00		
Other Non-Personnel	0.00	Anything else that is part of programming cost but is not listed	

Indirect Cost	0.00	Partners can choose to budget either separate line items above or request an indirect cost of up to 20% of their total budget. The Indirect cost requests must be accompanied by agency's cost allocation plan that will be acceptable for NAZA in line with Metro Grants Manual.
Total Non-personnel	7,375.00	
Afterschool sub-total	33,875.00	<i>33875 Total Awarded</i>
Summer Programs		
Salaries and Wages	11,804.90	2 Program Directors \$7504.90, 3 Program Staff @ 15/hr \$4,300
Benefits and Taxes	0.00	Types of benefits, rates and number of staff, whose benefits are charged to this grant
Total Personnel Expenses	11,804.90	
Office Supplies	295.10	Estimated unit number and unit cost or % of total cost charged to this grant
Communications	0.00	Estimated unit number and unit cost or % of total cost charged to this grant
Postage and Shipping	0.00	Estimated unit number and unit cost or % of total cost charged to this grant
Occupancy	0.00	Estimated unit number and unit cost or % of total cost charged to this grant
Equipment Rental and Maintenance	0.00	Estimated unit number and unit cost or % of total cost charged to this grant
Printing and Publications	0.00	Estimated unit number and unit cost or % of total cost charged to this grant
Travel/Conferences & Meetings	0.00	Milage, parking and other travel unit cost and unit number
Insurance	5,950.00	\$5950 Monthly
Direct youth costs (learning supplies, learning software, programs, games, food, etc.)	2,500.00	Meals \$1500 (\$15 each x 25 youth x 4 outings), Games & Supplies \$1000
Field Trips	3,500.00	\$35 x 25 youth x 4 outings
Professional Fees/Enhancement partners	2,500.00	Twenty Five Options Financial Literacy Course
Other Non-Personnel	1,450.00	Transportation: TN Vans Loan \$1192, Gas \$258
Indirect Cost	0.00	Partners can choose to budget either separate line items above or request an indirect cost of up to 20% of their total budget. The Indirect cost requests must be accompanied by agency's cost allocation plan that will be acceptable for NAZA in line with Metro Grants Manual.
Total Non-personnel	16,195.10	
Summer sub-total	28,000.00	
TOTAL	61,875.00	

RECIPIENT		Viva Price	
AUTHORIZED SIGNATURE:			
TITLE		Executive Director	
DATE		02/06/2028	

RESPONSE #26693 SUBMITTED ON 02/17/2026 06:36:47 PM

NAZA Annex 8 - 2025-2026 Finalized Entries

Name of Organization	Youth Encouragement Services, Inc.
----------------------	---

Programming Information

Days of Week of Afterschool Program	4 days per week
-------------------------------------	------------------------

Edit section title

Afterschool site plan	Community Site
-----------------------	-----------------------

Please check box if planning summer programming	X
---	----------

Afterschool Program Name	N/A
--------------------------	------------

Afterschool Programming

Name of Community Site Location	YES Carpenter's Square
---------------------------------	-------------------------------

Address of Community Program Site	3016 Nolensville Pike, Nashville, TN 37210
-----------------------------------	---

For Community Sites Only

Target School for Community Site	1
----------------------------------	----------

Target School for Community Site	Glencliff Elementary School
----------------------------------	------------------------------------

Target School for Community Site	Aventura Community School
----------------------------------	----------------------------------

Target School for Community Site	Nashville Classical Charter School
----------------------------------	---

Number of youths targeted for site	10
------------------------------------	-----------

3rd Party Transportation needed?	No
----------------------------------	-----------

Afterschool Programming

Name of Community Site Location	YES Lindsley
---------------------------------	---------------------

Address of Community Program Site	11 Lindsley Avenue, Nashville, TN 37210
-----------------------------------	--

For Community Sites Only

Target School for Community Site	Napier Elementary School
----------------------------------	---------------------------------

Target School for Community Site	Two Rivers Middle School
----------------------------------	---------------------------------

Target School for Community Site	Donelson Middle School
----------------------------------	-------------------------------

Target School for Community Site	Margaret Allen Middle School
----------------------------------	-------------------------------------

Number of youths targeted for site	15
------------------------------------	-----------

3rd Party Transportation needed?	No
----------------------------------	-----------

Summer Programming Information

Summer Program Name	YES Summer Program
---------------------	---------------------------

Summer Programming Information

Edit section title

Name of Summer Site Location	YES Lindsley
------------------------------	---------------------

Summer Location address	11 Lindsley Avenue, Nashville, TN 37210
-------------------------	--

Number of summer youth targeted for site	15
--	-----------

Edit section title

Name of Summer Site Location	YES Carpenter's Square
------------------------------	-------------------------------

Summer Location address	3016 Nolensville Pike, Nashville, TN 37211
-------------------------	---

Number of summer youth targeted for site	10
--	-----------

Weeks of Programming	6 weeks
----------------------	----------------

Days per Week of Summer Program	4 days per week
---------------------------------	------------------------

Hours per Day	7 hours
---------------	----------------

Programming Time Frame

9 am - 3 pm

Proposed months of Summer programming

Both

Signature

Viva Price

Viva Price

Name

2026-02-18 00:37:37 (UTC)

Date

YOUTH ENCOURAGEMENT SERVICES, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2024 AND 2023

YOUTH ENCOURAGEMENT SERVICES, INC.

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BELLENFANT

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Professional Accounting & Consulting Services

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Youth Encouragement Services, Inc.
Nashville, Tennessee

Qualified Opinion

We have audited the accompanying financial statements of Youth Encouragement Services, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of Youth Encouragement Services, Inc. as of December 31, 2024 and 2023, 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 Qualified Opinion

As more fully described in Note 1 to the financial statements, certain land and buildings are stated at estimated appraisal value as of December 31, 1994 in the accompanying statements of financial position. Also, depreciation expense has not been recorded for all years in which the buildings have been in service. In our opinion, such assets should be stated at acquisition cost, net of depreciation on buildings, to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the preceding practices are not reasonably determinable.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Youth Encouragement Services, Inc. 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 qualified audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Youth Encouragement Services, Inc.'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 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, 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 Youth Encouragement Services, Inc.'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 Youth Encouragement Services, Inc.'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.

Bellenfant, PLLC

Nashville, Tennessee
August 19, 2025

YOUTH ENCOURAGEMENT SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	<u>ASSETS</u>	
	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 190,470	\$ 374,473
Investments	112,559	121,992
Accounts Receivable	61,469	43,589
Prepaid Expenses	3,046	1,000
	<u>367,544</u>	<u>541,054</u>
PROPERTY AND EQUIPMENT		
Land	676,236	676,236
Land Improvements	8,671	8,671
Buildings	2,836,826	2,695,104
Furniture, Fixtures, and Equipment	400,059	365,843
Vehicles	169,575	169,575
Less: Accumulated Depreciation	<u>(897,433)</u>	<u>(754,234)</u>
	<u>3,193,934</u>	<u>3,161,195</u>
	<u>\$ 3,561,478</u>	<u>\$ 3,702,249</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 32,159	\$ 32,273
Notes Payable, current portion	14,304	14,304
	<u>46,463</u>	<u>46,577</u>
LONG-TERM LIABILITIES		
Notes Payable, noncurrent portion	47,840	62,144
	<u>47,840</u>	<u>62,144</u>
	<u>94,303</u>	<u>108,721</u>
NET ASSETS		
Net Assets Without Donor Restrictions	3,226,580	3,399,047
Net Assets With Donor Restrictions	240,595	194,481
	<u>3,467,175</u>	<u>3,593,528</u>
	<u>\$ 3,561,478</u>	<u>\$ 3,702,249</u>

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

YOUTH ENCOURAGEMENT SERVICES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE			
Public Support:			
In-Kind Donations	\$ 85,750	\$ -	\$ 85,750
Contributions	350,244	-	350,244
Grants	110,623	321,400	432,023
Annual Dinner, net of direct expenses of \$6,144	46,428	-	46,428
Christmas Store, net of direct expenses of \$9,004	14,816	-	14,816
Golf Tournament, net of direct expenses of \$12,629	39,273	-	39,273
Registration and Usage Fees	38,132	-	38,132
	<u>685,266</u>	<u>321,400</u>	<u>1,006,666</u>
Total Public Support			
	<u>685,266</u>	<u>321,400</u>	<u>1,006,666</u>
Other Revenue:			
Other Income	1,479	-	1,479
Interest and Dividends	10,137	-	10,137
Investment Gain (Loss)	6,943	-	6,943
	<u>6,943</u>	<u>-</u>	<u>6,943</u>
Net Assets Released From Restrictions	<u>275,286</u>	<u>(275,286)</u>	<u>-</u>
	<u>275,286</u>	<u>(275,286)</u>	<u>-</u>
Total Revenue	<u>979,111</u>	<u>46,114</u>	<u>1,025,225</u>
EXPENSES			
Program Services	902,349	-	902,349
Management and General	196,819	-	196,819
Fundraising	52,410	-	52,410
	<u>1,151,578</u>	<u>-</u>	<u>1,151,578</u>
Total Expenses	<u>1,151,578</u>	<u>-</u>	<u>1,151,578</u>
Change in Net Assets	(172,467)	46,114	(126,353)
Net Assets, Beginning of Year	<u>3,399,047</u>	<u>194,481</u>	<u>3,593,528</u>
Net Assets, End of Year	<u>\$ 3,226,580</u>	<u>\$ 240,595</u>	<u>\$ 3,467,175</u>

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

YOUTH ENCOURAGEMENT SERVICES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE			
Public Support:			
In-Kind Donations	\$ 367,320	\$ -	\$ 367,320
Contributions	306,501	-	306,501
Grants	143,617	86,380	229,997
Annual Dinner, net of direct expenses of \$24,790	29,683	-	29,683
Christmas Store, net of direct expenses of \$9,398	32,344	-	32,344
Registration and Usage Fees	30,214	-	30,214
	<u>909,679</u>	<u>86,380</u>	<u>996,059</u>
Other Revenue:			
Other Income	1,414	-	1,414
Interest and Dividends	16,333	-	16,333
Investment Gain (Loss)	7,095	-	7,095
	<u>153,600</u>	<u>(153,600)</u>	<u>-</u>
Net Assets Released From Restrictions	<u>153,600</u>	<u>(153,600)</u>	<u>-</u>
	<u>1,088,121</u>	<u>(67,220)</u>	<u>1,020,901</u>
EXPENSES			
Program Services	905,760	-	905,760
Management and General	240,994	-	240,994
Fundraising	56,699	-	56,699
	<u>1,203,453</u>	<u>-</u>	<u>1,203,453</u>
Change in Net Assets	(115,332)	(67,220)	(182,552)
Net Assets, Beginning of Year	<u>3,514,379</u>	<u>261,701</u>	<u>3,776,080</u>
Net Assets, End of Year	<u>\$ 3,399,047</u>	<u>\$ 194,481</u>	<u>\$ 3,593,528</u>

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

**YOUTH ENCOURAGEMENT SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Program Services</u>		<u>Supporting Services</u>		
	<u>Inner City Centers</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	<u>Total</u>
Salaries and Wages	\$ 319,083	\$ 95,490	\$ 38,196	\$ 133,686	\$ 452,769
Employee Benefits	14,583	6,835	2,734	9,569	24,152
Payroll Taxes	24,287	7,422	2,734	10,156	34,443
Program Materials	95,013	4,274	-	4,274	99,287
Fundraising Activities	136	526	8,171	8,697	8,833
Vehicles	11,535	398	-	398	11,933
Repairs and Maintenance	59,494	280	-	280	59,774
Utilities	70,169	4,626	-	4,626	74,795
Insurance	49,802	29,789	-	29,789	79,591
Professional Services	15,739	23,356	-	23,356	39,095
Depreciation	143,198	-	-	-	143,198
In-Kind	85,750	-	-	-	85,750
Office Expenses	12,180	5,726	37	5,763	17,943
Office Supplies	158	13,465	130	13,595	13,753
Banking Fees	208	4,120	-	4,120	4,328
Travel, Meals, and Entertainment	-	28	38	66	66
Equipment and Computers	1,014	484	370	854	1,868
Total Expenses	\$ 902,349	\$ 196,819	\$ 52,410	\$ 249,229	\$ 1,151,578

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

**YOUTH ENCOURAGEMENT SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Program Services</u>		<u>Supporting Services</u>		
	<u>Inner City Centers</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	<u>Total</u>
Salaries and Wages	\$ 313,412	\$ 113,729	\$ 36,816	\$ 150,545	\$ 463,957
Employee Benefits	12,012	6,103	2,345	8,448	20,460
Payroll Taxes	24,085	7,903	2,816	10,719	34,804
Program Materials	103,416	2,464	-	2,464	105,880
Fundraising Activities	-	1,479	14,299	15,778	15,778
Vehicles	10,779	989	-	989	11,768
Repairs and Maintenance	65,445	782	-	782	66,227
Utilities	64,657	3,816	-	3,816	68,473
Insurance	43,660	19,455	-	19,455	63,115
Professional Services	39,488	22,768	-	22,768	62,256
Depreciation	119,522	-	-	-	119,522
In-Kind	88,900	36,720	-	36,720	125,620
Office Expenses	15,414	6,958	-	6,958	22,372
Office Supplies	917	13,808	27	13,835	14,752
Banking Fees	956	70	-	70	1,026
Travel, Meals, and Entertainment	271	3,537	-	3,537	3,808
Equipment and Computers	2,826	413	396	809	3,635
Total Expenses	\$ 905,760	\$ 240,994	\$ 56,699	\$ 297,693	\$ 1,203,453

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

YOUTH ENCOURAGEMENT SERVICES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2024</u>	<u>2023</u>
Change in Net Assets	\$ (126,353)	\$ (182,552)
Adjustments to reconcile change in net assets to net cash provided (used) by operations:		
Depreciation	143,198	119,522
Investment (Gain) Loss	(6,943)	(7,095)
Non-Cash Donations of Fixed Assets	-	(241,700)
(Increase) Decrease in:		
Accounts Receivable	(17,880)	(15,429)
Prepaid Expenses	(2,046)	3,997
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	(114)	(4,304)
Net Cash Provided (Used) by Operating Activities	<u>(10,138)</u>	<u>(327,561)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	-	(3,358)
Sale of Investments	16,376	-
Purchases of Property and Equipment	<u>(175,937)</u>	<u>(65,001)</u>
Net Cash Provided (Used) by Investing Activities	<u>(159,561)</u>	<u>(68,359)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of Notes Payable	-	56,500
Payments on Note Payable	<u>(14,304)</u>	<u>(41,412)</u>
Net Cash Provided (Used) by Financing Activities	<u>(14,304)</u>	<u>15,088</u>
Net Increase (Decrease) in Cash	(184,003)	(380,832)
Cash and Cash Equivalents, Beginning of Year	<u>374,473</u>	<u>755,305</u>
Cash and Cash Equivalents, End of Year	<u>\$ 190,470</u>	<u>\$ 374,473</u>

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

YOUTH ENCOURAGEMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose

Youth Encouragement Services, Inc. (the "Organization") was incorporated as a nonprofit entity to serve the community's inner city neighborhoods. Programs initially provided delinquency intervention services through mentoring and career development programs. Maintaining their geographic focus, efforts evolved into comprehensive risk-prevention programs to school-aged youth residing in South Nashville's economically distressed neighborhoods. The Organization is funded primarily through contributions from foundations, corporations, individuals, and churches.

