

LEGISLATIVE TRACKING FORMFiling for Council Meeting Date: 10/09/25

Resolution



Ordinance

Contact/Prepared By: _____

Date Prepared: _____

Title (Caption): A resolution authorizing grants not exceeding \$9,750,000.00 from the Barnes Fund for Affordable Housing to certain nonprofitsfor the express purpose of constructing and rehabilitating affordable or workforce housing.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

Match: \$ _____

- ☐ Judgments and Losses
- ☐ Local Government Investment Project
- ☐ Revenue Bonds
- ☐ Self-Insured Liability
- ☐ Solid Waste Reserve
- ☐ Unappropriated Fund Balance
- ☐ 4% Fund
- ☐ Other: _____

Approved by OMB: _____

Approved by Finance/Accounts: _____

Approved by Div Grants Coordination: _____

Date to Finance Director's Office: _____

APPROVED BY**FINANCE DIRECTOR'S OFFICE:** _____**ADMINISTRATION**

Council District Member Sponsors: _____

Council Committee Chair Sponsors: _____

Approved by Administration: _____ Date: _____

DEPARTMENT OF LAW

Date to Dept. of Law: _____ Approved by Department of Law: _____

Settlement Resolution/Memorandum Approved by: _____Date to Council: _____ For Council Meeting: _____ ☐ E-mailed Clerk
☐ All Dept. Signatures
 ☐ Copies
 ☐ Backing
 ☐ Legislative Summary
 ☐ Settlement Memo
 ☐ Clerk Letter
 ☐ Ready to File

Department of Law – White Copy

Administration –Yellow Copy

Finance Department - Pink Copy

RESOLUTION NO. RS2025-

A resolution authorizing grants not exceeding \$9,750,000.00 from the Barnes Fund for Affordable Housing to certain nonprofits for the express purpose of constructing and rehabilitating affordable or workforce housing.

WHEREAS, on February 10, 2025, the Metropolitan Trust Fund Commission issued a request for applications to qualified nonprofit organizations to participate in the nonprofit housing development grant program; and,

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

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

WHEREAS, pursuant to the regulations and procedures of the Metropolitan Housing Trust Fund Commission, the Metropolitan Trust Fund Commission voted to distribute funds to various nonprofit organizations; and,

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

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

Section 1. There is hereby appropriated \$9,750,000.00 from the Barnes Fund for Affordable Housing to fund a grant to the following nonprofit organizations as follows:

Nonprofit	Amount	Project Type	# of Barnes Fund Homes	Council District	Exhibit
Appalachian Home & Health, Inc.	\$4,500,000.00	Rental	280	5	A
Building Life Opportunities and Options for Mothers	\$750,000.00	Rental	4	1	B
Urban League of Middle Tennessee	\$4,500,000.00	Rental	102	9	C

Section 2. The Metropolitan Government of Nashville and Davidson County is hereby authorized to enter into grant contracts with each of the nonprofit organizations listed in Section 1 for the grant amounts designated therein, subject to the terms and conditions under which the grant funds are to be spent, attached hereto as Exhibits A through C and incorporated herein.

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

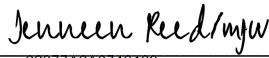
RECOMMENDED BY:


INTRODUCED BY:

Signed by:

C6A837C8A6G44DE...
Angela Hubbard, Housing Director

Member(s) of Council

APPROVED AS TO AVAILABILITY
OF FUNDS:
Signed by:

62377A2A8742469...
Jenneen Reed, Director
Department of Finance

APPROVED AS TO FORM AND
LEGALITY:
DocuSigned by:

122C5A9A0E944DA...
Assistant Metropolitan Attorney

**GRANT CONTRACT 2025-R15-AHH
BETWEEN
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY,
TENNESSEE
BY AND THROUGH
THE METROPOLITAN HOUSING TRUST FUND COMMISSION
AND
APPALACHIAN HOME & HEALTH, INC.**

This Grant Contract issued and entered into by and between the Metropolitan Government of Nashville and Davidson County, a municipal corporation of the State of Tennessee hereinafter referred to as “Metro”, and Appalachian Home & Health, Inc., hereinafter referred to as the “Recipient,” is for the provision of the construction of affordable housing as further defined in the “SCOPE OF PROGRAM.” Recipient will be developing **280** Barnes Fund affordable housing units located at **927 Skyline Ridge Dr.**, hereinafter referred to as the “Project”. The Recipient’s grant budget is incorporated herein by reference. The Recipient is a nonprofit charitable or civic organization.

A. SCOPE OF PROGRAM:

- A.1. Each Property to which these grant funds are provided for shall be subject to a Declaration of Restrictive Covenants (“Declaration”) imposing certain affordability requirements to encumber the Property and run with the land over a **32-year term** (“Affordability Period”). Terms defined in the Declaration shall have the same meanings when used in this Agreement.
- A.2. The Recipient shall use the funds under this grant in accordance with the affordable housing project described in the Scope of Work, which is incorporated herein and attached hereto as Attachment A, and any of its amendments and subject to the terms and conditions set forth herein.
- A.3. The Recipient, under this Grant Contract, will spend funds solely for the purposes set forth in the work scope outlined in Attachment A. These funds shall be expended consistent with the Grant Budget, included in Attachment B. Although some variation in line-item amounts for the Grant is consistent with the Grant Budget, any change greater than 20% of a draw category shall require the prior written approval of the Metro Housing Director. However, in no event will the total amount of the Grant funds provided to Recipient go above the Grant Award amount of **\$4,500,000**.
- A.4. This Grant Contract by and through the Housing Trust Fund Commission and the Recipient is expressly limited to the Grant award and for the purposes described herein. Prior to the use of any funds, the property must be properly zoned, and it is the sole responsibility of the Recipient to pursue any necessary rezoning or other land use change. This Grant Contract in no way serves to supersede the authority of the Metro Nashville Planning Commission or the Metropolitan Council’s authority to approve or deny zoning or land use changes on the proposed property and shall not be used for such purposes.

A.5. During the term of the Contract and the Affordability Period, Recipient or another qualified nonprofit must maintain 51% ownership in the Project or in the general partner of the Project.

A.6. Requirements for Rental Projects:

- a. Tenants must be income-eligible at the time of initial occupancy, and Recipient must certify all incomes annually and maintain a certified rent roll. In the event a tenant's income increases above the income-requirement for the unit, the tenant is not disqualified from remaining in the unit. However, the tenant's rent shall be adjusted to the corresponding AMI level for the next lease term.
- b. The Recipient will provide Metro with a management plan program oversight which includes certification of the rents, utility allowances, and tenant incomes. The Recipient shall also provide Metro an annual certification that Barnes rental requirements are being met throughout the Affordability Period.
- c. The Recipient will allow Metro or a Metro-approved contractor to conduct on-site inspections of the Recipient and project for compliance with Barnes program requirements including, but not limited to, reviewing tenant income calculations, rent determinations, and utility allowances.
- d. The Affordability Period applicable to both tenant income and maximum rents shall commence on the date of issuance of the certificate of occupancy for the final building within the project. If a certificate of occupancy is not issued, the Affordability Period will begin on the date of recordation of the notice of completion for the project.
- e. Recipient shall not increase rents during the lease term. Such prohibition shall not apply to any renewal of the lease, nor shall it affect the portion of rent paid by another federal, state, or local program with respect to the tenant or units benefitting from the grant funds.
- f. During the Affordability Period, Recipient shall submit to Metro no later than July 15 of each year, an eviction report that includes the number of people evicted and the reason for the eviction for the prior fiscal year (July 1-June 30).
- g. Recipient shall post information on Fair Housing rights in the leasing office and make information on Fair Housing rights available to tenants at least annually. Recipients should endeavor to make information available to persons with Limited English Proficiency.
- h. At a minimum, Recipient shall undertake marketing and outreach and housing stability efforts and implement application criteria as specified in Recipient's grant application.

A.7. Property Standards

- a. All projects must meet all applicable state and local codes, rehabilitation standards (if applicable), ordinances and zoning requirements and mitigate disaster impact, as applicable, per state and local codes, ordinances, etc.

- b. Recipient must incorporate all Universal Design elements specified in Recipient's grant application, which are incorporated herein.
- c. Recipient must incorporate, at a minimum, all energy efficiency, and sustainability practices and standards specified in Recipient's grant application, which are incorporated herein.

B. GRANT CONTRACT TERM:

- B.1. Grant Contract Term. The term of this Grant shall be from execution of the grant agreement until Project completion, but in no way greater than 24 months from the execution of the grant agreement. Metro shall have no obligation for services rendered by the Recipient which are not performed within this term. Pursuant to Metropolitan Code of Laws § 2.149.040 (G), in the event the recipient fails to complete its obligations under this grant contract within twenty-four months from execution, Metro is authorized to rescind the contract and to reclaim previously appropriated funds from the organization.
- B.2. Contract Extensions. Recipient must notify Barnes Fund staff at least ninety (90) days prior to contract expiration of its request to extend the contract term. Each additional contract term cannot exceed twelve (12) months. Contract extensions must be approved by the Metropolitan Trust Fund Commission and the Metro Council.
- B.3. Contract Completion: The Contract Completion date is the date in which Metro has paid the final invoice.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of Metro under this Grant Contract exceed **Four Million Five Hundred Thousand Dollars (\$4,500,000)** "Grant Award". The Grant Budget, attached and incorporated herein as part of Attachment B, details the project budget, and the Grant Award shall 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.
- C.2. Compensation Firm. The maximum liability of Metro is not subject to escalation for any reason. The Grant Budget amount is firm for the duration of the Grant Contract and is not subject to escalation for any reason unless the grant contract is amended.
- C.3. Payment Methodology. The Recipient shall be compensated for actual costs based upon the Grant Budget, not to exceed the maximum liability established in Section C.1. Upon execution of the Grant Contract and receipt of a request for payment, the Recipient may be eligible to receive reimbursement for milestones as completed based upon the Grant Budget.

a. Grant Draws

1) Construction Grant Draw Schedule

- Recipient shall submit draw requests in accordance with the Draw Schedule provided in Attachment C. Changes to the Draw Schedule shall require an amendment to the Grant Contract.
- Before a draw can be made, there must be a physical inspection of the Project by Metro or an approved designee unless otherwise specified in the Draw Schedule. The inspection must confirm appropriate completion of the Project.

2) Construction Grant Draw Process

- Recipient must submit draw requests in the form and according to the directions provided by Metro. All draw requests must be supported by appropriate documentation as specified in the Draw Schedules.
- All invoices shall be sent BFPayments@nashville.gov.
- Said payment shall not exceed the maximum liability of this Grant Contract.
- Final invoices for the contract period should be received by Metro Payment Services by 24 months from the execution of the grant agreement unless a contract extension has been approved by the Metro Council. Any invoice not received by the deadline date will not be processed and all remaining grant funds will expire.

C.4. Close-out Expenditure and Narrative Report. The Recipient must submit a final grant Close-out Expenditure and Narrative Report, to be received by the Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund within 45 days of project completion in conjunction with the submission of the final draw on the award. Said report shall be in form and substance acceptable to Metro and shall be prepared by a Certified Public Accounting Firm or the Chief Financial Officer of the Recipient Organization. It should detail the outcomes of the activities funded under this Grant Contract.

C.5. Payment of Invoice. The payment of any invoice by Metro shall not prejudice Metro's right to object to the invoice or any matter in relation thereto. Such payment by Metro shall 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 shall 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 monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs.

C.7. Deductions. Metro reserves the right to adjust any amounts which are or shall become due and payable to the Recipient by Metro under this or any Contract by deducting any amounts which are or shall become due and payable to Metro by the Recipient under this or any Contract.

- C.8. Electronic Payment. Metro requires as a condition of this contract that the Recipient shall complete and sign Metro's form authorizing electronic payments to the Recipient. Recipients who have not already submitted the form to Metro 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.
- C.9. Procurement. Recipient agrees and understands that procurement of goods and services for the grant project must comply with state and local law and regulations, including the Metropolitan Procurement Code. Recipient will provide Metro with all plans and specifications needed for these procurement purposes. Recipient will promptly review, and either approve or disapprove, in good faith and with reasonable grounds all estimates, amendments to scope of work, and all work performed by a contractor prior to payment.
- C.10. Public Meetings. At the reasonable request of Metro, Recipient agrees to attend public meetings, neighborhood meetings, and other events regarding this Project.
- C.11. Recognition. Any signage, printed materials, or online publications erected at the applicable Project site or elsewhere regarding the Project shall include the following language or language acceptable by Metro acknowledging that the Project is partially funded with a grant from the Barnes Fund for Affordable Housing of the Metropolitan Government of Nashville and Davidson County:

*This project is funded in part by the Barnes Affordable Housing Trust Fund of the Metropolitan Government of Nashville & Davidson County.
Metropolitan Housing Trust Fund Commission
Freddie O'Connell, Mayor
Metropolitan Council of Nashville and Davidson County*

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. Default and Termination for Cause. Any failure by Owner to perform any term or provision of this Grant Contract shall constitute a "Default" (1) if such failure is curable within 30 days and Recipient does not cure such failure within 30 days following written notice of default from Metro, or (2) if such failure is not of a nature which cannot reasonably be cured within such 30-day period and Recipient does not within such 30-day period commence substantial efforts to cure such failure or thereafter does not within a reasonable time prosecute to completion with diligence and continuity the curing of such failure. Should the Recipient Default under this Grant Contract or if the Recipient violates any terms of this Grant Contract, Metro shall have the right to immediately terminate the Grant Contract and the Recipient shall return to Metro any and all grant monies for services or projects under the grant not performed as of the termination date. The Recipient shall also return to Metro any and all funds expended for purposes

contrary to the terms of the Grant. Such termination shall not relieve the Recipient of any liability to Metro for damages sustained by virtue of any breach by the Recipient.

- D.4. Subcontracting. The Recipient shall 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 shall be considered the prime Recipient and shall be responsible for all work performed.
- D.5. Conflicts of Interest. The Recipient warrants that no part of the total Grant Amount shall 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 contemplated or performed relative to this Grant Contract.

The Recipient also recognizes that no person identified as a Covered Person below may obtain a financial interest or benefit from a Metro Housing Trust Fund Competitive Grant assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those whom they have family or business ties, during their tenure or for one year thereafter.

Covered Persons include immediate family members of any employee or board member of the Recipient. Covered Persons are ineligible to receive benefits through the Metro Housing Trust Fund Competitive Grant program. Immediate family ties include (whether by blood, marriage or adoption) a spouse, parent (including stepparent), child (including a stepbrother or stepsister), sister, brother, grandparent, grandchild, and in-laws of a Covered Person.

- D.6. Nondiscrimination. The Recipient hereby agrees, warrants, and assures that no person shall 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 shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.7. Records. All documents relating in any manner whatsoever to the grant project, or any designated portion thereof, which are in the possession of Recipient, or any subcontractor of Recipient shall be made available to the Metropolitan Government for inspection and copying upon written request by the Metropolitan Government. Furthermore, said documents shall be made available, upon request by the Metropolitan Government, to any state, federal or other regulatory authority and any such authority may review, inspect and copy such records. Said records include, but are not limited to, all drawings, plans, specifications, submittals, correspondence, minutes, memoranda, tape recordings, videos or other writings or things which document the grant project, its design and its construction. Said records expressly include those documents reflecting the cost of construction, including all subcontracts and payroll records of Recipient.

Recipient shall maintain documentation for all funds provided under this grant contract. The books, records, and documents of Recipient, insofar as they relate to funds provided under this grant contract, shall be maintained for a period of three (3) full years from the date of the final payment. The books, records, and documents of Recipient,

insofar as they relate to funds provided under this grant contract, shall be subject to audit at any reasonable time and upon reasonable notice by Metro or its duly appointed representatives. Records shall be maintained in accordance with the standards outlined in the Metro Grants Manual. The financial statements shall be prepared in accordance with generally accepted accounting principles.

- D.8. Monitoring. The Recipient's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by Metro or Metro's duly appointed representatives during the term of the contract and throughout the affordability period. The Recipient shall 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.9. Reporting. Recipient will be required to provide annual progress reports no later than July 15 of each year. The progress report should summarize activity that occurred during the previous fiscal year (July 1 – June 30). Said report shall be in a form provided by Metro. In addition, Recipient shall submit a Close-out Expenditure and Narrative Report as provided in section C.4 above detailing the outcome of the activities funded under this Grant Contract.
- D.10. 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 shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held 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.11. Insurance. The Recipient shall maintain adequate public liability and other appropriate forms of insurance, including other appropriate forms of insurance on the Recipient's employees, and to pay all applicable taxes incident to this Grant Contract.
- D.12. Metro Liability. Metro shall have no liability except as specifically provided in this Grant Contract.
- D.13. Independent Contractor. Nothing herein shall 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 shall not hold itself out in a manner contrary to the terms of this paragraph. Metro shall not become liable for any representation, act, or omission of any other party contrary to the terms of this paragraph.
- D.14. Indemnification and Hold Harmless.
 - a. Recipient shall 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 shall 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 shall survive the termination or expiration of the grant.
- D.15. Force Majeure. The obligations of the parties to this Grant Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.16. 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.
- D.17. Governing Law and Venue. The validity, construction and effect of this Grant Contract and any and all extensions and/or modifications thereof shall be governed by and construed in accordance with the laws of the State of Tennessee. The venue for legal action concerning this Grant Contract shall be in the courts of Davidson County, Tennessee.
- D.18. Attorney Fees. Recipient agrees that, in the event either party deems it necessary to take legal action to enforce any provision of the Grant Contract, and in the event Metro prevails, Recipient shall pay all expenses of such action including Metro's attorney fees and costs at all stages of the litigation.
- D.19. 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.20. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.
- D.21. Licensure. The Recipient and its employees and all sub-grantees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses. Recipient will obtain all permits, licenses, and permissions necessary for the grant project.
- D.22. Waiver. No waiver of any provision of this contract shall affect the right of any party thereafter to enforce such provision or to exercise any right or remedy available to it in the event of any other default.

- D.23. Inspection. The Recipient agrees to permit inspection of the project and/or services provided for herein, without any charge, by members of the Grantor and its representatives.
- D.24. Assignment—Consent Required. The provisions of this contract shall inure to the benefit of and shall 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 shall be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer shall 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 shall 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 shall 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 shall be in writing and shall be made by facsimile transmission, email, 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:

Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund
Planning Department – Housing Division
PO Box 196300
Nashville, TN 37219
BarnesFund@nashville.gov

Recipient:

Appalachian Home & Health, Inc.
123 Center Park Dr., Ste. 133
Knoxville, TN 379202
865-603-0054
appalachianhomehealth@gmail.com

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 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 subcontractors of federally appropriated funds shall certify and disclose accordingly.

D.28. Effective Date. This contract shall 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 shall be effective as of the date first written above.

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

APPROVED AS TO PROGRAM SCOPE:

Peter Westerholm
Peter Westerholm, Chair
Metropolitan Trust Fund Commission

APPROVED AS TO AVAILABILITY OF
FUNDS:

Jenneen Reed
Jenneen Reed, Director
Department of Finance

APPROVED AS TO FORM AND LEGALITY:

Macy Amos
Assistant Metropolitan Attorney

APPROVED AS TO RISK AND
INSURANCE:

Balogun Cobb
Director of Risk Management Services

APPROVED BY METROPOLITAN
GOVERNMENT OF NASHVILLE AND
DAVIDSON COUNTY:

Metropolitan Clerk

RECIPIENT:

Appalachian Home & Health, Inc.

By:

Title:

Sworn to and subscribed to before me a
Notary Public, this 18 day of September
2025.

[Notary Public seal]



Notary Public

My Commission expires 09/05/2027

ATTACHMENT A



Barnes Housing Trust Fund Scope of Work

Contract Number: 2025-R15-AHH

Funding Round Number: 15

Organization Name: Appalachian Home & Health, Inc.

Project Location: 927 Skyline Ridge Dr.

Project Type: Rental New Construction

Grant Award: \$4,500,000

Metro Property Award: N/A

Total Number of Units in Development: 280

Total Number of Barnes Fund Units by Income Target:

≤ 30% AMI	31-60% AMI	61-80% AMI	Total
0	280	N/A	280

Permanent Support Housing: Recipient will designate 70 units for Permanent Supportive Housing (PSH) and agrees to accept referrals from the Coordinated Entry System (CES) and to utilize the Housing First approach as defined by the Office of Homeless Services. Recipient’s commitment to PSH is not contingent upon the award of project-based vouchers or upon the award of funding for supportive services. Recipient will provide supportive services substantially in the form and manner as described in its Round 15 application.

Project Summary: Recipient will loan the proceeds of the Grant Award to 927 Skyline Ridge Drive, LP, a Tennessee Limited Partnership, which will construct and own Skyline Heights. Skyline Heights is a 280-unit new construction affordable housing community representing a significant investment in family-centered rental housing and long-term affordability in Davidson County. All units will be income-restricted to households earning no more than 60% of the Area Median Income (AMI), ensuring access to stable housing for low-income families. The development will consist of garden-style apartments designed to support walkability and a strong sense of community. The unit mix is intentionally structured to serve larger households, including 60 two-bedroom, 160 three-bedroom, and 60 four- bedroom units. In addition, 25% of the units will be designated as Permanent Supportive Housing (PSH), with referrals accepted through the Coordinated Entry System and services delivered using a Housing First model, as defined by the Office of Homeless Services. All residences will feature energy-efficient appliances to promote sustainability and reduce household utility costs. Skyline Heights will address critical housing needs while fostering long-term stability, inclusion, and opportunity for Davidson County families.

ATTACHMENT B



Barnes Housing Trust Fund Grant Budget

Sources and Uses Statement

Sources of Funds	Amount	Percentage of Total	Status (Secured/Pending)
Barnes Housing Trust Fund	\$4,500,000	3.91%	Pending, In Application
Developer Deferred Developer Fee	\$16,880,286	14.65%	Pending, Round 2 THDA MTBA Submittal in July of 2025
Private Lender	\$47,900,000	41.57%	Pending, Round 2 THDA MTBA Submittal in July of 2025
Low-Income Housing Tax Credits (LIHTC)/etc.	\$45,952,217	39.88%	Pending, Round 2 THDA MTBA Submittal in July of 2025
Total Sources	\$115,232,503	100.00%	
Uses of Funds	Amount	Percentage of Total	
Acquisition Costs	\$5,900,000	5.12%	
Construction Costs			
- Site Work	\$16,800,000	14.58%	
- Vertical Construction	\$41,916,000	36.38%	
- Contingency	\$3,307,489	2.87%	
GC overhead, profit, General Conditions	\$6,343,792	5.51%	
Soft Costs		0.00%	
- Architecture & Engineering	\$2,800,970	2.43%	
- Legal and Permitting	\$3,282,350	2.85%	
Developer Fee (Deferred & through construction)	\$22,590,893	19.60%	0% being paid by Barnes Fund
Financing Costs, Marketing Costs	\$10,012,970	8.69%	
Reserves (Operating/Replacement)	\$2,278,039	1.98%	
Total Uses	\$115,232,503	100.00%	

Skyline Heights Site Underwriting

OPERATING EXPENSES						
			PSF	Per Unit	% EGI	ANNUAL
Payroll	\$	0.94	\$ 1,250	6.9%		350,000
Administration	\$	0.30	\$ 400	2.2%		112,000
Management	\$	0.55	\$ 727	4.00%		203,447
Repair & Maintenance	\$	0.68	\$ 900	5.0%		252,000
Utilities	\$	0.72	\$ 950	5.2%		266,000
Marketing & Rentention	\$	0.11	\$ 150	0.8%		42,000
RE Taxes	\$	0.11	\$ 150	0.8%		42,000
Insurance	\$	0.34	\$ 450	2.5%		126,000
Compliance & Reporting	\$	-	\$ -	0.0%		-
Other:	\$	-	\$ -	0.0%		-
Other:	\$	-	\$ -	0.0%		-
	\$	-	\$ -	0.0%		-
SUBTOTAL	\$	3.75	\$ 4,977	27.4%		1,393,447
REPLACEMENT RESERVES	\$	0.19	\$ 250	1.4%		70,000
TOTAL EXPENSES	\$	3.93	\$ 5,227	28.8%		1,463,447

DEBT SIZING

Debt Service

Debt Service	Rate Stack	Freddie	HUD
Net Revenue	\$5,086,176 JPM private placement (10 year SOFR swap)	4.000%	5.960%
- Total Expenses	\$1,463,447	1.850%	0.000%
=NOI	\$3,622,72	0.150%	0.000%
Debt Service Supported	\$3,150,19	0.000%	0.000%
Max Loan Debt Service	1.150		
DEBT SERVICE COVERAGE	6.000%		
INTEREST RATE	480		
AMORTIZATION (MONTHS)	6.603%		
ANNUAL CONSTANT	48,166,000		
Max Loan on Debt Service	47,712,000		
Max Loan-To-Costs			
Total HUD Eligible Costs	\$92,788,794		
Loan-to-Cost	87%		
Max Loan-to-Cost Size	\$80,726,251		

Other Bridge/Interim Rates	Amount
Construction Loan Rate	5.8000% \$ 71,475,616
Construction	4.0000% \$ 59,341,091
Bonds only (HUD)	1.0000% \$ 71,475,616
Tax Exempt Construction Loan	6.5000% \$ -
Taxable Construction Loan	6.5000% \$ -

