

Grant contract between the Metropolitan Government of Nashville and Davidson County and Raphah Institute, Contract # _____

**GRANT CONTRACT
BETWEEN THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY
AND
RAPHAH INSTITUTE**

This Grant Contract issued and entered into pursuant to Substitute Budget Ordinance BL2024-373 by and between the Metropolitan Government of Nashville and Davidson County ("Metro"), and Raphah Institute ("Recipient"), is for the provision of the Accountability and Restoration Conferencing Safety programs, as further defined in the "SCOPE OF PROGRAM" and detailed in this Grant Contract. Attachments A through G are incorporated herein by reference.

A. SCOPE OF PROGRAM:

A.1. The Recipient will operate its restorative justice-based Accountability and Restoration Conferencing program ("ARC"). ARC is a method of addressing criminal harm focusing on trauma coaching for the harmed parties and accountability coaching for those that have caused the harm. This coaching includes supporting residents in accessing housing, healthcare, education, employment, and social support resources. It also includes facilitating dialogues between all parties as they work to repair the harm caused.

The Recipient will use the funds to pay the salaries of two accountability coaches and to achieve the following outcomes:

- Recipient will mentor a minimum of forty-eight (48) individuals diverted from Juvenile and Adult Criminal Courts
- Recipient will accept twenty-four (24) individual cases into its ARC program.
- Recipient will provide eighty (80) hours of initial training and ongoing professional development to the accountability coaches.
- Recipient will submit an implementation plan within thirty (30) days of contract execution that includes data collection and other program measurement for review, discussion, and approval.

A.2. The Recipient must spend grant funds consistent with the Grant Spending Plan, attached and incorporated herein as **Attachment A**. The Recipient must collect data to evaluate the effectiveness of their services and must provide those results to Metro upon request.

A.3. The Recipient must comply with all monthly reporting requirements. Recipient must submit monthly reports that contain the following:

- Number of residents served;
- Frequency of services provided;
- Sign in sheets with dates and times of services or meetings;
- Other data as requested.

A.4. The Recipient will only utilize these grant funds for services the Recipient provides to participants in cases referred from Davidson County Juvenile and Davidson County Adult Criminal Court.

B. GRANT CONTRACT TERM:

B.1. **Grant Contract Term.** The term of this Grant will commence on the date filed with the Metropolitan Clerk after receiving all required Metro approvals and ending on June 30, 2025. Metro will have no obligation for services rendered by the Recipient that are not performed within this term, although it is understood that Recipient has provided services prior to the commencement of the term of this agreement and will be allowed to submit invoices and be paid for services rendered beginning July 1, 2024.

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C. PAYMENT TERMS AND CONDITIONS:

C.1. **Maximum Liability.** In no event will Metro's maximum liability under this Grant Contract exceed One hundred fifty-nine thousand four hundred forty-two dollars (\$159,442). The Grant Spending Plan will constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Spending Plan line items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.

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

C.2. **Payment Methodology.** The Recipient will only be compensated for actual costs based upon the Grant Spending Plan, not to exceed the maximum liability established in Section C.1

Upon progress toward the completion of the work, as described in Section A of this Grant Contract, the Recipient shall submit invoices and any supporting documentation as requested by Metro to demonstrate that the funds are used as required by this Grant, prior to any payment for allowable costs. Such invoices shall be submitted no more often than monthly and indicate at a minimum the amount charged by Spending Plan line-item for the period invoiced, the amount charged by line-item to date, the total amount charged for the period invoiced, and the total amount charged under this Grant Contract to date.

Recipient must send all invoices to Metro Public Health Department, Anidolee.Melville-Chester@nashville.gov.

Final invoices for the contract period should be received by July 15, 2025. Any invoice not received by the deadline date will not be processed and all remaining grant funds will expire.

C.3. **Annual Expenditure Report.** The Recipient must submit a final grant Annual Expenditure Report, to be received by Metro Public Health Department, within forty-five (45) days of the end of the Grant Contract. Said report must be in form and substance acceptable to Metro and must be prepared by a Certified Public Accounting Firm or the Chief Financial Officer of the Recipient Organization.

C.4. **Payment of Invoice.** The payment of any invoice by Metro will not prejudice Metro's right to object to the invoice or any other related matter. Any payment by Metro will neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs included therein.

C.5. **Unallowable Costs.** The Recipient's invoice may be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by Metro, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs. Any unallowable cost discovered after payment of the final invoice shall be returned by the Recipient to Metro within fifteen (15) days of notice.

C.6. **Deductions.** Metro reserves the right to adjust any amounts which are or become due and payable to the Recipient by Metro under this or any Contract by deducting any amounts which are or become due and payable to Metro by the Recipient under this or any Contract.

C.7. **Travel Compensation.** Payment to the Recipient for travel, meals, or lodging is subject to amounts and limitations specified in Metro's Travel Regulations and subject to the Grant Spending Plan.

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C.8. **Electronic Payment.** Metro requires as a condition of this contract that the Recipient have on file with Metro a completed and signed "ACH Form for Electronic Payment". If Recipient has not previously submitted the form to Metro or if Recipient's information has changed, Recipient will have thirty (30) days to complete, sign, and return the form. Thereafter, all payments to the Recipient, under this or any other contract the Recipient has with Metro, must be made electronically.

D. STANDARD TERMS AND CONDITIONS:

D.1. **Required Approvals.** Metro is not bound by this Grant Contract until it is approved by the appropriate Metro representatives as indicated on the signature page of this Grant and approved by the Metropolitan Council.

D.2. **Modification and Amendment.** This Grant Contract may be modified only by a written amendment that has been approved in accordance with all Metro procedures and by appropriate legislation of the Metropolitan Council.

D.3. **Termination for Cause.** Metro shall have the right to terminate this Grant Contract immediately if Metro determines that Recipient, its employees or principals have engaged in conduct or violated any federal, state or local laws which affect the ability of Recipient to effectively provide services under this Grant Contract. Should the Recipient fail to properly perform its obligations under this Grant Contract or if the Recipient violates any terms of this Grant Contract, Metro will have the right to immediately terminate the Grant Contract and the Recipient must return to Metro any and all grant monies for services or programs under the grant not performed as of the termination date. The Recipient must also return to Metro any and all funds expended for purposes contrary to the terms of the Grant Contract. Such termination will not relieve the Recipient of any liability to Metro for damages sustained by virtue of any breach by the Recipient.

D.4. **Termination - Notice.** Metro may terminate the Grant Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by Metro. Metro shall give the Recipient at least thirty (30) days written notice before effective termination date.

(a) The Recipient shall be entitled to receive compensation for satisfactory, authorized service completed as of the effective termination date, but in no event shall Metro be liable to the Recipient for compensation for any service that has not been rendered.

(b) Upon such termination, the Recipient shall have no right to any actual general, special, incidental, consequential or any other damages whatsoever of any description or amount.

D.5. **Termination - Funding.** The Grant Contract is subject to the appropriation and availability of local, State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, Metro shall have the right to terminate the Grant Contract immediately upon written notice to the Recipient. Upon receipt of the written notice, the Recipient shall cease all work associated with the Grant Contract on or before the effective termination date specified in the written notice. Should such an event occur, the Recipient shall be entitled to compensation for all satisfactory and authorized services completed as of the effective termination date. The Recipient shall be responsible for repayment of any funds already received in excess of satisfactory and authorized services completed as of the effective termination date.

D.6. **Subcontracting.** The Recipient 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 subGrantee, the Recipient will be considered the prime Recipient and will be responsible for all work performed.