Program Services:

Youth Development

The Organization uses comprehensive, evidence-based strategies to guide its youth-development and enrichment programs. Centers provide a setting for students to develop individually, have an established community to which they belong, and experience opportunities that will steer their life's trajectory. The Organization employs targeted interventions that help close the achievement gap, improve student skills, and promote a successful transition to adulthood. Centers are designed to provide a safe place for children to grow spiritually, academically, physically, and socially. Programs include tutoring and homework assistance, literacy and financial literacy initiatives, mentoring, organized recreational sports, life skills courses, and cultural experience to help support school aged youth. Students who attend effective after-school programs benefit from: improved academic achievement, enhanced social and emotional development, healthy lifestyles, and prevention of high-risk behaviors.

Camp

An overnight summer camp is hosted in Robertson County, Tennessee for children who reside in historically underinvested urban communities.

Christmas Store

For over 40 years, the Organization has provided new clothing, toys, and meals for the community in need. The event reaches over 600 children and 200 families. Parents from low-income families select new toys and a complete outfit for every child in their family. They also receive a large box of groceries containing a hearty meal and a gift card to help them sustain throughout the holiday season. Attendees are welcomed with breakfast or lunch on site, a photo booth, and cheerful music.

YOUTH ENCOURAGEMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Purpose (Continued)

Christmas Store (Continued)

Over 200 volunteers are assigned duties of retail associates, personal shoppers, stock managers, checkout, and vehicle loaders. A shuttle is offered to assist individuals with transportation limitations.

Financial Statement Presentation

The financial statements of the Organization are presented on the accrual basis of accounting. Revenue is generally recognized when earned. Expenses are generally recognized when incurred.

Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for-Profit Organizations. Under the FASB Accounting Standards Codification, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - These are net assets that are not subject to donor-imposed stipulations. The Organization had \$3,226,580 and \$3,399,047 of net assets without donor restrictions as of December 31, 2024 and 2023, respectively.

Net assets with donor restrictions - These are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. This classification also includes net assets subject to donor-imposed stipulations that may be maintained permanently by the Organization. Generally, donors of these assets permit the Organization to use all or part of the income earned for general or specific purposes. The Organization had \$240,595 and \$194,481 of net assets with donor restrictions as of December 31, 2024 and 2023, respectively.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all cash funds, cash bank accounts and highly liquid debt instruments with an original maturity when purchased of 90 days or less to be cash and cash equivalents. The cash accounts are held primarily by financial institutions and at times may exceed amounts that are federally insured.

YOUTH ENCOURAGEMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The Organization accounts for investments in accordance with FASB Accounting Standards Codification topic relating to Accounting for Certain Investments Held by Not-for-Profit Organizations. Under FASB Accounting Standards Codification, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair market values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Investment income and unrealized gains and losses are reported as changes in unrestricted net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the income and gains are reported.

Accounts Receivable

Accounts receivable are reported at their estimated collectible amounts. They are periodically evaluated for collectability based on management's assessment of each account. An allowance for doubtful accounts is established as losses are estimated to have occurred through recognition of bad debt expense. When management confirms the uncollectibility of an account receivable, such amount is charged off against the allowance for doubtful accounts. No allowance for doubtful accounts was recorded at December 31, 2024 or 2023.

Prepaid Expenses

Prepaid expenses consist of insurance and fundraising event deposits which are paid in advance.

Property and Equipment

Land and buildings amounting to \$106,236 and \$166,812, respectively, are recorded at estimated appraised value as of December 31, 1994. Property and equipment acquired subsequent to December 31, 1994 are recorded at acquisition cost. Depreciation of property and equipment has been provided since June 30, 1990, over the estimated useful lives of the respective assets primarily on a straight-line basis.

Revenue Recognition

The Organization accounts for contributions in accordance with the requirements of the FASB Accounting Standards Codification Revenue Recognition Topic. In accordance with the FASB Accounting Standards Codification, contributions received are recorded depending on the existence or nature of any donor restrictions.

YOUTH ENCOURAGEMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Revenue from grants is recognized when earned and classified as restricted or unrestricted net assets, depending on the existence of any donor restrictions. When the obligations related to the restrictions are satisfied, the revenue is reclassified to net assets without donor restrictions.

Revenue from events is recognized when the event or activity has occurred, the price is fixed or determinable, and collection is reasonably assured.

Revenue from registration fees is recognized by the Organization when it has provided the program, workshop, or training session for which the fees were collected.

Donated Materials, Services, and Assets

The following donations are reflected as contributions in the accompanying statements at their estimated values at the date of receipt for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Christmas Store	\$ 85,750	\$ 88,900
Executive Offices	-	16,720
Landscaping Services	-	20,000
	<u>\$ 85,750</u>	<u>\$ 125,620</u>

In addition, the following contributions were recognized on the Statement of Activities as revenue and included as assets on the Statement of Financial Position:

	<u>2024</u>	<u>2023</u>
Playground and Rubber Mulch	\$ -	\$ 131,000
Fence	-	108,000
Shed and Land Leveling	-	2,700
	<u>-</u>	<u>241,700</u>
Total In-Kind	<u>\$ 85,750</u>	<u>\$ 367,320</u>

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

YOUTH ENCOURAGEMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Materials, Services, and Assets (Continued)

A number of unpaid volunteers have made significant contributions of their time to assist in fund-raising and special projects. The Organization estimates receipt of approximately 1,565 and 1,631 volunteer hours for the years ended December 31, 2024 and 2023, respectively. However, these services do not meet the requirements above and have not been recorded in the accompanying financial statements.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donors. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from estimates.

Functional Allocation of Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Accordingly, certain costs have been categorized based on specific identification of costs incurred or allocated as determined by management.

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and Wages	Time and Effort
Professional Services	Time and Effort
Depreciation	Square Footage
Office Expenses	Time and Effort
Insurance	Policy Coverage

Compensated Absences

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. The Organization's policy is to recognize these costs when actually paid.

YOUTH ENCOURAGEMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Endowment Funds

The Uniform Prudent Management Institutional Funds Act ("UPMIFA") was enacted in Tennessee effective July 1, 2007. The FASB Accounting Standards Codification provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the UPMIFA. It also requires disclosure of a description of the governing board's interpretation of the law that underlies the organization's net asset classification of donor-restricted endowment funds, a description of the organization's policies for the appropriation of endowment assets for expenditures (its endowment spending policies), a description of the organization's endowment investment policies, and additional disclosures not previously required.

2. AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of December 31, 2024 and 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	2024	2023
Financial assets, at year-end	\$ 367,544	\$ 541,054
Less: assets unavailable for general expenditures within one year, due to donor-imposed restrictions	(240,595)	(194,481)
Financial assets available to meet cash needs for general expenditures within one year	\$ 126,949	\$ 346,573

There is an adequate amount of financial assets available as of December 31, 2023. There is not an adequate amount of financial assets available as of December 31, 2024. The Organization's management is aware that there may not be enough resources to meet cash needs for general expenditures within one year of the balance sheet date. Management has been monitoring changes to the cash flow and the multiple revenue streams that affect liquid cash. At least one restricted grant will be available in the subsequent year that can be used for building improvements.

3. FAIR VALUE OF INVESTMENTS

The Organization's investments are reported at fair value in the accompanying statement of financial position.

YOUTH ENCOURAGEMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

3. FAIR VALUE OF INVESTMENTS (Continued)

		Fair Value Measurements at December 31, 2024			
		Quoted Prices	Significant	Significant	
		In Active	Other	Unobservable	
		Markets for	Observable	Inputs	
		Identical	Inputs	Inputs	
		Assets	(Level 2)	(Level 3)	
		(Level 1)			
Fair Value					
Cash and Sweep Balances	\$ 1,123	\$ 1,123	\$ -	\$ -	
Mutual Funds	111,436	111,436	-	-	
	<u>\$ 112,559</u>	<u>\$ 112,559</u>	<u>\$ -</u>	<u>\$ -</u>	

		Fair Value Measurements at December 31, 2023			
		Quoted Prices	Significant	Significant	
		In Active	Other	Unobservable	
		Markets for	Observable	Inputs	
		Identical	Inputs	Inputs	
		Assets	(Level 2)	(Level 3)	
		(Level 1)			
Fair Value					
Cash and Sweep Balances	\$ 14,020	\$ 14,020	\$ -	\$ -	
Mutual Funds	107,972	107,972	-	-	
	<u>\$ 121,992</u>	<u>\$ 121,992</u>	<u>\$ -</u>	<u>\$ -</u>	

The Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses the appropriate valuation techniques based on the available inputs to measure the fair value of its investments. Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

Level 2 Fair Value Measurements - The fair value of the investments are based on inputs other than quoted prices within Level 1 that are observable for the asset, either directly or indirectly.

Level 3 Fair Value Measurements - The fair value of the investments are based on at least one significant unobservable input.

YOUTH ENCOURAGEMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

4. NET ASSETS WITH DONOR RESTRICTIONS

Endowment funds are held in perpetuity with the income from assets expendable to support certain programs. Grants are included as net assets with donor restrictions until the funds are expended for the restricted purpose. A summary of the net assets with donor restrictions as of December 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
General Endowment Fund	\$ 105,000	\$ 105,000
Ardell Whitehead Endowment Fund	5,000	5,000
Little Builders	56,030	78,481
Padgett Family Fund	5,300	6,000
Frist Foundation	69,265	-
	<u>\$ 240,595</u>	<u>\$ 194,481</u>

The interest earned on net assets with donor restrictions is available to the Organization on an unrestricted basis.

5. ENDOWMENT

The Organization's endowment consists of donor restricted gifts held primarily in investment accounts. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions.

Changes in Endowment Net Assets for the fiscal year ended December 31, 2024:

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 11,992	\$ 110,000	\$ 121,992
Investment return, net appreciation (depreciation)	<u>(9,433)</u>	<u>-</u>	<u>(9,433)</u>
Endowment net assets, end of year	<u>\$ 2,559</u>	<u>\$ 110,000</u>	<u>\$ 112,559</u>

YOUTH ENCOURAGEMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

5. ENDOWMENT (Continued)

Changes in Endowment Net Assets for the fiscal year ended December 31, 2023:

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,539	\$ 110,000	\$ 111,539
Investment return, net appreciation (depreciation)	<u>10,453</u>	<u>-</u>	<u>10,453</u>
Endowment net assets, end of year	<u>\$ 11,992</u>	<u>\$ 110,000</u>	<u>\$ 121,992</u>

Interpretation of Relevant Law

The Organization has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in restricted net assets is classified as unrestricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. Deficiencies of this nature did not exist as of December 31, 2024 or 2023.

Endowment Investment Policy and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period.

Under the Organization's policy, as approved by the Board of Directors, endowment assets are invested primarily in equity securities.

YOUTH ENCOURAGEMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

5. ENDOWMENT (Continued)

Strategies Employed for Achieving Investment Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives with prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating dividend and interest income from the endowment fund as necessary to fund Organization programs provided the investment balance is greater than the original gift value. Specific agreements with donors for income taken relative to their specific endowment gifts are exempted.

6. NOTES PAYABLE

On November 11, 2021, the Organization acquired two vans through a note payable totaling \$74,880. During the year ended December 31, 2023, one of the vans was paid off and subsequently replaced with a new van. The notes for these vans are non-interest bearing, with monthly installments of \$672 and \$520, respectively. As of December 31, 2024 and 2023, the outstanding balance of these notes totaled \$62,144 and \$76,448, respectively.

Future required minimum payments are as follows:

2025	\$	14,304
2026		14,304
2027		13,784
2028		8,064
2029		8,064
Thereafter		3,624
Total	<u>\$</u>	<u>62,144</u>

7. INCOME TAXES

The Organization has qualified for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation.