Int Rate	Loan Amount
50% TEST	

SOURCES & USES

Skyline Heights Site

1856501

USES OF FUNDS		AMOUNT	PER UNIT		ELIGIBLE	INELIGIBLE	CLASSIFICATION
Land & Construction Costs							
Land		5,900,000	21,071			5,900,000	Other
Construction							
Buildings		Quick Look					
On Site Work -Other		39,760,000.00	142,000		39,760,000	-	Building
Amenities		16,800,000.00	60,000		16,800,000	-	Site Work
		2,156,000.00	7,700		2,156,000	-	
Owners Contingency		3,307,489.60	11,812		3,307,490	-	Building
Contractor Overhead - 2%		1,186,864.00	4,239		1,186,864	-	Building
Contractor Profit - 4%		2,373,728.00	8,478		2,373,728	-	Building
Contractor General Conditions		2,783,200.00	9,940		2,783,200	-	Building
Professional Fees							
Architect fee		2,000,000	7,143		2,000,000	-	Building
Easement cost		250,000			250,000		Building
MEP		150,000	536		150,000	-	Building
Civil Engineer		250,000	893		250,000	-	Building
Costs of Issuance (Bond Deals Only)							
Lender - FHA Application/Exam Fee		23,950	86		-	23,950	Loan Costs
Lender - Origination Fee - Perm Loan		479,000	1,711		-	479,000	Loan Costs
Various financing fees		200,000	714		160,000	40,000	Loan Costs
Lender - Bridge Loan Fee		482,750	1,724		482,750	-	Loan Costs
Legal - Bond Counsel		80,000	286		80,000	-	Loan Costs
Legal - Trustee Counsel		10,000	36		-	10,000	Loan Costs
Legal - Lender Counsel (MAP Lender)		100,000	357		65,000	35,000	Loan Costs
Legal - Borrowers Counsel		150,000	536		150,000	-	Loan Costs
Legal - Underwriter Counsel		75,000	268		-	75,000	Loan Costs
Legal - Syndicator Counsel		110,000	393		-	110,000	Loan Costs
Legal - Bank Construction Legal		40,000	143		40,000	-	Loan Costs
Fee - Freddie Commitment Fee		23,950	86		-	23,950	Loan Costs
Fee - Issuer App Fee & Expenses		7,500	27		-	7,500	Loan Costs
Fee - Trustee Fee		10,000	36		-	10,000	Loan Costs
Other - TEFRA/Publishing/Printing		5,000	18		-	5,000	Loan Costs
Reports							
Survey		50,000	179		50,000	-	Building
Environmental Study/Phase I		18,400	66		18,400	-	Building
Market Study		15,000	54		15,000	-	Building
Geotechnical/Soils Report		52,570	188		10,000	42,570	Building
Appraisal		15,000	54		15,000	-	Loan Costs
Interim Construction Costs							

SOURCES & USES

CONSTRUCTION INTEREST	0%	6,840,000	24,429			4,788,000	2,052,000	Building
Credits & Bonds								
Tax Credit Application Fee	\$40	11,200	40			-	11,200	Expense
42M Fee	6.25%	251,321	898			-	251,321	Expense
MTBA Application Fee		1,500	5			-	1,500	Expense
Bond Firm Commitment Fee	1.00%	570,000	2,036			-	570,000	Expense
Bond Incentive Fee	20%	114,000	407			-	114,000	Expense
Monitoring Fees		142,800	510			-	142,800	Expense
Reserves								
OPERATING DEFICIT RESERVE (THDA)	1465737	2,278,038	8,136			-	2,278,038	Other
Developer Fee								
DEVELOPER FEE	22,590,893	22,590,893	80,682			22,590,893	-	Building
Other Costs								
Soft Cost Contingency		200,000	714			100,000	100,000	Other
Rent Up Marketing		300,000	1,071			-	300,000	Expense
Other Costs: FF&E		350,000	1,250			350,000	-	Personal Prop
TOTAL USES OF FUNDS		\$ 115,232,503	\$ 411,545			102,506,675	12,604,828	

SOURCES OF FUNDS								
EQUITY CONTRIBUTION	Locked	45,831,817	163,685					39.8%
DEFERRED DEVELOPER FEE	5,710,607	16,880,286	60,287					14.6%
45L credit		120,400	430					0.1%
Barnes Fund		4,500,000	16,071					3.9%
Other:		-	-					0.0%
		-	-					0.0%
		-	-					0.0%
		-	-					0.0%
		-	-					0.0%
		-	-					0.0%
MORTGAGE LOAN		47,900,000	171,071					41.6%
TOTAL SOURCES		115,232,503	411,545					100.0%
SURPLUS/(SHORTFALL)		-						

Credit Calculation		
Eligible Basis Generated		102,506,675
Applicable Fraction	100.00	102,506,675
%		
QCT Adjustment		133,258,677
%	130.0	
<u>CREDIT RATE</u>		
MAX. CREDIT on Basis	\$	5,330,347
CREDIT ALLOCATION	\$	5,330,347
% TO ILP		99.98%
ANNUAL CREDIT	\$	5,329,281
Total Credits		
Credit Purchase Price	\$	53,292,810.10
Total Equity Contribution	\$	0.8600
LPA Equity Amount		\$45,831,817
		\$0

ATTACHMENT C**Barnes Housing Trust Fund Draw Schedule**

The following percentages are based on the Barnes Fund grant award.

Draw #	% of Grant	Milestone
1	25%	Upon receipt of the building permit, proof of builder's risk insurance with Metro Nashville listed as a lien holder for documented expenses.
2	25%	Documented predevelopment costs.
3*	25%	Footing, framing, and foundation complete.
4*	12.5%	Plumbing, electrical, and mechanical roughed-in, inspected, and passed by Metro Codes; roofing complete.
5*	12.5%	Receipt of Final Use & Occupancy letter from Metro Codes.

Note: Draw requests -5 must be inspected by Metro or a third-party inspector contracted with Metro prior to the release of funds. All draw requests require documentation and are paid on a reimbursable basis.

ATTACHMENT D



Required Documents

The following are required items pursuant to Metropolitan Code 5.04.070:

1. A copy of the nonprofit's corporate charter or other articles, constitution, bylaws, or instruments of organization;
2. A copy of a letter from the Internal Revenue Service evidencing the fact that the organization is a nonprofit, tax-exempt organization under the Internal Revenue Code of 1986, as amended;
3. A statement of the nature and extent of the organization's program that serves the residents of the metropolitan government;
4. The proposed use of the funds to be provided by the metropolitan government (Provided in Attachment A);
5. The proposed budget of the organization, indicating all sources of funds and a line-item identification of the proposed expenditure of metropolitan government funds (Provided in Attachment B);
6. A copy of the nonprofit's annual audit or other required financial documentation described in Metro Code subsection 5.04.070(E).



Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

RENO & CAVANAUGH PLLC
STE 2910
424 CHURCH ST
NASHVILLE, TN 37219

Request Type: Certified Copies
Request #: 566414

Issuance Date: 01/29/2024
Copies Requested: 1

Document Receipt

Receipt #: 008623528	Filing Fee:	\$20.00
Payment-Check/MO - RENO & CAVANAUGH PLLC, NASHVILLE, TN		\$20.00

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that **APPALACHIAN HOME & HEALTH, INC.**, Control # 608190 was formed or qualified to do business in the State of Tennessee on 08/14/2009. APPALACHIAN HOME & HEALTH, INC. has a home jurisdiction of TENNESSEE and is currently in an Active status. The attached documents are true and correct copies and were filed in this office on the date(s) indicated below.


Tre Hargett
Secretary of State

Processed By: Akash Patel

The attached document(s) was/were filed in this office on the date(s) indicated below:

Reference #	Date Filed	Filing Description
6585-0708	08/14/2009	Initial Filing
6652-1131	02/12/2010	Articles of Amendment
A0134-1662	06/22/2012	2011 Annual Report (Due 04/01/2012)
B0078-4573	03/30/2015	2014 Annual Report (Due 04/01/2015)
B0580-3751	08/08/2018	Dissolution/Revocation - Administrative
B0598-1486	09/13/2018	Application for Reinstatement
B0743-1035	08/06/2019	Dissolution/Revocation - Administrative
B0840-4560	03/23/2020	Application for Reinstatement
B0852-8994	04/08/2020	Articles of Amendment
B0912-9120	08/21/2020	Registered Agent Change (by Entity)
B1078-3620	08/11/2021	Dissolution/Revocation - Administrative
B1095-7901	09/20/2021	Application for Reinstatement
B1191-7848	03/30/2022	2021 Annual Report (Due 04/01/2022)



Department of State
Corporate Filings
312 Rosa L. Parks Avenue
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

CHARTER
(Nonprofit Corporation)

For Office Use Only
RECEIVED
STATE OF TENNESSEE
2009 AUG 14 AM 9:25
THE COMPTROLLER
SECRETARY OF STATE

6585.0708

The undersigned acting as incorporator(s) of a nonprofit corporation under the *Tennessee Nonprofit Corporation Act* adopts the following Articles of Incorporation.

1. The name of the corporation is: Appalachian Home & Health, Inc.

2. Please complete all of the following sentences by checking one of the two boxes in each sentence:

This corporation is a ☒ public benefit corporation / ☐ mutual benefit corporation.

This corporation is a ☐ religious corporation / ☒ not a religious corporation.

This corporation will ☒ have members / ☐ not have members.

3. The name and complete address of the corporation's initial registered agent and office in Tennessee is:

Douglas K. Hembree, M.D.	2543 Tall Pine Lane	Knoxville	TN	37920	Knox
<small>Name</small>	<small>Street Address</small>	<small>City</small>	<small>State</small>	<small>Zip Code</small>	<small>County</small>

4. List the name and complete address of each incorporator:

Douglas K. Hembree, M.D.	2543 Tall Pine Lane	Knoxville	TN	37920
<small>Name</small>	<small>Street Address</small>	<small>City</small>	<small>State</small>	<small>Zip Code</small>

<small>Name</small>	<small>Street Address</small>	<small>City</small>	<small>State</small>	<small>Zip Code</small>
---------------------	-------------------------------	---------------------	----------------------	-------------------------

<small>Name</small>	<small>Street Address</small>	<small>City</small>	<small>State</small>	<small>Zip Code</small>
---------------------	-------------------------------	---------------------	----------------------	-------------------------

5. The complete address of the corporation's principal office is:

2543 Tall Pine Lane	Knoxville	TN	37820
<small>Street Address</small>	<small>City</small>	<small>State/Country</small>	<small>Zip Code</small>

6. The corporation is not for profit.

7. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date and time are:

Date _____, Time _____ (Not to exceed 90 days.)

8. Insert here the provisions regarding the distribution of assets upon dissolution: All assets of this corporation shall upon dissolution be paid to or delivered unto Kingswood School. This 501c3 has an address as of the date hereof of 105 Rowdy Row PO Box 5000 Tate Springs Bean Station, TN 37708.

9. Other provisions: _____

8/6/09
Signature Date

Douglas K Hembree MD
Incorporator's Signature

Douglas K. Hembree, M. D.
Incorporator's Name (typed or printed)

State of Tennessee



Department of State
Corporate Filings

312 Rosa L. Parks Avenue
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

ARTICLES OF AMENDMENT
TO THE CHARTER
(Nonprofit)

For Office Use Only
RECEIVED
STATE OF TENNESSEE
2010 FEB 12 PM 1:35
TRE HANGETT
SECRETARY OF STATE

Corporate Control Number (If Known) # 0608190

Pursuant to the provisions of section 48-60-105 of *The Tennessee Nonprofit Corporation Act*, the undersigned corporation adopts the following articles of amendment to its charter:

1. Please insert the name of the corporation as it appears of record:
Appalachian Home & Health, Inc.
If changing the name, insert the new name on the line below:

2. Please check the block that applies:

☒ Amendment is to be effective when filed by the secretary of state.

☐ Amendment is to be effective, _____ (month, day, year)

(Not to be later than the 90th day after the date this document is filed.) If neither block is checked, the amendment will be effective at the time of filing.

3. Please insert any changes that apply:

a. Principal address: _____ (Street) _____ (City) _____ (State/County) _____ (Zip Code)

b. Registered agent: _____

c. Registered address: _____ (Street) _____ (City) _____ (State/County) _____ (Zip Code)

d. Other changes: See Attached

4. The corporation is a nonprofit corporation.

5. The manner (if not set forth in the amendment) for implementation of any exchange, reclassification, or cancellation of memberships is as follows:

6. The amendment was duly adopted on 2-8-10 (month, day, year)
by (please check the block that applies):

☒ The incorporators without member approval, as such was not required.

☐ The board of directors without member approval, as such was not required.

☐ The members

7. Indicate which of the following statements applies by checking the applicable block:

☒ Additional approval for the amendment (as permitted by §48-60-301 of the tennessee nonprofit corporation act) was not required.

☐ Additional approval for the amendment was required by the charter and was obtained.

Registered Agent
Signer's Capacity

Douglas K. Hemfree M.D.
Signature

2-12-10
Date

Douglas K. Hemfree, M.D.
Name of Signer (typed or printed)

SS-4416

Filing Fee: \$20

RDA 1678

Exhibit A

6652.1131

RECEIVED
STATE OF TENNESSEE

2010 FEB 12 PM 1:35

TRE HARGETT
SECRETARY OF STATE

Attachment to:

ARTICLES OF AMENDMENT TO THE CHARTER

Purpose

The organization is organized exclusively for charitable, religious, educational and scientific purposes under Section 501 (c) (3) of the Internal Revenue Code or corresponding section of any future federal tax code.

Dissolution

Upon the dissolution of this organization assets shall be distributed for one or more exempt purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code or corresponding section or any future tax code, or shall be distributed to the federal government or to a state or local government for a public purpose.

6652.1132

State of Tennessee



Department of State

Corporate Filings

312 Rosa L. Parks Avenue

6th Floor, William R. Snodgrass Tower

Nashville, TN 37243

ARTICLES OF AMENDMENT
TO THE CHARTER
(Nonprofit)

For Office Use Only

Corporate Control Number (If Known) 608190Pursuant to the provisions of section 48-60-105 of *The Tennessee Nonprofit Corporation Act*, the undersigned corporation adopts the following articles of amendment to its charter:

1. Please insert the name of the corporation as it appears of record:

Appalachian Home & Health, Inc.
If changing the name, insert the new name on the line below:

2. Please check the block that applies:

☒ Amendment is to be effective when filed by the secretary of state.☐ Amendment is to be effective, _____ (month, day, year)

(Not to be later than the 90th day after the date this document is filed.) If neither block is checked, the amendment will be effective at the time of filing.

3. Please insert any changes that apply:

a. Principal address: 123 Center Park Dr. Ste. 133 Knoxville TN 37922
(Street) (City) (State/County) (Zip Code)

b. Registered agent: _____

c. Registered address: 123 Center Park Dr. Ste. 133 Knoxville, TN 37922
(Street) (City) (State/County) (Zip Code)

d. Other changes: _____

4. The corporation is a nonprofit corporation.

5. The manner (if not set forth in the amendment) for implementation of any exchange, reclassification, or cancellation of memberships is as follows:

6. The amendment was duly adopted on 3.19.2020 (month, day, year)
by (please check the block that applies):☐ The incorporators without member approval, as such was not required.☒ The board of directors without member approval, as such was not required.☐ The members

7. Indicate which of the following statements applies by checking the applicable block:

☒ Additional approval for the amendment (as permitted by §48-60-301 of the Tennessee nonprofit corporation act) was not required.☐ Additional approval for the amendment was required by the charter and was obtained.President
Signer's CapacityRobert B. Sharp
Signature3.20.2020
DateRobert B. Sharp
Name of Signer (typed or printed)



005499257

CHANGE OF REGISTERED AGENT/OFFICE**SS-4534****Tre Hargett**
Secretary of State**Division of Business Services**
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102
(615) 741-2286

Filing Fee: \$20.00

*For Office Use Only***-FILED-**

Amendment # 005499257

Pursuant to the provisions of T.C.A. §48-15-102 or §48-25-108 of the Tennessee Business Corporation Act or T.C.A. §48-55-102 or §48-65-108 of the Tennessee Nonprofit Corporation Act, the undersigned hereby submits this application:

Secretary of State Control Number: 608190**Entity Name:** APPALACHIAN HOME & HEALTH, INC.**Registered Agent Change**

- ☒ Change By Business Entity
☐ Change By Agent

Current Registered Agent (Name and Address):DOUGLAS K HEMBREE
STE 133
123 CENTER PARK DR
KNOXVILLE, TN 37922-2111**New Registered Agent (Name and Address)**ROBERT B SHARP
STE 133
123 CENTER PARK DR
KNOXVILLE, TN 37922-2111

After the change(s), the street address of the registered office and the business office of the registered agent will be identical.

Signature: Electronic**Date:** 8/21/2020 10:20 AM**Type/Print Name:** Robert B Sharp**Title:** President

Instructions: Legibly complete the form above. Enclose a check made payable to the Tennessee Secretary of State. Sign and date this form and return to the address provided above.

B0912-9120 08/21/2020 10:20 AM Received by Tennessee Secretary of State Tre Hargett

AMENDED AND RESTATED BYLAWS
OF
APPALACHIAN HOME & HEALTH, INC.

THESE AMENDED AND RESTATED BYLAWS ("Bylaws") constitute the code of rules adopted by APPALACHIAN HOME & HEALTH, INC., a Tennessee nonprofit corporation (the "Corporation"), for the regulation and management of its affairs.

WHEREAS, the Corporation was organized by the Board of Directors of the Corporation (the "Board") as a nonprofit corporation under the Tennessee Nonprofit Act (the "Act"), pursuant to certain Bylaws of Appalachian Home and Health, Inc. (the "Original Bylaws") and the Charter filed with the Tennessee Secretary of State on August 14, 2009 (the "Charter").

NOW, THEREFORE, in consideration of the mutual rights, duties, and covenants hereinafter set forth, and other good and valuable consideration, all of the Directors of the Board agree to the continuation of the Corporation as a nonprofit corporation pursuant to the Act upon the following terms and conditions which restate, amend and supersede those set forth in the Original Bylaws.

ARTICLE I
Purpose

(1) Purpose

The Corporation shall be organized and operated as a not for profit public benefit corporation under the provisions of the Act. As more particularly set forth in its Charter, the Corporation shall be operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, and in particular to provide persons of low and moderate income, elderly persons and handicapped persons with housing facilities and services to meet their needs.

ARTICLE II
Board of Directors

(1) Powers

The Board of this Corporation is vested with the management of the business and affairs of this Corporation, subject to the Charter, Act, state statute, common law, court decisions, and these bylaws.

(2) Qualifications

Directorships shall not be denied to any person on the basis of race, creed, sex, religion, or national origin. Employees of the Corporation are ineligible to serve on the Board.

(3) Number of Directors

The Board shall consist of three (3) Directors. Upon majority resolution of the Board, the number of Directors may be increased or decreased from time to time, but in no event shall a decrease have the effect of shortening the term of an incumbent Director, or decreasing the total number of Directors to less than three (3) or increasing the total number of Directors to more than nine (9). Until the first meeting for electing the Directors occurs, the initial Board shall consist of the persons listed in the Charter as constituting the initial Board.

(4) Classes of Directors

The Board shall be divided into three classes, with each having as nearly equal in number as possible, designated: Class I, Class II, and Class III. In case of any increase or decrease, from time to time, in the number of Directors, the number of Directors in each class shall be apportioned as nearly as equal as possible. No decrease in the number of Directors shall shorten the term of any incumbent Director.

(5) Election and Terms of Directors

The Directors shall be elected at a duly noticed meeting of the Board. Candidates receiving the highest number of votes of the Directors present and voting at that meeting shall be elected as Directors. A Director may succeed himself or herself in office. Each Director shall serve for a term ending on the date of the fifth annual meeting of the Board following the annual meeting at which such director was elected; *provided, that* each Director initially appointed to Class I shall serve for an initial term expiring at the Corporation's first annual meeting following the effectiveness of this provision; each Director initially appointed to Class II shall serve for an initial term expiring at the Corporation's second annual meeting following the effectiveness of this provision; and each Director initially appointed to Class III shall serve for an initial term expiring at the Corporation's third annual meeting following the effectiveness of this provision; *provided further*, that the term of each Director shall continue until the election and qualification of a successor and be subject to such Director's earlier death, resignation or removal. Any directorship to be filled by reason of an increase in the number of Directors shall be filled at the next regular meeting of the Board or at a special meeting called for that purpose. When a re-appointment or replacement is made, the re-appointment or replacement shall be considered effective on the date that the prior term expired (i.e., the new term does not begin on the date of the election). Directors whose terms have expired may continue serving until they are either re-appointed or until their successors are chosen.

(6) Resignation

Any Director may resign at any time by delivering written notice to the Secretary or President of the Board. Such resignation shall take effect upon receipt or, if later, at the time specified in the notice.

(7) Removal

Any Director may be removed without cause, at any time, by a majority of the entire Board, at a Regular or Special Meeting called for that purpose. Any Director under

consideration of removal must first be notified about the consideration by written notice at least five days prior to the meeting at which the vote takes place.

(8) Vacancies

Vacancies shall be filled by majority vote of the remaining members of the Board, though less than a quorum, and the Director filling the vacancy shall serve for the remainder of the term of the directorship that was vacated. Vacancies shall be filled as soon as practical. Any Director may make nominations to fill vacant directorships.

(9) Compensation

Directors shall not receive any salaries or other compensation for their services, but, by resolution of the Board, may be reimbursed for any actual expenses incurred in the performance of their duties for the Corporation, as long as a majority of disinterested Board approve the reimbursement. The Corporation shall not loan money or property to, or guarantee the obligation of, any Director.

ARTICLE III
Committees

(1) Nominating Committee

The President shall appoint, and the Board shall confirm two (2) Directors of the Corporation to a nominating committee. The nominating committee shall invite suggestions for the directorships and offices which are vacant or about to expire, allowing thirty (30) days for suggestions. The nominating committee shall then nominate candidates for the required directorships and offices of the Corporation as provided in these bylaws and report such nominations to the Corporation at least thirty (30) days before the annual meeting of the Board.

(2) Additional Committees

The Board may from time to time designate and appoint additional standing or temporary committees by majority vote of the Board. Such committees shall have and exercise such prescribed authority as is designated by the Board. The Directors may authorize these committees to exercise any powers, responsibilities, and duties consistent with the Charter and these bylaws.

(3) Term of Appointment

Each member of a committee shall continue as such until the next annual meeting of the Board or until a successor is appointed, unless the committee shall be sooner terminated, or unless such member shall be removed from such committee, or unless such member shall cease to qualify as a member thereof.

(4) Chairman

The Board shall appoint one member of each committee as chairman thereof.

(5) **Vacancies**

Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of original appointments.

(6) **Quorum**

Unless the Board directs otherwise, a majority of the whole committee shall constitute a quorum; and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

ARTICLE IV

Code of Ethics and Conflicts of Interest

(1) **Board Ethics**

It is imperative to the success of the Corporation that there be a fully informed, responsive, and reasonable Officers and Directors. To this end, each Director and Officer shall conduct themselves at all times in the best interest of the Corporation. In this regard, each Director and Officer shall abide by the following "Code of Ethics". No code or set of rules can be framed which will particularize all of the duties of a Director or Officer. The following Code of Ethics is to be considered a general guide, yet the enumeration of particular duties should not be construed as a denial of the existence of other equally imperative duties, though not specifically mentioned.

(2) **Attendance**

Directors shall put forth their best efforts to attend all meetings and constructively participate in those meetings.

(3) **Business Judgment**

Directors and Officers shall exercise good judgment in the control and use of confidential information that may from time to time come into their possession.

(4) **Board Interference with Operations**

Except for voting at properly called meetings of the Board, Directors shall refrain from entering into the day-to-day administration of the Corporation unless they are doing so upon express authority given to them by a properly adopted resolution of the Board.

(5) **Conflicts of Interest**

Any possible conflict of interest shall be disclosed to the Board and members of committees with governing board-delegated powers considering the proposed transaction or arrangement. Such conflict must be resolved pursuant to the Conflict of Interest Policy adopted by the Board and attached hereto as Exhibit A.

ARTICLE V

Board Meetings

(1) Place of Board Meetings

Regular and Special Meetings of the Board will be held at 2543 Tall Pine Lane, Knoxville, Tennessee 37920, or at any other place that the President may designate.

(2) Regular and Special Meetings

Regular meetings of the Board shall be held each month, or more frequently as deemed necessary by the Board. Special Meetings may be called by the President or any three Directors. An orientation meeting will be held each year for the new members of the Board.

(3) Notice of Board Meetings

Notice of the date, time, and place of Regular Meetings shall be given to each board member by regular mail, telephone (including voice mail), facsimile, or e-mail no less than seven (7) nor more than thirty (30) days' notice prior to the meeting. Notice of the date, time, and place of special meetings shall be given to each board member using the same methods, but with no less than two (2) days' notice prior to the meeting, with the exception of special meetings held to amend the Charter or bylaws, for which a seven (7) day written notice by mail or facsimile shall be required specifying the proposed amendment.

(4) Waiver of Notice

Attendance by a Director at any meeting of the Board for which the Director did not receive the required notice will constitute a waiver of notice of such meeting unless the Director objects at the beginning of the meeting to the transaction of business on the grounds that the meeting was not lawfully called or convened and does not thereafter vote for or assent to action taken at the meeting.

(5) Quorum

A majority of the incumbent Directors (not counting vacancies) shall constitute a quorum for the purposes of convening a meeting or conducting business. At Board meetings where a quorum is present, a majority vote of the Directors attending shall constitute an act of the Board unless a greater number is required by the Charter or by any provision of these bylaws.

(6) Actions without a Meeting

Any action required or permitted to be taken by the Board under the Act, the Charter, and these bylaws may be taken without a meeting, if a quorum of Directors individually and collectively consent in writing, setting forth the action to be taken. Such written consent shall have the same force and effect as an action of the Board when a quorum is present.

(7) Telephone and Similar Meetings

Directors may participate in and hold a meeting by means of conference telephone and similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express

purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

- (8) **Proxy Voting Prohibited**
Proxy voting is not permitted.

ARTICLE VI

Officers

- (1) **Roster of Officers**
The Corporation shall have a President, Secretary, and Treasurer (the “Officers”). The Corporation may have, at the discretion of the Board, such other officers as may be appointed by the Directors. One person may hold two or more offices, except those serving as President or Secretary.
- (2) **Election and Removal of Officers**
All Officers shall serve five (5) year terms. The election shall be conducted at the Board’s first meeting of the fiscal year and following the election of the new Directors filling expired terms, or as soon as practical thereafter. Officers shall remain in office until their successors have been selected. Officers may serve consecutive terms without limit. The election of officers shall be by majority vote of the Board attending the meeting.
- (3) **Vacancies**
If a vacancy occurs during the term of office for any elected officer, the Board shall elect a new officer to fill the remainder of the term as soon as practical, by majority vote of Directors present.
- (4) **President**
* The President will supervise and control the affairs of the Corporation and shall exercise such supervisory powers as may be given her by the Board.
* The President will perform all duties incident to such office and such other duties as may be provided in these bylaws or as may be prescribed from time to time by the Board. The President shall preside at all board meetings and shall exercise parliamentary control in accordance with Roberts Rules of Order.
* The President shall serve as an ex-officio member of all standing committees, unless otherwise provided by the Board or these bylaws.
* The President shall, with the advice of the Board and in accordance with the requirements of these bylaws, set the agenda for each meeting of the Board.
- (5) **Secretary**
* The Secretary will perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Charter, or by these bylaws.
* The Secretary shall attest to and keep the bylaws and other legal records of the Corporation, or copies thereof, at the principal office of the Corporation.