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- D.7. **Conflicts of Interest.** The Recipient warrants that no part of the total Grant Amount will be paid directly or indirectly to an employee or official of Metro as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Recipient in connection with any work contemplated or performed relative to this Grant Contract.
- D.8. **Nondiscrimination.** The Recipient hereby agrees, warrants, and assures that no person will be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Recipient on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification which is in violation of applicable laws. The Recipient must, upon request, show proof of such nondiscrimination and must post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.9. **Records.** The Recipient must maintain documentation for all charges to Metro under this Grant Contract. The books, records, and documents of the Recipient, insofar as they relate to work performed or money received under this Grant Contract, must be maintained for a period of three (3) full years from the date of the final payment or until the Recipient engages a licensed independent public accountant to perform an audit of its activities. The books, records, and documents of the Recipient insofar as they relate to work performed or money received under this Grant Contract are subject to audit at any reasonable time and upon reasonable notice by Metro or its duly appointed representatives. Records must be maintained in accordance with the standards outlined in the Metro Non-profit Grants Manual. The financial statements must be prepared in accordance with generally accepted accounting principles.
- D.10. **Monitoring.** The Recipient's activities conducted and records maintained pursuant to this Grant Contract are subject to monitoring and evaluation by The Metropolitan Office of Financial Accountability or Metro's duly appointed representatives. The Recipient must make all audit, accounting, or financial records, notes, and other documents pertinent to this grant available for review by the Metropolitan Office of Financial Accountability, Internal Audit or Metro's representatives, upon request, during normal working hours.
- D.11. **Reporting.** The Recipient must submit a Final Program Report, to be received by Metro Public Health Department, within forty-five (45) days of the end of the Grant Contract. Said reports shall detail the outcome of the activities funded under this Grant Contract.
- D.12. **Strict Performance.** Failure by Metro to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement is not a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract is considered to be waived, modified, or deleted except by a written amendment by the appropriate parties as indicated on the signature page of this Grant.
- D.13. **Insurance.** The Recipient agrees to carry adequate public liability and other appropriate forms of insurance, and to pay all applicable taxes incident to this Grant Contract.
- D.14. **Metro Liability.** Metro will have no liability except as specifically provided in this Grant Contract.
- D.15. **Independent Contractor.** Nothing herein will in any way be construed or intended to create a partnership or joint venture between the Recipient and Metro or to create the relationship of principal and agent between or among the Recipient and Metro. The Recipient must not hold itself out in a manner contrary to the terms of this paragraph. Metro will not become liable for any representation, act, or omission of any other party contrary to the terms of this paragraph.
- D.16. **Indemnification and Hold Harmless.**
- (a) Recipient agrees to indemnify, defend, and hold harmless Metro, its officers, agents and employees from any claims, damages, penalties, costs and attorney fees for injuries or damages

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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 Grantees, 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 Grantees, to observe applicable laws, including, but not limited to, labor laws and minimum wage laws.

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

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

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

D.17. **Force Majeure.** "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the party. Except as provided in this Section, any failure or delay by a party in the performance of its obligations under this Grant Contract arising from a Force Majeure Event is not a breach under this Grant Contract. The non-performing party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the party continues to use diligent, good faith efforts to resume performance without delay. Recipient will promptly notify Metro within forty-eight (48) hours of any delay caused by a Force Majeure Event and will describe in reasonable detail the nature of the Force Majeure Event.

D.18. **Iran Divestment Act.** In accordance with the Iran Divestment Act, Tennessee Code Annotated § 12-12-101 et seq., Recipient certifies that to the best of its knowledge and belief, neither Recipient nor any of its subcontractors are on the list created pursuant to Tennessee Code Annotated § 12-12-106. Misrepresentation may result in civil and criminal sanctions, including contract termination, debarment, or suspension from being a contractor or subcontractor under Metro contracts.

D.19. **State, Local and Federal Compliance.** The Recipient agrees to comply with all applicable federal, state and local laws and regulations in the performance of this Grant Contract. Metro shall have the right to terminate this Grant Contract at any time for failure of Recipient to comply with applicable federal, state or local laws in connection with the performance of services under this Grant Contract.

D.20. **Governing Law and Venue.** The validity, construction and effect of this Grant Contract and any and all extensions and/or modifications thereof will be governed by and construed in accordance with the laws of the State of Tennessee. The venue for legal action concerning this Grant Contract will be in the courts of Davidson County, Tennessee.

D.21. **Completeness.** This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

D.22. **Headings.** Section headings are for reference purposes only and will not be construed as part of this Grant Contract.

D.23. **Severability.** In the event any provision of this Agreement is rendered invalid or unenforceable, said provision(s) hereof will be immediately void and may be renegotiated for the sole purpose of

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rectifying the error. The remainder of the provisions of this Agreement not in question shall remain in full force and effect.

- D.24. **Metro Interest in Equipment.** The Recipient will take legal title to all equipment and to all motor vehicles, hereinafter referred to as "equipment," purchased totally or in part with funds provided under this Grant Contract, subject to Metro's equitable interest therein, to the extent of its *pro rata* share, based upon Metro's contribution to the purchase price. "Equipment" is defined as an article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds Five Thousand dollars (\$5,000).

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

- D.25. **Assignment—Consent Required.** The provisions of this contract will inure to the benefit of and will be binding upon the respective successors and assignees of the parties hereto. Except for the rights of money due to Recipient under this contract, neither this contract nor any of the rights and obligations of Recipient hereunder may be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer will not release Recipient from its obligations hereunder. Notice of assignment of any rights to money due to Recipient under this Contract must be sent to the attention of the Metro Department of Finance.

- D.26. **Gratuities and Kickbacks.** It will be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparations of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therefore. It will be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subGrantee under a contract to the prime Grantee or higher tier subGrantee 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.27. **Communications and Contacts.** All instructions, notices, consents, demands, or other communications from the Recipient required or contemplated by this Grant Contract must be in writing and must be made by email transmission, or by first class mail, addressed to the respective party at the appropriate email or physical address as set forth below or to such other party, email, or address as may be hereafter specified by written notice.

Metro

For contract-related matters:
Metro Public Health Department
2500 Charlotte Avenue
Nashville, TN 37209
Holly.Rice@nashville.gov

For inquiries regarding invoices:
Metro Public Health Department
2500 Charlotte Avenue
Nashville, TN 37209
Nancy.Uribe@nashville.gov

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Recipient

Raphah Institute
Executive Director
615 Main Street
Nashville, TN 37206

D.28. **Lobbying.** The Recipient certifies, to the best of its knowledge and belief, that:

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

D.29. **Certification Regarding Debarment and Convictions.**

- a. Recipient certifies that Recipient, and its current and future principals:
 - i. are not presently debarred, suspended, or proposed for debarment from participation in any federal or state grant program;
 - ii. have not within a three (3) year period preceding this Grant Contract been convicted of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) grant;
 - iii. have not within a three (3) year period preceding this Grant Contract been convicted of embezzlement, obstruction of justice, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and
 - iv. are not presently indicted or otherwise criminally charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in Sections D.29(a)(ii) and D.29(a)(iii) of this certification.
- b. Recipient shall provide immediate written notice to Metro if at any time Recipient learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals fall under any of the prohibitions of Section D.29(a).

D.30. **Effective Date.** This contract will not be binding upon the parties until it has been signed first by the Recipient and then by the authorized representatives of the Metropolitan Government and

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has been filed in the office of the Metropolitan Clerk. When it has been so signed and filed, this contract will be effective as of the date first written above.