The Organization has evaluated its tax positions in accordance with the Codification Standard relating to Accounting for Uncertainty in Income Taxes. The Organization believes that it has taken no uncertain tax positions.

YOUTH ENCOURAGEMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

7. INCOME TAXES (Continued)

The Organization files a U.S. Federal Form 990-Return of Organization Exempt from Income Tax. The Organization's returns for the years prior to calendar year 2021 are no longer open for examination.

8. SUBSEQUENT EVENTS

In May 2025, the Organization was notified that, pursuant to the terms of a donor's trust agreement, the Organization is to receive a distribution totaling \$1,542,600 in cash and/or appreciated securities. In accordance with the trust agreement, this distribution is to be held by the Organization as a permanently restricted endowment fund, to be known as the Harwell Family Endowment Fund. Under the terms of the endowment, the principal is to be maintained in perpetuity, with earnings to be used to support the Organization's programs.

Subsequent events have been evaluated through August 19, 2025, which is the date the financial statements were available to be issued.

Grant contract between the Metropolitan Government of Nashville and Davidson County and Youth Encouragement Services, Inc., Contract # L-6639 July 1, 2025 – June 30, 2026

**GRANT CONTRACT
BETWEEN THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY
AND
YOUTH ENCOURAGEMENT SERVICES, INC.**

This Grant Contract issued and entered into by and between the Metropolitan Government of Nashville and Davidson County, Nashville Public Library ("Metro") on behalf of Nashville After Zone Alliance (NAZA), and Youth Encouragement Services, Inc., ("Recipient"), is for the provision of free and high-quality afterschool programs, as further defined in the "SCOPE OF PROGRAM". The Recipient's annual report and audit are incorporated herein by reference.

A. SCOPE OF PROGRAM:

A.1. Schedule and Content

NAZA-funded programs will align with the Metro Schools calendar and be available to youth Monday through Thursday during the fall semester (September 2 to December 12, 2025) and spring semester (January 7 to May 8, 2026), on days when MNPS is in session. Programs should run at least for 28 weeks. *NAZA-funded programs may choose to offer longer programs.*

Please note that NAZA-funded programs will not begin before Labor Day due to unavailability of MNPS transportation.

NAZA-funded summer program with Youth Encouragement Services, Inc. will occur between July 1-31, 2025 and/or June 1-30, 2026. (not applicable to organizations not providing summer programming)

NAZA-funded activities should support youths' physical, social, emotional, cognitive and academic skills development, help them build purpose through learning, and have relevance to their real-life experiences. Throughout the program day, staff should intentionally infuse opportunities for youth to read, write, speak, and listen as well as allocate time for community building and reflection. When possible, programs should consider encouraging youth to be part of activity design or leading to enable them practice leadership skills. Each day should begin with check-in and snack/meals (when in person). Additional activities may be offered by the NAZA funded partner outside of this timeframe at the partner's expense, with no cost to youth and their families.

A typical program day should focus to creatively combine:

- School day supports (reading, homework, etc.)
- Enrichments (e.g. arts education; STEAM engineering challenges, service learning, etc.) reflecting youth voice and choice and have a learning focus, either provided by program staff or external enrichment partners.
- Focus on youth's skill building, in line with Nashville's Vision for Holistic Youth Development (curricula with activities will be available for individual skills).
- Other Experiences (e.g. physical activity, health and wellness, mental health, healthy eating activities, team games with rules, career exploration, field trips and other age-appropriate developmental activities.) that offer fun, support team and relationship building and foster holistic youth development.
- Youth-led activities or projects if the Recipient chose to apply and was awarded additional (up to \$1000) for youth-led projects. The Recipient must follow NAZA's Youth Encouragement

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Services, Inc. YIA guidance for youth leadership along with other best practices and consult with NAZA team members (YIA Coordinator and/or Partnerships Manager) for the best results.

- NAZA funds should not in any shape or form be related to any religious content or affiliation. NAZA-funded programs should not proselytize during their regular programming time, nor should youth be accepted or denied based on their religious affiliation or commitment to engaging in any type of religious activities before or after NAZA programming time.
- While we encourage using various learning software and educational games to enhance youth learning, we strictly prohibit enabling access to any video games that include violence, shooting or other unwanted behaviors, especially those rated M for Mature, are of solely entertainment purposes during NAZA-funded time. Programming time should focus on young people's development.

Each after-school programming day should begin with check-in and a snack or meal. Additional activities may be offered by the funded partner outside of this timeframe at the partner's expense, with no cost to youth and their families.

The Recipient must ask parents and youth (who are not participating in sports) to commit to attend regularly, on an on-going basis when program is in session, for both fall and spring semesters. **Only youth who have returned a fully completed enrollment form may participate in NAZA-funded programs.**

Requirements for Programming

By initialing each item below, Recipient agrees to the following:

1. VP **Supervision:** Recipient commits to maintaining a staff: youth ratio not to exceed 1:15 at all times by establishing and maintaining a mechanism for substitutions. Youth will be supervised at all times by program staff.
2. VP **School Relationships:** Recipient will be actively involved in communicating and collaborating with schools to enhance youth learning. They will participate in planning meetings with school principals and staff, including Community Achieves staff to help meet school outcomes and to track youth progress. Program staff will also meet with principals and school staff when needed or possible to address strategies for program recruitment, retention, and attendance tracking.

Recipient will receive space approval from school administration for programming.

3. VP **Recruitment and Family Engagement:** Recipient is responsible for recruiting youth, leading program activities, and engaging in family outreach. Recipient will promote consistent participation/retention levels by contacting each family/youth before programming begins, whenever absences begin to develop a pattern, and to confirm an exit/withdrawal if appropriate. Recipient will serve at least 90% of the youth they projected to serve.

Youth with no afterschool options should be the first priority for enrollment in NAZA-funded programs. If spots are available, youth participating in school-sponsored athletics can choose to attend school athletics as a portion of their NAZA-funded program time if they can commit to partially (at least one hour per day) attend NAZA-funded programming and the program has more than one staff on site. Only students participating in at least one hour of programming can benefit from a snack/meal, learning time, and transportation home and counted towards the funded slots. Only youth who have returned a fully completed enrollment form, signed by parent/guardian, may participate.

- 4) VP **Attendance:** Recipient commits to maintain daily attendance, updating the NAZA attendance tracking tool (Salesforce) on a weekly basis (daily direct attendance taking in the Salesforce is strongly recommended); this requires a computer or any other device with internet access. Recipient staff will ensure

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that youth sign in with their given first and last name daily using the NAZA approved sign-in sheets to verify youth participation. The youth attendance reflected on the sign-in sheet/daily attendance log must match the attendance entered into the Salesforce platform.

Monthly attendance must be accurately updated in the Salesforce by the 2nd working day of each following month so that NAZA can report the attendance numbers to the Mayor's office accurately.

5) VP **Meals/Snacks:** Recipient is required to provide healthy, prepackaged snack or meal options to youth every day of programming.

6) VP **Experiential Activities:** Recipient is encouraged to engage external enrichment providers at least twice per semester to increase the diversity of appealing programming options for youth. Enrichment providers are individuals and organizations that offer enriching activities within the afterschool context. For example, they might include teaching artists, mentors, health educators, yoga and martial arts teachers, spoken word literacy teachers, or career exploration and life skills experts.

7) VP **System-Wide Meetings & Events:** Recipient is responsible for hosting at least 2 free, youth-led events during the 2025-2026 school year that 1) incorporate and highlight growth practices from Nashville's Vision for Holistic Youth Development and 2) that are open to the public to attend during the year, such as a fall and/or spring showcase, an open house, a visual or performing arts piece, a poetry reading or spoken word event, etc.

8) VP **Branding:** Recipient agrees to recognize NAZA as a funder by, displaying NAZA signs in program spaces, indicating NAZA is a funder on their website and adding NAZA's logo on their website, supporting NAZA through social media outlets, etc.

9) VP **Communication with NAZA:** Recipient will respond to requests from NAZA in a timely manner and provide requested documentation by the associated deadline. All staff changes must be communicated to the NAZA Operations Manager within 24 hours. *This includes staff leaving their positions: staff no longer with the program must be removed from the Salesforce platform by the NAZA Operations Manager in order to comply with FERPA guidelines.*

Any program experiencing challenges either with the host school or program site that threatens the continuity/further existence of the program, must immediately report the situation to NAZA and seek support in resolving the situation. A decision to close a program/site must be reported to NAZA immediately with documented reasons.

10) VP **Adding Staff to Data Management System:** Program staff without Salesforce authorization, such as site assistance, coordinators, etc. should have a contact page and included in the staff listing of NAZA's Data Management System, Salesforce.

11) VP **Partner Meetings:** Key staff and program directors from each NAZA-funded program site are expected to participate in the NAZA learning community by attending **Partner Meetings** four times during the school year. Meeting dates will be shared before the start of the school year.

12) VP **Professional Development:**

For each NAZA -funded partner, the program director and all frontline staff working with youth are required to attend or complete several trainings. Please see below:

Program Directors and Site Managers are required to attend the following:

- NAZA Essential Operations training
- Introduction to Positive Youth Development (PYD) training
- At least two trainings on the Growth Practices.

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- Program Quality Basics (PQA Basics) either in person or online (online version is available at the partner's expense if missed scheduled training offered by NAZA)
- Any training required by MNPS for staff working in school buildings will be made available to NAZA partner staff.

Note: Program Directors and Site Managers who have successfully completed PYD in the past are exempt from retaking. The NAZA Essential Operations training will be archived and accessible online, while Introduction to Positive Youth Development will be conducted multiple times annually. Returning Program Directors and Site Coordinators who have previously completed the PQA Basics or SEL PQA will only need to redo the training every 3 years. Choosing to take SEL PQA requires a prior completion of PQA Basics.

Program Directors and Site Managers strongly recommended trainings:

- Advanced Positive Youth Development
- Salesforce Student Management Systems
- Strategies for Employee Retention and Recruitment
- Any additional trainings offered to NAZA-funded partners supporting high-quality programming, as well as the achievement of their Program Improvement Plan. Returning site staff are encouraged to attend additional trainings that will support the program's continued quality improvement.
- Attend at least three professional development opportunities, in addition to other required trainings, either in-person or online, from the following: Weikart online trainings, Exploring Data Training, NAZA's Learning Management System (LMS), or NAZA Learn, Engage, Develop (L.E.D.) Conference.

For each NAZA -funded partner, front-line and part-time staff working with youth are required to attend or complete several trainings. Please see the following for requirements:

Front-line and Part-time staff are required to attend the following trainings:

- Essential Operations training (only topics labeled and related to front-line and part-time staff)
- Positive Youth Development (new staff and staff who have not completed this requirement).
- Two (2) trainings on the Growth Practices

Front-line and Part-time staff strongly recommended trainings:

- Advanced Positive Youth Development
- Salesforce Student Management Systems
- Strategies for Employee Retention and Recruitment
- Any additional trainings offered to NAZA-funded partners supporting high-quality programming, as well as the achievement of their Program Improvement Plan. Returning site staff are encouraged to attend additional trainings that will support the program's continued quality improvement.
- Attend at least three professional development opportunities, in addition to other required trainings, either in-person or online, from the following: Weikart online trainings, Exploring Data Training, NAZA's Learning Management System (LMS), or NAZA Learn, Engage, Develop (L.E.D.) Conference.

13) VP **Evaluation Tools:**

All program directors/managers and site coordinators of NAZA-funded programs will participate in the **Program Quality Improvement (PQI)** cycle. Self-assessments will be required for both fall and spring semesters. External assessments may be scheduled per need and availability of external assessors.

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The Youth Program Quality Improvement (YPQI) cycle is comprised of the following quality improvement activities, offered at no cost to Partners:

- a) **A baseline self-assessment** utilizing the Youth Program Quality Assessment (YPQA) or Social-Emotional Learning Program Quality Assessment (SEL PQA) tool. Program staff conduct pre-self-assessment of their program and enter results in YPQI's Scores Reporter.
 - b) Developing and uploading a **Program Improvement Plan** based on the results of all available YPQA or SELPQA assessment tools (i.e. self-assessments, external assessments, and Leading Indicator Survey results).
 - c) **A follow-up YPQA/SEL PQA self-assessment at the end of the school year**, also entered into Scores Reporter, and planning for the following fall semester based on the results of this assessment.
 - d) An external assessment will be conducted by assessors trained by Weikart Center every three years for returning partners unless otherwise requested. For new partners one external assessment will be conducted annually for the for the first three years.
 - e) The two assessments are reviewed to develop an understanding of how well the program is performing with regard to NAZA Quality Standards.
 - f) Additionally, NAZA-funded partners are required to administer YPQI's **Leading Indicators Survey, Youth** annually in the spring semester to youth enrolled at each site to capture youth experience with the program.
 - g) NAZA-funded partners are required to administer YPQI's as **Leading Indicators Survey, Staff** annually in the spring semester to capture the experiences of staff with the program.
 - h) NAZA-funded partners are also required to administer YPQI's **Leading Indicators Survey, Managers** annually in the spring semester to capture the experiences of administrators with the program.
 - i) NAZA-funded partners are also required to provide access to YPQI's **Leading Indicators Survey, Family** annually in the spring semester to attempt to capture the experiences of parents and guardians of youth in the program.
 - j) NAZA partners will have access to **students' school data** through the **data-sharing agreement between NAZA/NPL and MNPS**. Partners will be required to attend two trainings as soon as they become available on: 1) Responsible use of data, and 2) Understanding the academic data.
 - k) Partners will be required to sign the **data-sharing sub-agreement** (to be attached to the contract) of this document and adhere to all requirements under that document so that they can have access to student data.
- 14) WP **Youth Survey**: Recipient is required to administer a one-time **Leading Indicator Survey, Youth** to enrolled youth at each site in the spring semester.
- 15) WP **Staff Survey (Director/Manager and Staff)**: Recipient is required to administer a one-time **Leading Indicator Survey, Staff** by program staff the spring semester.
- 16) WP **Family Survey**: Recipient is required to provide families access to a one-time **Leading Indicator Survey, Family** by program administrators the spring semester.