- * The Secretary shall take or ensure that someone takes minutes of all meetings of the committees and Board, and shall keep copies of all minutes at the principal office of the Corporation.
- * The Secretary shall keep a record of the names and addresses of the Directors at the principal office of the Corporation.
- * The Secretary shall, with the approval of the Board, set up procedures for any elections held by the Corporation. The Secretary shall keep a record of all votes cast in such elections.
- * The Secretary shall ensure that all records of the Corporation, minutes of all official meetings, and records of all votes, are made available for inspection by any member of the Board at the principal office of the Corporation during regular business hours.
- * The Secretary shall see that all notices are duly given in accordance with these bylaws or as required by law.
- * The Secretary shall see that all books, reports, statements, certificates, and other documents and records of the Corporation are properly kept and filed.

(6) Treasurer

- * The Treasurer will have charge and custody of all funds of the Corporation, will oversee and supervise the financial business of the Corporation, will render reports and accountings to the Directors as required by the Board, and will perform in general all duties incident to the office of Treasurer and such other duties as may be required by law, by the Charter, or by these bylaws, or which may be assigned from time to time by the Board.
- * The Treasurer shall give to the Corporation a bond with one or more sureties for the faithful performance of the duties of the office and for the restoration to the Corporation--in the case of his or her death, resignation, retirement, or removal from office--all books, papers, vouchers, money, and other property of whatever kind in his or her possession or under his control belonging to the Corporation. The amount of the bond shall be determined by the Board.
- * The Treasurer and the staff of the Corporation shall devise a plan providing for the acceptance and disbursement of all funds of the Corporation which shall be approved by the Board.
- * The Treasurer, with the approval of the Board, shall set up all checking, savings, and investment accounts of the Corporation and deposit all such funds in the name of the Corporation in such accounts.
- * The Treasurer's signature shall be the authorized signature for all checking, savings, and investment accounts of the Corporation unless the Treasurer, with the approval of the Board, designates another member of the Board or employee of the Corporation as the authorized signatory for a particular type of disbursement.
- * The Treasurer shall prepare a monthly report for the Board, providing an accounting of all transactions and of the financial conditions of the Corporation.
- * The Treasurer shall keep all financing records, books, and annual reports of the financial activities of the Corporation at the principal office of the Corporation and make them available at the request of any Director or member of the public during regular business hours for inspection and copying.

ARTICLE VII

Rules of Procedure

The proceedings and business of the Board shall be governed by Robert's Rules of Parliamentary Procedure unless otherwise provided herein.

ARTICLE VIII

Executive Director

The Board may, upon resolution, appoint an Executive Director to serve at the board's discretion and to carry out whatever tasks the board from time to time resolves. The Executive Director shall be paid an annual salary set by the Board. Subject to such supervisory powers as are vested in the Board, the Executive Director shall supervise, direct, and control the business of the Corporation and actively manage its business, and shall have such other powers and duties as may be prescribed by the Board or by these bylaws.

The Executive Director may engage in negotiations involving commitments of the resources of the Corporation or the acceptance of money or resources by the Corporation in furtherance of the purposes of the Corporation as set out in the Articles of Incorporation and these bylaws. The Executive Director shall generally be expected to attend all meetings of the Board and meetings of the general membership.

ARTICLE IX

Indemnification

(1) Insurance

To the extent permitted by Tennessee law, the Corporation may purchase and maintain insurance on behalf of any individual who is or was a director, officer, employee, or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another entity on behalf of and at the direction of the Corporation.

(2) Indemnification of Directors and Officers

To the maximum extent permitted by the provisions of Sections 48-58-501 et seq., of the Act, the Corporation shall indemnify and advance the reasonable expenses actually incurred, including counsel fees, by any person who is or was a director or officer of the Corporation, or to such person's heirs, executors and administrators, for the defense of any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal ("Proceeding"), to which such person is, was or is threatened to be made a party, so long as (a) such person was made a party to a Proceeding because the individual is or was a director or officer of the Corporation, and (b) the individual reasonably believed (i) in the case of the individual's official capacity with the Corporation, that the individual's conduct was in the Corporation's best interest; and (ii) in all other cases, that the individual's conduct was at

least not opposed to the Corporation's best interest. The termination of a Proceeding by judgment, order, settlement, conviction, or upon plea of nolo contendere or its equivalent is not, of itself, determinative that the director or officer did not meet the standard of conduct herein described.

(3) Indemnification of Employees and Agents

To the maximum extent permitted by the provisions of Sections 48-58-501 et seq., of the Act, the Corporation shall indemnify and advance the reasonable expenses actually incurred, including counsel fees, by any person who is or was an employee or agent of the Corporation, or to such person's heirs, executors and administrators, for the defense of any Proceeding to which such person was made a party, so long as that the individual's conduct was at least not opposed to the Corporation's best interest. The termination of a Proceeding by judgment, order, settlement, conviction, or upon plea of nolo contendere or its equivalent is not, of itself, determinative that the employee or agent did not meet the standard of conduct herein described.

(4) Limits on Indemnification

The Corporation may not indemnify a trustee, officer, employee, or agent of the Corporation, or such person's estate or personal representative, as described in paragraphs (2) and (3) above if:

- (a) the individual was adjudged liable to the Corporation in connection with a Proceeding by or in the right of the Corporation;
- (b) the individual was adjudged liable on the basis that personal benefit was improperly received by the director in connection with any other Proceeding charging improper personal benefit to such person, whether or not involving action in the director's official capacity;
- (c) the individual was adjudged to have breached the duty of loyalty to the Corporation;
- (d) the judgment or other final adjudication adverse to the individual established an act or omission not in good faith or which involved intentional or a knowing violation of the law; or
- (e) the individual was adjudged liable for an unlawful distribution under Section 48-58-304 of the Act.

(3) Indemnification Not Exclusive of Other Rights

The indemnification provided in Article IX shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Charter or bylaws, or any agreement, vote of disinterested directors, or otherwise as to any action in any official capacity while holding such office. Such indemnification shall continue as to a person who has ceased to be a director, officer, employee, trustee, or agent, and shall inure to the benefit of the heirs, executors and administrators of such person.

ARTICLE X

Operations

(1) Execution of Documents

Unless specifically authorized by the Board or as otherwise required by law, all final contracts, deeds, conveyances, leases, promissory notes, or legal written instruments executed in the name of and on behalf of the Corporation shall be signed and executed by the President (or such other person designated by the Board), pursuant to the general authorization of the Board. All conveyances of land by deed shall be signed by the President and must be approved by a resolution of the Board.

(2) Disbursement of Funds

All checks, drafts or other orders for the payment of money, notes or other evidences of the indebtedness issued in the name of the Corporation shall be signed by such Officer or Officers, agent or agents, of the Corporation and in such other manner as may from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer and countersigned by the President of the Corporation.

(3) Deposits

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select.

(4) Gifts

The Board may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation.

(5) Corporate Seal

The corporate seal (of which there may be one or more exemplars) shall be in such form as the Board may from time to time determine.

(6) Books and Records

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board meetings and Committees. The Corporation will keep at its principal place of business the original or a copy of its bylaws, including amendments to date certified by the Secretary of the Corporation.

(7) Inspection of Books and Records

All books and records of this Corporation may be inspected by any Director for any purpose at any reasonable time on written demand.

(8) Loans to Management

The Corporation will make no loans to any of its Directors or Officers.

(9) Amendments

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TN534-100}

The Board may adopt amendments to the Charter by a vote of two-thirds of Directors present at a meeting where a quorum is present, subject to the limitations imposed by the Charter. The bylaws may be amended at any time by a vote of the majority of Directors at a meeting where a quorum is present.

(10) Fiscal Year

The Board is authorized to fix the fiscal year of the Corporation and to change the same from time to time as it deems appropriate.

(11) Internal Revenue Code

All references in these bylaws to sections of the Internal Revenue Code shall be considered references to the Internal Revenue Code of 1986, as from time to time amended, to the corresponding provisions of any applicable future United States Internal Revenue law, and to all regulations issued under such sections and provisions.

(12) Construction

Wherever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural, and conversely. If any portion of these bylaws shall be invalid or inoperative, then, so far as is reasonable and possible: (a) the remainder of these bylaws shall be considered valid and operative; and (b) effect shall be given to the intent manifested by the portion held invalid and inoperative.

(13) Headings

The headings of the Articles and Sections of these bylaws are only for the convenience of reference and shall not change or affect the interpretation thereof.

(14) Relation to Charter

These Bylaws are subject to, and governed by, the Charter.

ARTICLE XI
Tax-Exempt Status

(1) Tax-Exempt Status

The affairs of the Corporation at all times shall be conducted in such a manner as to assure its status as a “publicly supported” organization as defined in Section 509 (a) (1) or Section 509 (a) (2) or Section 509 (a) (3) of the Internal Revenue Code, and so in other ways to qualify for exemption from tax pursuant to Section 501 (c) (3) of the Internal Revenue Code.

ARTICLE XI

Definitions

(1) Definitions

The capitalized words and phrases used in these Bylaws shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of such words and phrases):

“Act” shall mean the Nonprofit Corporation Act as adopted in the State of Tennessee, as the same may from time to time be amended (including corresponding provisions of any succeeding law).

“Board” means the Board of Directors of the Corporation, which shall govern the Corporation in accordance with the Act.

“Bylaws” means these Amended and Restated Bylaws of Appalachian Home & Health, Inc., a Tennessee nonprofit corporation.

“Charter” means the Charter of the Corporation filed with the Tennessee Secretary of State on August 14, 2009, as amended.

“Corporation” means Appalachian Home & Health, Inc., a Tennessee nonprofit corporation.

“Directors” means a voting member of the Board of the Corporation.

“Officers” means the President, Secretary, Treasurer and such other officers as may be appointed by the Directors of the Corporation

“Original Bylaws” means the Bylaws of Appalachian Home and Health, Inc.

CERTIFICATION

I HEREBY CERTIFY that these Bylaws were properly adopted by the Board of Directors of Appalachian Home & Health, Inc., a Tennessee nonprofit corporation at its meeting held on February 18, 2022.


Secretary

EXHIBIT A

APPALACHIAN HOME & HEALTH, INC.

CONFLICT OF INTEREST POLICY

The purpose of the conflict of interest policy ("Policy") is to protect Appalachian Home & Health, Inc., a Tennessee nonprofit corporation (the "Corporation") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

ARTICLE I

Definitions

(1) Definitions

The capitalized words and phrases used in this Policy shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of such words and phrases):

"Act" shall mean the Nonprofit Corporation Act as adopted in the State of Tennessee, as the same may from time to time be amended (including corresponding provisions of any succeeding law).

"Board" means the Board of Directors of the Corporation, which shall govern the Corporation in accordance with the Act.

"Control" or "Controlled By" means (i) having the power, directly or indirectly, to elect or remove a majority of the members of the Board; or (ii) being subject to a majority of the risk of loss from the Corporation's activities entitled to receive a majority of the Corporation's residual returns.

"Conflicting Interest Transaction" means a transaction effected or proposed to be effected by the Corporation (or by an entity controlled by the Corporation) (i) to which, at the Relevant Time, a Director or Officer is a party; (ii) respecting which, at the Relevant Time, the Director or Officer had knowledge and a Material Financial Interest known to the Director or Officer; or (iii) respecting which, at the Relevant Time, the Director or Officer knew that a Related Person was a party or had a Material Financial Interest.

"Corporation" means Appalachian Home & Health, Inc., a Tennessee nonprofit corporation.

"Directors" means a voting member of the Board of the Corporation.

“Interest Person” means the Director or Officer with a Material Financial Interest or Material Relationship.

“Material Financial Interest” means a financial interest in a transaction that would reasonably be expected to impair the objectivity of the Director’s or Officer’s judgment when participating in action on the authorization of the transaction.

“Material Relationship” means a familial, financial, professional, employment or other relationship that would reasonably be expected to impair the objectivity of the Director’s or Officer’s judgment when participating in the action to be taken.

“Officers” means the President, Secretary, Treasurer and such other officers as may be appointed by the Directors of the Corporation.

“Qualified Director” means a Director, who, at the time action is to be taken under Section 48-58-703 of the Act, is not a Director (i) as to whom the transaction is a Director’s or Officer’s Conflicting Interest Transaction; or (ii) has a Material Relationship with another Director as to whom the transaction is a Director’s or Officer’s Conflicting Interest Transaction (the presence of one (1) or more of the following circumstances shall not automatically prevent a Director from being a Qualified Director: (a) nomination or election of the Director by the current Board by any Director who is not a qualified Director with respect to the matter (or by any person that has a Material Relationship with that Director), acting alone or participating with others; or (b) service as a Director of another corporation of which a Director who is not a Qualified Director with respect to the matter (or any individual who has a Material Relationship with that Director), is or was also a Director.

“Related Person” means (i) the Director’s or Officer’s spouse; (ii) a child, stepchild, grandchild, parent, stepparent, grandparent, sibling, stepsibling, half-sibling, aunt, uncle, niece or nephew (or spouse of any thereof) of the Director or Officer or of the Director’s or Officer’s spouse; (iii) an individual living in the same home as the Director or Officer; (iv) an entity (other than the Corporation or an entity controlled by the Corporation) controlled by the Director or Officer or any person specified in clauses (i)-(iii) above; (v) a domestic or foreign (a) business or nonprofit corporation (other than the Corporation or an entity controlled by the Corporation) of which the Director or Officer is a director but only with respect to a transaction or proposed transaction to which the Corporation and the other business or nonprofit corporation are parties or proposed parties and that is a transaction or proposed transaction that is or should be considered by the Board; (b) unincorporated entity of which the Director or Officer is a general partner or a member of the governing body; or (c) individual, trust or estate from whom or of which the Director or Officer is a director, guardian, personal representative or like fiduciary; or (vi) a person that is or an entity that is controlled by an employer of the Director or Officer.

“Relevant Time” means: (i) the time at which the Directors’ action respecting the transaction is taken in compliance with Section 48-58-703 of the Act; or (ii) if the transaction is not brought before the Qualified Directors at the time the Corporation (or an

entity controlled by the Corporation) becomes legally obligated to consummate the transaction.

“Required Disclosure” means disclosure of (i) the existence and nature of the Interested Person’s conflicting interest; and (ii) all facts known to the Interested Person respecting the subject matter of the transaction that a Director or Officer free of such conflicting interest would reasonably believe to be material in deciding whether to proceed with the transaction.

ARTICLE II

Disclosure; Procedures

(1) Duty to Disclose

In connection with any actual or possible Conflicting Interest Transaction, the Interest Person must make the Required Disclosure to the Board.

(2) Determining Whether a Conflict of Interest Exists

After receipt of the Required Disclosure, and after any discussion with the Interested Person, the Interested Person shall leave the meeting of the Board while the determination of a conflict of interest is discussed and voted upon. The Qualified Directors shall decide if a conflict of interest exists.

(3) Procedures for Addressing the Conflict of Interest

- (a) An Interested Person may make a presentation at the Board’s meeting, but after such presentation, the Interested Person shall leave the meeting during discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.
- (b) The President shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (c) After exercising due diligence, the Qualified Directors shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- (d) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Qualified Directors shall determine by a majority vote whether the transaction or arrangement is in the Corporation’s best interest and for its own benefit and whether the transaction is fair and reasonable to the corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

(4) Violations of the Conflict of Interest Policy

- (a) If any Director or committee member has reasonable cause to believe that an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the response of such Interested Person and making such further investigation as may be warranted in the circumstances, the Board of Directors determines that the Interested Person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

(5) Records of Proceedings

The minutes of the Board shall contain the following:

- (a) the names of the persons who disclosed or otherwise were found to have a Material Financial Interest or Material Relationship in connection with an actual or possible conflict of interest, the nature of the Material Financial Interest or Material Relationship, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed.
- (b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

ARTICLE III

Compensation Committees

(1) Compensation Committees

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

ARTICLE IV

Statements; Periodic Reviews

(1) Statements

Each Director, Officer and member of a committee with Board delegated powers shall sign a statement which affirms that such person:

- (a) has received a copy of the Policy,
- (b) has read and understands the Policy,
- (c) has agreed to comply with the Policy, and

- (d) understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

(2) Periodic Reviews

To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted at the direction of the Board.

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **MAR 31 2010**

APPALACHIAN HOME AND HEALTH INC
2543 TALL PINE INC
KNOXVILLE, TN 37920

Employer Identification Number:
27-0802957
DLN:
400061014
Contact Person:
RENEE RAILEY NORTON ID# 31172
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
August 14, 2009
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

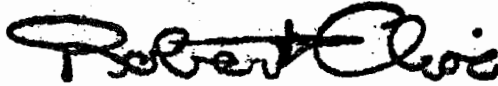
Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 947 (DO/CG)

Exhibit A

APPALACHIAN HOME AND HEALTH INC

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Choi". The signature is fluid and cursive, with the first name "Robert" and last name "Choi" clearly distinguishable.

Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosure: Publication 4221-PC

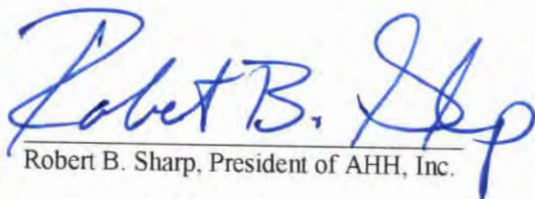
Letter 947 (DO/CG)

Exhibit A



Appalachian Home and Health

The purpose of our organization is to provide or improve permanent residential structures which will be occupied by households whose income is at or below 120% of the area median income, the elderly or those groups or individuals deemed to have special needs who wish to live in the Metro area. In addition to this, the organization will also assist these households, the elderly and those with special needs in attaining necessary services which are not otherwise available to them.


Robert B. Sharp, President of AHH, Inc.

**APPALACHIAN HOME & HEALTH, INC.
KNOXVILLE, TENNESSEE**

AUDIT REPORT

DECEMBER 31, 2024 AND 2023

APPALACHIAN HOME & HEALTH, INC.
KNOXVILLE, TENNESSEE

DECEMBER 31, 2024 AND 2023

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CRAINE, THOMPSON & JONES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Appalachian Home & Health, Inc.
Knoxville, Tennessee

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Appalachian Home & Health, 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, the accompanying financial statements present fairly, in all material respects, the financial position of Appalachian Home & Health, Inc., as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Appalachian Home & Health, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Appalachian Home & Health, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

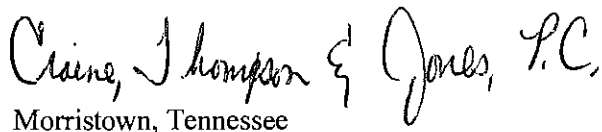
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free

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 GAAS 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 GAAS, 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 Appalachian Home & Health, 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 Appalachian Home & Health, 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.


Morristown, Tennessee

March 14, 2025

APPALACHIAN HOME & HEALTH, INC.**STATEMENT OF FINANCIAL POSITION**

DECEMBER 31, 2024 and 2023

ASSETS		
	2024	2023
CURRENT ASSETS		
Cash	\$ 140,253	\$ 236,705
Accounts receivable, net of allowance	50	2,250
Prepaid Expenses	197,483	65,613
Total current assets	337,786	304,568
GRANT RECEIVABLE	866,250	866,250
RELATED PARTY RECEIVABLE	2,244,697	233,150
FIXED ASSETS		
Land	586,984	355,866
Building	377,738	377,738
	964,722	733,604
Less accumulated depreciation	(108,756)	(94,624)
Fixed assets, net	855,966	638,980
TOTAL ASSETS	\$ 4,304,699	\$ 2,042,948

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

APPALACHIAN HOME & HEALTH, INC.**STATEMENT OF FINANCIAL POSITION**

DECEMBER 31, 2024 and 2023

LIABILITIES AND NET ASSETS		
	2024	2023
CURRENT LIABILITIES		
Accounts payable	\$ 703	\$ -
Accrued real estate taxes	4,155	6,615
Accrued Interest	26	-
Due to general partner	-	12,343
Developer expenses	1,587,640	
Deferred revenue	1	25
Current portion of long-term debt	<u>13,344</u>	<u>8,406</u>
Total current liabilities	1,605,869	27,389
DEPOSITS		
Tenant security deposits	900	1,200
LONG-TERM DEBT	262,630	276,488
LONG-TERM LIABILITIES		
Note payable - other	<u>321,118</u>	<u>230,000</u>
TOTAL LIABILITIES	<u>2,190,517</u>	<u>535,077</u>
NET ASSETS		
Without donor restrictions	<u>2,114,182</u>	<u>1,507,871</u>
TOTAL NET ASSETS	<u>2,114,182</u>	<u>1,507,871</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,304,699</u>	<u>\$ 2,042,948</u>

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

APPALACHIAN HOME & HEALTH, INC.**STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2024 and 2023

	Without Donor Restrictions	Without Donor Restrictions
	2024	2023
REVENUES		
Rent potential	\$ 36,240	\$ 36,240
Vacancy loss	(5,187)	(10,917)
Rent concessions	(2,488)	628
Miscellaneous	814	700
Application fees	25	50
Gain (loss) on disposal	-	85,866
Developer fees	2,433,362	1,431,836
Contributions	50,000	-
Contribution-in-Kind	140,000	-
Grant revenue	-	990,000
Total revenue	2,652,766	2,534,403
EXPENSES		
Program services	2,044,055	1,185,398
Management and general	2,400	2,400
Total expenses	2,046,455	1,187,798
CHANGE IN NET ASSETS	606,311	1,346,605
Net assets, beginning of year	1,507,871	161,266
Net assets, end of year	<u>\$ 2,114,182</u>	<u>\$ 1,507,871</u>

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

APPALACHIAN HOME & HEALTH, INC.**STATEMENT OF FUNCTIONAL EXPENSES****FOR THE YEAR ENDED DECEMBER 31, 2024**

	Program Expenses	Management and General	Total Expenses
Accounting fees	\$ 10,820	\$ -	\$ 10,820
Interest	11,804	-	11,804
Management fees	-	2,400	2,400
Travel	2,256	-	2,256
Miscellaneous administrative expense	10,809	-	10,809
Office expense	4,437	-	4,437
Property insurance	7,415	-	7,415
Property taxes	5,598	-	5,598
Developer fees	1,964,655	-	1,964,655
Repairs	11,014	-	11,014
Utilities	1,116	-	1,116
Total expenses before depreciation expense	2,029,924	2,400	2,032,324
Depreciation	14,131	-	14,131
TOTAL EXPENSE	\$ 2,044,055	\$ 2,400	\$ 2,046,455

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

APPALACHIAN HOME & HEALTH, INC.**STATEMENT OF FUNCTIONAL EXPENSES****FOR THE YEAR ENDED DECEMBER 31, 2023**

	Program Expenses	Management and General	Total Expenses
Accounting fees	\$ 8,070	\$ -	\$ 8,070
Interest	12,853	-	12,853
Management fees	-	2,400	2,400
Marketing	-	-	-
Professional fees	73	-	73
Travel	582	-	582
Miscellaneous administrative expense	5,088	-	5,088
Office expense	3,667	-	3,667
Other Taxes	700	-	700
Property insurance	2,882	-	2,882
Property taxes	3,307	-	3,307
Repairs	16,448	-	16,448
Developer fees	1,116,836	-	1,116,836
Bad debt expense	750	-	750
Utilities	580	-	580
Total expenses before depreciation expense	1,171,836	2,400	1,174,236
Depreciation	13,562	-	13,562
TOTAL EXPENSE	\$ 1,185,398	\$ 2,400	\$ 1,187,798

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

APPALACHIAN HOME & HEALTH, INC.**STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED DECEMBER 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 606,311	\$ 1,346,605
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Correction of Land Allocation Basis - Governors Place	(91,118)	
Contributions-in-kind	(140,000)	
Depreciation	14,131	13,562
(Increase) decrease in operating assets		
Accounts receivable	2,200	(2,250)
Related Party receivable	(2,011,547)	(153,150)
Grant receivable	-	(866,250)
Prepays	(131,870)	120,244
Increase (decrease) in operating liabilities		
Accounts payable	704	-
Accrued Interest	26	
Accrued real estate taxes	(2,460)	3,308
Developer fees	1,587,640	
Due to general partner	(12,343)	(573,000)
Deferred revenue	(24)	(1,575)
Tenant security deposits	(300)	300
Net cash provided by operating activities	<u>(178,650)</u>	<u>(112,206)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>-</u>	<u>307,934</u>
Net cash used by investing activities	<u>-</u>	<u>307,934</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds - other note payable	91,118	35,750
Notes payable	<u>(8,920)</u>	<u>(7,147)</u>
Net cash used by financing activities	<u>82,198</u>	<u>28,603</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(96,452)</u>	<u>224,331</u>
Cash and cash equivalents - beginning	<u>236,705</u>	<u>13</u>
Cash and cash equivalents - ending	<u>\$ 140,253</u>	<u>\$ 236,705</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW		
Cash paid during the year for interest	<u>\$ 12,376</u>	<u>\$ 12,853</u>

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

APPALACHIAN HOME & HEALTH, INC.**NOTES TO FINANCIAL STATEMENTS****December 31, 2024 and 2023**

NOTE A - ORGANIZATION**Nature of Activities**

Appalachian Home & Health, Inc., is a not-for-profit voluntary health agency exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The organization was formed to provide housing support and/or housing and medical aid and to develop and operate low-income housing facilities for the indigent population of the Appalachian region of Tennessee.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES**Financial Statement Presentation**

The financial statements are prepared on the accrual basis. Income is recognized when earned and expenses are recognized when incurred.