- D.31. **Health Insurance Portability and Accountability Act.** Metro and Recipient shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and its accompanying regulations.
- a. Recipient warrants that it is familiar with the requirements of HIPAA and its accompanying regulations and will comply with all applicable HIPAA requirements in the course of this Agreement.
 - b. Recipient warrants that it will cooperate with Metro, including cooperation and coordination with Metro privacy officials and other compliance officers required by HIPAA and its regulations, in the course of performance of this Agreement so that both parties will be in compliance with HIPAA.
 - c. Recipient agrees to sign documents, including but not limited to Business Associate agreements, as required by HIPAA and that are reasonably necessary to keep Metro and Recipient in compliance with HIPAA. This provision shall not apply if information received by the Recipient from Metro under this Agreement is not “protected health information” as defined by HIPAA, or if HIPAA permits Recipient and Metro to receive such information without entering into a Business Associate agreement or signing another such document.

Signature page follows.

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Recipient: Raphah Institute

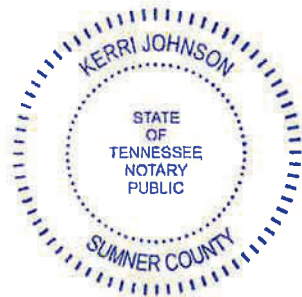
By: *J.P. Childers*

Title: *CEO*

Sworn to and subscribed to before me, a Notary Public this *4th*
day of *NOVEMBER* , 2024, by _____, the
_____ of Contractor and duly authorized to execute
this instrument on Contractor's behalf.

Notary Public: *Kerri Johnson*

My Commission Expires: *JUNE 29, 2027*



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METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DocuSigned by:
Joanna Shaw-kaikai 11/20/2024
F0EB3ACD4AFC4C1...
Interim Director, Metro Public Health Department Date

Signed by:
Tené Hamilton Franklin 11/20/2024
BEBF0BBF14D14B0...
Chair, Board of Health Date

APPROVED AS TO AVAILABILITY OF FUNDS:

Signed by: DS
R DS
AP
Kevin Crumbo/mjw 11/22/2024
62377A2A8742469...
Director, Department of Finance Date

APPROVED AS TO RISK AND INSURANCE:

DocuSigned by:
Balajun Cobb 11/22/2024
68804BF12FD741C...
Director of Risk Management Services Date

APPROVED AS TO FORM AND LEGALITY:

Matthew Garth 11/25/2024
Metropolitan Attorney Date

FILED:

Metropolitan Clerk Date

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Table of Contents of Attachments:

- A. Grant Spending Plan
- B. Certificate of Assurance
- C. Non-Profit Grants Manual Receipt Acknowledgement
- D. Internal Revenue Service 501(c)(3) Tax-Exempt Organization Letter
- E. Non-Profit Charter and Tennessee Secretary of State Non-Profit Confirmation
- F. Independent Audit completed by Certified Public Accountant
- G. Certificate of Insurance

ATTACHMENT A

GRANT BUDGET

(BUDGET PAGE 1)

Raphah Institute

APPLICABLE PERIOD: The grant budget line-item amounts below shall be applicable only to expense incurred during the period beginning **July 1, 2024**, and ending **June 30, 2025**.

Object Line-item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY ¹ (detail schedule(s) attached as applicable)	GRANT CONTRACT	GRANTEE MATCH ³	TOTAL PROJECT
1	Salaries ²	\$124,000.00	\$0.00	\$124,000.00
2	Benefits & Taxes	\$19,542.00	\$0.00	\$19,542.00
4, 15	Professional Fee/ Grant & Award ²	\$0.00	\$0.00	\$0.00
5	Supplies	\$0.00	\$0.00	\$0.00
6	Telephone	\$0.00	\$0.00	\$0.00
7	Postage & Shipping	\$0.00	\$0.00	\$0.00
8	Occupancy	\$0.00	\$0.00	\$0.00
9	Equipment Rental & Maintenance	\$0.00	\$0.00	\$0.00
10	Printing & Publications	\$0.00	\$0.00	\$0.00
11, 12	Travel/ Conferences & Meetings ²	\$0.00	\$0.00	\$0.00
13	Interest ²	\$0.00	\$0.00	\$0.00
14	Insurance	\$0.00	\$0.00	\$0.00
16	Specific Assistance To Individuals ²	\$0.00	\$0.00	\$0.00
17	Depreciation ²	\$0.00	\$0.00	\$0.00
18	Other Non-Personnel ²	\$0.00	\$0.00	\$0.00
20	Capital Purchase ²	\$0.00	\$0.00	\$0.00
22	Indirect Cost (0% of S&B)	\$15,900.00	\$0.00	\$15,900.00
24	In-Kind Expense	\$0.00	\$0.00	\$0.00
25	GRAND TOTAL	\$159,442.00	\$0.00	\$159,442.00

¹ Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A*. (posted on the Internet at: <https://www.tn.gov/assets/entities/finance/attachments/policy3.pdf>).

² Applicable detail follows this page if line-item is funded.

³ A Grantee Match Requirement is detailed by this Grant Budget, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the "Grant Contract" column above, shall be reduced by the amount of any Grantee failure to meet the Match Requirement.

John Cooper
MAYOR



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

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

Recipient Name Raphah Institute

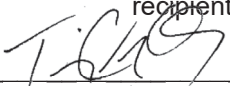
As a condition of receipt of this funding, the Recipient assures that it will comply fully with the provisions of the following laws.

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

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

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

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



 Signature of Authorized Representative
 Name: Travis Claybrooks
 Title: CEO
 Agency Name: Raphah Institute
 Date: August 11, 2024



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

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

Recipient Name Raphah Institute

August 21, 2024

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

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

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

 Signature of Authorized Representative
 Name: Travis Claybrooks
 Title: CEO
 Agency Name: Raphah Institute
 Date: August 21, 2024

P. O. BOX 2508
CINCINNATI, OH 45201

ATTACHMENT D

Date: **APR 20 2017**

RAPHAH INSTITUTE
3280 WOODPOINT DRIVE
NASHVILLE, TN 37207-0000

Employer Identification Number:
82-1181441
DLN:
26053507003107
Contact Person:
CUSTOMER SERVICE ID# 31954
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Public Charity Status:
170(b)(1)(A)(vi)
Form 990/990-EZ/990-N Required:
Yes
Effective Date of Exemption:
April 1, 2017
Contribution Deductibility:
Yes
Addendum Applies:
No

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.

Letter 947


**CERTIFICATE OF
AMENDED AND RESTATED CHARTER
OF
RAPHAH INSTITUTE**

Pursuant to the provisions of Sections 48-60-102(b) and 48-60-106 of the Tennessee Nonprofit Corporation Act, the undersigned corporation hereby amends and restates its Charter, to supersede the Charter and any and all prior amendments thereto, and certifies as follows:

- I. The undersigned corporation does not have members and no approval is required by any persons other than the board of directors of the undersigned corporation for each amendment as set forth in the Amended and Restated Charter attached to this Certificate.
- II. The text of the Amended and Restated Charter attached to this Certificate was duly adopted and approved by the board of directors of the undersigned corporation at a meeting held June 14, 2022, such meeting being duly called and attended by a quorum.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amended and Restated Charter as of the 14 day of June, 2022.

RAPHAH INSTITUTE

By: 

Name: Travis Claybrooks.

Title: President and Chief Executive Officer

**AMENDED AND RESTATED CHARTER
OF
RAPHAH INSTITUTE**

Pursuant to the provisions of Section 48-60-106 of the Tennessee Nonprofit Corporation Act, the undersigned corporation adopts the following as its amended and restated charter, effective as of the filing hereof by the Tennessee Secretary of State:

Article I

The name of the corporation is Raphah Institute.

Article II

The street address of the principal office of the corporation is 615 Main Street, Nashville, Davidson County, Tennessee 37206.

Article III

The street address of the registered office of the corporation in the State of Tennessee is 615 Main Street, Nashville, Davidson County, Tennessee 37206. The name of the registered agent of the corporation at its registered office is Travis Claybrooks.