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17) VP **Compliance with MNPS Requirements:** Programs offered at participating Metro schools will operate in full compliance with MNPS requirements, including covid-related procedures, liability insurance, criminal background checks, non-discrimination, ADA, and other related standard Metro requirements, confidentiality of student records per FERPA, operation as a non-profit, and transportation policies (as appropriate).

18) VP **Youth in Action Project Funding (If applicable):** The Recipient is required to establish and attend scheduled meetings – in-person or virtual – with NAZA Youth In Action staff. The Recipient must create conditions for youth-led projects and activities and provide project details and photographic proof of such activities in the NAZA end of the year narrative report. The Recipient also understands if proof of a youth-led project is not provided, the allotted funding will be subtracted from the final funding disbursement.

Operational Policies:

The Recipient will operate in full compliance with the following policies and maintain relevant documentation to verify compliance with the policies. The Recipient agrees to:

- Maintain an active 501(c)(3) registration unless the applicant is a public entity.
- Maintain up-to-date certificates verifying the following insurance: commercial general liability, sexual/abuse/sexual harassment, automobile liability (if applicable) and professional liability insurance with limits not less than one million dollars each occurrence. The Recipient shall provide an updated certificate of insurance upon expiration of the current certificate.
- Nondiscrimination, which precludes Recipient from discriminating on the basis of race, religion, creed, gender, gender identity, sexual orientation, national origin, color, age, and/or disability in admission, access to, or operation of programs, services, or activities. Note that Metro does not discriminate on the basis of race, religion, creed, gender, gender identity, sexual orientation, national origin, color, age, and/or disability in admission to, access to, or operation of programs, services, or activities. Metro does not discriminate in hiring or employment practices.
- Follow MNPS operating procedures on verification of criminal background checks on all program staff and volunteers. On school grounds, the MNPS criminal background check contractor shall be used for employees. As long as there is no break in service with the agency, staff will not be required to be fingerprinted yearly. If there is any break in service at all, or if they must go through a rehiring process, they are required to complete a background check including fingerprinting.
- Ensure that all educational records created, disclosed or maintained pursuant to the terms of this contract are confidential and shall be created, disclosed and maintained pursuant to the provisions of the Family Educational Rights and Privacy Act (20 U.S.C.A. s #1232g), its regulations and Board of Education policy.
- Appropriately spend Metro dollars, document the spending, and follow Metro guidelines for allowable costs. Recipient is responsible for properly documenting the spending under their contracts, organizing the documentation separately by year, and storing that documentation for three years for auditing purposes. The documents must be readily available for a Metro Audit.
- Meet NAZA's Minimum Quality Standards (see Annex 4) and maintain relevant documentation to verify compliance with the policies.
- Meet the 2025-2026 Performance Indicators specific to the Recipient (see Annex 6).

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- **Maintain accurate youth enrollment forms (Annex 7) and ensure that all youth have enrollment forms signed before they accept a youth into their program.** Enrollment forms, as well as evidence to back up outputs and outcomes cited in narrative reports, must be maintained by the Recipient and stored for three years for auditing purposes. The documents must be readily available any time that the Metro requests them, including as part of an Audit.

Enrollment forms must be fully completed and accurate. Forms should include legitimate first and last names youth, their birthdates, student ID numbers, names of legal guardians and emergency contacts, and accurate addresses, phone numbers, e-mails and medical information (as needed) among other information pieces.

In summary, the Recipient will commit to the following:

1. Delivering quality afterschool (and summer, if chosen) programming for the fall and spring semesters in locations identified in Annex 8, aligned with MNPS scheduling;
2. Submitting daily attendance using the NAZA attendance tracking tool, keeping all data updated on a weekly basis, along with all supporting documentation. Ensure monthly attendance updates are in the system by the second working day of each month;
3. Serving at least 90 percent of the number of youth the Agency projected to serve for the 2025-2026 school year and summer, reflecting ongoing youth recruitment activities, engaging programming, and strong communications with the school community; and
4. Full implementation of program quality requirements, including administration of the youth survey.

Violation or breach of this scope may result in Corrective Action. Continued violation could result in termination of the contract.

- A.2. The Recipient must spend these funds consistent with the Grant Budget, attached and incorporated herein as **Annex 3**. The Recipient must collect data to evaluate the effectiveness of their services and must provide those results to Metro upon request.
- A.3. The Recipient will only utilize these funds for services the Recipient provides to **documented residents of Davidson County**. Documentation of residency may be established with a recent utility bill; voter's registration card; driver's license or other government issued-ID; current record from a school showing address; affidavit by landlord; or affidavit by a nonprofit treatment, shelter, half-way house, or homeless assistance entity located within Davidson County. The Recipient agrees that it will not use Metro funding for services to non-Davidson County residents.
- A.4. Additionally, the Recipient must collect data on the primary county of residence of the clients it serves and provide that data to Metro upon request.

B. GRANT CONTRACT TERM:

- B.1. **Grant Contract Term.** The term of this Grant will be twelve (12) months, commencing on July 1, 2025, and ending on June 30, 2026. Metro will have no obligation for services rendered by the Recipient that are not performed within this term.
- B.2. **Grant Extension.** This grant may be extended by 12 months, not to exceed 60 months (with 12-month terms each time upon annual approval/availability of NAZA funds). To be considered for extension, the Recipient must meet the following conditions:
 - NAZA- funded partner for 5 years with no contract disruption or corrective action plan within the past 12 months;
 - Exhibit low risk on Metro Risk Assessment tool,

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- Present annual audit covering the past 12 months, as of April 20 of the current year
- Pass annual compliance checks,
- Meet performance indicators set in the contract.

Upon meeting all of the criteria above a grant contract extension may be offered annually through a contract amendment process.

C. PAYMENT TERMS AND CONDITIONS:

- C.1 **Maximum Liability.** In no event will Metro's maximum liability under this Grant Contract exceed **\$33,875 (25 slots for afterschool)**. The Grant Budget will constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Budget line items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.

Subject to modification and amendments as provided in section D.2 of this agreement, this amount will constitute the Grant Amount and the entire compensation to be provided to the Recipient by Metro.

- C.2 **Use of Funds.** NAZA funds may be used for educational purposes only; organizations funded by NAZA must not promote religious practices nor proselytize during programming time. Such activities may be offered by funded partners outside of their NAZA-funded program time. However, MNPS transportation and other NAZA resources will not be available, and youth who do not wish to participate must not be penalized in any way.

- C.3 **Payment Methodology.** The Recipient will only be compensated for actual costs based upon the Grant Budget and reconciliation reports, not to exceed the maximum liability established in Section C.1.

The Recipient can expect to receive three payments during the contracted year. Each payment will be received no later than 30 days from the invoice date of the finalized and NAZA approved statement.

The Recipient must provide accurate and timely recording of programming sessions and student attendance in the NAZA Data Management System, Salesforce, before the second and third payments are processed. Daily student sign-in sheets (paper and digital) must be maintained as backup documentation to support the entries.

The first invoice may include up to 50% of the total awarded amount as an advance request to enable programs to procure necessary supplies for beneficiary youth and hire qualified staff to enable proper programming from the beginning of the year.

The first invoice will be processed after the contract is filed with Metro Clerk and within 30 days from the date of the finalized and approved invoice receipt by NAZA.

The second invoice of up to 40% of the total awarded amount will be processed as the second advance for the Spring semester and may be reduced based on the actual expenditure of the program from the first two quarters. The invoice must be submitted by January 15th along with the second scheduled expenditure report.

The third and final invoice of up to 10% of the total awarded amount is a reimbursement based on annual reconciled expenses and will be processed upon the receipt of the year-end narrative and expenditure reports due July 10th, 2026 This final payment will equal the total actual spending for the contract year and cannot exceed the approved awarded amount. **Any invoice for 2025-2026**

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year not received by the deadline date will not be processed and all remaining grant funds will expire.

Same invoicing terms apply to organizations receiving funds for summer only.

All actually reported expenditures must have backup documentation filed at the recipient organization for Metro Audit (See Metro Non-profit Grants Manual for details on backup documentation)

If the contract is terminated earlier or any funds remain unspent based on the reports, the unspent amount will be returned to Metro.

The Recipient must send all invoices to:

Nashville After Zone Alliance
615 Church St,
Nashville, TN 37219
or email to Teriz.Fahmy@nashville.gov

C.4. Reporting

Expenditure Report. All Recipients will submit quarterly expenditure reports. Report templates will be provided by NAZA.

All grantees must submit expenditure reports four times a year to reconcile grant receipts with grant revenues. NAZA will monitor fund recipients for compliance with reporting requirements. Failure to comply with the reporting requirements would constitute a violation of the grant contract. The expenditure reports format is shown on Annex 2 attached to this contract. The quarterly expenditure reports are due on the October 15, 2025, January 20, and April 15, and July 10, 2026.

The exception are the organizations receiving summer funds only. Those partners will submit reports from quarters one and four if programming both in July 2025 and June 2026. No expenses will be allowed for quarters two and three.

In addition to the report, the Recipient may receive a request to provide backup financial documentation such as general ledger, payroll information, and other documents supporting expenses from NAZA team for financial monitoring purposes.

Said report must be in form and substance acceptable to Metro and must be prepared by a Certified Public Accounting Firm or the Chief Financial Officer of the Recipient Organization.

Program/narrative Report

All grantees must submit narrative report once a year to explain how the grant has been used on behalf of the citizens of Davidson County. The report is due on July 10, 2026.

Failure to comply with the program reporting requirements would constitute a violation of the grant contract. NAZA will provide the template during the year.

C.5. Payment of Invoice. The payment of any invoice by Metro will not prejudice Metro's right to object to the invoice or any other related matter. Any payment by Metro will neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs included therein.

C.6. Unallowable Costs. The Recipient's invoice may be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by Metro, on the basis of audits or

Grant contract between the Metropolitan Government of Nashville and Davidson County and Youth Encouragement Services, Inc., Contract # L-6639 July 1, 2025 – June 30, 2026

monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs. Utilization of Metro funding for services to non-Davidson County residents is not allowed.

- C.7. **Deductions.** Metro reserves the right to adjust any amounts which are or become due and payable to the Recipient by Metro under this or any Contract by deducting any amounts which are or become due and payable to Metro by the Recipient under this or any Contract.
- C.8. **Travel Compensation.** Payment to the Recipient for travel, meals, or lodging is subject to amounts and limitations specified in Metro's Travel Regulations and subject to the Grant Budget.
- C.9. **Electronic Payment.** Metro requires as a condition of this contract that the Recipient have on file with Metro a completed and signed "ACH Form for Electronic Payment". If Recipient has not previously submitted the form to Metro or if Recipient's information has changed, Recipient will have thirty (30) days to complete, sign, and return the form. Thereafter, all payments to the Recipient, under this or any other contract the Recipient has with Metro, must be made electronically.
- D. **STANDARD TERMS AND CONDITIONS:**
- D.1. **Required Approvals.** Metro is not bound by this Grant Contract until it is approved by the appropriate Metro representatives as indicated on the signature page of this Grant.
- D.2. **Modification and Amendment.** This Grant Contract may be modified only by a written amendment that has been approved in accordance with all Metro procedures and by appropriate legislation of the Metropolitan Council.
- D.3. **Termination for Cause.** Metro shall have the right to terminate this Grant Contract immediately if Metro determines that Recipient, its employees or principals have engaged in conduct or violated any federal, state or local laws which affect the ability of Recipient to effectively provide services under this Grant Contract. Should the Recipient fail to properly perform its obligations under this Grant Contract or if the Recipient violates any terms of this Grant Contract, Metro will have the right to immediately terminate the Grant Contract and the Recipient must return to Metro any and all grant monies for services or programs under the grant not performed as of the termination date. The Recipient must also return to Metro any and all funds expended for purposes contrary to the terms of the Grant Contract. Such termination will not relieve the Recipient of any liability to Metro for damages sustained by virtue of any breach by the Recipient.
- D.4. **Termination—Notice.** Metro may terminate this Grant Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the Recipient. Metro shall give the Recipient at least thirty (30) days written notice before the effective termination date.
- D.5. **Termination –Funding.** This Grant Contract is subject to the appropriation and availability of local, State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, Metro shall have the right to terminate this Grant Contract immediately upon written notice to the Recipient. Upon receipt of the written notice, the Recipient shall cease all work associated with this Grant Contract on or before the effective termination date specified in the written notice. Should such an event occur, the Recipient shall be entitled to compensation for all satisfactory and authorized services completed as of the effective termination date. The Recipient shall be responsible for repayment of any funds already received in excess of satisfactory and authorized services completed as of the effective termination date.
- D.6. **Subcontracting.** The Recipient may not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of Metro. Notwithstanding any use of approved subcontractors, the Recipient will be considered the prime Recipient and will be responsible for all work performed.