The financial statements of Appalachian Home & Health, Inc., have been prepared in accordance with U. S. generally accepted accounting principles (US GAAP), which require Appalachian Home & Health, Inc., to report information regarding its financial position and activities according to the following net asset classifications:

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 Appalachian Home & Health, Inc.'s management and the board of directors.

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 Appalachian Home & Health, Inc., 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.

Capitalization Policy

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of the donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The useful lives range from 5 to 40 years. Appalachian Home & Health, Inc.'s policy is to capitalize renewals and betterments

APPALACHIAN HOME & HEALTH, INC.**NOTES TO FINANCIAL STATEMENTS****December 31, 2024 and 2023**

NOTE B - SIGNIFICANT ACCOUNTING POLICIES (Continued)

acquired for greater than \$5,000 and expense normal repairs and maintenance as incurred. Appalachian Home & Health, Inc.'s management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

Allowance for Doubtful Accounts

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding accounts receivable. The allowance for doubtful accounts is \$0 and \$750 at December 31, 2024 and 2023, respectively.

Allocated Expenses

Expenses by function have been allocated between program and supporting services classifications on the basis of time records and on estimates made by the Organization's management, as well as actual utilization.

Estimates

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

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents includes amounts deposited in checking accounts, savings accounts, and certificates of deposit with local banks.

Income Taxes

Appalachian Home & Health, Inc., is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. Appalachian Home & Health, Inc., has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. Appalachian Home & Health, Inc., has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

APPALACHIAN HOME & HEALTH, INC.**NOTES TO FINANCIAL STATEMENTS****December 31, 2024 and 2023****NOTE B - SIGNIFICANT ACCOUNTING POLICIES (Continued)****Revenue Recognition**

The Organization recognizes revenue in accordance with ASC Topic 606 *Revenue from Contracts with Customers*. The standard was effective for fiscal years beginning after December 31, 2018, and provides a set of five criteria for recognizing revenue from explicit or implicit contracts with customers. The organization has evaluated the five criteria and determined there are no changes in how they recognize rental revenues from tenants. The organization enters into a rental lease agreement with a tenant. The lease agreement specifies obligations for both the lessor and lessee, including rental rate, term of rental, and due dates for rent payments. Revenue is earned when both parties satisfy their obligations under the contract. Rent revenue recognized for residential units is earned when a tenant pays rent for the current month in exchange for living in the residential unit. Advance receipts of rent revenue will be deferred until earned, which will be the future month the prepaid rent is related to. All leases between the Partnership and tenants of the property are operating leases.

NOTE C – AVAILABILITY & LIQUIDITY

The following represents Appalachian Home & Health, Inc.'s current assets at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 140,253	\$236,705
Accounts and notes receivable	<u>2,244,747</u>	<u>235,400</u>
Total financial assets	2,385,000	472,105
Less amounts not available to be used within one year:		
Accrued expenses	(900)	(3,307)
Notes receivable	<u>(321,118)</u>	<u>(233,150)</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 2,062,982</u></u>	<u><u>\$235,648</u></u>

Appalachian Home & Health, Inc.'s goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$16,838). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

APPALACHIAN HOME & HEALTH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

NOTE D - MORTGAGE PAYABLE

Note payable – Citizens National Bank - due in monthly installments of \$1,899 including variable interest of prime less 4% (currently 3.5%). Final maturity payment due September 2031. Total due at 12/31/24 is \$275,974

Future maturities of long-term debt are estimated as follows:

December 31,	
2025	13,344
2026	13,818
2027	14,310
2028	14,819
2029	15,346
Thereafter	<u>204,337</u>
Total	\$ <u>275,974</u>

NOTE E – CONCENTRATION OF CREDIT RISK

Appalachian Home & Health, Inc., maintains bank accounts at one bank. The Federal Deposit Insurance Corporation (FDIC) insures accounts at an institution up to \$250,000. At December 31, 2024 and 2023, the organization had no uninsured cash balances.

NOTE F – RELATED PARTY RECEIVABLES

Appalachian Home & Health, Inc., has related party receivables totaling \$2,244,697 and \$233,150 for the years ended December 31, 2024 and 2023, respectively. Appalachian Home & Health, Inc., loaned funds to Fairway Apartments Morristown, LP, during 2017, 2019, 2021, 2023, and 2024. The receivable balance as of December 31, 2024 and 2023, was \$125,900 and \$93,400, respectively. Additionally, Appalachian Home & Health, Inc., disbursed no funds to H&H Residential Development during 2024 and 2023. There is no stated interest rate or repayment terms for the balance of the loans. Fairway Apartments Morristown, LP, and H&H Residential Development are related parties.

Appalachian Home & Health, Inc., established a note receivable from 301 Ben Allen, LP, for \$990,000 through a grant from the Metro Nashville-Davidson County Barnes Fund for Affordable Housing. The note is a thirty-year, zero interest loan with repayment required by annual payments beginning the first anniversary of the completion date as defined in the LPA and continuing each year until the maturity date of December 31, 2053, but only to the extent of available cash flow or sale or refinancing proceeds. The amount receivable as of December 31, 2024, was \$123,750. Drawdowns of funds are requested from Metro Nashville then disbursed to 301 Ben Allen, LP.

APPALACHIAN HOME & HEALTH, INC.**NOTES TO FINANCIAL STATEMENTS****December 31, 2024 and 2023****NOTE G – RELATED PARTIES**

Appalachian Home & Health, Inc., is the 100 percent owner of Appalachian Fairway, Inc., the general partner in Fairway Apartments Morristown, LP; the 100 percent owner of AHH The Phoenix, Inc., which is the 51 percent owner of The Phoenix at Corinth 2016 GP, LLC; and the 100 percent owner of the general partner interest in Watson Glades Place 2017, LP. Additionally, Appalachian Home & Health, Inc. receives developer fees for Purdy Place, LP and Governor's Place Apartments, LP.

NOTE H - SUBSEQUENT EVENTS

Appalachian Home & Health, Inc., has evaluated subsequent events through March 14, 2025, which is the date the financial statements were available to be issued. Appalachian Home & Health, Inc., is not aware of any material subsequent events.

NOTE I – UNCERTAIN INCOME TAX POSITIONS

The Organization has adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2024 and 2023.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2019.

NOTE J – NOTE PAYABLE – OTHER

A note payable to Governor's Place Apartments has been recorded due to overpayment of funds borrowed to purchase 17 acres for the construction of the apartments and duplicate payment of the earnest money to hold the property until closing. At the time of closing, the entire amount of the loaned funds was repaid by Governor's Place instead of only paying the portion of the loan related to the 8.5 acres purchased. The total amount due back to Governor's Place is \$321,118.

NOTE K - MANAGEMENT FEE

The Organization has a management agreement in place with Fourmidable South, LLC, an unrelated party, to manage the apartments. The property management agreement provides for monthly payments to Fourmidable South, LLC, equal to the greater of 6% of gross rent collected from the Project or \$2,400.

**APPALACHIAN HOME & HEALTH, INC.
KNOXVILLE, TENNESSEE**

AUDIT REPORT

DECEMBER 31, 2023 AND 2022

APPALACHIAN HOME & HEALTH, INC.
KNOXVILLE, TENNESSEE

DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Appalachian Home & Health, Inc.
Knoxville, Tennessee

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Appalachian Home & Health, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Appalachian Home & Health, Inc., as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Appalachian Home & Health, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

2022 Financial Statements Restated

As discussed in Note L to the financial statements, the 2022 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

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 Appalachian Home & Health, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 GAAS, 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 Appalachian Home & Health, 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 Appalachian Home & Health, 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.

Craige, Thompson & Jones, P.C.

Morristown, Tennessee

August 12, 2024

APPALACHIAN HOME & HEALTH, INC.**STATEMENT OF FINANCIAL POSITION**

DECEMBER 31, 2023 and 2022

ASSETS		
	2023	2022 As Restated
CURRENT ASSETS		
Cash	\$ 236,705	\$ 12,374
Accounts receivable, net of allowance	2,250	-
Prepaid Expenses	65,613	185,857
Total current assets	304,568	198,231
GRANT RECEIVABLE	866,250	-
NOTES RECEIVABLE	233,150	80,000
FIXED ASSETS		
Land	355,866	670,000
Building	377,738	371,538
	733,604	1,041,538
Less accumulated depreciation	(94,624)	(81,062)
Fixed assets, net	638,980	960,476
TOTAL ASSETS	\$ 2,042,948	\$ 1,238,707

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

APPALACHIAN HOME & HEALTH, INC.**STATEMENT OF FINANCIAL POSITION**

DECEMBER 31, 2023 and 2022

LIABILITIES AND NET ASSETS		
	2023	2022 As Restated
CURRENT LIABILITIES		
Accounts payable	\$ -	\$ -
Accrued real estate taxes	6,615	3,307
Due to general partner	12,343	585,343
Deferred revenue	25	1,600
Current portion of long-term debt	<u>8,406</u>	<u>20,000</u>
Total current liabilities	27,389	610,250
DEPOSITS		
Tenant security deposits	1,200	900
LONG-TERM DEBT	276,488	272,041
LONG-TERM LIABILITIES		
Note payable - other	<u>230,000</u>	<u>194,250</u>
TOTAL LIABILITIES	<u>535,077</u>	<u>1,077,441</u>
NET ASSETS		
Without donor restrictions	<u>1,507,871</u>	<u>161,266</u>
TOTAL NET ASSETS	<u>1,507,871</u>	<u>161,266</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,042,948</u>	<u>\$ 1,238,707</u>

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

APPALACHIAN HOME & HEALTH, INC.**STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2023 and 2022

	Without Donor Restrictions	Without Donor Restrictions
	2023	2022 As Restated
REVENUES		
Rent potential	\$ 36,240	\$ 36,240
Vacancy loss	(10,917)	(1,950)
Rent concessions	628	(3,190)
Miscellaneous	700	625
Application fees	50	-
Gain (loss) on disposal	85,866	-
Developer fees	1,431,836	20,000
Grant revenue	990,000	-
Total revenue	<u>2,534,403</u>	<u>51,725</u>
EXPENSES		
Program services	1,185,398	56,753
Management and general	<u>2,400</u>	<u>2,400</u>
Total expenses	<u>1,187,798</u>	<u>59,153</u>
CHANGE IN NET ASSETS	1,346,605	(7,428)
Net assets, beginning of year	<u>161,266</u>	<u>168,694</u>
Net assets, end of year	<u>\$ 1,507,871</u>	<u>\$ 161,266</u>

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

APPALACHIAN HOME & HEALTH, INC.**STATEMENT OF FUNCTIONAL EXPENSES****FOR THE YEAR ENDED DECEMBER 31, 2023**

	Program Expenses	Management and General	Total Expenses
Accounting fees	\$ 8,070	\$ -	\$ 8,070
Interest	12,853	-	12,853
Management fees	-	2,400	2,400
Marketing	-	-	-
Professional fees	73	-	73
Travel	582	-	582
Miscellaneous administrative expense	5,088	-	5,088
Office expense	3,667	-	3,667
Other Taxes	700	-	700
Property insurance	2,882	-	2,882
Property taxes	3,307	-	3,307
Repairs	16,448	-	16,448
Developer fees	1,116,836	-	1,116,836
Bad debt expense	750	-	750
Utilities	580	-	580
Total expenses before depreciation expense	<u>1,171,836</u>	<u>2,400</u>	<u>1,174,236</u>
Depreciation	<u>13,562</u>	<u>-</u>	<u>13,562</u>
TOTAL EXPENSE	<u><u>\$ 1,185,398</u></u>	<u><u>\$ 2,400</u></u>	<u><u>\$ 1,187,798</u></u>

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

APPALACHIAN HOME & HEALTH, INC.**STATEMENT OF FUNCTIONAL EXPENSES****FOR THE YEAR ENDED DECEMBER 31, 2022 - AS RESTATED**

	Program Expenses	Management and General	Total Expenses
Accounting fees	\$ 5,500	\$ -	\$ 5,500
Interest	3,008	-	3,008
Management fees	-	2,400	2,400
Marketing	4	-	4
Professional fees	14,241	-	14,241
Travel	446	-	446
Miscellaneous administrative expense	5,985	-	5,985
Office expense	2,292	-	2,292
Other Taxes	-	-	-
Property insurance	1,258	-	1,258
Property taxes	3,307	-	3,307
Repairs	7,097	-	7,097
Trash	-	-	-
Supplies	-	-	-
Utilities	105	-	105
Total expenses before depreciation expense	43,243	2,400	45,643
Depreciation	13,510	-	13,510
TOTAL EXPENSE	\$ 56,753	\$ 2,400	\$ 59,153

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

APPALACHIAN HOME & HEALTH, INC.**STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED DECEMBER 31, 2023 and 2022

	2023	2022 As Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,346,605	\$ (7,428)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	13,562	13,510
(Increase) decrease in operating assets		
Accounts receivable	(2,250)	-
Note receivable	(153,150)	-
Grant receivable	(866,250)	
Prepaid insurance	120,244	(62,941)
Increase (decrease) in operating liabilities		
Accounts payable	-	-
Accrued real estate taxes	3,308	3,307
Due to general partner	(573,000)	585,343
Deferred revenue	(1,575)	400
Tenant security deposits	300	(300)
Net cash provided by operating activities	<u>(112,206)</u>	<u>531,891</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>307,934</u>	<u>(630,000)</u>
Net cash used by investing activities	<u>307,934</u>	<u>(630,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds - other note payable	35,750	113,000
Notes payable	<u>(7,147)</u>	<u>(16,993)</u>
Net cash used by financing activities	<u>28,603</u>	<u>96,007</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	224,331	(2,102)
Cash and cash equivalents - beginning	<u>12,374</u>	<u>14,476</u>
Cash and cash equivalents - ending	<u>\$ 236,705</u>	<u>\$ 12,374</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW		
Cash paid during the year for interest	<u>\$ 12,853</u>	<u>\$ 3,008</u>

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

APPALACHIAN HOME & HEALTH, INC.**NOTES TO FINANCIAL STATEMENTS****December 31, 2023 and 2022**

NOTE A - ORGANIZATION**Nature of Activities**

Appalachian Home & Health, Inc., is a not-for-profit voluntary health agency exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The organization was formed to provide housing support and/or housing and medical aid and to develop and operate low-income housing facilities for the indigent population of the Appalachian region of Tennessee.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES**Financial Statement Presentation**

The financial statements are prepared on the accrual basis. Income is recognized when earned and expenses are recognized when incurred.

The financial statements of Appalachian Home & Health, Inc., have been prepared in accordance with U. S. generally accepted accounting principles (US GAAP), which require Appalachian Home & Health, Inc., to report information regarding its financial position and activities according to the following net asset classifications:

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 Appalachian Home & Health, Inc.'s management and the board of directors.

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 Appalachian Home & Health, Inc., 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.

Capitalization Policy

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of the donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The useful lives range from 5 to 40 years. Appalachian Home & Health, Inc.'s policy is to capitalize renewals and betterments

APPALACHIAN HOME & HEALTH, INC.**NOTES TO FINANCIAL STATEMENTS****December 31, 2023 and 2022****NOTE B - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

acquired for greater than \$5,000 and expense normal repairs and maintenance as incurred. Appalachian Home & Health, Inc.'s management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

Allowance for Doubtful Accounts

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding accounts receivable. The allowance for doubtful accounts is \$750 and \$0 at December 31, 2023 and 2022, respectively.

Allocated Expenses

Expenses by function have been allocated between program and supporting services classifications on the basis of time records and on estimates made by the Organization's management, as well as actual utilization.

Estimates

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

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents includes amounts deposited in checking accounts, savings accounts, and certificates of deposit with local banks.

Income Taxes

Appalachian Home & Health, Inc., is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. Appalachian Home & Health, Inc., has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. Appalachian Home & Health, Inc., has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

APPALACHIAN HOME & HEALTH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE B - SIGNIFICANT ACCOUNTING POLICIES (Continued)**Revenue Recognition**

The Organization recognizes revenue in accordance with ASC Topic 606 *Revenue from Contracts with Customers*. The standard was effective for fiscal years beginning after December 31, 2018, and provides a set of five criteria for recognizing revenue from explicit or implicit contracts with customers. The organization has evaluated the five criteria and determined there are no changes in how they recognize rental revenues from tenants. The organization enters into a rental lease agreement with a tenant. The lease agreement specifies obligations for both the lessor and lessee, including rental rate, term of rental, and due dates for rent payments. Revenue is earned when both parties satisfy their obligations under the contract. Rent revenue recognized for residential units is earned when a tenant pays rent for the current month in exchange for living in the residential unit. Advance receipts of rent revenue will be deferred until earned, which will be the future month the prepaid rent is related to. All leases between the Partnership and tenants of the property are operating leases.

NOTE C – AVAILABILITY & LIQUIDITY

The following represents Appalachian Home & Health, Inc.'s current assets at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 236,705	\$ 12,374
Accounts and notes receivable	<u>235,400</u>	<u>80,000</u>
Total financial assets	472,105	92,374
Less amounts not available to be used within one year:		
Accrued expenses	(3,307)	(3,307)
Notes receivable	<u>(233,150)</u>	<u>(80,000)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 235,648</u>	<u>\$ 9,067</u>

Appalachian Home & Health, Inc.'s goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$17,553). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

APPALACHIAN HOME & HEALTH, INC.**NOTES TO FINANCIAL STATEMENTS****December 31, 2023 and 2022****NOTE D - MORTGAGE PAYABLE**

Note payable – Citizens National Bank - due in monthly installments of \$1,667 including variable interest of prime less 4%. Final maturity payment due September 2031. \$ 284,894

Future maturities of long-term debt are estimated as follows:

December 31,

2022	8,406
2023	7,716
2024	8,070
2025	8,441
2026	8,829
Thereafter	<u>243,432</u>
Total	<u>\$ 284,894</u>

NOTE E – CONCENTRATION OF CREDIT RISK

Appalachian Home & Health, Inc., maintains bank accounts at one bank. The Federal Deposit Insurance Corporation (FDIC) insures accounts at an institution up to \$250,000. At December 31, 2023 and 2022, the organization had no uninsured cash balances.

NOTE F – RELATED PARTY RECEIVABLES

Appalachian Home & Health, Inc., has a related party receivables totaling \$233,150 and \$80,000 for the years ended December 31, 2023 and 2022, respectively. Appalachian Home & Health, Inc., loaned funds to Fairway Apartments Morristown, LP, during 2017, 2019, 2021, and 2023. The receivable balance as of December 31, 2023 and 2022, was \$93,400 and \$64,000, respectively. Additionally, Appalachian Home & Health, Inc., disbursed no funds to H&H Residential Development during 2023 and 2022. There is no stated interest rate or repayment terms for the balance of the loans. Fairway Apartments Morristown, LP, and H&H Residential Development are related parties.

Appalachian Home & Health, Inc., established a note receivable from 301 Ben Allen, LP, for \$990,000 through a grant from the Metro Nashville-Davidson County Barnes Fund for Affordable Housing. The note is a thirty-year, zero interest loan with repayment required by annual payments beginning the first anniversary of the completion date as defined in the LPA and continuing each year until the maturity date of December 31, 2053, but only to the extent of available cash flow or sale or refinancing proceeds. The amount receivable as of December 31, 2023, was \$123,750. Drawdowns of funds are requested from Metro Nashville then disbursed to 301 Ben Allen, LP.

APPALACHIAN HOME & HEALTH, INC.**NOTES TO FINANCIAL STATEMENTS****December 31, 2023 and 2022****NOTE G – RELATED PARTIES**

Appalachian Home & Health, Inc., is the 100 percent owner of Appalachian Fairway, Inc., the general partner in Fairway Apartments Morristown, LP; the 100 percent owner of AHH The Phoenix, Inc., which is the 51 percent owner of The Phoenix at Corinth 2016 GP, LLC; and the 100 percent owner of the general partner interest in Watson Glades Place 2017, LP. The entities have not generated any income or loss to pass to the Organization. The entities have not been consolidated because they are not generating any operating results as of December 31, 2023 and 2022.

NOTE H - SUBSEQUENT EVENTS

Appalachian Home & Health, Inc., has evaluated subsequent events through March 29, 2024, which is the date the financial statements were available to be issued. Appalachian Home & Health, Inc., is not aware of any material subsequent events.

NOTE I – UNCERTAIN INCOME TAX POSITIONS

The Organization has adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2023 and 2022.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2019.

NOTE J – NOTE PAYABLE – OTHER - RESTATED

Appalachian Home & Health, Inc., has notes payable to a member of the board of directors in the amount of \$218,500. The note is secured by the closing of Governor's Place Apartments and Purdy Place Apartments and will be repaid at that time. The notes were repaid in full in 2023.

A note payable to Governor's Place Apartments has been recorded due to overpayment of funds borrowed to purchase 17 acres for the construction of the apartments and duplicate payment of the earnest money to hold the property until closing. At the time of closing, the entire amount of the loaned funds was repaid by Governor's Place instead of only paying the portion of the loan related to the 8.5 acres purchased. The total amount due back to Governor's Place is \$230,000.

NOTE K - MANAGEMENT FEE

The Organization has a management agreement in place with Fourmidable South, LLC, an unrelated party, to manage the apartments. The property management agreement provides for monthly payments to Fourmidable South, LLC, equal to the greater of 6% of gross rent collected from the Project or \$2,400.

NOTE L – RESTATEMENT

Restatement of the financial statements for the year ended December 31, 2022, was necessary due to discovery of the purchase of land (17.087 acres) for construction of Governor's Place Apartments. The land was purchased, in the name of Appalachian Home & Health, Inc., in April 2022 from funds loaned by the general partner of \$573,000 plus closing costs of \$12,343 for a total of \$585,343. A portion of the property (8.52 acres) was sold to Governor's Place Apartments in April 2023. The remaining 8.567 acres was retained by Appalachian Home & Health, Inc. The accounts affected are as follows:

<u>Account</u>	<u>2022</u>	
	<u>As Reported</u>	<u>Restated</u>
Land	\$ 40,000	\$ 670,000
Due to general partner	-	(585,343)
Note payable - other	-	(57,000)
Professional fees	1,898	14,241

Loan	Lender	Amount	Term	Interest Rate
Construction Loan	Regions Bank	\$47,900,000	42 months	3.50%
Bridge Loan	Regions Bank	\$9,100,000	42 months	3.50%
Permanent Loan #1	Regions Bank	\$47,900,000	40 years	6.60%

Annual LIHTC Allocation	\$.86	\$5,330,347
45L Credits	\$.86	\$140,014
	Price Per Credit	Equity Contribution
Federal LIHTC	\$.86	\$45,831,817
45L	\$.86	\$120,400
Total Equity Contribution	\$.86	\$45,952,217

Capital Contribution Conditions	Percent of Equity	Amount
Initial Closing	15%	\$6,892,833
Construction Completion	20%	\$9,190,443
Final Closing including achievement of a) 100% Tax Credit Eligible Occupancy; b) three months of 1.15X DSC; and permanent loan closing.	60%	\$27,571,330
Receipt of IRS Form(s) 8609 and federal tax return for the year in which tax credits are first claimed.	5%	\$2,297,611
Total	100%	\$45,952,217

This term sheet serves as an outline of the basic terms and conditions of the proposed equity investment by RAH, and is subject to (i) the receipt and satisfactory review of all due diligence materials by RAH; and (ii) change or withdrawal, if in RAH's judgement, changes in market conditions and/or investor requirements would adversely affect the transaction. RAH cannot extend a legally binding commitment until formal investment approval has been obtained.

Very truly yours,

REGIONS AFFORDABLE HOUSING, LLC

By: Allison Johnston
Allison Johnston
Vice President

GRANT CONTRACT 2025-R15-BLOOM
BETWEEN
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY,
TENNESSEE
BY AND THROUGH
THE METROPOLITAN HOUSING TRUST FUND COMMISSION
AND
BUILDING LIFE OPPORTUNITIES AND OPTIONS FOR MOTHERS

This Grant Contract issued and entered into by and between the Metropolitan Government of Nashville and Davidson County, a municipal corporation of the State of Tennessee hereinafter referred to as "Metro", and Building Life Opportunities and Options for Mothers, hereinafter referred to as the "Recipient," is for the provision of the construction of affordable housing as further defined in the "SCOPE OF PROGRAM." Recipient will be developing **4** Barnes Fund affordable housing units located at **156 Babb Rd.**, hereinafter referred to as the "Project". The Recipient's grant budget is incorporated herein by reference. The Recipient is a nonprofit charitable or civic organization.

A. SCOPE OF PROGRAM:

- A.1. Each Property to which these grant funds are provided for shall be subject to a Declaration of Restrictive Covenants ("Declaration") imposing certain affordability requirements to encumber the Property and run with the land over a **30-year term** ("Affordability Period"). Terms defined in the Declaration shall have the same meanings when used in this Agreement.
- A.2. The Recipient shall use the funds under this grant in accordance with the affordable housing project described in the Scope of Work, which is incorporated herein and attached hereto as Attachment A, and any of its amendments and subject to the terms and conditions set forth herein.
- A.3. The Recipient, under this Grant Contract, will spend funds solely for the purposes set forth in the work scope outlined in Attachment A. These funds shall be expended consistent with the Grant Budget, included in Attachment B. Although some variation in line-item amounts for the Grant is consistent with the Grant Budget, any change greater than 20% of a draw category shall require the prior written approval of the Metro Housing Director. However, in no event will the total amount of the Grant funds provided to Recipient go above the Grant Award amount of **\$750,000**.
- A.4. This Grant Contract by and through the Housing Trust Fund Commission and the Recipient is expressly limited to the Grant award and for the purposes described herein. Prior to the use of any funds, the property must be properly zoned, and it is the sole responsibility of the Recipient to pursue any necessary rezoning or other land use change. This Grant Contract in no way serves to supersede the authority of the Metro Nashville Planning Commission or the Metropolitan Council's authority to approve or deny zoning or land use changes on the proposed property and shall not be used for such purposes.

A.5. During the term of the Contract and the Affordability Period, Recipient or another qualified nonprofit must maintain 51% ownership in the Project or in the general partner of the Project.