Article IV

The corporation's fiscal year shall close on the last day of June.

Article V

The corporation shall have a perpetual existence.

Article VII

The corporation is a public benefit corporation.

Article VI

The corporation is a nonprofit corporation.

Article VIII

The corporation does not have members.

Article IX

In the event of dissolution, the assets of the corporation shall be distributed only in the manner then permitted by the Tennessee Nonprofit Corporation Act.

Article X

The corporation shall have no power or authority to issue shares of capital stock.

Article XI

(a) The business and affairs of the corporation shall be managed by or under the direction of a board of directors, which shall have all of the powers conferred and, subject to Articles XII-XIV hereof, the duties imposed by the Tennessee Nonprofit Corporation Act, except to the extent expressly delegated in writing by such board of directors to others in a manner consistent with the provisions of the Tennessee Nonprofit Corporation Act. The number of directors and their terms shall be as specified in the Bylaws of the corporation.

(b) Directors shall be elected by the board of directors in the manner provided in the Bylaws of the corporation.

(c) The board of directors shall meet, or take action without a meeting, in the manner provided in the Bylaws of the corporation.

Article XII

In furtherance and not in limitation of the powers conferred by the Tennessee Nonprofit Corporation Act, the board of directors of the corporation is expressly authorized to make, alter and repeal the Bylaws of the corporation.

Article XIII

The directors and officers of the corporation shall not be liable to the corporation for monetary damages for breach of fiduciary duty, except to the extent such exemption from liability or limitation thereof is not permitted under the Tennessee Nonprofit Corporation Act as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of any director or officer of the corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

Article XIV

(a) The corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, each director, officer and any other person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding") by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such person. The corporation shall be required to indemnify a

person in connection with a proceeding (or part thereof) initiated by such person only if the proceeding (or part thereof) was authorized by the board of directors of the corporation.

(b) The corporation may, in its discretion, pay the expenses (including attorneys' fees) incurred in defending any proceeding in advance of its final disposition; provided, that the payment of expenses incurred by a director or officer in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that such director or officer is not entitled to be indemnified under this Article or otherwise.

(c) If a claim for indemnification or payment of expenses under this Article is not paid in full within sixty days after a written claim therefor has been provided to the corporation in the manner required by the Bylaws, the claimant may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the corporation shall have the burden of proving that the claimant was not entitled to the requested indemnification or payment of expenses under applicable law.

(d) The rights conferred on any person by this Article shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of this Charter, the Bylaws, agreement or otherwise.

(e) The corporation's obligation, if any, to indemnify any person who was or is serving at its request of any director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such person may collect as indemnification from such other corporation, partnership, joint venture, trust, enterprise or nonprofit enterprise.

(f) Any repeal or modification of the foregoing provisions of this Article shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

Article XV

The corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Charter, and other provisions authorized by the laws of the State of Tennessee at the time in force may be added or inserted, in the manner now or hereafter prescribed by law: and all rights, preferences and privileges of whatsoever nature conferred upon any person by and pursuant to this Charter in its present form or as hereafter amended are granted subject to the rights reserved in this Article.



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

Filing Information

Name: **Raphah Institute**

General Information

SOS Control #	000898209	Formation Locale: TENNESSEE
Filing Type:	Nonprofit Corporation - Domestic	Date Formed: 04/10/2017
	04/10/2017 8:52 AM	Fiscal Year Close 6
Status:	Active	
Duration Term:	Perpetual	
Public/Mutual Benefit:	Public	

Registered Agent Address

TRAVIS CLAYBROOKS
TRAVIS CLAYBROOKS
615 MAIN ST # 125
NASHVILLE, TN 37206

Principal Address

TRAVIS CLAYBROOKS
615 MAIN ST #125
NASHVILLE, TN 37206

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

<u>Date Filed</u>	<u>Filing Description</u>	<u>Image #</u>
06/24/2024	Articles of Amendment	B1565-4046
	Principal Address 1 Changed From: 615 MAIN ST To: 615 MAIN ST #125	
	Principal Postal Code Changed From: 37206-3603 To: 37206	
	Registered Agent Physical Address 1 Changed From: 615 MAIN ST To: 615 MAIN ST #125	
	Registered Agent Physical Postal Code Changed From: 37206-3603 To: 37206	
12/11/2023	2023 Annual Report	B1478-5295
	Principal Address 3 Changed From: BAILEY WIBERG To: TRAVIS CLAYBROOKS	
12/05/2023	Notice of Determination	B1449-5519
09/13/2022	Amended and Restated Formation Documents	B1184-9166
07/05/2022	2022 Annual Report	B1244-1848
	Principal Address 3 Changed From: TRAVIS CLAYBROOKS To: BAILEY WIBERG	
07/21/2021	2021 Annual Report	B1071-0538
10/12/2020	2020 Annual Report	B0937-4105
	Registered Agent Physical Address 1 Changed From: 3280 WOODPOINT DR To: 615 MAIN ST	
	Registered Agent Physical Address 3 Changed From: No Value To: TRAVIS CLAYBROOKS	
	Registered Agent Physical Postal Code Changed From: 37207-2728 To: 37206-3603	

Filing Information

Name: **Raphah Institute**

10/03/2019 2019 Annual Report B0765-2734

10/21/2018 2018 Annual Report B0610-2695

Principal Address 1 Changed From: 3280 WOODPOINT DR To: 615 MAIN ST

Principal Address 2 Changed From: No value To: STE B12

Principal Address 3 Changed From: No value To: TRAVIS CLAYBROOKS

Principal Postal Code Changed From: 37207-2728 To: 37206-3603

09/28/2017 2017 Annual Report B0443-9192

Religious Corporation Changed From: Religious To: No Value

04/10/2017 Initial Filing B0380-1857

Active Assumed Names (if any)	Date	Expires
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Raphah Institute

Financial Statements
For the Years Ended June 30, 2023 and 2022

Raphah Institute
Financial Statements
For the Years Ended June 30, 2023 and 2022

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Independent Auditor's Report

Board of Trustees
Raphah Institute

Opinion

We have audited the financial statements of Raphah Institute (the Organization), which comprise the statements of financial position as of June 30, 2023 and 2022, 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 the Organization as of June 30, 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 the Organization 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 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.

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 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.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Brentwood, Tennessee
February 29, 2024

Raphah Institute
Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Current assets		
Cash	\$ 493,678	\$ 674,982
Grants receivable	57,316	11,668
Promises to give, current portion	50,000	50,000
Prepaid expenses	8,297	16,099
Total current assets	<u>609,291</u>	<u>752,749</u>
Promises to give, net of current portion	-	50,000
Fixed assets, net	12,067	9,016
Other assets	12,061	18,313
Total assets	\$ 633,419	\$ 830,078
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 9,194	\$ 8,691
Refundable advances	195,566	406,947
Total current liabilities	<u>204,760</u>	<u>415,638</u>
Net assets		
Without donor restrictions	418,082	322,766
With donor restrictions	10,577	91,674
Total net assets	<u>428,659</u>	<u>414,440</u>
Total liabilities and net assets	\$ 633,419	\$ 830,078

Raphah Institute
Statement of Activities
For the Year Ended June 30, 2023

	Without donor restrictions	With donor restrictions	Total
Revenues			
Contributions of cash and other financial assets			
Government grants	\$ 955,883	\$ -	\$ 955,883
Foundation grants	77,500	20,000	97,500
Other grants	287,665	15,846	303,511
General contributions	47,964	-	47,964
Interest income	427	-	427
Other income	825	-	825
Net assets released from restrictions	116,943	(116,943)	-
Total revenues	<u>1,487,207</u>	<u>(81,097)</u>	<u>1,406,110</u>
Expenses			
Program services	1,122,451	-	1,122,451
Management and general	236,385	-	236,385
Fundraising	33,055	-	33,055
Total expenses	<u>1,391,891</u>	<u>-</u>	<u>1,391,891</u>
Change in net assets	95,316	(81,097)	14,219
Net assets, beginning of year	322,766	91,674	414,440
Net assets, end of year	<u>\$ 418,082</u>	<u>\$ 10,577</u>	<u>\$ 428,659</u>