Grant contract between the Metropolitan Government of Nashville and Davidson County and Youth Encouragement Services, Inc., Contract # L-6639 July 1, 2025 – June 30, 2026

- D.7. **Conflicts of Interest.** The Recipient warrants that no part of the total Grant Amount will be paid directly or indirectly to an employee or official of Metro as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Recipient in connection with any work completed or performed relative to this Grant Contract.
- D.8. **Nondiscrimination.** The Recipient hereby agrees, warrants, and assures that no person will be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Recipient on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification which is in violation of applicable laws. The Recipient must, upon request, show proof of such nondiscrimination and must post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.9. **Records.** The Recipient must maintain documentation for all charges to Metro under this Grant Contract. The books, records, and documents of the Recipient, insofar as they relate to work performed or money received under this Grant Contract, must be maintained for a period of three (3) full years from the date of the final payment or until the Recipient engages a licensed independent public accountant to perform an audit of its activities. The books, records, and documents of the Recipient insofar as they relate to work performed or money received under this Grant Contract are subject to audit at any reasonable time and upon reasonable notice by Metro or its duly appointed representatives. Records must be maintained in accordance with the standards outlined in the Non-Profit Grants Manual. The financial statements must be prepared in accordance with generally accepted accounting principles.
- D.10. **Monitoring.** The Recipient's activities conducted and records maintained pursuant to this Grant Contract are subject to monitoring and evaluation by The Metropolitan Office of Financial Accountability or Metro's duly appointed representatives. The Recipient must make all audit, accounting, or financial records, notes, and other documents pertinent to this grant available for review by the Metropolitan Office of Financial Accountability, Internal Audit or Metro's representatives, upon request, during normal working hours.
- D.11. **Narrative Reporting.** The Recipient must submit a Year-End Program Report, to be received by July 10th. Said report shall detail the outcome of the activities funded under this Grant Contract.
- D.12. **Financial Reporting.** The Recipient must submit quarterly expenditure report for the 2025-2026 programming year to reconcile grant receipts with grant revenues. Reports must be received no later than October 15, January 20, April 15 and July 10 of FY '26 (July 1, 2025 – June 30, 2026).
- D.13. **Strict Performance.** Failure by Metro to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement is not a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract is considered to be waived, modified, or deleted except by a written amendment by the appropriate parties as indicated on the signature page of this Grant.
- D.14. **Insurance.** The Recipient agrees to carry adequate public liability and other appropriate forms of insurance, and to pay all applicable taxes incident to this Grant Contract. **All types of insurances below are required.**

D.14.1 Proof of Insurance

During the term of this Contract, for any and all awards, CONTRACTOR shall, at its sole expense, obtain and maintain in full force and effect for the duration of this Contract, including any extension, the types and amounts of insurance identified below by a checked box. Proof of insurance shall be required naming METRO as additional insured and identifying the Purchase Order on the Acord document.

D.14.2 General Liability Insurance

Grant contract between the Metropolitan Government of Nashville and Davidson County and Youth Encouragement Services, Inc., Contract # L-16639 July 1, 2025 – June 30, 2026

In the amount of one million (\$1,000,000.00) dollars

D.14.3 Automobile Liability Insurance

In the amount of one million (\$1,000,000.00) dollars (if vendor will be making on-site deliveries)

D.14.4 Worker's Compensation Insurance

With statutory limits required by the State of Tennessee or other applicable laws and Employer's Liability Insurance with limits of no less than one hundred thousand (\$100,000.00) dollars, as required by the laws of Tennessee (Not required for companies with fewer than five (5) employees).

D.14.5 Sexual Molestation and Abuse Insurance

In the amount of one million (\$1,000,000.00) dollars.

D.14.6 Such insurance shall:

Contain or be endorsed to contain a provision that includes METRO as additional insureds with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed insureds.

For any claims related to this agreement, CONTRACTOR'S insurance coverage shall be primary insurance as respects METRO, its officers, officials, employees, and volunteers. Any insurance or self-insurance programs covering METRO, its officials, officers, employees, and volunteers shall be excess of CONTRACTOR'S insurance and shall not contribute with it.

Automotive Liability Insurance including vehicles owned, hired, and non-owned. Said insurance shall include coverage for loading and unloading hazards. Insurance shall contain or be endorsed to contain a provision that includes METRO, its officials, officers, employees, and volunteers as additional insureds with respect to liability arising out of automobiles owned, leased, hired, or borrowed by or on behalf of CONTRACTOR.

Worker's Compensation (if applicable), CONTRACTOR shall maintain workers' compensation insurance with statutory limits as required by the State of Tennessee or other applicable laws and employers' liability insurance. CONTRACTOR shall require each of its subcontractors to provide Workers' Compensation for all of the latter's employees to be engaged in such work unless such employees are covered by CONTRACTOR'S workers' compensation insurance coverage.

D.14.7

Prior to commencement of services, CONTRACTOR shall furnish METRO with original certificates and amendatory endorsements affecting coverage required by this section and provide that such insurance shall not be cancelled, allowed to expire, or be materially reduced in coverage except on 30 days' prior written notice to:

DEPARTMENT OF LAW
INSURANCE AND RISK MANAGEMENT
METROPOLITAN COURTHOUSE, SUITE 108
PO BOX 196300
NASHVILLE, TN 37219-6300

Provide certified copies of endorsements and policies if requested by METRO in lieu of or in addition to certificates of insurance.

Replace certificates, policies, and/or endorsements for any such insurance expiring prior to completion of services. Maintain such insurance from the time services commence until services are completed and

Grant contract between the Metropolitan Government of Nashville and Davidson County and Youth Encouragement Services, Inc., Contract # L-6639 July 1, 2025 – June 30, 2026

attach the certificates of insurance in the METRO system. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by METRO as a material breach of contract.

Place such insurance with insurer licensed to business in Tennessee and having A.M. Best Company ratings of no less than A-. Modification of this standard may be considered upon appeal to the METRO Director of Risk Management Services.

Require all subcontractors to maintain during the term of the agreement Commercial General Liability insurance, Business Automobile Liability insurance, and Worker's Compensation/Employers Liability insurance (unless subcontractor's employees are covered by CONTRACTOR'S insurance) in the same manner as specified for CONTRACTOR. CONTRACTOR shall file subcontractor's certificates of insurance in METRO's system.

Any deductibles and/or self-insured retentions greater than \$10,000.00 must be disclosed to and approved by METRO prior to the commencement of services.

If the CONTRACTOR has or obtains primary or excess policy(ies), there shall be no gap between the limits of the primary policy and the deductible features of the excess policies.

D.15. **Metro Liability.** Metro will have no liability except as specifically provided in this Grant Contract.

D.16. **Independent Contractor.** Nothing herein will in any way be construed or intended to create a partnership or joint venture between the Recipient and Metro or to create the relationship of principal and agent between or among the Recipient and Metro. The Recipient must not hold itself out in a manner contrary to the terms of this paragraph. Metro will not become liable for any representation, act, or omission of any other party contrary to the terms of this paragraph.

D.17 **Indemnification and Hold Harmless.**

(a) Recipient agrees to indemnify, defend, and hold harmless Metro, its officers, agents and employees from any claims, damages, penalties, costs and attorney fees for injuries or damages arising, in part or in whole, from the negligent or intentional acts or omissions of Recipient, its officers, employees and/or agents, including its sub or independent contractors, in connection with the performance of the contract, and any claims, damages, penalties, costs and attorney fees arising from any failure of Recipient, its officers, employees and/or agents, including its sub or independent contractors, to observe applicable laws, including, but not limited to, labor laws and minimum wage laws.

(b) Metro will not indemnify, defend or hold harmless in any fashion the Recipient from any claims, regardless of any language in any attachment or other document that the Recipient may provide.

(c) Recipient will pay Metro any expenses incurred as a result of Recipient's failure to fulfill any obligation in a professional and timely manner under this Contract.

(d) Recipient's duties under this section will survive the termination or expiration of the grant.

D.18. **Force Majeure.** "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the party. Except as provided in this Section, any failure or delay by a party in the performance of its obligations under this Grant Contract arising from a Force Majeure Event is not a breach under this Grant Contract. The non-performing party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the party continues to use diligent, good faith efforts to resume performance without delay. Recipient will promptly notify Metro within forty-eight (48) hours of any delay caused by a Force Majeure Event and will describe in reasonable detail the nature of the Force Majeure Event.

Grant contract between the Metropolitan Government of Nashville and Davidson County and Youth Encouragement Services, Inc., Contract # L-6639 July 1, 2025 – June 30, 2026

- D.19. **State, Local and Federal Compliance.** The Recipient agrees to comply with all applicable federal, state and local laws and regulations in the performance of this Grant Contract. Metro shall have the right to terminate this Grant Contract at any time for failure of Recipient to comply with applicable federal, state or local laws in connection with the performance of services under this Grant Contract.
- D.20. **Governing Law and Venue.** The validity, construction and effect of this Grant Contract and any and all extensions and/or modifications thereof will be governed by and construed in accordance with the laws of the State of Tennessee. The venue for legal action concerning this Grant Contract will be in the courts of Davidson County, Tennessee.
- D.21. **Completeness.** This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.22. **Headings.** Section headings are for reference purposes only and will not be construed as part of this Grant Contract.
- D.23. **Metro Interest in Equipment.** The Recipient will take legal title to all equipment and to all motor vehicles, hereinafter referred to as "equipment," purchased totally or in part with funds provided under this Grant Contract, subject to Metro's equitable interest therein, to the extent of its *pro rata* share, based upon Metro's contribution to the purchase price. "Equipment" is defined as an article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds \$5,000.00.

The Recipient agrees to be responsible for the accountability, maintenance, management, and inventory of all property purchased totally or in part with funds provided under this Grant Contract. Upon termination of the Grant Contract, where a further contractual relationship is not entered into, or at any time during the term of the Grant Contract, the Recipient must request written approval from Metro for any proposed disposition of equipment purchased with Grant funds. All equipment must be disposed of in such a manner as parties may agree as appropriate and in accordance with any applicable federal, state or local laws or regulations.

- D.24. **Assignment—Consent Required.** The provisions of this contract will inure to the benefit of and will be binding upon the respective successors and assignees of the parties hereto. Except for the rights of money due to Recipient under this contract, neither this contract nor any of the rights and obligations of Recipient hereunder may be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer will not release Recipient from its obligations hereunder. Notice of assignment of any rights to money due to Recipient under this Contract must be sent to the attention of the Metro Department of Finance.
- D.25. **Gratuities and Kickbacks.** It will be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparations of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therefore. It will be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or a person associated therewith, as an inducement for the award of a

Grant contract between the Metropolitan Government of Nashville and Davidson County and Youth Encouragement Services, Inc., Contract # L-6639 July 1, 2025 – June 30, 2026

subcontract or order. Breach of the provisions of this paragraph is, in addition to a breach of this contract, a breach of ethical standards which may result in civil or criminal sanction and/or debarment or suspension from participation in Metropolitan Government contracts.

- D.26. **Communications and Contacts.** All instructions, notices, consents, demands, or other communications from the Recipient required or contemplated by this Grant Contract must be in writing and must be made by facsimile transmission, or by first class mail, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

Metro

For contract-related matters:
 Nashville Public Library
 NAZA Communications Manager
 615 Church Street
 Nashville, TN 37219
 (615) 862-5894

For inquiries regarding invoices:
 Nashville Public Library
 NAZA Procurement Officer
 615 Church Street
 Nashville, TN 37219
 615-862-5800 ext. 73731

Recipient

Viva Price, Executive Director
Youth Encouragement Services, Inc.
3016 Nolensville Pike
Nashville, TN 37211
615-315-5333

- D.27. **Lobbying.** The Recipient certifies, to the best of its knowledge and belief, that:
 - a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
 - b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this grant, loan, or cooperative agreement, the Recipient must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - c. The Recipient will require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all subcontractors of federally appropriated funds shall certify and disclose accordingly.

D.28. Certification Regarding Debarment and Convictions.

- a. Recipient certifies that Recipient, and its current and future principals:

Grant contract between the Metropolitan Government of Nashville and Davidson County and Youth Encouragement Services, Inc., Contract # L-6639 July 1, 2025 – June 30, 2026

- i. are not presently debarred, suspended, or proposed for debarment from participation in any federal or state grant program;
 - i. have not within a three (3) year period preceding this Grant Contract been convicted of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) grant;
 - ii. have not within a three (3) year period preceding this Grant Contract been convicted of embezzlement, obstruction of justice, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and
 - iii. are not presently indicted or otherwise criminally charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in sections D.25(a)(ii) and D.25(a)(iii) of this certification.
- b. Recipient shall provide immediate written notice to Metro if at any time Recipient learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals fall under any of the prohibitions of Section D.25(a).

D.29. **Effective Date.** This contract will not be binding upon the parties until it has been signed first by the Recipient and then by the authorized representatives of the Metropolitan Government and has been filed in the office of the Metropolitan Clerk. When it has been so signed and filed, this contract will be effective as of the date first written above.

Annexes

The following annexes constitute part of this contract:

- | | |
|---|---|
| <u>Annex 1</u> – Metro Invoice Template | <u>Annex 5</u> – Partner Data-Sharing Sub-Agreement |
| <u>Annex 2</u> – Expenditure Report Template | <u>Annex 6</u> – Performance Indicators |
| <u>Annex 3</u> – Budget | <u>Annex 7</u> – Enrollment forms |
| <u>Annex 4</u> – Minimum Standards for NAZA funding | <u>Annex 8</u> – Program site/s |

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THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

APPROVED AS TO AVAILABILITY OF FUNDS:

Signed by:

Jennine Reed/MJW

Director of Finance

APPROVED AS TO RISK AND INSURANCE:

DocuSigned by:

Balogun Cobb

Director of Insurance

APPROVED AS TO FORM AND LEGALITY:

DocuSigned by:

Jessie Ortiz-Marsh

Metropolitan Attorney

FILED IN THE OFFICE OF THE CLERK:

Austin Kyle

Metropolitan Clerk

NASHVILLE PUBLIC LIBRARY

DocuSigned by:

Terri Luke

Library Director

RECIPIENT: Youth Encouragement Services, Inc.