A.6. Requirements for Rental Projects:

- a. Tenants must be income-eligible at the time of initial occupancy, and Recipient must certify all incomes annually and maintain a certified rent roll. In the event a tenant's income increases above the income-requirement for the unit, the tenant is not disqualified from remaining in the unit. However, the tenant's rent shall be adjusted to the corresponding AMI level for the next lease term.
- b. The Recipient will provide Metro with a management plan program oversight which includes certification of the rents, utility allowances, and tenant incomes. The Recipient shall also provide Metro an annual certification that Barnes rental requirements are being met throughout the Affordability Period.
- c. The Recipient will allow Metro or a Metro-approved contractor to conduct on-site inspections of the Recipient and project for compliance with Barnes program requirements including, but not limited to, reviewing tenant income calculations, rent determinations, and utility allowances.
- d. The Affordability Period applicable to both tenant income and maximum rents shall commence on the date of issuance of the certificate of occupancy for the final building within the project. If a certificate of occupancy is not issued, the Affordability Period will begin on the date of recordation of the notice of completion for the project.
- e. Recipient shall not increase rents during the lease term. Such prohibition shall not apply to any renewal of the lease, nor shall it affect the portion of rent paid by another federal, state, or local program with respect to the tenant or units benefitting from the grant funds.
- f. During the Affordability Period, Recipient shall submit to Metro no later than July 15 of each year, an eviction report than includes the number of people evicted and the reason for the eviction for the prior fiscal year (July 1-June 30).
- g. Recipient shall post information on Fair Housing rights in the leasing office and make information on Fair Housing rights available to tenants at least annually. Recipients should endeavor to make information available to persons with Limited English Proficiency.
- h. At a minimum, Recipient shall undertake marketing and outreach and housing stability efforts and implement application criteria as specified in Recipient's grant application.

A.7. Property Standards

- a. All projects must meet all applicable state and local codes, rehabilitation standards (if applicable), ordinances and zoning requirements and mitigate disaster impact, as applicable, per state and local codes, ordinances, etc.

- b. Recipient must incorporate all Universal Design elements specified in Recipient's grant application, which are incorporated herein.
- c. Recipient must incorporate, at a minimum, all energy efficiency, and sustainability practices and standards specified in Recipient's grant application, which are incorporated herein.

B. GRANT CONTRACT TERM:

- B.1. Grant Contract Term. The term of this Grant shall be from execution of the grant agreement until Project completion, but in no way greater than 24 months from the execution of the grant agreement. Metro shall have no obligation for services rendered by the Recipient which are not performed within this term. Pursuant to Metropolitan Code of Laws § 2.149.040 (G), in the event the recipient fails to complete its obligations under this grant contract within twenty-four months from execution, Metro is authorized to rescind the contract and to reclaim previously appropriated funds from the organization.
- B.2. Contract Extensions. Recipient must notify Barnes Fund staff at least ninety (90) days prior to contract expiration of its request to extend the contract term. Each additional contract term cannot exceed twelve (12) months. Contract extensions must be approved by the Metropolitan Trust Fund Commission and the Metro Council.
- B.3. Contract Completion: The Contract Completion date is the date in which Metro has paid the final invoice.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of Metro under this Grant Contract exceed **Seven Hundred Fifty Thousand Dollars (\$750,000)** "Grant Award". The Grant Budget, attached and incorporated herein as part of Attachment B, details the project budget, and the Grant Award shall 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.
- C.2. Compensation Firm. The maximum liability of Metro is not subject to escalation for any reason. The Grant Budget amount is firm for the duration of the Grant Contract and is not subject to escalation for any reason unless the grant contract is amended.
- C.3. Payment Methodology. The Recipient shall be compensated for actual costs based upon the Grant Budget, not to exceed the maximum liability established in Section C.1. Upon execution of the Grant Contract and receipt of a request for payment, the Recipient may be eligible to receive reimbursement for milestones as completed based upon the Grant Budget.

a. Grant Draws

1) Construction Grant Draw Schedule

- Recipient shall submit draw requests in accordance with the Draw Schedule provided in Attachment C. Changes to the Draw Schedule shall require an amendment to the Grant Contract.
- Before a draw can be made, there must be a physical inspection of the Project by Metro or an approved designee unless otherwise specified in the Draw Schedule. The inspection must confirm appropriate completion of the Project.

2) Construction Grant Draw Process

- Recipient must submit draw requests in the form and according to the directions provided by Metro. All draw requests must be supported by appropriate documentation as specified in the Draw Schedules.
- All invoices shall be sent BFPayments@nashville.gov.
- Said payment shall not exceed the maximum liability of this Grant Contract.
- Final invoices for the contract period should be received by Metro Payment Services by 24 months from the execution of the grant agreement unless a contract extension has been approved by the Metro Council. Any invoice not received by the deadline date will not be processed and all remaining grant funds will expire.

- C.4. Close-out Expenditure and Narrative Report. The Recipient must submit a final grant Close-out Expenditure and Narrative Report, to be received by the Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund within 45 days of project completion in conjunction with the submission of the final draw on the award. Said report shall be in form and substance acceptable to Metro and shall be prepared by a Certified Public Accounting Firm or the Chief Financial Officer of the Recipient Organization. It should detail the outcomes of the activities funded under this Grant Contract.
- C.5. Payment of Invoice. The payment of any invoice by Metro shall not prejudice Metro's right to object to the invoice or any matter in relation thereto. Such payment by Metro shall 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 shall 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 monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs.
- C.7. Deductions. Metro reserves the right to adjust any amounts which are or shall become due and payable to the Recipient by Metro under this or any Contract by deducting any amounts which are or shall become due and payable to Metro by the Recipient under this or any Contract.

- C.8. Electronic Payment. Metro requires as a condition of this contract that the Recipient shall complete and sign Metro's form authorizing electronic payments to the Recipient. Recipients who have not already submitted the form to Metro 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.
- C.9. Procurement. Recipient agrees and understands that procurement of goods and services for the grant project must comply with state and local law and regulations, including the Metropolitan Procurement Code. Recipient will provide Metro with all plans and specifications needed for these procurement purposes. Recipient will promptly review, and either approve or disapprove, in good faith and with reasonable grounds all estimates, amendments to scope of work, and all work performed by a contractor prior to payment.
- C.10. Public Meetings. At the reasonable request of Metro, Recipient agrees to attend public meetings, neighborhood meetings, and other events regarding this Project.
- C.11. Recognition. Any signage, printed materials, or online publications erected at the applicable Project site or elsewhere regarding the Project shall include the following language or language acceptable by Metro acknowledging that the Project is partially funded with a grant from the Barnes Fund for Affordable Housing of the Metropolitan Government of Nashville and Davidson County:

*This project is funded in part by the Barnes Affordable Housing Trust Fund of the Metropolitan Government of Nashville & Davidson County.
Metropolitan Housing Trust Fund Commission
Freddie O'Connell, Mayor
Metropolitan Council of Nashville and Davidson County*

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. Default and Termination for Cause. Any failure by Owner to perform any term or provision of this Grant Contract shall constitute a "Default" (1) if such failure is curable within 30 days and Recipient does not cure such failure within 30 days following written notice of default from Metro, or (2) if such failure is not of a nature which cannot reasonably be cured within such 30-day period and Recipient does not within such 30-day period commence substantial efforts to cure such failure or thereafter does not within a reasonable time prosecute to completion with diligence and continuity the curing of such failure. Should the Recipient Default under this Grant Contract or if the Recipient violates any terms of this Grant Contract, Metro shall have the right to immediately terminate the Grant Contract and the Recipient shall return to Metro any and all grant monies for services or projects under the grant not performed as of the termination date. The Recipient shall also return to Metro any and all funds expended for purposes contrary to the terms of the Grant. Such termination shall not relieve the Recipient of

any liability to Metro for damages sustained by virtue of any breach by the Recipient.

- D.4. Subcontracting. The Recipient shall 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 shall be considered the prime Recipient and shall be responsible for all work performed.
- D.5. Conflicts of Interest. The Recipient warrants that no part of the total Grant Amount shall 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 contemplated or performed relative to this Grant Contract.

The Recipient also recognizes that no person identified as a Covered Person below may obtain a financial interest or benefit from a Metro Housing Trust Fund Competitive Grant assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those whom they have family or business ties, during their tenure or for one year thereafter.

Covered Persons include immediate family members of any employee or board member of the Recipient. Covered Persons are ineligible to receive benefits through the Metro Housing Trust Fund Competitive Grant program. Immediate family ties include (whether by blood, marriage or adoption) a spouse, parent (including stepparent), child (including a stepbrother or stepsister), sister, brother, grandparent, grandchild, and in-laws of a Covered Person.

- D.6. Nondiscrimination. The Recipient hereby agrees, warrants, and assures that no person shall 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 shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.7. Records. All documents relating in any manner whatsoever to the grant project, or any designated portion thereof, which are in the possession of Recipient, or any subcontractor of Recipient shall be made available to the Metropolitan Government for inspection and copying upon written request by the Metropolitan Government. Furthermore, said documents shall be made available, upon request by the Metropolitan Government, to any state, federal or other regulatory authority and any such authority may review, inspect and copy such records. Said records include, but are not limited to, all drawings, plans, specifications, submittals, correspondence, minutes, memoranda, tape recordings, videos or other writings or things which document the grant project, its design and its construction. Said records expressly include those documents reflecting the cost of construction, including all subcontracts and payroll records of Recipient.

Recipient shall maintain documentation for all funds provided under this grant contract. The books, records, and documents of Recipient, insofar as they relate to funds provided under this grant contract, shall be maintained for a period of three (3) full years from the date of the final payment. The books, records, and documents of Recipient, insofar as they relate to funds provided under this grant contract, shall be subject to

audit at any reasonable time and upon reasonable notice by Metro or its duly appointed representatives. Records shall be maintained in accordance with the standards outlined in the Metro Grants Manual. The financial statements shall be prepared in accordance with generally accepted accounting principles.

- D.8. Monitoring. The Recipient's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by Metro or Metro's duly appointed representatives during the term of the contract and throughout the affordability period. The Recipient shall 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.9. Reporting. Recipient will be required to provide annual progress reports no later than July 15 of each year. The progress report should summarize activity that occurred during the previous fiscal year (July 1 – June 30). Said report shall be in a form provided by Metro. In addition, Recipient shall submit a Close-out Expenditure and Narrative Report as provided in section C.4 above detailing the outcome of the activities funded under this Grant Contract.
- D.10. 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 shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held 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.11. Insurance. The Recipient shall maintain adequate public liability and other appropriate forms of insurance, including other appropriate forms of insurance on the Recipient's employees, and to pay all applicable taxes incident to this Grant Contract.
- D.12. Metro Liability. Metro shall have no liability except as specifically provided in this Grant Contract.
- D.13. Independent Contractor. Nothing herein shall 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 shall not hold itself out in a manner contrary to the terms of this paragraph. Metro shall not become liable for any representation, act, or omission of any other party contrary to the terms of this paragraph.
- D.14. Indemnification and Hold Harmless.
 - a. Recipient shall 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 shall 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 shall survive the termination or expiration of the grant.
- D.15. Force Majeure. The obligations of the parties to this Grant Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.16. 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.
- D.17. Governing Law and Venue. The validity, construction and effect of this Grant Contract and any and all extensions and/or modifications thereof shall be governed by and construed in accordance with the laws of the State of Tennessee. The venue for legal action concerning this Grant Contract shall be in the courts of Davidson County, Tennessee.
- D.18. Attorney Fees. Recipient agrees that, in the event either party deems it necessary to take legal action to enforce any provision of the Grant Contract, and in the event Metro prevails, Recipient shall pay all expenses of such action including Metro's attorney fees and costs at all stages of the litigation.
- D.19. 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.20. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.
- D.21. Licensure. The Recipient and its employees and all sub-grantees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses. Recipient will obtain all permits, licenses, and permissions necessary for the grant project.
- D.22. Waiver. No waiver of any provision of this contract shall affect the right of any party thereafter to enforce such provision or to exercise any right or remedy available to it in the event of any other default.
- D.23. Inspection. The Recipient agrees to permit inspection of the project and/or services provided for herein, without any charge, by members of the Grantor and its representatives.

- D.24. Assignment—Consent Required. The provisions of this contract shall inure to the benefit of and shall 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 shall be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer shall 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 shall 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 particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therefore. It shall 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 shall be in writing and shall be made by facsimile transmission, email, 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:

Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund
Planning Department – Housing Division
PO Box 196300
Nashville, TN 37219
BarnesFund@nashville.gov

Recipient:
Rolanda Lister
7622 Bidwell Rd.
Joelton, TN 37080
615-668-5171
Rolanda.l.lister@vumc.org

- 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 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 subcontractors of federally appropriated funds shall certify and disclose accordingly.

D.28. Effective Date. This contract shall 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 shall be effective as of the date first written above.

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

APPROVED AS TO PROGRAM SCOPE:

Peter Westerholm
Peter Westerholm, Chair
Metropolitan Trust Fund Commission

APPROVED AS TO AVAILABILITY OF
FUNDS:

Jenneen Reed/mjr
Jenneen Reed, Director
Department of Finance

APPROVED AS TO FORM AND LEGALITY:

Macy Amos
Assistant Metropolitan Attorney

APPROVED AS TO RISK AND
INSURANCE:

Balogun Cobb
Director of Risk Management Services

APPROVED BY METROPOLITAN
GOVERNMENT OF NASHVILLE AND
DAVIDSON COUNTY:

Metropolitan Clerk

RECIPIENT:

**Building Life Opportunities and Options
for Mothers**

By: *Kelvin Lib*
Title: Founder, CEO BLOOM

Sworn to and subscribed to before me a
Notary Public, this 26 day of August,
2025.

[Notary Public seal]



Notary Public

Elwyn J. Bell
My Commission expires 9-13-2025

ATTACHMENT A



Barnes Housing Trust Fund Scope of Work

Contract Number: 2025-R15-BLOOM

Funding Round Number: 15

Organization Name: Building Life Opportunities and Options for Mothers Project

Location: 156 Babb Rd., Joelton

Project Type: Rental New Construction

Grant Award: \$750,000

Metro Property Award: N/A

Total Number of Units in Development: 4

Total Number of Barnes Fund Units by Income Target:

≤ 30% AMI	31-60% AMI	61-80% AMI	Total
2	2	N/A	4

Deeply Affordable Housing: Recipient’s commitment to make 2 units available to households with incomes ≤ 30% AMI is not contingent upon the award of project-based vouchers.

Permanent Support Housing: Recipient will designate 1 unit for Permanent Support Housing (PSH) and agrees to accept referrals from the Coordinated Entry System (CES) and to utilize the Housing First approach as defined by the Office of Homeless Services. Recipient’s commitment to PSH is not contingent upon the award of project-based vouchers or upon the award of funding for supportive services. Recipient will provide supportive services substantially in the form and manner as described in its Round 15 application.

Project Summary: BLOOM is an extended residential program designed to support pregnant and postpartum women experiencing housing insecurity by connecting them to stable housing, educational opportunities, and financial resources with the long-term goal of achieving homeownership. The program follows a phased model, guiding participants from crisis to stability, and ultimately toward independent homeownership. The first phase of the program included the renovation of a 1,900-square-foot, three-bedroom home, completed in January 2025. The residence is surrounded by flower and vegetable gardens, offering a nurturing and restorative environment conducive to growth and healing. To expand the program’s impact, the property will be subdivided into two lots to accommodate the construction of an additional 4 bedroom home.

ATTACHMENT B



Barnes Housing Trust Fund Grant Budget

156 Babb Road Joelton, TN 37080

Bedrooms

6,900

GSF

4 units (4 bedroom single family homes)

Uses

		% of Total	Per Unit
Land Acquisition	\$0	0.0%	
Construction Hard Costs	\$752,880	75.3%	\$47,055
Hard Cost Contingency (10% of Hard Costs)	\$75,288	7.5%	\$2,896
Soft Costs	\$60,000	6.0%	\$2,308
<i>Professional Fees (A&E, Surveys, etc.)</i>	\$42,250	4.2%	\$1,625
<i>Legal & Financing Fees</i>	\$20,000	2.0%	\$769
<i>Utilities, Taxes & Insurance</i>	\$19,200	1.9%	\$738
Developer Costs	\$75,000	7.5%	\$2,885
Project Contingency	\$36,832	3.7%	\$1,417
TOTAL	\$1,000,000	100.0%	\$56,560

Sources

Healing trust	\$15,000	1.5%	\$938
Barnes Fund Grant	\$750,000	75.0%	\$46,875
CITC Loan @ 3.50% Swap, 15 Years	\$175,000	17.5%	\$10,938
Deferred Developer Fee	\$75,000	7.5%	\$4,688
TOTAL	\$1,000,000	100.0%	

ATTACHMENT C**Barnes Housing Trust Fund Draw Schedule**

The following percentages are based on the Barnes Fund grant award.

Draw #	% of Grant	Milestone
1	10%	Documented predevelopment costs.
2	12.5%	Upon receipt of the building permit, proof of builder's risk insurance with Metro Nashville listed as a lien holder.
3*	20%	Footing, framing, and foundation complete.
4*	25%	Plumbing, electrical, and mechanical roughed-in, inspected, and passed by Metro Codes, roofing complete.
5*	20%	Doors, cabinets, countertops, drywall, trim installed.
6*	12.5%	Receipt of Final Use & Occupancy letter from Metro Codes.

***Note:** Draw requests 3-6 must be inspected by Metro or a third-party inspector contracted with Metro prior to the release of funds. All draw requests require documentation and are paid on a reimbursable basis.

ATTACHMENT D



Required Documents

The following are required items pursuant to Metropolitan Code 5.04.070:

1. A copy of the nonprofit's corporate charter or other articles, constitution, bylaws, or instruments of organization;
2. A copy of a letter from the Internal Revenue Service evidencing the fact that the organization is a nonprofit, tax-exempt organization under the Internal Revenue Code of 1986, as amended;
3. A statement of the nature and extent of the organization's program that serves the residents of the metropolitan government;
4. The proposed use of the funds to be provided by the metropolitan government (Provided in Attachment A);
5. The proposed budget of the organization, indicating all sources of funds and a line-item identification of the proposed expenditure of metropolitan government funds (Provided in Attachment B);
6. A copy of the nonprofit's annual audit or other required financial documentation described in Metro Code subsection 5.04.070(E).



Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
P.O. Box 2508
Cincinnati, OH 45201

BUILDING LIFE OPPORTUNITIES AND OPTIONS
FOR MOTHERS
C/O ROLANDA LISTER
7622 BIDWELL ROAD
JOELTON, TN 37080

Date:
06/15/2023
Employer ID number:
93-1800029
Person to contact:
Name: Customer Service
ID number: 31954
Telephone: (877) 829-5500
Accounting period ending:
December 31
Public charity status:
509(a)(2)
Form 990 / 990-EZ / 990-N required:
Yes
Effective date of exemption:
June 9, 2023
Contribution deductibility:
Yes
Addendum applies:
No
DLN:
26053563008123

Dear Applicant:

We're pleased to tell you we determined you're exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Donors can deduct contributions they make to you under IRC Section 170. You're also qualified to receive tax deductible bequests, devises, transfers or gifts under Section 2055, 2106, or 2522. This letter could help resolve questions on your exempt status. Please keep it for your records.

Organizations exempt under IRC Section 501(c)(3) are further classified as either public charities or private foundations. We determined you're a public charity under the IRC Section listed at the top of this letter.

If we indicated at the top of this letter that you're required to file Form 990/990-EZ/990-N, our records show you're required to file an annual information return (Form 990 or Form 990-EZ) or electronic notice (Form 990-N, the e-Postcard). If you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked.

If we indicated at the top of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

Sincerely,

A handwritten signature in cursive script that reads "Stephen A. Martin".

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

CREATING

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Building Life Oppo

ARTICLE II. C

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ARTICLE III. M

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Exhibit B

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Section 1. President

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Section 4. Treasuries

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Exhibit B

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ARTICLE VII.

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Exhibit B

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ARTICLE VIII.

Exhibit B

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Exhibit B

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- d. Physicians directly or indirectly holding membership either individually or through a partnership regarding

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ADOPTION OF

BLOOM Mission Statement

The mission of Building Life Opportunities and Options for Mothers (BLOOM) is to provide a pathway to homeownership for pregnant/post-partum mothers experiencing housing insecurity.

Statement of Nature of Service

BLOOM is two-year extended residential program linking pregnant/post-partum residents to educational and financial resources with the goal of achieving homeownership at its completion. BLOOM is housed on a 5-acre rural property just 30 minutes from Nashville, Tennessee and consists of a three-bedroom house surrounded by flower and vegetable gardens. Residents will attend classes on gardening, fresh food preparation, parenting financial literacy, and mental health. They will also be linked with high quality prenatal and post-partum medical care. Our program meets weekly with the women during a structured curriculum emphasizing financial literacy, credit repair, first time home buying program. Additionally pregnant women will have access to doulas throughout their pregnancy and post-partum. Mothers are taught how to grow and arrange flowers. At the conclusion of BLOOM, graduates will be able to:

1. *Independently apply for a home loan*
2. *Purchase a home.*
3. *Operate a family budget.*
4. *Have basic skills for home repair/ maintenance.*
5. *Be able to live independently.*

**BUILDING LIFE OPPORTUNITIES AND OPTIONS FOR MOTHERS
FINANCIAL STATEMENTS,
AND
INDEPENDENT AUDITORS' REPORT
YEAR ENDED DECEMBER 31, 2024**

**BUILDING LIFE OPPORTUNITIES AND OPTIONS FOR MOTHERS
FINANCIAL STATEMENTS,
AND
INDEPENDENT AUDITORS' REPORT
YEAR ENDED DECEMBER 31, 2024**

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Statement of Cash Flows	6
Notes to Financial Statements	7 – 11



Edmondson, Betzler & Dame
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Directors
Building Life Opportunities and Options for Mothers

Opinion

We have audited the financial statements of Building Life Opportunities and Options for Mothers (the "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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 issued or available to be issued.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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 could 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 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.

Brentwood, City of, Tenn. PWC

Brentwood, TN
July 19, 2025

BUILDING LIFE OPPORTUNITIES AND OPTIONS FOR MOTHERS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

Current assets:	
Cash	\$ 13,981
Prepaid expenses	<u>1,611</u>
Total current assets	<u>15,592</u>
Property and equipment, net	<u>429,067</u>
Total assets	<u><u>\$ 444,659</u></u>

LIABILITIES AND NET DEFICIT

Current liabilities:	
Accrued expenses	\$ 10,575
Current portion of notes payable	<u>24,262</u>
Total current liabilities	<u>34,837</u>
Long-term portion of notes payable	<u>413,842</u>
Total long term liabilities	<u>413,842</u>
Total liabilities	<u>448,679</u>
Net deficit:	
Without donor restrictions	<u>(4,020)</u>
Total net deficit	<u>(4,020)</u>
Total liabilities and net deficit	<u><u>\$ 444,659</u></u>

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

**BUILDING LIFE OPPORTUNITIES AND OPTIONS FOR MOTHERS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

Revenues and other support:

Grant income	\$ 22,000
Contributions	19,832
In-kind contributions	<u>2,500</u>
Total revenue and other support	<u>44,332</u>

Expenses:

Program Services:

Housing assistance	28,872
Floral program	<u>12,677</u>
Total program services	<u>41,549</u>

Support Services:

Management and general	<u>6,803</u>
Total support services	<u>6,803</u>

Total expenses	<u>48,352</u>
----------------	---------------

CHANGE IN NET ASSETS	(4,020)
----------------------	---------

NET ASSETS, BEGINNING OF YEAR	<u>-</u>
-------------------------------	----------

NET DEFICIT, END OF YEAR	<u><u>\$ (4,020)</u></u>
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The accompanying notes are an integral part of these financial statement.

BUILDING LIFE OPPORTUNITIES AND OPTIONS FOR MOTHERS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services		Management and General	Total
	Housing Assistance	Floral Program		
Salaries and payroll taxes	\$ 11,788	\$ 11,788	\$ 5,894	\$ 29,470
Taxes and licenses	9,597	-	-	9,597
Repairs and maintenance (including \$2,500 in-kind)	2,500	-	-	2,500
Depreciation	2,466	-	-	2,466
Interest	2,349	-	-	2,349
Supplies	-	883	720	1,603
Meals and entertainment	172	-	-	172
Bank fees	-	-	135	135
Miscellaneous	-	-	54	54
Travel	-	6	-	6
	<u>\$ 28,872</u>	<u>\$ 12,677</u>	<u>\$ 6,803</u>	<u>\$ 48,352</u>

**BUILDING LIFE OPPORTUNITIES AND OPTIONS FOR MOTHERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Cash flows from operating activities:	
Change in net assets	\$ (4,020)
Adjustments to reconcile change in net assets to net cash from operating activities	
Depreciation	2,466
Change in assets and liabilities:	
Prepaid expenses	(1,611)
Accrued expenses	<u>10,575</u>
Net cash from operating activities	<u>7,410</u>
Cash flows from investing activities:	
Purchases property and equipment	(406,916)
Change in construction in progress	<u>(24,617)</u>
Net cash from investing activities	<u>(431,533)</u>
Cash flows from financing activities:	
Proceeds from notes payable	440,000
Payments on notes payable	<u>(1,896)</u>
Net cash from financing activities	<u>438,104</u>
Net change in cash	13,981
Cash, beginning of year	<u>-</u>
Cash, end of year	<u><u>\$ 13,981</u></u>

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

**BUILDING LIFE OPPORTUNITIES AND OPTIONS FOR MOTHERS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Building Life Opportunities and Options for Mothers (the "Organization") is dedicated to empowering mothers through a social enterprise approach that nurtures both personal growth and family well-being. The Organization helps young mothers develop new skills, find stable housing, or create a pathway to homeownership. The mission of the Organization is to provide a pathway to homeownership for pregnant and recently postpartum mothers experiencing homelessness. The Organization operates in Middle Tennessee serving clients in Davidson County and the surrounding Middle Tennessee area.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting principles generally accepted in the United States of America (US GAAP) and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions – Net assets available 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. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions – Net assets that are 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. The Organization reported no assets with donor restrictions at December 31, 2024.

**BUILDING LIFE OPPORTUNITIES AND OPTIONS FOR MOTHERS
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Cash

The Organization considers all highly liquid investments with an original maturity when purchased of three months or less to be cash equivalents. Restricted cash consists of funds received with donor-imposed restrictions for the purpose of long-term assets.