Raphah Institute
Statement of Activities
For the Year Ended June 30, 2022

	Without donor restrictions	With donor restrictions	Total
Revenues			
Contributions of cash and other financial assets			
Government grants	\$ 451,701	\$ -	\$ 451,701
Foundation grants	237,025	72,500	309,525
Other grants	208,621	1,250	209,871
General contributions	248,266	-	248,266
Forgiveness of PPP loan	4,176	-	4,176
Net assets released from restrictions	134,827	(134,827)	-
Total revenues	<u>1,284,616</u>	<u>(61,077)</u>	<u>1,223,539</u>
Expenses			
Program services	949,744	-	949,744
Management and general	237,199	-	237,199
Fundraising	48,737	-	48,737
Total expenses	<u>1,235,680</u>	<u>-</u>	<u>1,235,680</u>
Change in net assets	48,936	(61,077)	(12,141)
Net assets, beginning of year	273,830	152,751	426,581
Net assets, end of year	<u>\$ 322,766</u>	<u>\$ 91,674</u>	<u>\$ 414,440</u>

Raphah Institute
Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program services	Management and general	Fundraising	Total
Depreciation and amortization	\$ 8,102	\$ 1,087	\$ 178	\$ 9,367
Insurance	3,336	447	73	3,856
Marketing and promotional	-	29,182	-	29,182
Missions and outreach	60,441	-	-	60,441
Office expenses	26,135	3,506	573	30,214
Payroll and related expenses	913,507	122,909	22,821	1,059,237
Professional development	-	15,903	-	15,903
Professional services	7,860	49,071	7,148	64,079
Rent	54,993	7,377	1,206	63,576
Supplies	5,872	788	129	6,789
Taxes and fees	-	455	-	455
Travel, meals, and entertainment	42,205	5,660	927	48,792
	<u>\$ 1,122,451</u>	<u>\$ 236,385</u>	<u>\$ 33,055</u>	<u>\$ 1,391,891</u>

Raphah Institute
Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program services	Management and general	Fundraising	Total
Depreciation and amortization	\$ 8,707	\$ 432	\$ 113	\$ 9,252
Insurance	927	2,253	589	3,769
Marketing and promotional	-	59,121	-	59,121
Miscellaneous	529	1,762	1,961	4,252
Missions and outreach	761	-	-	761
Office expenses	20,878	1,818	475	23,171
Payroll and related expenses	849,951	71,835	18,771	940,557
Professional development	-	59,207	-	59,207
Professional services	8,835	35,529	25,482	69,846
Rent	48,566	4,229	1,105	53,900
Supplies	2,502	218	57	2,777
Taxes and fees	-	91	-	91
Travel, meals, and entertainment	8,088	704	184	8,976
	<u>\$ 949,744</u>	<u>\$ 237,199</u>	<u>\$ 48,737</u>	<u>\$ 1,235,680</u>

Raphah Institute
Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash, beginning of year	\$ 674,982	\$ 268,759
Cash flows from operating activities		
Change in net assets	14,219	(12,141)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	9,367	9,252
Change in:		
Grants receivable	(45,648)	115,910
Promises to give, net of current portion	50,000	(100,000)
Prepaid expenses	7,802	2,930
Other assets	-	(710)
Accounts payable and accrued expenses	503	3,081
Refundable advances	(211,381)	406,947
Net cash provided (used) by operating activities	<u>(175,138)</u>	<u>425,269</u>
Cash flows from investing activities		
Purchases of fixed assets	(6,166)	(4,046)
Website development costs	<u>-</u>	<u>(15,000)</u>
Net cash provided (used) by investing activities	(6,166)	(19,046)
Net change in cash	<u>(181,304)</u>	<u>406,223</u>
Cash, end of year	\$ 493,678	\$ 674,982

Raphah Institute
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

Note 1. Organization and Nature of Activities

Raphah Institute (the Organization) is a not-for-profit corporation whose mission is to empower people and communities to heal from the effects of trauma by designing and implementing education, advocacy, and treatment systems. It promotes healing and transformation for persons directly involved in youth-related crime through voluntary, person harmed-centered restorative justice. It also establishes safe, confidential, and trauma-informed direct services to support persons directly involved in youth-related crime during and beyond the restorative community conferencing process. Finally, it develops and implements educational outreach to ensure that possible future persons directly involved in youth-related crime, as well as the community, are aware of the option of restorative justice.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The Organization maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (US GAAP).

Classes of Net Assets

The financial statements report amounts separately by class of net assets:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the Board of Trustees.

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

Use of Estimates

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

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Expenditures for maintenance, repairs, and minor renewals are charged to expense in the period incurred. Major renewals and betterments are capitalized. Depreciation is provided by use of the straight-line method over the estimated useful lives of the assets. When properties are retired or otherwise disposed of, the appropriate accounts are relieved of cost and accumulated depreciation, and any resulting gain or loss is recognized.

The assets’ estimated useful lives used in computing depreciation are as follows:

Computers	5 years
Furniture and fixtures	7 years
Office equipment	5 years

Raphah Institute
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

Note 2. Summary of Significant Accounting Policies

Other Assets

In 2020, the Organization started to capitalize the costs incurred related to the development of a new website. The website was placed in service during July 2020 and amortization expense for the years ended June 30, 2023 and 2022 was \$6,252.

Revenue Recognition

Grant revenues are recognized when qualified reimbursable expenses are incurred or when services are performed. Grant funds received in advance are recognized as deferred grant revenue until earned. Grant receivables represent amounts due from grants which have been earned but not received. All grant receivables are reported at estimated collectible amounts.

Promises to Give

Unconditional promises to give contributions in the future are recorded as revenue when the promises are received. The promise to give are discounted to their estimated present value. Promises to give are recorded net of an allowance for uncollectible promises. Management assesses the collectability of promises to give on an annual basis.

Concentrations

The Organization maintains its cash in bank deposit accounts at regional financial institutions, which, at times, may exceed the Federal Deposit Insurance Corporation limit. There was \$130,392 and \$312,546 exceeding the federally insured limit at June 30, 2023 and 2022, respectively.

Concentrations of credit risk with respect to revenues are limited to a few number of donors. For the years ended June 30, 2023 and 2022, 40% of revenues were received from three grants and 33% of revenues were received from one grant, respectively. For the years ended June 30, 2023 and 2022, 100% of accounts receivable was from two donors, and 90% of account receivable was from one donor, respectively.

Allocation of Functional Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs and supporting services benefitted. Such allocations are determined by management on an equitable basis. All of the Organization's functional expenses are allocated based on time and effort.

Income Taxes

The Organization is exempt from federal and Tennessee state income taxes under Section 501(c)(3) of the Internal Revenue Code. US GAAP requires the Organization to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if it has taken an uncertain position that "more likely than not" would not be sustained upon examination by the Internal Revenue Service. The Organization does not believe that there are any uncertain tax positions or that it has any unrelated business income, which would be subject to federal taxes. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Raphah Institute
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

Note 2. Summary of Significant Accounting Policies

Leases

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Codification (ASC) Topic 842, *Leases*, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their statement of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, *Leases*) and operating leases, with classification affecting the pattern of expense recognition in the statement of activities. The Organization adopted Topic 842 on July 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, the Organization has applied Topic 842 to reporting periods beginning on July 1, 2022, while prior periods continue to be reported and disclosed in accordance with the Organization's historical accounting treatment under ASC Topic 840, *Leases*.