By (Signature): *[Signature]*

Authorized Officer Name: *VIVA Price*

Title: *Executive Director*

Sworn to and subscribed to before me a Notary Public, this *16th* day of *May*, 202*5*

Notary Public *Rodrigo Rivas*



Rodrigo Rivas
Commission Expires
May 3, 2027

My Commission expires

Metropolitan Government of Nashville and Davidson County/Nashville Public Library/ NAZA		
Funds For FY 2026 Program		
ORGANIZATION NAME	Youth Encouragement Services, Inc.	CONTRACT # (Office Use):
PROGRAM NAME	YES Nashville	START DATE: July 1, 2025
ADDRESS	3016 Nolensville Pike	END DATE: June 30, 2026
CITY, STATE & ZIP	Nashville, TN 37211	CONTACT PERSON Viva Price
FEDERAL ID # (EIN)	62-0570681	CONTACT TELEPHONE (615) 315 - 5333
COST CATEGORIES	TOTAL BUDGET REQUEST	BUDGET EXPLANATION/DETAILS
After-School Programs		After-school program starts 09/03/2024 Per slot rate for afterschool is \$1,355
Salaries and Wages	26,500.00	1 Senior Program Director (NAZA lead and site program director) \$56,000 x 25% = \$14,000 1 Site Director @ \$50,000 each (25%) = \$12,500
Benefits and Taxes	0.00	Types of benefits, rates and number of staff, whose benefits are charged to this grant
Total Personnel Expenses	26,500.00	
Office Supplies	0.00	Estimated unit number and unit cost or % of total cost charged to this grant
Communications	0.00	Estimated unit number and unit cost or % of total cost charged to this grant
Postage and Shipping	0.00	Estimated unit number and unit cost or % of total cost charged to this grant
Occupancy	0.00	Estimated unit number and unit cost or % of total cost charged to this grant
Equipment Rental and Maintenance	0.00	Estimated unit number and unit cost or % of total cost charged to this grant
Printing and Publications	0.00	Estimated unit number and unit cost or % of total cost charged to this grant
Travel/Conferences & Meetings	0.00	Milage, parking and other travel unit cost and unit number
Insurance	5,933.00	\$5933 monthly x 10 x 10%
Direct youth costs (learning supplies, learning software, programs, games, food, etc.)	0.00	Per youth average cost or cost per purchase type
Transportation	1,192.00	TN Vans Lease \$1192 monthly x 10 months x 10%
Field Trips	250.00	Enrichment experiences & celebrations
Professional Fees/Enhancement partners	0.00	Any contracted services, including external enhancement partners- cost per contract or per hour/class
Other Non-Personnel	0.00	Anything else that is part of programming cost but is not listed

Indirect Cost	0.00	Partners can choose to budget either separate line items above or request an indirect cost of up to 20% of their total budget. The Indirect cost requests must be accompanied by agency's cost allocation plan that will be acceptable for NAZA in line with Metro Grants Manual.
Total Non-personnel	7,375.00	
Afterschool sub-total	33,875.00	33875 Total Awarded

Summer Programs		Summer program funded in this cycle is July 1-31,2025 and June 1- 30, 2026 Per slot rate for summer to be calculated at \$6 an hour per slot. Maximum cost per youth slot for summer program is \$320 per week for partners programming 5 days per week for 8 hours per day.
Salaries and Wages	0.00	Number of staff x Number of hours and hourly rate charged to this grant or percentage of salary for each charged to this grant
Benefits and Taxes	0.00	Types of benefits, rates and number of staff, whose benefits are charged to this grant
Total Personnel Expenses	0.00	
Office Supplies	0.00	Estimated unit number and unit cost or % of total cost charged to this grant
Communications	0.00	Estimated unit number and unit cost or % of total cost charged to this grant
Postage and Shipping	0.00	Estimated unit number and unit cost or % of total cost charged to this grant
Occupancy	0.00	Estimated unit number and unit cost or % of total cost charged to this grant
Equipment Rental and Maintenance	0.00	Estimated unit number and unit cost or % of total cost charged to this grant
Printing and Publications	0.00	Estimated unit number and unit cost or % of total cost charged to this grant
Travel/Conferences & Meetings	0.00	Milage, parking and other travel unit cost and unit number
Insurance	0.00	Unit cost or % of total cost charged to this grant
Direct youth costs (learning supplies, learning software, programs, games, food, etc.)	0.00	Per youth average cost or cost per purchase type
Field Trips	0.00	Per youth average cost or cost per trip and estimated number of youth participating
Professional Fees/Enhancement partners	0.00	Any contracted services, including external enhancement partners- cost per contract or per hour/class
Other Non-Personnel	0.00	Anything else that is part of programming cost but is not listed
Indirect Cost	0.00	Partners can choose to budget either separate line items above or request an indirect cost of up to 20% of their total budget. The Indirect cost requests must be accompanied by agency's cost allocation plan that will be acceptable for NAZA in line with Metro Grants Manual.
Total Non-personnel	0.00	
Summer sub-total	0.00	
TOTAL	33,875.00	



RECIPIENT	Viva Price
AUTHORIZED SIGNATURE:	<i>Viva Price</i>
TITLE	Executive Director
DATE	5/16/2025

OTHER FUNDING Funding amount from other sources invested in serving the same number of slots requested from NAZA	Grantor name
\$54,000	Metro Public Health

RESPONSE #22315 SUBMITTED ON 05/16/2025 11:14:19 AM

NAZA Annex 8 - 2025-2026 Finalized Entries

Name of Organization **Youth Encouragement Services, Inc.**

Programming Information

Days of Week of Afterschool Program **4 days per week**

Edit section title

Afterschool site plan **Community Site**

Please check box if planning summer programming *No answer given*

Afterschool Program Name **Youth Encouragement Services, Inc.**

Afterschool Programming

Name of Community Site Location **YES Carpenter's Square Center**

Address of Community Program Site **3016 Nolensville Pike, Nashville, TN 37211**

For Community Sites Only

Target School for Community Site **Croft Middle School**

Target School for Community Site **Wright Middle School**

Number of youths targeted for site **15**

3rd Party Transportation needed? **No**

Afterschool Programming

Name of Community Site Location **YES Lindsley Center**





METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DEPARTMENT OF FINANCE
700 2ND AVENUE SOUTH, SUITE 201
NASHVILLE, TENNESSEE 37210

**Metropolitan Government of Nashville and Davidson County
Recipient of Direct Appropriation
Certifications of Assurance**

Recipient Name

As a condition of receipt of this funding, the Recipient assures that it will comply fully with the provisions of the following laws:

- The Americans with Disabilities Act (ADA) of 1990, 42 U.S.C. Section 12116.
- Title VI of the Civil Rights Act of 1964, as amended which prohibits discrimination on the basis of race, color, and national origin.
- Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination against qualified individuals with disabilities;

CERTIFICATION REGARDING LOBBYING - Certification for Contracts, Grants, Loans, and Cooperative Agreements

By accepting this funding, the signee hereby certifies, to the best of his or her knowledge and belief, that:

- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this grant, loan, or cooperative agreement, the Recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The Recipient shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients of federally appropriated funds shall certify and disclose accordingly.

Signature of Authorized Representative: _____

Name: Viva Price

Title: Executive Director

Agency Name: YES Nashville

Date: 4/16/2025



**Metropolitan Government of Nashville and Davidson County
Recipient of Metro Grant Funding
Non-Profit Grants Manual Receipt Acknowledgement**

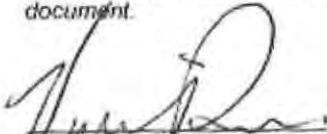
Recipient Name

February 2, 2023

As a condition of receipt of this funding, the recipient acknowledges the following:

- Receipt of the Non-Profit Grants Manual, updated February 2, 2023, issued by the Division of Grants and Accountability. Electronic version can be located at the following: [Non-Profit Grant Resources](#)
- The recipient has read, understands and hereby affirms that the agency will adhere to the requirements and expectations outlined within the Non-Profit Grants Manual.
- The recipient understands that if the organization has any questions regarding the Non-Profit Grants Manual or its content, they will consult with the Metro department that awarded their grant.

**Note to Organizations: Please read the Non-Profits Grants Manual carefully to ensure that you understand the requirements and expectations before signing this document.*


 Signature of Authorized Representative
 Name: Viva Brice
 Title: Executive Director
 Agency Name: YES Nashville
 Date: 4/16/2025

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248559680
Aug. 03, 2009 LTR 4168C E0
62-0570681 000000 00

00021830
BODC: TE

YOUTH ENCOURAGEMENT SERVICES INC
521 MCIVER ST
NASHVILLE TN 37211-2322

11/20/09

190

Employer Identification Number: 62-0570681
Person to Contact: Ms Schadler
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your request of July 23, 2009, regarding your tax-exempt status.

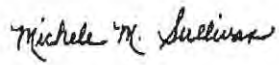
Our records indicate that a determination letter was issued in April 1959, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(2).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,



Michele M. Sullivan, Oper. Mgr.
Accounts Management Operations I

State of Tennessee



Charter of Incorporation
of
YOUTH HOBBY SHOP

NO STATE TAX DUE

JUN 1 2008

RECEIVED FEE, \$ 3.00

RECEIVED TAX, \$

TOTAL \$ 3.00

12/1/07
[Signature]
Secretary of State
2551
400

GENERAL WELFARE

STATE OF TENNESSEE

Charter of Incorporation

Be It Known, That CARL B. ROBINSON, SAMUEL R. REHORN AND WAYNE HAMMONTREE
E. B. Thweatt, and C. L. Norwood

and hereby constituted a body politic and corporate, by the name of and style of _____

YOUTH HOBBY SHOP

for the purpose of ~~operating an Eleemosynary organization which shall endeavor to improve the general welfare of the youth of this county and state in developing their talents through group meetings, teaching them woodcraft, leathercraft and other similar hobbies, thus developing character and ability in our youth.~~

The general powers of said corporation shall be: (1) To sue and be sued by the corporate name. (2) To have and use a common seal, which it may alter at pleasure; if no common seal then the signature of the name of the corporation, by any duly authorized officer, shall be legal and binding. (3) Any corporation chartered under the laws of Tennessee for religious, charitable, educational, missionary, or other eleemosynary purposes, and not for profit, shall have the power to receive property, real, personal or mixed, by purchase, gift, devise, or bequest, sell the same and apply the proceeds toward the promotion of the objects for which it is created, or hold any such property and apply the income and profits towards such objects. (4) Any corporation heretofore chartered for any of the following purposes, desiring to avail itself of these powers, shall submit the question to its directors or trustees at any regular meeting, or special meeting, called for the purpose, or to any regular or special meeting of its executive committee, and if a majority of said directors, trustees, or executive committee vote in favor of applying for the amendment, it may then proceed in usual course to file an amendment to its charter. (5) To establish by-laws, and make all rules and regulations not inconsistent with the laws and constitution, deemed expedient for the management of corporate affairs. (6) To appoint such subordinate officers and agents, in addition to a president and secretary, or treasurer, as the business of the corporation may require. (7) To designate the name of the office, and fix the compensation of the officer. (8) To borrow money to be used in payment of property bought by it, and for erecting buildings, making improvements, and for other purposes germane to the objects of its creation, and secure the repayment of the money thus borrowed by mortgage, pledge, or deed of trust, upon such property, real, personal, or mixed, as may be owned by it; and it may, in like manner, secure by mortgage, pledge, or deed of trust, any existing indebtedness which it may have lawfully contracted.

The said five or more corporators shall, within a convenient time after the registration of this charter, elect from their number a president, secretary, and treasurer, or the last two officers may be combined into one, said officers and the other corporators to constitute the first board of directors. Any corporation not

State of Tennessee



Department of State

Certificate

The undersigned, as Secretary of State of the State of Tennessee, hereby certifies that the attached document was received for filing on behalf of

YOUTH HOBBY SHOP

was duly executed in accordance with the Tennessee General Corporation Act, was found to conform to law, and was filed by the undersigned, as Secretary of State, on the date noted on the document.

Therefore, the undersigned, as Secretary of State, and by virtue of the authority vested in him by law, hereby issues this certificate and attaches hereto the document which was duly filed on November 14th, 19 84.



Dentry Crowell
Secretary of State
by Janeth A. Thompson
Deputy

FILED
SECRETARY J. J.
JUL 21 1984

ARTICLES OF AMENDMENT TO THE CHARTER
OF

YOUTH HOBBY SHOP

CHANGING THE PRINCIPAL OFFICE

Pursuant to the provisions of Section 48-303 of the Tennessee General Corporation Act, the undersigned corporation adopts the following articles of amendment to its charter:

1. The name of the corporation is:

YOUTH HOBBY SHOP

2. The amendment adopted is:

The address of the principal office of the corporation
in the State of Tennessee shall be:

Street: 11 Lindsley Avenue

City: Nashville

Zip Code: 37210

County: Davidson

3. The amendment was duly adopted (at a meeting) ~~by the unanimous~~
~~written consent~~ of the directors on July 18, 1984.
(Strike inapplicable words.)

4. The amendment is to be effective when filed by the Secretary of
State, unless otherwise stated (not later than thirty (30) days
after such filing).

Dated: July 21, 1984

Youth Hobby Shop
Name of Corporation

By: Louise J. Parker
Signature

Secretary
Title

Filing Fee of \$10.00 required, in addition to annual report fee.