Property and Equipment

The Organization capitalizes all expenses for land, property, and equipment in excess of \$2,500. Land, property, and equipment are carried at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful life of the net asset, which ranges from 3 to 27.5 years. Repairs and maintenance are expensed as incurred. A gain or loss on the sale of property and equipment is reported as other revenue on the statement of activities.

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. Accordingly, no provision for income tax has been made. US GAAP requires the Organization's management to evaluate tax positions taken by the Organization and to recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained under examination by the Internal Revenue Service. Management has analyzed the tax positions of the Organization and has concluded that, as of December 31, 2024, no uncertain tax positions have been taken or are expected to be taken that would require recognition of a liability (or an asset) or disclosure in the financial statements.

As of December 31, 2024, the Organization has recognized in the financial statements the effects of all tax positions and continually evaluates expiring statutes of limitations, audits, changes in tax law, and new authoritative rulings. The Organization is not aware of any circumstances or events that make it reasonably possible that unrecognized tax benefits may increase or decrease within 12 months of the statement of financial position date.

BUILDING LIFE OPPORTUNITIES AND OPTIONS FOR MOTHERS
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

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

Contributions of Nonfinancial Assets

Contributions of nonfinancial assets of goods and services are reflected in the accompanying financial statements at their estimated fair value at the date the goods are received or services are performed.

Contributions of Financial Assets

Contributions of financial assets received are recorded as increases in net assets without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions of financial assets are considered to be available for general operations unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as increases to net assets with donor restrictions. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restrictions is accomplished), net assets are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as increases to net assets without donor restrictions.

Functional Allocation of Expenses

The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of that functional area. A portion of general and administrative costs that benefit multiple functional areas have been allocated among the programs and supporting services as follows:

	Method of allocation
Deprecation	Time and effort
Professional fees	Time and effort
Salaries, payroll taxes, and employee benefits	Time and effort

Events Occurring After Reporting Date

The Organization has evaluated events and transactions that occurred after December 31, 2024, through July 19, 2025. During the period there were no material recognizable subsequent events that required recognition in the disclosures to the financial statements.

BUILDING LIFE OPPORTUNITIES AND OPTIONS FOR MOTHERS
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following represents the Organization's financial assets available for general expenditures within one year:

Cash	\$ 13,981
Prepaid expenses	<u>1,611</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 15,592</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's strategic goal is to build a cash balance that will support three to six months of operating expenses. The Organization's working capital and cash flows have seasonal variations during the fiscal year attributable to cash receipts for program services and a concentration of contributions received at year-end.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Building	\$ 406,916
Construction in progress	<u>24,617</u>
	431,533
Less: accumulated depreciation	<u>(2,466)</u>
Property and equipment, net	<u>\$ 429,067</u>

Depreciation expense was \$2,466 for the year ended December 31, 2024.

NOTE 4 - CONCENTRATIONS

The Organization maintains its cash in bank accounts that at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes the Organization is not exposed to any significant credit risk regarding cash balances. There were no uninsured balances at December 31, 2024.

**BUILDING LIFE OPPORTUNITIES AND OPTIONS FOR MOTHERS
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 5 - NOTE PAYABLE

The Organization opened a 15-year mortgage with Pinnacle Financial Partners to finance the housing assistance home on November 8, 2024 for \$440,000. The loan accrues interest at a fixed rate of 3.5%. The Organization began principal and interest payments on December 8, 2024 in monthly installments of \$3,267. The note is due in full November 8, 2039.

A summary of future maturities of long-term debt as of December 31, 2024 is as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 24,262
2026	25,125
2027	26,019
2028	26,944
2029	27,902
2030 and thereafter	307,852
	<u>\$ 438,104</u>

NOTE 6 - CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributions of nonfinancial assets are as follows:

Services	\$ 2,000
Materials	500
	<u>\$ 2,500</u>

Unless otherwise noted, the Organization did not recognize any contributions of nonfinancial assets with donor-imposed restrictions.

The Organization received \$2,500 of donated landscaping services for the new home of which \$2,000 was for the labor and \$500 was for the materials, such as flowers, soil, and other materials.

GRANT CONTRACT 2025-R15-ULMT
BETWEEN
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY,
TENNESSEE
BY AND THROUGH
THE METROPOLITAN HOUSING TRUST FUND COMMISSION
AND
URBAN LEAGUE OF MIDDLE TENNESSEE

This Grant Contract issued and entered into by and between the Metropolitan Government of Nashville and Davidson County, a municipal corporation of the State of Tennessee hereinafter referred to as "Metro", and Urban League of Middle Tennessee, hereinafter referred to as the "Recipient," is for the provision of the construction of affordable housing as further defined in the "SCOPE OF PROGRAM." Recipient will be developing **102** Barnes Fund affordable housing units located at 720 Madison Square, Buildings A and B, hereinafter referred to as the "Project". The Recipient's grant budget is incorporated herein by reference. The Recipient is a nonprofit charitable or civic organization.

A. SCOPE OF PROGRAM:

- A.1. Each Property to which these grant funds are provided for shall be subject to a Declaration of Restrictive Covenants ("Declaration") imposing certain affordability requirements to encumber the Property and run with the land over a **40-year term** ("Affordability Period"). Terms defined in the Declaration shall have the same meanings when used in this Agreement.
- A.2. The Recipient shall use the funds under this grant in accordance with the affordable housing project described in the Scope of Work, which is incorporated herein and attached hereto as Attachment A, and any of its amendments and subject to the terms and conditions set forth herein.
- A.3. The Recipient, under this Grant Contract, will spend funds solely for the purposes set forth in the work scope outlined in Attachment A. These funds shall be expended consistent with the Grant Budget, included in Attachment B. Although some variation in line-item amounts for the Grant is consistent with the Grant Budget, any change greater than 20% of a draw category shall require the prior written approval of the Metro Housing Director. However, in no event will the total amount of the Grant funds provided to Recipient go above the Grant Award amount of **\$4,500,000**.
- A.4. This Grant Contract by and through the Housing Trust Fund Commission and the Recipient is expressly limited to the Grant award and for the purposes described herein. Prior to the use of any funds, the property must be properly zoned, and it is the sole responsibility of the Recipient to pursue any necessary rezoning or other land use change. This Grant Contract in no way serves to supersede the authority of the Metro Nashville Planning Commission or the Metropolitan Council's authority to approve or deny zoning or land use changes on the proposed property and shall not be used for such purposes.

A.5. During the term of the Contract and the Affordability Period, Recipient or another qualified nonprofit must maintain 51% ownership in the Project or in the general partner of the Project.

A.6. Requirements for Rental Projects:

- a. Tenants must be income-eligible at the time of initial occupancy, and Recipient must certify all incomes annually and maintain a certified rent roll. In the event a tenant's income increases above the income-requirement for the unit, the tenant is not disqualified from remaining in the unit. However, the tenant's rent shall be adjusted to the corresponding AMI level for the next lease term.
- b. The Recipient will provide Metro with a management plan program oversight which includes certification of the rents, utility allowances, and tenant incomes. The Recipient shall also provide Metro an annual certification that Barnes rental requirements are being met throughout the Affordability Period.
- c. The Recipient will allow Metro or a Metro-approved contractor to conduct on-site inspections of the Recipient and project for compliance with Barnes program requirements including, but not limited to, reviewing tenant income calculations, rent determinations, and utility allowances.
- d. The Affordability Period applicable to both tenant income and maximum rents shall commence on the date of issuance of the certificate of occupancy for the final building within the project. If a certificate of occupancy is not issued, the Affordability Period will begin on the date of recordation of the notice of completion for the project.
- e. Recipient shall not increase rents during the lease term. Such prohibition shall not apply to any renewal of the lease, nor shall it affect the portion of rent paid by another federal, state, or local program with respect to the tenant or units benefitting from the grant funds.
- f. During the Affordability Period, Recipient shall submit to Metro no later than July 15 of each year, an eviction report that includes the number of people evicted and the reason for the eviction for the prior fiscal year (July 1-June 30).
- g. Recipient shall post information on Fair Housing rights in the leasing office and make information on Fair Housing rights available to tenants at least annually. Recipients should endeavor to make information available to persons with Limited English Proficiency.
- h. At a minimum, Recipient shall undertake marketing and outreach and housing stability efforts and implement application criteria as specified in Recipient's grant application.

A.7. Property Standards

- a. All projects must meet all applicable state and local codes, rehabilitation standards (if applicable), ordinances and zoning requirements and mitigate disaster impact, as applicable, per state and local codes, ordinances, etc.
- b. Recipient must incorporate all Universal Design elements specified in Recipient's grant application, which are incorporated herein.

- c. Recipient must incorporate, at a minimum, all energy efficiency, and sustainability practices and standards specified in Recipient's grant application, which are incorporated herein.

B. GRANT CONTRACT TERM:

- B.1. Grant Contract Term. The term of this Grant shall be from execution of the grant agreement until Project completion, but in no way greater than 24 months from the execution of the grant agreement. Metro shall have no obligation for services rendered by the Recipient which are not performed within this term. Pursuant to Metropolitan Code of Laws § 2.149.040 (G), in the event the recipient fails to complete its obligations under this grant contract within twenty-four months from execution, Metro is authorized to rescind the contract and to reclaim previously appropriated funds from the organization.
- B.2. Contract Extensions. Recipient must notify Barnes Fund staff at least ninety (90) days prior to contract expiration of its request to extend the contract term. Each additional contract term cannot exceed twelve (12) months. Contract extensions must be approved by the Metropolitan Trust Fund Commission and the Metro Council.
- B.3. Contract Completion: The Contract Completion date is the date in which Metro has paid the final invoice.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of Metro under this Grant Contract exceed **Four Million Five Hundred Thousand Dollars (\$4,500,000)** "Grant Award". The Grant Budget, attached and incorporated herein as part of Attachment B, details the project budget, and the Grant Award shall 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.
- C.2. Compensation Firm. The maximum liability of Metro is not subject to escalation for any reason. The Grant Budget amount is firm for the duration of the Grant Contract and is not subject to escalation for any reason unless the grant contract is amended.
- C.3. Payment Methodology. The Recipient shall be compensated for actual costs based upon the Grant Budget, not to exceed the maximum liability established in Section C.1. Upon execution of the Grant Contract and receipt of a request for payment, the Recipient may be eligible to receive reimbursement for milestones as completed based upon the Grant Budget.

a. **Grant Draws**

1) **Construction Grant Draw Schedule**

- Recipient shall submit draw requests in accordance with the Draw Schedule provided in Attachment C. Changes to the Draw Schedule shall require an amendment to the Grant Contract.

- Before a draw can be made, there must be a physical inspection of the Project by Metro or an approved designee unless otherwise specified in the Draw Schedule. The inspection must confirm appropriate completion of the Project.

2) Construction Grant Draw Process

- Recipient must submit draw requests in the form and according to the directions provided by Metro. All draw requests must be supported by appropriate documentation as specified in the Draw Schedules.
- All invoices shall be sent BFPayments@nashville.gov.
- Said payment shall not exceed the maximum liability of this Grant Contract.
- Final invoices for the contract period should be received by Metro Payment Services by 24 months from the execution of the grant agreement unless a contract extension has been approved by the Metro Council. Any invoice not received by the deadline date will not be processed and all remaining grant funds will expire.

- C.4. Close-out Expenditure and Narrative Report. The Recipient must submit a final grant Close-out Expenditure and Narrative Report, to be received by the Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund within 45 days of project completion in conjunction with the submission of the final draw on the award. Said report shall be in form and substance acceptable to Metro and shall be prepared by a Certified Public Accounting Firm or the Chief Financial Officer of the Recipient Organization. It should detail the outcomes of the activities funded under this Grant Contract.
- C.5. Payment of Invoice. The payment of any invoice by Metro shall not prejudice Metro's right to object to the invoice or any matter in relation thereto. Such payment by Metro shall 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 shall 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 monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs.
- C.7. Deductions. Metro reserves the right to adjust any amounts which are or shall become due and payable to the Recipient by Metro under this or any Contract by deducting any amounts which are or shall become due and payable to Metro by the Recipient under this or any Contract.
- C.8. Electronic Payment. Metro requires as a condition of this contract that the Recipient shall complete and sign Metro's form authorizing electronic payments to the Recipient. Recipients who have not already submitted the form to Metro 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.

- C.9. Procurement. Recipient agrees and understands that procurement of goods and services for the grant project must comply with state and local law and regulations, including the Metropolitan Procurement Code. Recipient will provide Metro with all plans and specifications needed for these procurement purposes. Recipient will promptly review, and either approve or disapprove, in good faith and with reasonable grounds all estimates, amendments to scope of work, and all work performed by a contractor prior to payment.
- C.10. Public Meetings. At the reasonable request of Metro, Recipient agrees to attend public meetings, neighborhood meetings, and other events regarding this Project.
- C.11. Recognition. Any signage, printed materials, or online publications erected at the applicable Project site or elsewhere regarding the Project shall include the following language or language acceptable by Metro acknowledging that the Project is partially funded with a grant from the Barnes Fund for Affordable Housing of the Metropolitan Government of Nashville and Davidson County:

*This project is funded in part by the Barnes Affordable Housing Trust Fund of the Metropolitan Government of Nashville & Davidson County.
Metropolitan Housing Trust Fund Commission
Freddie O'Connell, Mayor
Metropolitan Council of Nashville and Davidson County*

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. Default and Termination for Cause. Any failure by Owner to perform any term or provision of this Grant Contract shall constitute a "Default" (1) if such failure is curable within 30 days and Recipient does not cure such failure within 30 days following written notice of default from Metro, or (2) if such failure is not of a nature which cannot reasonably be cured within such 30-day period and Recipient does not within such 30-day period commence substantial efforts to cure such failure or thereafter does not within a reasonable time prosecute to completion with diligence and continuity the curing of such failure. Should the Recipient Default under this Grant Contract or if the Recipient violates any terms of this Grant Contract, Metro shall have the right to immediately terminate the Grant Contract and the Recipient shall return to Metro any and all grant monies for services or projects under the grant not performed as of the termination date. The Recipient shall also return to Metro any and all funds expended for purposes contrary to the terms of the Grant. Such termination shall not relieve the Recipient of any liability to Metro for damages sustained by virtue of any breach by the Recipient.
- D.4. Subcontracting. The Recipient shall 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 shall be considered the prime Recipient and shall be responsible for all work performed.

- D.5. Conflicts of Interest. The Recipient warrants that no part of the total Grant Amount shall 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 contemplated or performed relative to this Grant Contract.

The Recipient also recognizes that no person identified as a Covered Person below may obtain a financial interest or benefit from a Metro Housing Trust Fund Competitive Grant assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those whom they have family or business ties, during their tenure or for one year thereafter.

Covered Persons include immediate family members of any employee or board member of the Recipient. Covered Persons are ineligible to receive benefits through the Metro Housing Trust Fund Competitive Grant program. Immediate family ties include (whether by blood, marriage or adoption) a spouse, parent (including stepparent), child (including a stepbrother or stepsister), sister, brother, grandparent, grandchild, and in-laws of a Covered Person.

- D.6. Nondiscrimination. The Recipient hereby agrees, warrants, and assures that no person shall 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 shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

- D.7. Records. All documents relating in any manner whatsoever to the grant project, or any designated portion thereof, which are in the possession of Recipient, or any subcontractor of Recipient shall be made available to the Metropolitan Government for inspection and copying upon written request by the Metropolitan Government. Furthermore, said documents shall be made available, upon request by the Metropolitan Government, to any state, federal or other regulatory authority and any such authority may review, inspect and copy such records. Said records include, but are not limited to, all drawings, plans, specifications, submittals, correspondence, minutes, memoranda, tape recordings, videos or other writings or things which document the grant project, its design and its construction. Said records expressly include those documents reflecting the cost of construction, including all subcontracts and payroll records of Recipient.

Recipient shall maintain documentation for all funds provided under this grant contract. The books, records, and documents of Recipient, insofar as they relate to funds provided under this grant contract, shall be maintained for a period of three (3) full years from the date of the final payment. The books, records, and documents of Recipient, insofar as they relate to funds provided under this grant contract, shall be subject to audit at any reasonable time and upon reasonable notice by Metro or its duly appointed representatives. Records shall be maintained in accordance with the standards outlined in the Metro Grants Manual. The financial statements shall be prepared in accordance with generally accepted accounting principles.

- D.8. Monitoring. The Recipient's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by Metro or Metro's duly appointed representatives during the term of the contract and throughout the affordability period. The Recipient shall 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.9. Reporting. Recipient will be required to provide annual progress reports no later than July 15 of each year. The progress report should summarize activity that occurred during the previous fiscal year (July 1 – June 30). Said report shall be in a form provided by Metro. In addition, Recipient shall submit a Close-out Expenditure and Narrative Report as provided in section C.4 above detailing the outcome of the activities funded under this Grant Contract.
- D.10. 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 shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held 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.11. Insurance. The Recipient shall maintain adequate public liability and other appropriate forms of insurance, including other appropriate forms of insurance on the Recipient's employees, and to pay all applicable taxes incident to this Grant Contract.
- D.12. Metro Liability. Metro shall have no liability except as specifically provided in this Grant Contract.
- D.13. Independent Contractor. Nothing herein shall 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 shall not hold itself out in a manner contrary to the terms of this paragraph. Metro shall not become liable for any representation, act, or omission of any other party contrary to the terms of this paragraph.
- D.14. Indemnification and Hold Harmless.
- a. Recipient shall 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 shall 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 shall survive the termination or expiration of the grant.
- D.15. Force Majeure. The obligations of the parties to this Grant Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.16. 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.
- D.17. Governing Law and Venue. The validity, construction and effect of this Grant Contract and any and all extensions and/or modifications thereof shall be governed by and construed in accordance with the laws of the State of Tennessee. The venue for legal action concerning this Grant Contract shall be in the courts of Davidson County, Tennessee.
- D.18. Attorney Fees. Recipient agrees that, in the event either party deems it necessary to take legal action to enforce any provision of the Grant Contract, and in the event Metro prevails, Recipient shall pay all expenses of such action including Metro's attorney fees and costs at all stages of the litigation.
- D.19. 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.20. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.
- D.21. Licensure. The Recipient and its employees and all sub-grantees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses. Recipient will obtain all permits, licenses, and permissions necessary for the grant project.
- D.22. Waiver. No waiver of any provision of this contract shall affect the right of any party thereafter to enforce such provision or to exercise any right or remedy available to it in the event of any other default.
- D.23. Inspection. The Recipient agrees to permit inspection of the project and/or services provided for herein, without any charge, by members of the Grantor and its representatives.

- D.24. Assignment—Consent Required. The provisions of this contract shall inure to the benefit of and shall 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 shall be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer shall 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 shall 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 shall 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 shall be in writing and shall be made by facsimile transmission, email, 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:

Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund
Planning Department – Housing Division
PO Box 196300
Nashville, TN 37219
BarnesFund@nashville.gov

Recipient:

Urban League of Middle Tennessee
c/o Aron Thompson
50 Vantage Way, Ste. 201
Nashville, TN 37228
athompson@ulmt.org

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 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 subcontractors of federally appropriated funds shall certify and disclose accordingly.

D.28. Effective Date. This contract shall 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 shall be effective as of the date first written above.

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

APPROVED AS TO PROGRAM SCOPE:

Peter Westerholm
Peter Westerholm, Chair
Metropolitan Trust Fund Commission

APPROVED AS TO AVAILABILITY OF
FUNDS:

Jenneen Reed/mjr
62377A2A8742469
Jenneen Reed, Director
Department of Finance

APPROVED AS TO FORM AND LEGALITY:

Macy Amos
12266A9A8E944DA
Assistant Metropolitan Attorney

APPROVED AS TO RISK AND
INSURANCE:

Balogun Cobb
Director of Risk Management Services

APPROVED BY METROPOLITAN
GOVERNMENT OF NASHVILLE AND
DAVIDSON COUNTY:

Metropolitan Clerk

RECIPIENT:

Urban League of Middle Tennessee

By: *Clifton E. Harris*

Title: *President & CEO*

Sworn to and subscribed to before me a
Notary Public, this *10th* day of *September*
2025.

[Notary Public seal]



Notary Public

Carolyn R. Coleman
My Commission expires *03/22/2026*

ATTACHMENT A**Barnes Housing Trust Fund Scope of Work****Contract Number:** 2025-R15-ULMT**Funding Round Number:** 15**Organization Name:** Urban League of Middle Tennessee**Project Location:** 720 Madison Square, Buildings A and B**Project Type:** Rental New Construction**Grant Award:** \$4,500,000**Metro Property Award:** N/A**Total Number of Units in Development:** 210 (Phase 1)**Total Number of Barnes Fund Units by Income Target:**

≤ 30% AMI	31-60% AMI	61-80% AMI	Total
60	42	N/A	102

Deeply Affordable Housing: Recipient's commitment to make 60 units available to households with incomes ≤ 30% AMI is not contingent upon the award of project-based vouchers.

Project Summary: Madison Station Phase 1, part of a new mixed-use community, is a new construction project consisting of multiple buildings (A-C) that will create a total of 210 units reserved for households earning 0-80% AMI. In Round 11, the Urban League was awarded \$3,000,000 to create 50 Barnes Fund units for seniors in Building C. Round 15 funds will be used to create 102 units in Buildings A and B affordable to households with incomes at or below 60% AMI. Also, there will be 60 deeply affordable rental units affordable to families with incomes below 30% AMI, which have already received a Project-Based Voucher commitment from MDHA for 30, 2-bedroom units and 30, 3-bedroom units.

Both buildings will include amenities such as leasing offices, community centers, business centers, gyms, and walking trails. They will be designed to meet EnergyStar standards, promoting sustainability and energy efficiency.

Madison Station Phase 1 will be part of a mixed-use development. The development is located on one of the 12 future transit centers planned under Choose How You Move providing a transit hub for residents and the community. The development will include housing options for a wide range of incomes, ages, demographics and lifestyles. When fully developed, Madison Station will include commercial, retail, and entertainment spaces for residents and visitors to enjoy. All these features will be connected by greenways, wide sidewalks and/or walking paths, and interconnected streets for pedestrians, cyclists, and motorists for convenient and easy access.

ATTACHMENT B



Barnes Housing Trust Fund Grant Budget

Sources of Funds	Amount	Percentage of Total	Status (Secured/Pending)
Barnes Housing Trust Fund	\$ 4,500,000	% 5.5	Pending
Developer Equity	\$ 5,564,005	% 6.8	Secured
Private Lender	\$ 37,333,000	% 45.6	Secured - LOI
Low-Income Housing Tax Credits (LIHTC)/etc.	\$ 22,873,780	% 27.9	Secured - LOI
Federal Home Loan Bank/etc.	\$	%	
Other Local/State Grants - Barnes Rd 1	\$ 3,000,000	% 3.7	Secured
TIF	5,239,780	6.4	Secured
HOME Funds	1,557,722	1.9	Secured
45 L Credits	435,750	.5	Secured - LOI
Income During Lease Up	1,403,000	1.7	Secured
Total Sources	\$ 81,907,037	100	
Uses of Funds	Amount	Percentage of Total	Barnes Fund Use:
Acquisition Costs	\$ 7,725,000	% 9.4	Acquisition Costs \$2,000,000
Construction Costs - Other	\$ 6,276,655	% 7.7	
- Site Work	\$ 6,690,390	% 8.2	PreDevelopment Costs.
- Vertical Construction	\$ 35,700,000	% 43.6	\$1,125,000
- Contingency	\$ 2,433,352	% 3	Construction: \$1,375,000
Soft Costs	\$	%	
- Architecture & Engineering	\$ 2,596,187	% 3.2	Total: \$4,500,000
- Legal and Permitting	\$ 1,012,000	% 1.2	
	10,444,000		
- Developer Fee	\$	12.8%	
-Other Soft Costs	7,196,187	21.37	
Reserves (Operating/Replacement)	\$ 1,833,266	% 2.2	
Total Uses	\$ 81,907,037	% 100	

ATTACHMENT C

**Barnes Housing Trust Fund Draw Schedule**

The following percentages are based on the Barnes Fund grant award. The percentages reflect rounded numbers. The total draw for each milestone shall not exceed the amount listed per milestone.

Draw #	% of Grant	Milestone
1	44.44%	Reimbursement of acquisition costs upon documentation that all financing has been secured and receipt of the closing statement or sales contract (\$2,000,000)
2	25.00%	Documented eligible predevelopment costs upon receipt of the building permit, proof of builder's risk insurance with Metro Nashville listed as a lien holder (\$1,125,000)
3*	7.78%	Framing and roofing complete (\$350,000)
4*	7.78%	Plumbing, electrical, and mechanical roughed-in, inspected, and passed by Metro Codes (\$350,000)
5*	15.0%	Receipt of Final Use & Occupancy letter from Metro Codes (\$675,000)

***Note:** Draw requests 3-5 must be inspected by Metro or a third-party inspector contracted with Metro prior to the release of funds. All draw requests require documentation and are paid on a reimbursable basis.

ATTACHMENT D



Required Documents

The following are required items pursuant to Metropolitan Code 5.04.070:

1. A copy of the nonprofit's corporate charter or other articles, constitution, bylaws, or instruments of organization;
2. A copy of a letter from the Internal Revenue Service evidencing the fact that the organization is a nonprofit, tax-exempt organization under the Internal Revenue Code of 1986, as amended;
3. A statement of the nature and extent of the organization's program that serves the residents of the metropolitan government;
4. The proposed use of the funds to be provided by the metropolitan government (Provided in Attachment A);
5. The proposed budget of the organization, indicating all sources of funds and a line-item identification of the proposed expenditure of metropolitan government funds (Provided in Attachment B);
6. A copy of the nonprofit's annual audit or other required financial documentation described in Metro Code subsection 5.04.070(E).



Attachment 12

Department of State

I, **Joe U. Carr**, Secretary of State of the
State of Tennessee, do hereby certify that the annexed Instrument
with Certificate of Acknowledgment was filed in my office and re-
corded on the 15th day of April 1968

IN CORPORATION RECORD BOOK VOLUME O-27, PAGE 595

In Testimony Whereof, I have hereunto subscribed my
Official Signature and by order of the Governor affixed the Great
Seal of the State of Tennessee at the
Department in the City of Nashville,
this 15th day of

April

15th
A.D. 1968

Secretary of State.