The Organization elected the "package of practical expedients" under the transition guidance within Topic 842, in which the Organization does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for any existing leases. The Organization has not elected to adopt the "hindsight" practical expedient, and therefore will measure the ROU asset and lease liability using the remaining portion of the lease term upon adoption of ASC 842 on July 1, 2022.

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or July 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

Raphah Institute
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

Note 3. Liquidity and Availability

The following represents the Organization's financial assets:

	2023	2022
Financial assets		
Cash	\$ 493,678	\$ 674,982
Grants and promises to give, net	<u>107,316</u>	<u>111,668</u>
Total financial assets at year-end	600,994	786,650
Less amounts not available to be used within one year		
Net assets with donor restrictions	(10,577)	(91,674)
Promises to give, noncurrent	<u>-</u>	<u>(50,000)</u>
Total	<u>(10,577)</u>	<u>(141,674)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ 589,994	\$ 644,976

The Organization is substantially supported by grants. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as general expenditures and other obligations become due. Another policy is to forecast future cash flows and maintain sufficient reserves to fund operating needs.

Note 4. Promises to Give

Promises to give are expected to be collected as follows:

	2023	2022
Amounts due in:		
Less than one year	\$ 50,000	\$ 50,000
One to five years	-	50,000
Less: current portion	<u>(50,000)</u>	<u>(50,000)</u>
Promises to give, net of current portion	\$ -	\$ 50,000

Note 5. Fixed Assets

Fixed assets consist of the following:

	2023	2022
Computers	\$ 17,475	\$ 11,310
Furniture and fixtures	525	525
Office equipment	2,058	2,058
Less: accumulated depreciation	<u>(7,991)</u>	<u>(4,877)</u>
Fixed assets, net	\$ 12,067	\$ 9,016

Raphah Institute
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Note 7. Operating Leases

The Organization leases office space with lease terms that last less than one year. For 2023, the Organization had a lease for its office space with various rent terms through the year. Monthly rent payments were \$4,560 for 2023.

Total rent expense for 2023 and 2022 was \$63,576 and \$53,900, respectively. Future minimum lease payments are \$4,560 at June 30, 2023.

Note 8. Net Assets with Donor Restrictions

As of June 30, 2023 and 2022, net assets with donor restrictions in the amount of \$10,577 and \$91,674, respectively, were restricted to use for certain expenses related to specific restorative justice projects.

Note 9. Subsequent Events

Management has evaluated subsequent events through February 29, 2024, the date on which the financial statements were available for issuance.

NONPROFIT AND HUMAN SERVICES GENERAL LIABILITY ENDORSEMENT

THIS DOCUMENT IS AN ENDORSEMENT THAT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

A. SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions is amended as follows:

1. Exclusion **a. Expected or Intended Injury** is deleted and replaced with:
 - a. "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.
2. Paragraph **(2)** under Exclusion **g. Aircraft, Auto or Watercraft** is deleted and replaced with:
 - (2)** A watercraft that you do not own that is not being used to carry persons or property for a charge. This provision applies to any person, who with your consent, either uses or is responsible for the use of a watercraft. This insurance is excess over any other valid and collectible insurance available to any insured whether primary, excess, or contingent.
3. Paragraph **(1)** under Exclusion **j. Damage To Property** is deleted and replaced with:
 - (1)** Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property, unless the damage to property is caused by your "client", in such case we will provide coverage for such "property damage" for which you are legally obligated to pay up to a \$50,000 limit per "occurrence". This limit is the only limit of insurance for such "property damage" and will not be combined with the Each Occurrence Limit set for this in **Section III – Limits of Insurance** and will be included within and not in addition to the Each Occurrence Limit. Any and all damages paid under the terms and condition of this provision will further be applied against and will reduce the Aggregate Limit of Insurance shown on the Declarations page, and as provided in the Commercial General Liability Coverage Form in the same manner and in addition to all other coverages of the Commercial General Liability Coverage Form that are also subject to the Aggregate Limit. As used in this coverage extension, "client" means a person under your direct care and supervision, for whom you are providing goods or services.
4. The following is added to Paragraph **(2)** under Exclusion **b. Contractual Liability**:

We agree to indemnify the Named Insured for their liability assumed in a contract or agreement regarding the rental or lease of a premises on behalf of their "client", up to \$50,000 per "occurrence". This limit of insurance is the only limit of insurance for your liability assumed in a contract or agreement regarding the rental or lease of a premises on behalf of your "client" whether or not such contract qualifies as an "insured contract". This limit will not be combined with the Each Occurrence Limit set forth in **Section III – Limits of Insurance** and is included within and not in addition to the Each Occurrence Limit. This coverage extension only applies to rental lease agreements. This coverage is excess over any liability insurance available to the "client", including but not limited to renter's insurance of the "client".

Any and all damages paid under the terms and conditions of this provision will further be applied against and will reduce the Aggregate Limit of Insurance shown on the Declarations page, as provided in the Commercial General Liability Coverage Form in the same manner and in addition to all other coverages of the Commercial General Liability Coverage Form that are also subject to the Aggregate Limit.

As used in this coverage extension, "client" means a person under your direct care and supervision, for whom you are providing goods or services.

5. The following is added to Exclusion **n. Recall Of Products, Work Or Impaired Property**:

This exclusion does not apply to the reimbursement of "product recall expenses" as provided under Paragraph **3.** of **SECTION I – COVERAGES, SUPPLEMENTARY PAYMENTS – COVERAGES A AND B.**

6. The last Paragraph of Subsection **2. Exclusions** is deleted and replaced with:

Exclusions **c.** through **n.** do not apply to damage by fire, lightning, explosion, smoke or sprinkler leakage to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section **III** - Limits of Insurance.

B. SECTION I – COVERAGES, COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions is amended as follows:

1. The following is added to Exclusion **j. Insureds In Media And Internet Type Businesses**:

This exclusion does not apply to publishing, broadcasting or telecasting that is incidental to your business.

C. SECTION I – COVERAGES, COVERAGE C – MEDICAL PAYMENTS is amended as follows:

1. Subsection **1. Insuring Agreement**, Paragraph **a.(3)(b)** is deleted and replaced with:

(b) The expenses are incurred and reported to us within three years of the date of the accident; and

2. Subsection **2. Exclusions**, is amended as follows:

a. Exclusion **a. Any Insured** is deleted and replaced with:

a. Any Insured

To any insured, except "volunteer workers" or an insured as provided in **e. Athletic Activities** below.

b. Exclusion **e. Athletics Activities** is deleted and replaced with:

e. Athletics Activities

To a person injured while practicing or participating in any physical exercises or games, sports or athletic contests. This exclusion shall not apply to an insured while providing instruction with respect to any of the activities otherwise excluded by this provision.

c. Exclusion **f. Products-Completed Operations Hazard** is deleted and replaced with:

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

This exclusion does not apply to "bodily injury" arising out of "your products":

(1) Sold for use or consumption on your premises; or

(2) In connection with the conduct of your operations by you or on your behalf, if the "bodily injury" occurs after you have relinquished possession of "your products".

This exclusion exception does not apply if **COVERAGE C – MEDICAL PAYMENTS** is excluded by another endorsement to this Coverage Part.

D. SECTION I – COVERAGES, SUPPLEMENTARY PAYMENTS – COVERAGES A AND B is amended as follows:

1. 1. b. is deleted and replaced with:

- b.** Up to \$5,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

2. 1. d. is deleted and replaced with:

- d.** All reasonable expenses incurred by the insured at our request to assist us in the "suit", including actual loss of earnings up to \$1,000 a day because of time off from work.