ISSN 0014 1111 29

DESIGNATION, REVOCATION OR CHANGE

OF

REGISTERED AGENT

OF

YOUTH HOBBY SHOP

To the Secretary of State of the State of Tennessee:

Pursuant to the provisions of Section 48-1201 of the Tennessee General Corporation Act, the undersigned foreign or domestic corporation or the incorporator or incorporators of a domestic corporation being organized under the Act submit the following statement for the purpose of designating, revoking or changing, as the case may be, the registered agent for the corporation in the state of Tennessee:

1. The name of the corporation is YOUTH HOBBY SHOP

The address of the corporation is 11 Lindsley Avenue
Nashville, TN 37210

If a foreign coporation, state or country of incorporation _____

2. The name and street address of its registered agent in the State of Tennessee shall be
Ernest E. Hyne, II
172 Second Avenue North
Nashville, TN 37219

Dated November 10, 1984

YOUTH HOBBY SHOP
Name of Corporation
By Adell L. Mitchell
(Title) TREASURER

(Incorporator
or incorporators,
if corporation is
being organized)

Tennessee Secretary of State
Tre Hargett



Division of Business and Charitable Organizations
312 Rosa L. Parks Avenue, 6th Floor
Nashville, Tennessee 37243-1102

December 13, 2024

Miss VIVA ALTONESE PRICE
3016 NOLENSVILLE PIKE
NASHVILLE, TN 37211

RE: Registration to Solicit Funds for Charitable Purposes
Organization Name: YOUTH ENCOURAGEMENT SERVICES
CO Number: CO1599
Renewal Date: 06/30/2025

Dear Miss VIVA ALTONESE PRICE :

Pursuant to the Tennessee Charitable Solicitations Act, T.C.A. § 48-101-501, *et seq.* the Tennessee Secretary of State has reviewed your application and is pleased to announce your organization's registration to solicit contributions has been **approved**.

The organization must maintain statutory compliance by submitting a renewal application and required fees on an annual basis. At that time you may be required to submit tax filings, financial statements, proof of IRS status, and other documents related to your organization and its fundraising activities. You can find additional information and submit additional filings online at <https://sos.tn.gov/charities>. The "CO" Number listed above will serve as your organization's charitable registration number and should be used when submitting any charitable filings or correspondence.

Please also be advised that if the organization's application or other provided information includes false, misleading or deceptive statements, appropriate action will be taken. Pursuant to the Tennessee Charitable Solicitations Act, a civil penalty of up to five thousand dollars (\$5,000.00) may be assessed for any violation.

Thank you for registering your organization and please do not hesitate to contact us with any questions.

Sincerely,

A handwritten signature in black ink that reads "Tre Hargett".

Tre Hargett
Secretary of State

Tracking Number

2024127120

Application to Renew Registration of a Charitable Organization



Tre Hargett
Secretary of State

Division of Business and Charitable Organizations

Department of State

State of Tennessee

312 Rosa L. Parks Avenue, 6th Floor

Nashville, Tennessee 37243

Phone: 615-741-2286

sos.tn.gov/charities

CO Number: CO1599

Filed: 10/01/2024 11:36 AM

Tre Hargett

Secretary of State

Organization Information

Legal Name of the Charitable Organization: YOUTH ENCOURAGEMENT SERVICES

Legal entity type of the Organization: Corporation

Business Services Control Number: 000087898

FEIN: 62-0570681

Initial Registration Date: 08/19/1992

Renewal Date: 09/28/2024

Has your fiscal year ending month changed since your last renewal?

Yes No

Fiscal Year Ending Month: December

When and where was the organization legally established

Date: 04/03/1956

Country: USA

City/State: NASHVILLE, TN

Has your Principal Office address changed since your last renewal?

Yes No

Principal Office Address

3016 NOLENSVILLE PIKE
USA, NASHVILLE, TN 37211

Has your Mailing address changed since your last renewal?

Yes No

Mailing Office Address

3016 NOLENSVILLE PIKE
USA, NASHVILLE, TN 37211

Contact Information for the Charitable Organization

Contact Name: Miss VIVA ALTONESI PRICE

Telephone Number: (615) 315-5333

Fax Number: (615) 315-5344

Email: viva@youthencouragement.org

Website: http://youthencouragement.org

Current names used by the charity organization

Do you need to modify other names that the charity solicits under?

Yes No

Has the organization registered in any other state(s)?

Yes No

Does the charity have other offices, chapters, branches, affiliates or a parent?

Yes No

Other offices

Name: YOUTH HOBBY SHOP-LINDSLEY AVE.

NASHVILLE

Address

Type: Affiliate

Telephone:

Fax:

Reporting Financial Activities: Yes

Name: YOUTH HOBBY SHOP-MCIVER STREET

NASHVILLE

Address

Type: Affiliate

Telephone:

Fax:

Reporting Financial Activities: Yes

The category that best describes your organization

P - Human Services

The charitable purpose of the organization

Youth Encouragement Services was incorporated as a nonprofit entity to serve the community's inner city neighborhoods. The organization is primarily funded through contributions from foundations, corporations, individuals, and churches. Community centers provide a setting for students to develop individually, have an established community to which they belong, and experience opportunities that will steer their life's trajectory. The organization employs targeted interventions that help close the achievement gap, improve student skills, and promote a successful transition to adulthood. Center are designed to provide a safe place for children to grow spiritually, academically, physically, and socially. Programs include tutoring and homework assistance, literacy and financial literacy initiatives, mentoring, organized recreational sports, life skills courses, and cultural experiences to help support school aged youth.

Tax & Financial Information

Has your tax exempt status changed since your last renewal?

Yes No

Last Fiscal Year Start: January 2023

Last Fiscal Year End: December 2023

Type of 990 Tax Form Filed: 990 (Long Form)

Gross Revenue

Direct and Indirect Public Contributions	\$ 578,415.00
Government Grants	\$ 229,997.00
Program Service Revenue	\$ 0.00
Special Events and Activities	\$ 96,215.00
Gross Sales of Inventory	\$ 0.00
Other Revenue	\$ 17,747.00
Total Revenue	\$ 922,374.00

Expenses

Total Program Expenses	\$ 816,860.00
Direct Expenses from Special Events	\$ 0.00
Cost of Goods Sold	\$ 0.00
Management and General Expenses	\$ 204,274.00
Fundraising Expenses	\$ 56,699.00
Other Expenses	\$ 0.00
Total Expenses	\$ 1,077,833.00
<hr/>	
Excess/Deficit For the Year (Total Revenue - Total Expenses)	(\$ 155,459.00)

Changes in Net Assets/Fund Balances

Net Assets/Fund Balances at Beginning of Year	\$ 3,776,080.00
Other Changes in Net Assets or Fund Balances	\$ 0.00
Net Assets/Fund Balances	\$ 3,593,528.00
Total Liabilities at End of Year	\$ 108,721.00
Net Assets/Fund Balances at End of Year	\$ 3,593,528.00

Solicitation Information

Have you been enjoined by any court from soliciting contributions?

Yes No

Does your organization contract with or otherwise engage the services of any outside fundraising professional (such as a "professional fund-raiser," "paid solicitor," "fund raising counsel," or "commercial co-venturer")?

Yes No

Officer Information

Do you need to modify the current officers?

Yes No

List each officer, director, and trustee (at least 2 officers are required, and you must list officers who have or share the following titles: "Chief Financial Officer", "Custodian of Contributions", "Custodian of Final Distributions")

GREGORY Allen
530 Great Circle Road
Nashville, TN 37228, USA
Title(s): President

Mark Fulford
3016 Nolensville Pike
Nashville, TN 37211, USA
Title(s): Vice President

Mark Willoughby
7732 Wilmington Drive
Knoxville, TN 37919, USA
Title(s): Officer

Richmond Donnelly
3016 Nolensville Pike
Nashville, TN 37211, USA
Title(s): Director

3016 Nolensville Pike
Nashville, TN 37211, USA
Title(s): Director

DAVID ALLEN SCIORTINO
3016 NOLENSVILLE PIKE
NASHVILLE, TN 37211
Title(s): Officer

Mr. DEREK HAMBLEN
3016 NOLENSVILLE PIKE
NASHVILLE, TN 37211, USA
Title(s): Officer, Custodian of Contributions, Custodian of Final Distributions, Treasurer

Dr. JEANNE FAIN
3016 NOLENSVILLE PIKE
NASHVILLE, TN 37211
Title(s): Officer

Dr. MCKENNA HEALY
3016 NOLENSVILLE PIKE
NASHVILLE, TN 37211
Title(s): Officer

Mrs. BARI HARWELL
3016 NOLENSVILLE PIKE
NASHVILLE, TN 37211
Title(s): Officer

Mr. JOEY HARWELL
3016 NOLENSVILLE PIKE
NASHVILLE, TN 37211
Title(s): Officer

Mrs. LESLIE FISHER
3016 NOLENSVILLE PIKE
NASHVILLE, TN 37211
Title(s): Officer

Mr. JERRY COVER
3016 NOLENSVILLE PIKE
NASHVILLE, TN 37211
Title(s): Officer

Mr. GREG WILDER
3016 NOLENSVILLE PIKE
NASHVILLE, TN 37211
Title(s): Officer

Mr. WAMON BUGGS
3016 NOLENSVILLE PIKE
NASHVILLE, TN 37211
Title(s): Officer

RONDA WEBB-STEWART
3016 NOLENSVILLE PIKE
NASHVILLE, TN 37211, USA
Title(s): Secretary

PAULA PENDERGRASS
3016 NOLENSVILLE PIKE
NASHVILLE, TN 37211
Title(s): Officer

JEFFREY BATTS
3016 NOLENSVILLE PIKE
NASHVILLE, TN 37211

Title(s): Officer

JR ALLEN
3016 NOLENSVILLE PIKE
USA, NASHVILLE, TN 37211

Title(s): Director

Has any officer, director, manager, operator, or principal of the organization been the subject of an injunction, judgement, or administrative order or been convicted of a felony?

Yes No

Signature

I certify that the statements in this registration statement and all supplemental forms, documents, and continuation sheets are true and correct to the best of my knowledge and belief.

I (Chief Fiscal Officer, Treasurer, or Officer) certify, under penalty of perjury, that the above information is true and correct.

Signed Electronically: Viva Price

Date: 09/30/2024

Title: Chief Executive Officer

I certify that the statements in this registration statement and all supplemental forms, documents, and continuation sheets are true and correct to the best of my knowledge and belief.

I (Chief Fiscal Officer, Treasurer, or Officer) certify, under penalty of perjury, that the above information is true and correct.

Signed Electronically: Derek K Hamblen

Date: 09/30/2024

Title: Treasurer



Tre Hargett
Secretary of State

Division of Business and Charitable Organizations

Department of State

State of Tennessee

312 Rosa L. Parks Avenue, 6th Floor

Nashville, Tennessee 37243

Phone: 615-741-2555

Fax: 615-253-5173

sos.tn.gov/charities

Date: 09/27/2024

Invoice: 2024-07574

Customer Information

Miss VIVA ALTONESI PRICE
YOUTH ENCOURAGEMENT SERVICES
3016 NOLENSVILLE PIKE
NASHVILLE, 37211

Tracking Number	Description	Amount Paid
2024127120	YOUTH ENCOURAGEMENT SERVICES (CH Filing Late Fee)	\$ 10.00
2024127120	YOUTH ENCOURAGEMENT SERVICES (CH Charitable Renewal)	\$ 10.00
Payment Details		
	Fee Total:	\$ 20.00
	Payment Total:	\$ 20.00
	Amount Due:	\$ 0.00
Payment Method		
Payment Type: Credit Card		
Check/Confirmation Number: 3882514271,3882732307		

YOUTH ENCOURAGEMENT SERVICES, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2023

YOUTH ENCOURAGEMENT SERVICES, INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Youth Encouragement Services, Inc.
Nashville, Tennessee

We have audited the accompanying financial statements of Youth Encouragement Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Basis for Qualified Opinion

As more fully described in Note 1 to the financial statements, certain land and buildings are stated at estimated appraisal value as of December 31, 1994 in the accompanying statement of financial position. Also, depreciation expense has not been recorded for all years in which the buildings have been in service. In our opinion, such assets should be stated at acquisition cost, net of depreciation on buildings, to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the preceding practices are not reasonably determinable.

Qualified Opinion

In our opinion, except for the effects of valuing land and buildings at appraisal value, as discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Youth Encouragement Services, Inc. as of December 31, 2023, 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.

Responsibilities of Management 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.

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 Youth Encouragement Services, Inc.'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 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, including omissions, 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, 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 Youth Encouragement Services, Inc.'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 Youth Encouragement Services, Inc.'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.