BOOK 4227 PAGE 686

Charter of Incorporation

of

THE NASHVILLE URBAN LEAGUE,
INCORPORATED

RECEIVED FEE, \$ 3.00

RECEIVED TAX, \$

TOTAL, \$ 3.00

J. M. ...
Secretary of State.



State of Tennessee

12057

FILED & WITNESSED BY REGISTER
RECEIVED
STATE OF TENN

APR 16 1 42 PM '00
RECORDED 118, 587
RECORDING FEE 75
DEP. REC'D

BE IT KNOWN, that J. F. McClellan, Malcolm D. Williams, Hubert B. Croach, Allen M. Steele, Jasper W. Patton, George Collins, David K. Wilson and Bernard Werthan are hereby constituted a body politic and corporate, by the name of and style of The Nashville Urban League, Incorporated, 327 Charlotte Avenue, Nashville, Tennessee.

First. The purposes of this corporation are to carry on a program of social services among Negroes in the Greater Nashville Area; to work in coordination and cooperation with existing agencies and organizations for improving the economic welfare of Negroes and other disadvantaged minorities and to encourage the development of other agencies and services when necessary; to make studies of economic conditions among Negroes and disadvantaged groups to carry on a program of public education among white and Negro persons on these problems; to develop more sympathetic understanding by all; to develop and maintain harmonious race relationships; and, in general to promote, encourage, assist and engage in any and all kinds of work to improve the economic conditions among Negroes and disadvantaged minorities in the Nashville area; and to the end that the foregoing general purposes may be accomplished, but not limited, to engage in:

Section A: The support of any literary or scientific undertaking as, a college or university, with powers to confer degrees; an academy; a debating society; lyceum; the establishment of a library; the support of a historical society; the organization and support of battlefield associations; the promotion of painting, music, or the fine arts; the organization and support of cemetery associations for the purpose of acquiring and maintaining cemeteries or burial places wherein soldiers and sailors or other persons are buried, and for the preservation and maintenance of such cemeteries other than cemetery organizations for profit; the organization of associations for the support of boards of trade, chambers of commerce, community improvement, industrial development, or other objects of like nature.

Section B: The encouragement, support and maintenance of boys' and girls' clubs for the uplift and improvement of the mental, social, moral, physical and economic condition of underprivileged boys and girls.

tion of the objects for which it is created, or may hold any such property and apply the income and profits toward such objects; (4) 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; (5) to appoint such sub-ordinate officers and agents in addition to a president and secretary or treasurer as the business or corporation may require; (6) to designate the name of the office and fix the compensation of the officers; (7) 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 come in like manner secured by mortgage, pledge, or deed of trust any existing indebtedness which it may have lawfully contracted; and (8) in general, to have and exercise all the powers now or hereafter conferred by the Laws of the State of Tennessee upon corporations organized under the laws under which this corporation is organized and any and all other acts amendatory thereof or supplemental thereto.

Third. The said eight incorporators 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, and by due and proper amendment to the By-laws, the number of directors, may from time to time be increased to not more than 100. In all elections each member shall be entitled to one vote, either in person or by proxy, and the result of elections shall 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 by the statement of a day on the minutes of the Board one month preceding the election. The term of officers may be fixed by the By-laws but said term shall not exceed three years. All officers shall hold office until their successors are duly elected and qualified.

... shall be allowed as provided by the Laws of Tennessee.

- Fifth. The Board of Directors shall keep a record of all their proceedings which shall be at all times subject to inspection of any member. The corporation may establish branches in any other county in the State.
- Sixth. Every member shall be entitled to a certificate certifying his membership or rights in the corporation which shall state plainly on its face all restrictions or limitations with respect to its transferability and to what extent, if any, it is redeemable upon dissolution of the corporation. Each such certificate shall expressly state that the owner or holder thereof is entitled to no dividends or profits of the corporation. Unless expressly provided to the contrary in the charter of incorporation or any amendment thereto, all membership certificates shall be nontransferable and shall terminate upon the death of the owner or holder thereof. Expulsion shall be the only remedy for nonpayment of dues by the members, and there shall be no individual liability against said members to the claims of creditors.
- Seventh. The members may at any time voluntarily dissolve the corporation by a conveyance of its assets and property to the State of Tennessee, or county or municipality of the State, or to any other corporation holding a charter from the State of Tennessee for purposes not for individual profit, first providing for corporate debts; provided that the assets and property so conveyed shall be used by the grantee for purposes similar to those of this corporation. The corporation may also be dissolved by any other method which now or hereafter is prescribed by the Laws of Tennessee.
- Eighth. Whenever there has been no meeting of the members for a period of five years or more and because of the death of members or the condition of the corporate records it is impossible to notify sufficient number of members to constitute a quorum, notice of the meeting of the members may be made by publication in some newspaper in county where corporation has its principal location, at least thirty days before such meeting shall be held. The members attending such meeting shall be deemed to constitute a quorum for the purpose of electing directors or trustees and authorizing such directors or trustees to dissolve

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.

Tenth. 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 engage in any kind of trading operation nor hold any more real estate than is necessary for its legitimate purposes.

We, the undersigned, the incorporators above mentioned hereby shall apply to the State of Tennessee for a Charter of Incorporation for the purposes declared in the foregoing instrument.

Witness our hands this the 15th day of April, 1968.

Wm. W. McLean
J. F. McClellan
Hubert B. Gentry
James W. Gentry
Samuel Gentry
William Gentry
James W. Gentry
Samuel Gentry

Subscribing Witness:

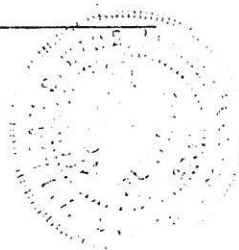
executed the within application for a Charter or Incorporation for the purposes therein contained and expressed.

Witness my hand and official seal at office in Nashville, Tennessee, this _____ day of _____, 1968.

Notary Public

My commission expires:

1/14/69



**Urban League of Middle Tennessee, Inc.
By-Laws**

ARTICLE I

NAME, LEGAL STATUS, PRINCIPAL OFFICE

Section 1

Name of Corporation-The name of the corporation is Urban League of Middle Tennessee, Inc. (the "Urban League")

Section 2

Legal Status-The Urban League is a non-profit, charitable corporation established and governed by the laws of the State of Tennessee, (a) (d) Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended from time to time (the "Code").

Section 3

Principal Office - The principal office of the Urban League shall be located in Nashville, Tennessee. The Urban League may have other offices, either within or outside Nashville, Davidson County, in an area known as "Middle Tennessee," as the Board of Directors may designate, or as the business of the Urban League may require from time to time.

ARTICLE II

PURPOSE

The Urban League's purpose is to empower- African Americans, the disadvantaged and disenfranchised, with the opportunity to cultivate and exercise their full potential.

Strategies that the Urban League will use include: ensuring that children are well-educated and adequately equipped to achieve economic self-reliance in the 21st century; helping adults attain economic self-reliance through good jobs, homeownership, wealth accumulation, and entrepreneurship; and ensuring civil rights by eradicating all barriers to equal participation in the economic prosperity and social mainstream of America; and providing analyses of the state of African Americans and people of color in middle Tennessee.

The Urban League will include the following methods to accomplish these tasks; direct services, advocacy, research, policy analysis, community mobilization, collaboration, and continuous communication.

ARTICLE III

AFFILIATION

The Urban League of Middle Tennessee, as an affiliate of the National Urban League, Inc., shall meet the responsibilities of affiliation as set forth in the (*National Urban League, Inc.*'s) Terms of Affiliation, Articles I and III.

ARTICLE IV

BOARD OF DIRECTORS

Section 1

General Powers - All business and affairs of the Urban League shall be conducted by its Board of Directors, which shall have the power to perform all acts or functions except as otherwise provided by the State of Tennessee or these bylaws.

Each Director shall be an annual financial member of the Urban League.

Section 2

Composition - The Board of Directors shall be diverse and represent a cross-section of community interests and leadership. It shall consist of not more than 35 directors, the exact number to be fixed from time to time by the Board. The President is an ex-officio non-voting member of the Board.

Section 3

Election and Term -The Board itself shall be elected by the Board of Directors for a term of three years and shall serve for no more than two consecutive terms. After such service, at least one year must elapse before said Director shall be eligible for election under the same term as a new board director.

A board director shall not miss two consecutive board meetings without notification to the Urban League prior to those meetings or three meetings for any reason. The Secretary shall notify the Board of Directors of two consecutive absences or missing three meetings during the year. The Board of Directors shall take appropriate action by contacting said board member to discuss non-compliance and determine if attendance issues can be resolved. If a resolution is not possible, The Board of Directors shall notify said board member in writing of their termination of service from the Urban League Board.

Section 4

Vacancies the Board of Directors shall fill any vacancy on the Board of Directors after it considers recommendations from the Board Development committee.

Section 5

Regular Meetings - The Board shall meet at times and places as the Board of Directors may direct a minimum of two months out of the year.

Section 6

Annual Meeting - One meeting of the Board of Directors will be designated the annual meeting for election of board members and officers and the transaction of such other business as may be appropriate. It shall be held at such place and during such time as the Board of Directors may specify.

Section 7

Special Meetings - Special meetings of the Board of Directors may be called by the Chairperson at any time and may also be called by the chairpersons upon receipt of a written request by at least five board directors stating the purpose of such meeting. Notice of the meeting's time, place, and purpose shall be sent to each board member no fewer than five days before the meeting. No other business shall be transacted at a special meeting except that for which the meeting was called.

Section 8

Quorum - A quorum for the transaction of business at meetings of the Board of Directors shall consist of one-third of the then-total board membership.

Section 9

Manner of Acting - Except as a greater number of votes may otherwise be required by law or as hereinafter stated; a decision determined by the affirmative votes of a majority of board directors present at a meeting where a quorum is present shall be the act of the Board of Directors.

Section 10

Informal Action - Any action required or permitted to be taken by the Board of Directors or by a committee thereof at a meeting may be taken without a meeting if a consent in writing, setting forth the action is so taken, shall be signed by all of the board members or all of the committee members entitled to vote with respect to the subject matter thereof.

Section 11

Participation by Electronic Means - Any board director may participate in a meeting of the Board of Directors or any committee by means of a telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting and count towards a quorum.

Section 12

Resignation - Any board director may resign at any time by giving written notice to the Board Chairperson, or Secretary of the Urban League. The resignation of any board director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice. Unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 13

Compensation - All voting board directors shall serve without compensation for the performance of their duties as board members. By resolution of the Board of Directors, eachboard director may be paid his or her expenses, if any, for conducting Urban League related business.

Section 14

Presumption of Assent- A board director who is present at a meeting of the Board of Directors at which action on any Urban League matter is taken shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting, or unless that person shall file written dissent to such action with the Secretary of the meeting before the adjournment thereof (or shall forward such dissent by registered mailto the Secretary of the Urban League immediately after the adjournment of the meeting).

ARTICLE V

MEMBERSHIP

Section 1

Dues- Any person and/or organization subscribing to the goals of the Urban League may become a member by paying dues annually. The Board of Directors shall set the amount of annual dues from time to time, at its discretion.

ARTICLE VI

OFFICERS

Section 1

Number and Title- of the Board of Directors shall be the Board Chairperson, Vice-Chairperson, the Secretary, the Treasurer, and the President, who shall serve without vote. The officers shall be the officers of the Board of Directors of the Urban League.

The Chairperson, Vice-Chairperson, Secretary, and Treasurer shall be elected by the Board of Directors for a two-year term to begin at the end of the Annual Meeting of the Board of Directors. If a person is elected as an officer during their last year as a board director, they will continue as an officer during their remaining time. Officers shall not hold the same office for more than two (2) related times.

Section 2

Vacancies- The vacancy in the office of the Board Chairperson is to be filled by the Vice-Chairperson until a Board Chairperson is elected. The Vice-Chairperson, the officer filing the vacancy, may stand for election for the balance of the unexpired term.

Section 3

Duties of the Board Chairperson – the Board Chairperson shall be the chief elected officer and shall preside at all meetings of the Urban League, the Board of Directors, and the Executive Committee. The Chairperson shall be responsible for reporting to the membership and to the Board of Directors on the conduct and management of the Urban League.

The Board Chairperson shall be an ex-officio member of all committees established by the Board of Directors and shall perform such duties as are assigned by the Board of Directors or prescribed elsewhere in the Bylaws.

Vice-Chairperson- The vice-chairperson shall perform such duties and functions as are assigned by the Board Chairperson of the Board of Directors. The Vice-Chairperson shall act as the Board Chairperson when the Board Chairperson is unavailable to perform her or his duties and functions. The Vice-Chairperson shall perform such other duties as may be prescribed by the Board of Directors from time to time.

Secretary- The Secretary shall see that notices are issued of all meetings of the Urban League, the Board of Directors, and the Executive Committee; shall see that an accurate recording of the minutes of such meetings are kept on record; shall keep a record containing the names of all persons who are members of the Urban League; and shall have such other duties as may be assigned to or invested in the Secretary of the Board of Directors.

Treasurer - The Treasurer shall assure that accurate accounts are kept of received and disbursed by the Urban League, shall provide timely written financial reports, shall chair the finance committee, and shall assure that the annual report audit is performed and presented to the Board of Directors. The treasurer shall have such other duties as may be assigned to or invested in the treasurer of the Board of Directors.

President - The President shall be the Chief Executive Officer of the Urban League; shall be responsible for providing advice and assistance to the Urban League, the Board of Directors, the Board Chairperson, and other officers and committees; shall be responsible for administering the total operations of the Urban League; shall implement directives, decisions, and policies of the Board of Directors pertaining to administration, personnel, programming, financing, and public relations; and shall generally promote, coordinate and supervise the programs of the Urban League. The President shall have the authority to select, employ, and evaluate the performance of, and release all employed staff in accordance with the policies and procedures adopted by the Board of Directors. The President shall have such powers and perform such other duties as may be provided by the Board of Directors. An annual performance review of the President shall be performed by the Board Chairperson and submitted to the Board of Directors for its approval.

The President shall serve at the pleasure of the Board of Directors, upon such terms in writing as the Board of Directors may determine. The President shall be a non-voting officer of the Urban League Board of Directors. The Board of Directors of the Urban League shall elect its President from among the nominees certified by the National Urban League, Inc. as meeting its standard.

Continued certification by the National Urban League, Inc. of the Urban League president will be determined on the basis of periodic evaluations. In no case shall the President be decertified without the approval of the Board of Directors.

Section4

Removal - Any officer may be removed by the Board of Directors whenever, in its judgment, the best interests of the Urban League will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer shall not of itself create contract rights.

Section 5

Partial Terms - A person who has served more than half of a specific term in an office, as that specific term is set forth in the Bylaws, shall be considered to have served the full term for the purpose of determining eligibility to serve additional terms in that office or another position.

Section6

Compensation - No officer or member of the Board of Directors of the League shall receive any compensation for his/her service as an officer or member of the Board.

Section 7

Ex-officio - For the purpose of this document, ex-officio means to serve in an office without a vote.

ARTICLE VII

BOARD COMMITTEES

Section 1

Establishment - The Board of Directors will establish such standing committees and task forces, as it deems necessary. The Board of Directors shall establish the functions of these committees and task forces, which shall operate under the general supervision of the Board of Directors.

Section 2

Appointment of Term of Chairperson -A board member shall serve as Chairperson of each such standing committee and task force, as appointed by the Chairperson of the Board of Directors, for a term of one year, and shall be eligible for reappointment.

Section 3

Vacancies - Vacancies in the Membership of any committee and task force shall be filled by the Board of Directors.

Section 4

Quorum - The majority of the members of any committee or task force shall constitute a quorum authorized to conduct the business of that committee.

Section 5

Manner of Acting - Unless otherwise stated herein, or unless law may otherwise require a greater number of votes, a decision determined by the affirmative votes of a majority of committee members present at a meeting where a quorum is present shall be the act of that committee.

ARTICLE VIII

BOARD DEVELOPMENT COMMITTEE

Section 1

The Board Development Committee shall consist of 5 members of the Board of Directors. The President shall be a non-voting member of the Board of Development Committee.

Section 2

The board members of the Board of Development Committee shall be chosen by the Board of Directors at a board meeting and shall take office, for a term of one year, beginning immediately at the close of the Annual Meeting.

Section 3

With respect to these Bylaws, the duties of the Board Development Committee shall be to maintain a current list of potential candidates for service on the Board of Directors, to ensure the best possible slate of potential directors for the Urban League, to consider, interview and select such potential candidates, and to present potential candidates to the Board of Directors for election to the Board of Directors. The Board of Directors shall fill vacancies occurring on the Board of Directors between meetings after the Board Development Committee presents potential candidates.

The Board Development Committee from the entire board membership or any individual or group thereof shall receive suggestions for potential candidates. However, only the Board Development Committee may consider, interview, select, and present candidates to the Board of Directors, and only the voting members of Board of Directors may select board members from those candidates.

ARTICLE IX

EXECUTIVE COMMITTEE

Section 1

The Executive Committee shall consist of the officers of the Urban League and the chairpersons of all standing committees.

The Executive Committee shall meet upon the call of the Chairperson to transact business or to consider matters, which cannot wait for a regular Board of Directors meeting. It shall exercise the power of the Board of Directors except that it will not have the power to adopt the budget or to take any action which is contrary to the direction established by the Board

of Directors or which represents a major change in the affairs, business, or policy of the Urban League. It shall report all of its actions to the next meeting of the Board of Directors for ratification.

Section 2

Meetings - The Executive Committee shall meet as needed. Notice of times and places of such meetings shall be communicated via e-mail, telephone, and/or mail to each member of the Executive Committee not fewer than seven days before the meeting. The Chairperson shall call such meetings.

Special meetings may be called either by the Chairperson or upon the written request of three members of the Executive Committee. Notice of the times, places, and purposes of special meetings shall be sent not fewer than twenty-four hours before the meeting to each member of the Executive Committee. Notice will be deemed to be duly sent if transmitted by mail, e-mail, or fax, except that a notice of a meeting to be held on fewer than five days notice shall not be transmitted by mail.

ARTICLE X

DELEGATE MEMBERS

Section 1

The Delegate Assembly - The Urban League of Middle Tennessee, as an affiliate of the National Urban League, shall be represented at the Delegate Assembly of the National Urban League at its Regional and Annual Meeting, by a delegate member.

Section2

Delegate Member-The delegate member shall be appointed from among the members of the board directors who are not otherwise voting members of the National Urban League, Inc. His (or her) appointment shall be certified in writing to the credentials committee of the National

Urban League board by an authorized officer of the affiliate board, as a hereinafter provider. A delegate member shall be appointed and certified no later than January first each year.

Section 3

Term- The delegate member shall serve for one full calendar year, from January first thru December thirty-first.

Section 4

Alternate Delegate- The Board of directors shall appoint, at the same time and in the same manner, an alternate delegate member, who shall serve in the absence of the delegate member of the organization.

Section 5

Instruction of Delegate Members- The delegate member and the alternate delegate member must be fully informed and instructed so that they can properly represent the affiliate in the deliberations of the National Urban League's Delegate Assembly and its Regional Assemblies.

Section 6

Certification- An authorized officer of the Board of the Urban League of Middle Tennessee shall certify in writing to the National Urban League credentials committee, the names of its delegate and alternate delegate members prior to January first, and shall file such certification, written consent to service of the persons designated.

ARTICLE XI

AUXILIARY GROUPS

Section 1

The policies and programs of all auxiliary groups under the auspices of the Urban League shall be consistent with the objectives and programs of the Urban League.

Section 2

The Urban League shall establish an Advisory Council (hereinafter called the Council) of no more than 10 members for the express purpose to advise and support the organization, board, and/or auxiliary groups. The council will meet no more than twice per year. The Council is advisory in nature and has no vested right to serve, set policy, or vote on the governing Board. The Council members will be indemnified and included under the Urban League's liability insurance.

ARTICLE XII

PARLIAMENTARY AUTHORITY

The latest edition of Robert's Rule of Order shall govern the Urban League, except where it is not consistent with these Bylaws, or governing documents of the National Urban League.

ARTICLE XIII

AMENDMENTS

Except as otherwise provided in the Articles of Incorporation, these Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted, by a majority affirmative vote of the Board of Directors at any meeting at which a quorum is present, provided the notice of the meeting sets forth the proposed alteration, amendment or repeal.

ARTICLE XIV

FINANCE

Section 1

Fiscal Year- The fiscal year of the Urban League shall be from July first to June thirtieth.

Section 2

Audit- Financial transactions of the Urban League, and its books and accounts, shall be audited annually by an independent certified public accountant or firm of certified public accountants selected by the Board of Directors.

Section 3

Checks- All checks, drafts, and orders for the payment of money by the Urban League shall be signed by such officers or agents, with the number of signatures, as the Board of Directors may specify by resolution. All checks and orders for payment shall bear the signature of the President or the Chairperson, or such person(s) having been approved by the Board Directors.

Section 4

Bond- All persons having access to, or major responsibility for, the handling of monies and securities of the Urban League shall be bonded.

Section 5

Contracts- Contracts may be entered into or debts incurred only as directed by resolution of the Board of Directors. The Board Chairperson and/or President shall execute in the name of the Urban League all contracts or other instruments authorized generally or specifically by the Board of Directors.

Section 6

Legal Counsel- Independent legal counsel shall be retained by the Urban League to (s) **Exhibit C** compliance

with federal and state requirements, (b) review major legal documents executed on behalf of the League, (c) prepare and review official statements, and (d) assist on any and all other legal matters, as required by the Board of Directors.

Section 7

Property-Title to all property shall be held in the name of the Urban League.

Section 8

Dissolution- In the event of dissolution of the Urban League, assets of the Urban League remaining after the discharge of all liabilities shall be held for the benefit of a new National Urban League, Inc. affiliate in the Middle Tennessee area.

Section 9

Budget and Financial Reporting- An annual budget of estimated income and expenditures shall be approved by the Board of directors. No expense shall be incurred by or on behalf of the Urban League in excess of 5% of the total approved budgetary appropriations without prior approval of the Board of Directors. A summary report of the financial operations of the Urban League shall be made to the membership and to the public at least annually in such form, as the Board of Directors shall provide.

ARTICLE XV

NONDISCRIMINATION POLICY

The Urban League shall be an affirmative action/equal opportunity employer. The Urban League shall not discriminate in its operations, including employment, the election of board members, or the provisions of services, on the basis of race, color, religion, creed, age, sex, national origin, ancestry, veteran's status, disability, or sexual orientation.

ARTICLE XVI

INDEMNIFICATION

Section 1

General Indemnification- The Urban League may indemnify any person who was or is a party or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Urban League), by reason of the fact that he or she is or was a director, officer, employee, fiduciary, or agent of the Urban League as a director, officer, employee, fiduciary, or agent of another corporation, partnership, joint venture, trust, or another

enterprise, against expenses (including attorney fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action suit, or proceeding, if he or she acted in good faith and in a manner he or she believed to be in the best interests of the Urban League and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not itself create a presumption that the person did not act in good faith or in a manner which he or she reasonably believed to be in the best interests of the Urban League, or, with respect to any criminal action or proceeding, did not have reasonable cause to believe his or her conduct was unlawful.

Section 2

Expenses- To the extent that a director, officer, employee, fiduciary, or agent of the Urban League has been successful on the merits in defense of any action, suit, or proceeding referred to in Article XVI, Section 1, or in defense of any claim, issue or matter therein, the Urban League may indemnify him or her against expenses (including attorney fees incurred in defending a civil or criminal action, suit or proceeding may be paid by the Urban League in advance of the final disposition of such action, suit or proceeding as authorized in Section 3 or 4 of this Article XVI upon receipt of an undertaking by or behalf of the Director, officer, employee, fiduciary or agent to repay such amount unless it is ultimately determined that he is entitled to be indemnified by the Urban League as authorized in this Article XVI.

Section 3

Non-Exclusivity- The indemnification provided by this Article XVI shall not be construed to limit the power of the Urban League to indemnify its directors, officers, employees, fiduciaries, or agents to the full extent permitted by law or to into specific agreements, commitments, or arrangements for indemnification permitted by law. The absence of any express provision for indemnification herein shall not limit any right of indemnification existing independently of this Article XVI.

Section 4

Insurance- The Urban League may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, fiduciary, or agent of the Urban League, or is or was serving at the request of the Urban League as a director, officer, employee, fiduciary, or agent of another corporation, partnership, joint venture, trust or another enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Urban League

would have the power to indemnify him or her against such liability under the provisions of this Article XVI.

Certificate

I hereby certify that the foregoing Bylaws, consisting of 14 pages, including this page, constituted the Bylaws of the Urban League of Middle Tennessee, adopted by the Board of Directors of the Urban League of Middle Tennessee as of June 30, 2022.

Amendment: Governance Committee Article XIII, Section 1

Passed by the "Governance Committee" on June 6, 2022

Amendment: Board of Directors Article XIII, Section 1

Passed by ULMT Board of Directors, June 30, 2022



Department of the Treasury
Internal Revenue Service

Cincinnati Service Center
CINCINNATI OH 45999-0038

In reply refer to: 0255887961
Aug. 01, 2023 LTR 4168C 0
62-0795167 202206 67

00020909
BODC: TE

URBAN LEAGUE OF MIDDLE TENNESSEE
50 VANTAGE WAY STE 201
NASHVILLE TN 37228-1500



029710

Employer ID number: 62-0795167
Form 990 required: YES

Dear Taxpayer:

We're responding to your request dated July 25, 2023, about your tax-exempt status.

We issued you a determination letter in JULY 1968, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(03).

We also show you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading of this letter, we indicated whether you must file an annual information return. If you're required to file a return, you must file one of the following by the 15th day of the 5th month after the end of your annual accounting period:

- Form 990, Return of Organization Exempt From Income Tax
- Form 990EZ, Short Form Return of Organization Exempt From Income Tax
- Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990-EZ
- Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation

According to IRC Section 6033(j), if you don't file a required annual information return or notice for 3 consecutive years, we'll revoke your tax-exempt status on the due date of the 3rd required return or notice.

You can get IRS forms or publications you need from our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).