3. 1. h. is added:

- h.** Up to \$1,000 for "property damage" to personal property of others while in the temporary care, custody or control of an insured and caused by any person participating in your organized activities. For purposes of this supplementary payment, "property damage" does not include disappearance, wrongful abstraction or loss of use. This Supplementary Payment shall only be paid on or for the account of the owner and only when other coverage or insurance is unavailable.

4. 1. i. is added:

- i.** The cost to replace keys and locks at the "client's" premises due to loss to keys entrusted to you by your "client", up to a \$10,000 limit per occurrence and \$10,000 policy aggregate. We will not pay for loss or damage resulting from theft or any other dishonest or criminal act that you or any of your partners, members, officers, "employees", "managers", directors, trustees, authorized representatives or anyone to whom you entrust the keys of a "client" for any purpose commit, whether acting alone or in collusion with other persons. The following terms, when used in this Supplementary Payment, are defined as follows:

(1) "Client" means an individual, company or organization with whom you have a written contract or work order for your services for a described premises and have billed for your services.

(2) "Employee" means:

(a) Any natural person:

(i) While in your service or for 30 days after termination of service;

(ii) Who you compensate directly by salary, wages or commissions; and

(iii) Who you have the right to direct and control while performing services for you; or

(b) Any natural person who is furnished temporarily to you:

(i) To substitute for a permanent "employee" as defined in Paragraph **(a)** above, who is on leave; or

(ii) To meet seasonal or short-term workload conditions while that person is subject to your direction and control and performing services for you.

"Employee" does not mean:

(c) Any agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(d) Any "manager", director or trustee except while performing acts coming within the scope of the usual duties of an "employee".

(3) "Manager" means a person serving in a directorial capacity for a limited liability company.

5. Paragraph 3. is added.

3. We will reimburse you for "product recall expenses" that you incur because of a "product recall" of "your product" that is first initiated during the policy period stated in the Declarations. The most we will reimburse you for the sum of all "product recall expenses" incurred for all "product recalls" initiated during the policy period is \$50,000.

A complete accounting of "product recall expenses" must be provided upon our request, including receipts for all expenses that you incur. We will reimburse "product recall expenses" only if the expenses are incurred and reported to us within one year of the date the "product recall" was initiated.

Our obligation under this additional supplementary payment shall only apply if the "product recall expenses" are initiated in the "coverage territory" during the policy period because:

- a. You determine that the "product recall" is necessary; or
- b. An authorized government entity has ordered you to conduct a "product recall".

However, this additional supplementary payment does not apply to "product recall expenses" arising out of the product expiration or shelf life, a defect known by you prior to the time "your product" leaves your control or possession, or the defense of a claim or "suit" against you for liability arising out of a "product recall".

This payment will not reduce the limits of insurance.

E. Additional Exclusions

The following exclusions are added to Subsection 2. Exclusions under **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Subsection 2. Exclusions under **SECTION I – COVERAGES, COVERAGE B – PERSONAL AND ADVERTISING**

INJURY LIABILITY and Subsection 2. Exclusions under **SECTION I – COVERAGES, COVERAGE C – MEDICAL PAYMENTS**:

This insurance does not apply to:

1. Special Events Or Fundraising Events

"Bodily injury", "property damage" or "personal or advertising injury" arising directly or indirectly out of fundraising events or activities or "special events" or activities:

- a. Authorized and conducted by any insured;
- b. Authorized by you and conducted on your behalf by others, including but not limited to an "employee", "temporary worker", "volunteer worker", member, trustee, director, licensee, subcontractor, independent contractor, or vendor.
- c. Not authorized by you and conducted on your behalf by others, including but not limited to an "employee", "temporary worker", "volunteer worker", member, trustee, director, licensee, subcontractor, independent contractor, or vendor.

We have no obligation to defend, pay on behalf of, indemnity or incur any cost or expenses for any insured or any other person or organization seeking coverage under this insurance for that portion of any claim arising out of any fundraising event or activity or "special event" or activity.

This exclusion does not apply to any fundraising event or activity or "special event" or activity for which coverage is provided by an attached endorsement.

2. Medical Or Healthcare Services

Any claim or "suit" arising out of the rendering of or failure to render "medical or healthcare services".

3. Medically Derived Injury

Any claim or "suit" arising out of a "medically derived injury"

4. Violation Of Any Statute Or Regulation

Any liability arising out of the willful or intentional violation of any statute or regulation including but not limited to the fines and penalties assessed by a court or regulatory authority.

5. Misconduct, Molestation Or Harassment

Any "bodily injury", "personal and advertising injury", mental or emotional pain or anguish, or any defamation or slander, sustained by any person arising out of or resulting from any actual or alleged act of "abuse", "sexual misconduct or sexual molestation" or "sexual harassment" of any kind. We have no right or duty to investigate, settle, defend or pay any claim or "suit" asserting any act of "abuse", "sexual misconduct or sexual molestation", "sexual harassment" or any breach of duty contributing to or arising from such act.

6. Professional Services

Any liability arising out of any act or omission in the providing of or failure to provide "professional services".

7. Statutory Enforcement

Any liability or responsibility to meet the requirements or standards of care enforced by any department of human services, department of elder care or similar regulatory body, regardless of the law or statutory basis of such enforcement.

8. Guaranteeing Results

Including but not limited to any contract or agreement guaranteeing the results of any "professional services" or any type or form of counseling or any type or form of medical, dental, physiological, psychological, addiction, behavioral, chiropractic, holistic, or any other similar treatment.

9. Abuse

Any claim or "suit" arising out of "abuse".

F. SECTION II – WHO IS AN INSURED is amended as follows:

1. Paragraph 3. is amended as follows:

a. Paragraph 3.a. is replaced with:

- a. Coverage under this provision is afforded only until the end of the policy period during which you acquired or formed the organization.

b. Paragraph 3.d. is added:

- d. Coverage under this provision is afforded only when the newly acquired or formed organization operates or conducts the same or similar business as you.

2. The following is also an insured:

Broadened Named Insured – Any organization and subsidiary thereof which you control and actively manage whether through ownership of voting securities, by contract, or otherwise, on the effective date of this policy. However, coverage does not apply to any organization or subsidiary not named in the Declarations as a Named Insured, if they are also insured under another similar policy, or would have been insured but for such policy's termination or the exhaustion of its limits of insurance.

3. Each of the following is also an additional insured when you have agreed, in a written contract, that such person or organization be added as an additional insured on your policy, provided the written contract is initiated prior to an "occurrence" resulting in damages:

a. Engineers, Architects Or Surveyors

Any architect, engineer or surveyor engaged by you but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in connection with your premises or in the performance of your ongoing operations.

However, the insurance provided to such additional insured engineers, architects, or surveyors does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:

- (1) The preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
- (2) Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional services by or for you.

b. Owners Of Leased Land

Any person or organization from whom you lease land but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you.

However, the insurance afforded to these additional insured owners of leased land does not apply to:

- (1) Any "occurrence" which takes place after you cease to lease that land; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of the additional insured.

c. State Or Governmental Agency Or Subdivision Or Political Subdivision – Permits Or Authorizations

Any state or governmental agency or subdivision or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization.

With respect to the insurance afforded these additional insureds, this insurance does not apply to:

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the federal government, state or municipality; or
- (2) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

d. Contractual Obligations

Any person or organization where required by a written contract executed prior to the "occurrence". Such person or organization is an additional insured for "bodily injury", "property damage" or "personal and advertising injury" but only for liability arising out of the negligence of the Named Insured.

e. Manager Or Lessor Of Premises

Any person or organization with respect to their liability arising out of the ownership, maintenance or use of that part of the premises leased or rented to you subject to the following additional exclusions:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of that person or organization.

f. Lessor Of Leased Equipment – Automatic Status When Required In Lease Agreement With You

Any person or organization from whom you lease equipment when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

With respect to the insurance afforded to these additional insureds:

- (1) A person's or organization's status as an additional insured ends when their contract or agreement with you for such leased equipment ends; and
- (2) This insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

g. Vendors

Any person or organization but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business .