Bellenfant, PLLC

Nashville, Tennessee
August 2, 2024

YOUTH ENCOURAGEMENT SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 374,473
Investments	121,992
Accounts Receivable	43,589
Prepaid Expenses	<u>1,000</u>
Total Current Assets	<u>541,054</u>

PROPERTY AND EQUIPMENT

Land	676,236
Land Improvements	8,671
Buildings	2,695,104
Furniture, Fixtures, and Equipment	365,843
Vehicles	<u>169,575</u>
Less: Accumulated Depreciation	<u>(754,234)</u>
Property and Equipment, net	<u>3,161,195</u>
Total Assets	<u>\$ 3,702,249</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	\$ 32,273
Notes Payable, current portion	<u>14,304</u>
Total Current Liabilities	<u>46,577</u>

LONG-TERM LIABILITIES

Notes Payable, noncurrent portion	<u>62,144</u>
Total Long-Term Liabilities	<u>62,144</u>
Total Liabilities	<u>108,721</u>

NET ASSETS

Net Assets Without Donor Restrictions	3,399,047
Net Assets With Donor Restrictions	<u>194,481</u>
Total Net Assets	<u>3,593,528</u>
Total Liabilities and Net Assets	<u>\$ 3,702,249</u>

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

YOUTH ENCOURAGEMENT SERVICES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE			
Public Support:			
In-Kind Donations	\$ 367,320	\$ -	\$ 367,320
Contributions	306,501	-	306,501
Grants	143,617	86,380	229,997
Annual Dinner, net of direct expenses of \$24,790	29,683	-	29,683
Christmas Store, net of direct expenses of \$9,398	32,344	-	32,344
Registration Fees	30,214	-	30,214
	<u>909,679</u>	<u>86,380</u>	<u>996,059</u>
Other Revenue:			
Other Income	1,414	-	1,414
Interest	16,333	-	16,333
Investment Gain (Loss)	7,095	-	7,095
	<u>153,600</u>	<u>(153,600)</u>	<u>-</u>
Net Assets Released From Restrictions			
	<u>1,088,121</u>	<u>(67,220)</u>	<u>1,020,901</u>
EXPENSES			
Program Services	905,760	-	905,760
Management and General	240,994	-	240,994
Fundraising	56,699	-	56,699
	<u>1,203,453</u>	<u>-</u>	<u>1,203,453</u>
Change in Net Assets	(115,332)	(67,220)	(182,552)
Net Assets, Beginning of Year	<u>3,514,379</u>	<u>261,701</u>	<u>3,776,080</u>
Net Assets, End of Year	<u>\$ 3,399,047</u>	<u>\$ 194,481</u>	<u>\$ 3,593,528</u>

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

**YOUTH ENCOURAGEMENT SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Inner City Centers	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries and Wages	\$ 313,412	\$ 313,412	\$ 113,729	\$ 36,816	\$ 150,545	\$ 463,957
Employee Benefits	12,012	12,012	6,103	2,345	8,448	20,460
Payroll Taxes	24,085	24,085	7,903	2,816	10,719	34,804
Program Materials	103,416	103,416	2,464	-	2,464	105,880
Fundraising Activities	-	-	1,479	14,299	15,778	15,778
Vehicles	10,779	10,779	989	-	989	11,768
Repairs and Maintenance	65,445	65,445	782	-	782	66,227
Utilities	64,657	64,657	3,816	-	3,816	68,473
Insurance	43,660	43,660	19,455	-	19,455	63,115
Professional Services	39,488	39,488	22,768	-	22,768	62,256
Depreciation	119,522	119,522	-	-	-	119,522
In-Kind	88,900	88,900	36,720	-	36,720	125,620
Office Expenses	15,414	15,414	6,958	-	6,958	22,372
Office Supplies	917	917	13,808	27	13,835	14,752
Banking Fees	956	956	70	-	70	1,026
Travel, Meals, and Entertainment	271	271	3,537	-	3,537	3,808
Equipment and Computers	2,826	2,826	413	396	809	3,635
Total Expenses	\$ 905,760	\$ 905,760	\$ 240,994	\$ 56,699	\$ 297,693	\$ 1,203,453

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

YOUTH ENCOURAGEMENT SERVICES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (182,552)
Adjustments to reconcile change in net assets to net cash provided (used) by operations:	
Depreciation	119,522
Investment (Gain) Loss	(7,095)
Non-Cash Donations of Fixed Assets	(241,700)
(Increase) Decrease in:	
Accounts Receivable	(15,429)
Prepaid Expenses	3,997
Increase (Decrease) in:	
Accounts Payable and Accrued Expenses	<u>(4,304)</u>
Net Cash Provided (Used) by Operating Activities	<u>(327,561)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Investments	(3,358)
Purchases of Property and Equipment	<u>(65,001)</u>
Net Cash Provided (Used) by Investing Activities	<u>(68,359)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Issuance of Notes Payable	56,500
Payments on Note Payable	<u>(41,412)</u>
Net Cash Provided (Used) by Financing Activities	<u>15,088</u>
Net Increase (Decrease) in Cash	(380,832)
Cash and Cash Equivalents, Beginning of Year	<u>755,305</u>
Cash and Cash Equivalents, End of Year	<u>\$ 374,473</u>

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

**YOUTH ENCOURAGEMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose

Youth Encouragement Services (the "Organization") was incorporated as a nonprofit entity for the purpose of providing programs for the benefit of children who reside in the inner city. The Organization is funded primarily through contributions from corporations, individuals, and churches.

Program Services:

Inner City

Each day, youth development and enrichment programming is provided for students who reside in high-need, urban communities. Centers are designed to provide a safe place for children to grow spiritually, academically, physically, and socially. Comprehensive programs including tutoring assistance, literacy and financial literacy initiatives, mentoring, organized recreational sports, and cultural experiences help support school aged youth in K-12th grade.

Camp

A summer camp is hosted in Robertson County, Tennessee for children who reside in high-risk communities.

Financial Statement Presentation

The financial statements of the Organization are presented on the accrual basis of accounting. Revenue is generally recognized when earned. Expenses are generally recognized when incurred.

Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for-Profit Organizations. Under the FASB Accounting Standards Codification, the Organization is required to report information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - These are net assets that are not subject to donor-imposed stipulations. The Organization had \$3,399,047 of net assets without donor restrictions as of December 31, 2023.

YOUTH ENCOURAGEMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

Net assets with donor restrictions - These are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. This classification also includes net assets subject to donor-imposed stipulations that may be maintained permanently by the Organization. Generally, donors of these assets permit the Organization to use all or part of the income earned for general or specific purposes. The Organization had \$194,481 of net assets with donor restrictions as of December 31, 2023.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all cash funds, cash bank accounts and highly liquid debt instruments with an original maturity when purchased of 90 days or less to be cash and cash equivalents. The cash accounts are held primarily by financial institutions and at times may exceed amounts that are federally insured.

Investments

The Organization accounts for investments in accordance with FASB Accounting Standards Codification topic relating to Accounting for Certain Investments Held by Not-for-Profit Organizations. Under FASB Accounting Standards Codification, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair market values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Investment income and unrealized gains and losses are reported as changes in unrestricted net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the income and gains are reported.

Accounts Receivable

Accounts receivable are reported at their estimated collectible amounts. They are periodically evaluated for collectability based on management's assessment of each account. An allowance for doubtful accounts is established as losses are estimated to have occurred through recognition of bad debt expense. When management confirms the uncollectibility of an account receivable, such amount is charged off against the allowance for doubtful accounts. No allowance for doubtful accounts was recorded at December 31, 2023.

YOUTH ENCOURAGEMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Expenses

Prepaid expenses consist of fundraising event deposits which are paid in advance.

Property and Equipment

Land and buildings amounting to \$106,236 and \$166,812, respectively, are recorded at estimated appraised value as of December 31, 1994. Property and equipment acquired subsequent to December 31, 1994 are recorded at acquisition cost. Depreciation of property and equipment has been provided since June 30, 1990, over the estimated useful lives of the respective assets primarily on a straight-line basis.

Revenue Recognition

The Organization accounts for contributions in accordance with the requirements of the FASB Accounting Standards Codification Revenue Recognition Topic. In accordance with the FASB Accounting Standards Codification, contributions received are recorded depending on the existence or nature of any donor restrictions.

Revenue from grants is recognized when earned and classified as restricted or unrestricted net assets, depending on the existence of any donor restrictions. When the obligations related to the restrictions are satisfied, the revenue is reclassified to net assets without donor restrictions.

Revenue from events is recognized when the event or activity has occurred, the price is fixed or determinable, and collection is reasonably assured.

Revenue from registration fees is recognized by the Organization when it has provided the program, workshop, or training session for which the fees were collected.

Donated Materials, Services, and Assets

The following donations are reflected as contributions in the accompanying statements at their estimated values at the date of receipt for the year ended December 31, 2023:

Christmas Store	\$ 88,900
Executive Offices	16,720
Landscaping Services	20,000
	<u>\$ 125,620</u>

YOUTH ENCOURAGEMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Materials, Services, and Assets (Continued)

In addition, the following contributions were recognized on the Statement of Activities as revenue and included as assets on the Statement of Financial Position:

Playground and Rubber Mulch	\$ 131,000
Fence	108,000
Shed and Land Leveling	<u>2,700</u>
	<u>241,700</u>
 Total In-Kind	 <u>\$ 367,320</u>

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

A number of unpaid volunteers have made significant contributions of their time to assist in fund-raising and special projects. The Organization estimates receipt of approximately 1,631 volunteer hours for the year ended December 31, 2023. However, these services do not meet the requirements above and have not been recorded in the accompanying financial statements.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donors. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from estimates.

**YOUTH ENCOURAGEMENT SERVICES, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Accordingly, certain costs have been categorized based on specific identification of costs incurred or allocated as determined by management.

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and Wages	Time and Effort
Professional Services	Time and Effort
Depreciation	Square Footage
Office Expenses	Time and Effort
Insurance	Policy Coverage

Compensated Absences

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. The Organization's policy is to recognize these costs when actually paid.

Restricted Endowment Funds

The Uniform Prudent Management Institutional Funds Act ("UPMIFA") was enacted in Tennessee effective July 1, 2007. The FASB Accounting Standards Codification provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the UPMIFA. It also requires disclosure of a description of the governing board's interpretation of the law that underlies the organization's net asset classification of donor-restricted endowment funds, a description of the organization's policies for the appropriation of endowment assets for expenditures (its endowment spending policies), a description of the organization's endowment investment policies, and additional disclosures not previously required.

YOUTH ENCOURAGEMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

2. AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of December 31, 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

Financial assets, at year-end	\$	541,054
Less: assets unavailable for general expenditures within one year, due to donor-imposed restrictions		<u>(194,481)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u>346,573</u>

There is an adequate amount of financial assets available as of December 31, 2023. The Organization effectively manages its liquid available resources to meet cash needs for general expenditures within one year of the statement of financial position date.

3. FAIR VALUE OF INVESTMENTS

The Organization's investments are reported at fair value in the accompanying statement of financial position.

	Fair Value Measurements at December 31, 2023			
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Sweep Balances	\$ 14,020	\$ 14,020	\$ -	\$ -
Mutual Funds	<u>107,972</u>	<u>107,972</u>	<u>-</u>	<u>-</u>
	<u>\$ 121,992</u>	<u>\$ 121,992</u>	<u>\$ -</u>	<u>\$ -</u>

YOUTH ENCOURAGEMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

3. FAIR VALUE OF INVESTMENTS (Continued)

The Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses the appropriate valuation techniques based on the available inputs to measure the fair value of its investments. Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

Level 2 Fair Value Measurements - The fair value of the investments are based on inputs other than quoted prices within Level 1 that are observable for the asset, either directly or indirectly.

Level 3 Fair Value Measurements - The fair value of the investments are based on at least one significant unobservable input.

4. NET ASSETS WITH DONOR RESTRICTIONS

Endowment funds are held in perpetuity with the income from assets expendable to support certain programs. Grants are included as net assets with donor restrictions until the funds are expended for the restricted purpose. A summary of the net assets with donor restrictions as of December 31, 2023 is as follows:

General Endowment Fund	\$ 105,000
Ardell Whitehead Endowment Fund	5,000
Little Builders	78,481
Padgett Family Fund	6,000
	\$ 194,481

The interest earned on net assets with donor restrictions is available to the Organization on an unrestricted basis.

5. ENDOWMENT

The Organization's endowment consists of donor restricted gifts held primarily in investment accounts. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions.

YOUTH ENCOURAGEMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

5. ENDOWMENT (Continued)

Changes in Endowment Net Assets for the fiscal year ended December 31, 2023:

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,539	\$ 110,000	\$ 111,539
Investment return, net appreciation (depreciation)	<u>10,453</u>	<u>-</u>	<u>10,453</u>
Endowment net assets, end of year	<u>\$ 11,992</u>	<u>\$ 110,000</u>	<u>\$ 121,992</u>

Interpretation of Relevant Law

The Organization has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in restricted net assets is classified as unrestricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. Deficiencies of this nature did not exist as of December 31, 2023.

Endowment Investment Policy and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period.

Under the Organization's policy, as approved by the Board of Directors, endowment assets are invested primarily in equity securities.

YOUTH ENCOURAGEMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

5. ENDOWMENT (Continued)

Strategies Employed for Achieving Investment Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives with prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating dividend and interest income from the endowment fund as necessary to fund Organization programs provided the investment balance is greater than the original gift value. Specific agreements with donors for income taken relative to their specific endowment gifts are exempted.

6. NOTES PAYABLE

On November 11, 2021, the Organization acquired two vans through a note payable totaling \$74,880. During the year ended December 31, 2023, one of the vans was paid off and subsequently replaced with a new van. The notes for these vans are non-interest bearing, with monthly installments of \$672 and \$520, respectively. As of December 31, 2023, the outstanding balance of these notes is \$76,448.

Future required minimum payments are as follows:

2024	\$	14,304
2025		14,304
2026		14,304
2027		13,784
Thereafter		19,752
Total	\$	76,448

7. INCOME TAXES

The Organization has qualified for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation.

YOUTH ENCOURAGEMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

7. INCOME TAXES (Continued)

The Organization has evaluated its tax positions in accordance with the Codification Standard relating to Accounting for Uncertainty in Income Taxes. The Organization believes that it has taken no uncertain tax positions.

The Organization files a U.S. Federal Form 990-Return of Organization Exempt from Income Tax. The Organization's returns for the years prior to calendar year 2020 are no longer open for examination.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 2, 2024, which is the date the financial statements were available to be issued.