If you have questions, call 877-829-5500 between 8 a.m. and 5 p.m.,

Exhibit C

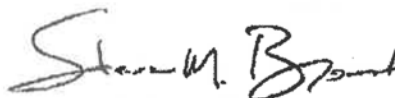
0255887961
Aug. 01, 2023 LTR 4168C 0
62-0795167 202206 67
00020910

URBAN LEAGUE OF MIDDLE TENNESSEE
50 VANTAGE WAY STE 201
NASHVILLE TN 37228-1500

local time, Monday through Friday (Alaska and Hawaii follow Pacific time).

Thank you for your cooperation.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Steve M. Brown". The signature is fluid and cursive, with the first name "Steve" and last name "Brown" clearly distinguishable.

Steve M. Brown, Operations Manager
Operations 3-CIN



MISSION STATEMENT

The mission of the Urban League of Middle Tennessee is to help African Americans and other underserved and disenfranchised communities achieve their highest true social parity, economic self-reliance, power, and civic rights by building better lives, stronger families, and connecting Middle Tennesseans to employment, education, and support services.

Established in 1968, the Urban League of Middle Tennessee is an organization focused on “building better lives by empowering communities and changing lives.” Guided by our mission, the Urban League works tirelessly toward the goal of improving the quality of life for those residing in underserved communities throughout our nine-county service area of Cheatham, Davidson, Dickson, Montgomery, Sumner, Robertson, Rutherford, Williamson, and Wilson counties.

Our efforts are centered around programs and initiatives that address our five focus areas of Workforce and Economic Development, Youth and Education, Health and Quality of Life, Housing and Community Development, and Social Justice and Civic Engagement. We strive to improve the lives of those who have been economically challenged and know that a great equalizer to economic advancement is empowering underserved communities and bridging the workforce disparity gaps within our region.





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

**FOR THE YEAR ENDED
JUNE 30, 2024**

(WITH SUMMARIZED COMPARATIVE INFORMATION TOTALS JUNE 30, 2023)

**URBAN LEAGUE OF MIDDLE TENNESSEE
INDEPENDENT AUDITOR’S REPORT
AND FINANCIAL STATEMENTS**

ROSTER OF OFFICIALS

Board Officers

Valinda Burks	Board Chair
Shawn Hurley	Board Vice Chair
Davita Taylor	Board Secretary
Julian Flournoy	Board Treasurer
Jazmyn Daigle	YP President

Board Members

Tom Jones	Dr. James McIntyre
Ann Hatcher	Derek Jones
Pamela Magee	Deborah Oleshansky
Keisha Mashore	Ray Sledge
Misha Maynard	Vamsi Polaverapu
James McCarroll	Meshan Smith
Dr. Jonannah Williams	Chandrea Vasser
Howard Gentry, Jr.	Shantavia Webb
Deana Ivey	Herbert Brown
Manuch Akbari	Valerie Franklin-Hernandez
Brenda Gilmore	Kimberly Sasse-Hayden

**URBAN LEAGUE OF MIDDLE TENNESSEE
INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS**

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1900 Church Street, Suite 200 □ Nashville, TN 37203
phone 615.321.7333 □ fax 615.523.1868

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Urban League of Middle Tennessee
50 Vantage Way Ste 201
Nashville, TN 37228

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of *Urban League of Middle Tennessee* (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of *Urban League of Middle Tennessee* as of June 30, 2024, and the changes in 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 *Urban League 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 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 an 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, state, and local awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards

generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal, state and local awards 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. The other information comprises the roster of officials on page i but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

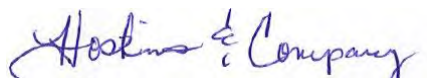
In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, 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 March 5, 2025, on our consideration of *Urban League 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 *Urban League of Middle Tennessee'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 *Urban League of Middle Tennessee's* internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited *Urban League of Middle Tennessee's* 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 23, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Hoskins & Company
Nashville, Tennessee
March 5, 2025

URBAN LEAGUE OF MIDDLE TENNESSEE
STATEMENTS FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION TOTALS JUNE 30, 2023)

	<u>2024</u>	<u>2023</u>
Assets		
Current assets		
Cash	\$ 6,869,506	\$ 6,372,496
Contributions receivable (Note 3)	247,195	189,805
Grants receivable (Note 4)	905,150	-
Other current assets	59,209	26,201
Total current assets	<u>8,081,060</u>	<u>6,588,502</u>
Noncurrent assets		
Property and equipment, net (Note 5)	59,597	29,243
Right of use assets (Note 10)	1,318,259	-
Total noncurrent assets	<u>1,377,856</u>	<u>29,243</u>
Total assets	<u><u>\$ 9,458,916</u></u>	<u><u>\$ 6,617,745</u></u>
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 918,558	\$ 170,493
Accrued payroll and payroll taxes	73,693	24,658
Line of credit (Note 8)	32,719	32,719
Deferred revenue (Note 7)	6,133,830	5,961,855
Operating lease - current (Note 10)	185,902	-
Notes payable - current (Note 9)	3,459	-
Total current liabilities	<u>7,348,161</u>	<u>6,189,725</u>
Noncurrent liabilities		
Notes payable - non current (Note 9)	146,541	150,000
Operating lease - noncurrent (Note 10)	1,177,108	-
Total noncurrent liabilities	<u>1,323,649</u>	<u>150,000</u>
Total Liabilities	<u>8,671,810</u>	<u>6,339,725</u>
Net assets		
Net Assets Without Donor Restrictions	787,106	278,020
Net Assets With Donor Restrictions	-	-
Total net assets	<u>787,106</u>	<u>278,020</u>
Total liabilities and net assets	<u><u>\$ 9,458,916</u></u>	<u><u>\$ 6,617,745</u></u>

The notes to the financial statements are an integral part to these financial statements

URBAN LEAGUE OF MIDDLE TENNESSEE
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION TOTALS JUNE 30, 2023)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2024 Total Net Assets	2023 Total Net Assets
Revenue and support				
Contributions	\$ 27,017	\$ -	\$ 27,017	\$ 21,544
Fundraising	483,090	-	483,090	482,220
Grant revenues	8,393,077		8,393,077	2,141,330
Membership	58,497	-	58,497	28,190
Interest income	103,827	-	103,827	74,923
Other income	75,151	-	75,151	14,309
Net assets released from restriction	-	-	-	-
Total revenue and support	<u>9,140,659</u>	<u>-</u>	<u>9,140,659</u>	<u>2,762,516</u>
Expenses				
General & administration				
General and Administrative	682,224	-	682,224	776,611
Fundraising	<u>134,315</u>	<u>-</u>	<u>134,315</u>	<u>163,294</u>
Total general & administration	<u>816,539</u>	<u>-</u>	<u>816,539</u>	<u>939,905</u>
Programs				
Education Youth Development	542,021	-	542,021	54,208
Workforce Development	2,100,144	-	2,100,144	387,557
Economic Empowerment	3,488,345	-	3,488,345	1,083,453
Civic and Community Engagement	243,304	-	243,304	20,513
Other Programs	<u>1,396,067</u>	<u>-</u>	<u>1,396,067</u>	<u>158,771</u>
Total programs	<u>7,769,881</u>	<u>-</u>	<u>7,769,881</u>	<u>1,704,502</u>
Total expenses	<u>8,586,420</u>	<u>-</u>	<u>8,586,420</u>	<u>2,644,407</u>
Increase in net assets	554,239	-	554,239	118,109
Net assets at beginning of fiscal year	<u>232,867</u>	<u>-</u>	<u>232,867</u>	<u>114,758</u>
Net assets at end of fiscal year	<u>\$ 787,106</u>	<u>\$ -</u>	<u>\$ 787,106</u>	<u>\$ 232,867</u>

The notes to the financial statements are an integral part to these financial statements

URBAN LEAGUE OF MIDDLE TENNESSEE
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION TOTALS JUNE 30, 2023)

	General and Administration	Fundraising	Education Youth Development	Workforce development	Economic Empowerment	Civic and Community Engagement	Other Programs	Total Program	2024 Total	2023 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Advertising	400	350	-	21,529	6,780	-	748	29,057	29,807	9,754
Bad debt	-	4,750	-	-	-	-	5,000	5,000	9,750	-
Computer technology	59,964	-	1,050	24,508	12,059	1,175	1,050	39,842	99,806	90,858
Computer lab	-	-	-	17,964	-	-	-	17,964	17,964	-
Conferences & meetings	17,087	-	2,177	1,271	5,945	1,648	2,735	13,776	30,863	18,776
Contract labor	20,235	-	-	-	350	-	-	350	20,585	59,842
Contribution Expenses	7,502	7,500	4,503	7,654	5,508	-	11,653	29,318	44,320	11,711
Depreciation	7,794	-	-	3,185	-	-	-	3,185	10,979	5,128
Dues and subscriptions	3,877	-	-	7,528	10,993	-	330	18,851	22,728	30,695
Fringe benefits	49,317	-	5,696	25,848	19,694	28,129	22,117	101,484	150,801	69,641
Fundraising, special events food and venue costs	1,960	120,078	1,500	450	2,900	3,150	1,500	9,500	131,538	252,020
Insurance	1,969	-	-	1,241	-	-	428	1,669	3,638	3,451
Interest & finance charges	7,530	961	36	1,787	2	-	186	2,011	10,502	6,868
Miscellaneous	1,447	-	-	15	(10)	-	-	5	1,452	7,266
Occupancy	112,194	-	-	59,421	8,764	-	10,148	78,333	190,527	151,715
Office expenses	15,605	446	1,338	15,495	10,787	2,095	1,685	31,400	47,451	35,239
Officer's salary	232,042	-	79,078	467,279	-	112,506	220,752	879,615	1,111,657	110,600
Payroll	-	-	-	-	285,898	-	-	285,898	285,898	628,735
Payroll taxes	21,656	-	-	34,315	17,020	-	17,146	68,481	90,137	58,032
Professional development	5,553	-	-	-	19,207	-	-	19,207	24,760	9,376
Professional services	93,364	178	1,200	13,742	19,246	-	4,084	38,272	131,814	288,387
Real estate development related costs (Note 11)	8,988	-	445,435	1,395,897	3,061,280	93,741	1,096,463	6,092,816	6,101,804	788,407
Travel	13,740	52	8	1,015	1,922	860	42	3,847	17,639	7,906
TOTAL	\$ 682,224	\$ 134,315	\$ 542,021	\$ 2,100,144	\$ 3,488,345	\$ 243,304	\$ 1,396,067	\$ 7,769,881	\$ 8,586,420	\$ 2,644,407

The notes to the financial statements are an integral part to these financial statements

URBAN LEAGUE OF MIDDLE TENNESSEE
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION TOTALS JUNE 30, 2023)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Increase in net assets	\$ 554,239	\$ 118,109
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	10,979	5,128
Increase (decrease) in accounts receivable	(962,540)	78,640
Increase in other assets	(33,010)	(8,026)
Increase in accounts payable	747,765	97,982
Increase in accrued payroll	49,035	1,737
Increase in due to deferred revenue	171,875	443,513
Net cash provided by operating activities	<u>538,343</u>	<u>737,084</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>(41,333)</u>	<u>(17,393)</u>
Net cash used in investing activities	<u>(41,333)</u>	<u>(17,393)</u>
Cash flows from financing activities		
Payments from line of credit	-	(6,347)
Payments from short-term loan	-	741
Net cash used in financing activities	<u>-</u>	<u>(5,606)</u>
Net change in cash and cash equivalents	497,010	714,085
Cash and cash equivalents, beginning of fiscal year	<u>6,372,496</u>	<u>5,658,411</u>
Cash and cash equivalents, end of fiscal year	<u><u>\$ 6,869,506</u></u>	<u><u>\$ 6,372,496</u></u>
Interest Paid	<u>\$ 10,502</u>	<u>\$ 6,868</u>

The notes to the financial statements are an integral part to these financial statements

**URBAN LEAGUE OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION TOTALS JUNE 30, 2023)**

NOTE 1--- NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Urban League of Middle Tennessee (the "Organization") is a not-for-profit agency established to enable African Americans and other minorities to secure economic self-reliance, parity and power, and civil rights. The Urban League is affiliated with the National Urban League through a charter agreement. The Urban League currently operates community development programs such as Workforce Development, Real Estate Developers Academy, and Youth Programs.

Change in Accounting Principle

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, "Leases" (as amended by ASU Nos. 2018-10, 2018-11, 2018-20, 2019-01, and 2019-10), replacing existing lease accounting guidance. The new standard provides a lessee model that requires entities to recognize assets and liabilities for most leases. Lessees continue to recognize expenses on their income statements in a manner similar to previous accounting. For the Organization, the standard was effective January 1, 2022. As amended, the ASU provided for retrospective transition applied to earlier periods presented or an adoption method by which entities would not need to recast the comparative periods presented. The Organization did not recast prior periods as it adopted this ASU. As a result of adopting this ASU, the Organization recorded approximately \$1,150,378 of lease assets and lease liabilities related to its operating leases and \$118,401 adjustment to unrestricted net assets related to transition on this ASU's adoption.

Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Cash and cash equivalents

The Organization consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments are restricted to program expenses.

Receivables and Credit Policies

Contributions receivables consist primarily of noninterest-bearing amounts due to/from contributors. We determine the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. We determined no allowance for uncollectable accounts is necessary as of June 30, 2024.

**URBAN LEAGUE OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION TOTALS JUNE 30, 2023)**

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – the Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue and Revenue Recognition

The Organization recognizes revenue in accordance with ASC 606. Contributions are recognized as revenue when they are received or unconditionally pledged. Conditional contributions are recognized as revenue when the conditions are substantially met.

Revenue from grants and contracts is recognized as the related services are performed or costs are incurred, in accordance with the terms of the grant or contract. Membership dues and program service fees are recognized over the period to which they relate.

Donated goods and services are recognized as revenue at their estimated fair value at the time of donation, provided they meet the criteria for recognition under Generally Accepted Accounting Principles (GAAP).

Advertising Costs

Advertising costs are expensed as incurred and were approximately \$29,808 and \$9,754 during the years ended June 30, 2024, and 2023, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy, depreciation, insurance and interest, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, which are allocated based on estimates of time and effort.

URBAN LEAGUE OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION TOTALS JUNE 30, 2023)

Income Taxes

Urban League of Middle Tennessee is organized as a Tennessee nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. We are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, it is subject to income tax on net income that is derived from business activities that are unrelated to our exempt purposes. We have determined that we are not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Use Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. As of June 30, 2024, and 2023, the Organization had \$5,570,639 and \$5,324,379 respectively, in excess of FDIC insurance limits. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies, churches, and foundations supportive of our mission.

Concentration of Revenue

The Organization receives a significant portion of its funding from state and local grants, which accounted for 88% of total revenue for the year ended June 30, 2024. A reduction in funding from these sources could have a material adverse effect on the organization's ability to continue its programs and services at current levels.

Property and Equipment

The Organization capitalizes property and equipment additions over \$500 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 years, or in the case of leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. The costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are currently.

URBAN LEAGUE OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION TOTALS JUNE 30, 2023)

The Organization evaluates the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. The Organization determined there were no impairments during June 30, 2024, or June 30, 2023. The estimated useful lives are as follows:

Leasehold improvements	20 years
Furniture and fixtures	5-7 years
Equipment	3-5 years

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Compensated Absences

Employees of Urban League of Middle Tennessee are entitled to paid vacation and paid sick days depending on job classification, length of service, and other factors. The amount of compensation for future absences if material is recognized as a liability. The Urban League of Middle Tennessee does not carry over unused paid vacation and paid sick days to the subsequent calendar year. As such there were no material balances requiring an accrual of a liability.

Note 2 - Liquidity and Availability of Resources

The Organization had financial assets available for general expenditure within one year of the statement of financial position date are as follows as of December 31:

	2024	2023
Cash and cash equivalents	\$ 6,869,506	\$ 6,372,496
Accounts receivable	1,152,345	189,805
Financial assets, at year end	\$ 8,021,851	\$ 6,562,301
Less those unavailable for general expenditures within one year, due to: Contractual or donor-imposed restrictions		
Deferred revenue (Note 8)	6,133,730	5,961,855
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,888,121	\$ 600,446

URBAN LEAGUE OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION TOTALS JUNE 30, 2023)

As part of our liquidity management, the Organization’s policy is to structure financial assets to be available as its general expenditure, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, our goal is to maintain financial assets, which consist of cash, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$214,469 to achieve these targets, we forecast future cash flows and monitor reserves and liquidity weekly. During the years ending June 30, 2024, and 2023, the level of liquidity and reserves was managed within the policy requirements.

Note 3 – Contributions Receivables

As of June 30, 2024, the Organization had contributions receivable totaling \$247,195. These contributions are expected to be collected within one year.

Contributions receivables are recorded at their net realizable value. Management has evaluated the collectability of these receivables and determined that no allowance for doubtful accounts is necessary.

Note 4 - Grants Receivables

As of June 30, 2024, the Organization had grants receivable totaling \$400,000. These grants are expected to be collected within one year: \$905,150.

Grants receivables are recorded at their net realizable value. Management has evaluated the collectability of these receivables and determined that no allowance for doubtful accounts is necessary.

Note 5 – Property and Equipment, net

Property and Equipment consists of the following asset classes:

	<u>2024</u>	<u>2023</u>
Computer Equipment	\$ 115,870	\$ 114,272
Furniture and Fixtures	53,433	29,709
Leasehold Improvements	25,762	9,751
Machinery and Equipment	6,758	6,758
Less Accumulated Depreciation	(142,226)	(131,246)
Property and Equipment, net	<u>\$ 59,597</u>	<u>\$ 29,244</u>

Depreciation expense for the years ended June 30, 2024, and June 30, 2023, were \$10,979 and 5,128, respectively.

Note 6 - Commitments and Contingencies

The Organization received funding from government agencies for various activities, which are subject to audit. Although such audits may result in disallowance of certain expenditures, which the Organization would

URBAN LEAGUE OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION TOTALS JUNE 30, 2023)

absorb, in our opinion, the ultimate outcome of such audits would not have a significant effect on the financial position, changes in net assets, or cash flows of the Organization.

Note 7 – Deferred Revenue

As of June 30, 2024, the Organization had deferred grant revenue of \$6,133,730. Deferred grant revenue represents funds received in advance from grantors for which the associated performance obligations or restrictions have not yet been met. These amounts will be recognized as revenue when the conditions stipulated in the grant agreements are satisfied.

Total deferred grant revenue of \$6,133,730 relates to program activities scheduled for 2024 – 2025.

Management periodically evaluates the conditions and monitors compliance with grant agreements to ensure revenue is recognized appropriately.

Deferred Revenue by category:

	2024	2023
Real Estate Development Academy	\$ 5,678,494	\$ 4,100,521
Workforce - Metro	145,054	1,275,681
Innovation Program	100,000	100,000
Other programs deferred revenue	210,182	485,653
Total	<u>\$ 6,133,730</u>	<u>\$ 5,961,855</u>

Note 8 – Lines of Credit

The Organization has a \$100,000 revolving line of credit with a financial institution, with a variable interest rate of 6%. The balance outstanding on this line of credit as of June 30, 2024 and June 30, 2023, was \$32,719 and \$ 32,719 , respectively. The balance is due on demand. The assets of the Organization secure the line of credit.

Additionally, the Organization has an approved \$100,000 line of credit with Regions Bank. As of June 30, 2024, no amounts have been drawn down on this line of credit.

Note 9 – Note Payable

On September 11, 2020, the Organization entered a loan agreement with the US Small Business Administration (SBA) for the COVID-19 Economic Injury Disaster Loan (EIDL) to receive \$150,000 for working capital purposes scheduled for repayment in 30 years bearing an interest rate of 2.75%. The loan is secured by all tangible and intangible property of the Organization. Principal and interest payments of \$641 were initially deferred from September 11, 2020, to September 20, 2021, and again from September 20, 2021, to January 17, 2023, During the deferment periods interest continued to accrue. There were no loan issuance costs.

As of June 30, 2024, total accrued interest \$4,717. This loan is not eligible for forgiveness.

URBAN LEAGUE OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION TOTALS JUNE 30, 2023)

Principal repayments on loan over the next five years are as follows:

2025	3,160
2026	3,260
2027	3,362
2028	3,468
2029	3,577
Thereafter	<u>\$133,173</u>
	<u>\$150,000</u>

Note 10 – Leases

The Organization has entered into two non-cancelable operating lease agreements for office space. These leases have remaining terms ranging from 2 to 5 years, with options to renew at the end of the lease term. The Organization is more than likely to renew these leases as such the lease accounting end date was calculated through December 31, 2032. The leases do not contain any purchase options or residual value guarantees.

Lease Expense: Total operating lease expense for the year ended June 30, 2024, was \$139,276.

Maturity Analysis of Lease Liabilities:

Principal repayments on loan plus accrued interest over the next five years are as follows:

2025	266,964
2026	220,141
2027	222,931
2028	225,721
2029	228,512
Thereafter	<u>\$2,807,566</u>

Discount Rate: The weighted-average discount rate used to calculate lease liabilities for the two leases were 2.38% and 4.07% with a weighted average remaining lease term of 8.51 years.

Right-of-Use Asset and Lease Liability:

The right-of-use asset and corresponding lease liability recognized on the statements of financial position as of June 30, 2024, were \$1,318,259 and \$1,363,009, respectively.

**URBAN LEAGUE OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION TOTALS JUNE 30, 2023)**

Note 11 – Real Estate Development

The Organization has entered into both government and non-government grant agreements to launch a Real Estate Development (R.E.D.) Academy program. The program manages the construction of affordable housing and provides funding to qualifying organizations to revitalize the Nashville, TN area. As of June 30, 2024, real estate development costs incurred was \$6,101,804. The Organization received additional funding of \$6,133,730 as referenced in Note 7 (Deferred Revenue). These funds were unspent as of June 30, 2024.

Note 12 – Subsequent Events

There were no subsequent events requiring disclosure as of March 5, 2025, the date management evaluated such events. March 5, 2025, is the date the financial statements were available to be issued.

**URBAN LEAGUE OF MIDDLE TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION TOTALS JUNE 30, 2023)**

<u>Grantor/Pass-Through Grantor</u>	<u>Name of Program</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Identifying Number</u>	<u>Expenditures</u>	<u>Notes</u>
Pass Through From Metropolitan Government of Nashville & Davidson County	Coronavirus State and Local Recovery Funds (Advance Workforce Equity And Strengthen Family Foundations)	21.027	L-5402	\$ 1,973,792	1
Pass Through From Metropolitan Government of Nashville & Davidson County	Coronavirus State and Local Recovery Funds (Affordable Housing through Barnes Trust Fund)	21.027	N/A	778,139	1
Center for Disease Control & Prevention Pass Through From National Urban League	Partnering for Vaccine Equity	93.185	NH23IP922641	26,389	1
FEDERAL/LOCAL AWARDS				2,778,320	
Passed through from Tennessee Department of Labor and Workforce Development/	Tennessee Youth Employment Program	17.259	LW29F242SYSWA24	498,301	1
STATE AWARDS				498,301	
TOTAL FEDERAL STATE AND LOCAL AWARDS				\$ 3,276,621	

URBAN LEAGUE OF MIDDLE TENNESSEE
NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL, STATE AND LOCAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION TOTALS JUNE 30, 2023)

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS

Note 1 - Basis of presentation

The accompanying Schedule of Federal, State and Local Awards (the schedule) includes the federal, state, and local activity of Urban League of Middle Tennessee for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of the Code of Federal Regulations, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Title 2, Section 200 (the Uniform Guidance). Because the schedule presents only selected portions of the operations of Urban League of Middle Tennessee it is not intended to and does not present the financial position, changes in net assets, or cash flows of Urban League of Middle Tennessee.

Note 2 - Summary of significant accounting policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect cost rate

Urban League of Middle Tennessee has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 - Program Costs

The amounts shown as expenditures represent only the federal, state, and local award portion of the program costs. Entire program costs are more than shown. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.



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**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 of
Urban League of Middle Tennessee
Nashville, 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 Urban League of Middle Tennessee (a nonprofit organization), which comprises the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 5, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Urban League of Middle Tennessee'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 Urban League of Middle Tennessee's internal control. Accordingly, we do not express an opinion on the effectiveness of the Urban League of Middle Tennessee'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.

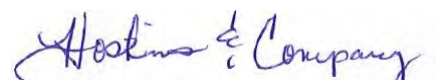
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Urban League of Middle Tennessee'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.

A handwritten signature in blue ink that reads "Hoskins & Company". The signature is written in a cursive, flowing style.

Hoskins & Company
Nashville, TN
March 5, 2025



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**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
Urban League of Middle Tennessee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Urban League of Middle Tennessee's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of Urban League of Middle Tennessee's major federal programs for the year ended June 30, 2024. Urban League of Middle Tennessee's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and 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 Urban League of Middle Tennessee and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Urban League of Middle Tennessee'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 Urban League of Middle Tennessee's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Urban League of Middle Tennessee'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 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 Urban League of Middle Tennessee's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Urban League of Middle Tennessee'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 Urban League of Middle Tennessee'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 Urban League of Middle Tennessee's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

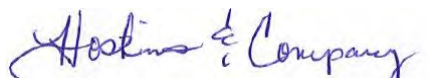
Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is 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 and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been 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 to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Hoskins & Company". The signature is written in a cursive, flowing style.

Hoskins & Company

Nashville, TN
March 5, 2025

URBAN LEAGUE OF MIDDLE TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

SECTION I—Summary of Independent Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- | | |
|--|----|
| 1. Material weaknesses identified | No |
| 2. Significant deficiencies identified that are not considered to be material weaknesses | No |
| 3. Noncompliance material to financial statements noted | No |

Federal Awards

4. **Internal control over major programs:**
- | | |
|---|----|
| a. Material weaknesses identified | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | No |

5. **Type of auditor’s report issued on compliance for major program:** Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with Section 200.516 (a) of Uniform Guidance? No

7. **Identification of major programs:**

FEDERAL ASSISTANCE LISTING NUMBER	NAME OF FEDERAL PROGRAM
21.027	Coronavirus State and Local Fiscal Recovery Funds

8. Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

9. Auditee qualified as a low risk auditee? No

SECTION III – Findings and Questioned Costs for Federal Awards

None

URBAN LEAGUE OF MIDDLE TENNESSEE
SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

None