The insurance afforded the vendor does not apply to:

- (1) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- (2) Any express warranty unauthorized by you;
- (3) Any physical or chemical change in the product made intentionally by the vendor;
- (4) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- (5) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
- (6) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
- (7) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

(8) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(a) The exceptions contained in Subparagraphs **(4)** or **(6)**; or

(b) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

h. Funding Source

Any person or organization with respect to their liability arising out of:

(1) Their financial control of you, or

(2) Premises they own, maintain or control while you lease or occupy those premises. This insurance does not apply to:

(a) Any "occurrence" or offense which takes place after you cease to lease or occupy those premises; or

(b) Structural alterations, new construction and demolition operations performed by or for that person or organization.

i. State Or Governmental Agency Or Subdivision Or Political Subdivision – Permits Or Authorizations Relating To Premises

Any state or governmental agency or subdivision or political subdivision but only with respect to the following hazards for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization in connection with premises you own, rent or control and to which this insurance applies:

(1) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners, or decorations and similar exposures;

(2) The construction, erection, or removal of elevators; or

(3) The ownership, maintenance, or use of any elevators covered by this insurance.

However,

(1) A person or organization is an additional insured under this provision only for that period of time required by the written contract;

(2) No such person or organization is an insured under this provision if such person or organization is included as an insured by an endorsement issued by us and attached to the Commercial General Liability Coverage Form;

(3) The insurance afforded to such additional insured only applies to the extent permitted by law; and

(4) The insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

j. Medical Directors and Administrators

Your medical directors and administrators but only while acting within the scope of and during the course of their duties as such. Such duties do not include the furnishing or failure to furnish “professional services” or “medical or healthcare services” as a physician or psychiatrist in the treatment of a patient.

k. Home Care Providers

At the first Named Insured's option, any person or organization under your direct supervision and control while providing on your behalf private home respite or foster home care for the developmentally disabled. Such duties do not include the furnishing or failure to furnish “professional services” or “medical or healthcare services” in the treatment of a patient.

4. With respect to the insurance afforded to these additional insureds, identified in Paragraph **F.3.** of this endorsement, the following is added to Section **III – Limits Of Insurance**:

The most we will pay on behalf of the additional insured is the lesser of:

- a. The limit of insurance required by the contract or agreement; or
- b. The amount of coverage available under the applicable Limits of Insurance shown in the Declarations;

This provision shall not increase the applicable Limits of Insurance shown in the Declarations.

G. SECTION III - LIMITS OF INSURANCE is amended as follows:

1. Paragraph **1.** is deleted and replaced with:

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or “suits” brought;
 - c. Persons or organizations making claims or bringing “suits” or
 - d. Policies involved.

2. Paragraph **6.** is deleted and replaced with:

- 6. Subject to Paragraph **5.** above, the most we will pay under Coverage **A** for damages because of “property damage” to any one premises, while rented to you, or in the case of damage by fire, while rented to or temporarily occupied by you with permission of the owner, is the higher of \$1,000,000 or the amount shown in the Declarations for the Damage To Premises Rented To You Limit.

However, if damage by fire to premises rented to you is not otherwise excluded, the word fire in the above paragraph is replaced with fire, lightning, explosion, smoke or sprinkler leakage.

3. The following is added to **SECTION III – LIMITS OF INSURANCE**:

- a. If two or more policies or Coverages issued by us apply to the same insured and these policies or Coverages also apply to the same claim or “suit” the maximum amount we will pay as damages under all of the policies or Coverages will not exceed the highest applicable Limit of Insurance that applies to any one of the policies or Coverages.

This condition does not apply to any insurance that was purchased specifically to apply in excess of the applicable Limits of Insurance shown in the Declarations.

H. SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS is amended as follows:

1. Subsection **4. Other Insurance**, Paragraph **b. Excess Insurance**, Subsection **(1)(a)(ii)** is replaced with the following if damage to premises rented to you is not otherwise excluded:

- ii. That is fire, lightning, explosion, smoke or sprinkler leakage insurance for premises rented to you or temporarily occupied by you with permission of the owner.

2. Subsection **8. Transfer Of Rights Of Recovery Against Others To Us** is amended to include:

However, the insured may waive the insurer's rights of recovery prior to the occurrence of a loss, provided the waiver is made in a written contract.

3. The following condition is added:

10. Liberalization

If we revise this NONPROFIT AND HUMAN SERVICES GENERAL LIABILITY ENDORSEMENT to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. The following condition is added to the **Other Insurance** Condition and supersedes any provision to the contrary:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

- (1) The additional insured is a Named Insured under such other insurance;

- (2) This insurance is required by a written and executed contract to be primary and not to seek contribution from any other insurance available to the additional insured, but only as it pertains to such written contract; and

- (3) The loss to be covered occurs on or after the effective date of the written contract.

I. SECTION V – DEFINITIONS is amended as follows:

1. Subsection **3. "Bodily injury"** is deleted and replaced with the following:

3. "Bodily injury" means physical injury, sickness, or disease sustained by a person, including death of a person resulting from any of these. "Bodily injury" also means mental injury, mental anguish, humiliation, or shock sustained by a person, if directly resulting from physical injury, sickness, or disease sustained by that person.

2. Subsection **4. "Coverage territory"** is deleted and replaced by the following:

4. "Coverage territory" means anywhere in the world provided that the claim is made, and any "suit" that may arise therefrom is filed, within the United States of America (including its territories and possessions), Puerto Rico or Canada, unless further restricted by endorsement.

3. Paragraph **9. "Insured Contract"** subsection **a.** is replaced by the following:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke or sprinkler leakage to premises while retained to you or temporarily occupied by you with permission of the owners is not an "insured contract".

4. Paragraph 14. "Personal and Advertising Injury" is amended as follows:

a. Subsection b. is deleted and replaced with the following:

b. Malicious prosecution or abuse of process;

b. Subsection h. is added.

h. "Personal and advertising injury" also means injury, including consequential "bodily injury", arising out of discrimination based on race, color, religion, sex, age or national origin, except when:

(1) Done intentionally by or at the direction of, or with the knowledge or consent of:

(a) Any insured; or

(b) Any executive officer, director, stockholder, partner or member of the insured; or

(2) Directly or indirectly related to the employment, former or prospective employment, termination of employment, demotion, failure to promote or application for employment of any person or persons by an insured; or

(3) Directly or indirectly related to the sale, rental, lease or sublease or prospective sales, rental, lease or sub-lease of any room, dwelling or premises by or at the direction of any insured; or

(4) Insurance for such discrimination is prohibited by or held in violation of law, public policy, legislation, court decision or administrative ruling.

This coverage does not apply to fines or penalties imposed because of discrimination.

5. For the purpose of this endorsement, the following definitions are added to Section V:

a. "Abuse" means any actual, threatened, or alleged act, error, omission, conduct or misconduct that a claim or "suit" alleges:

(1) To be, or to constitute, any form of "abuse" (including but not limited to elder "abuse", child "abuse", patient "abuse" or "abuse" of a dependent person) under any applicable state or federal statute; and

(2) Any non-sexual assault, non-sexual battery, or non-sexual "abuse" directed at a person; and

Conduct or misconduct described above constitutes "abuse" regardless of whether or not it is alleged to be negligent, reckless, knowing, intentional, fraudulent, oppressive, malicious, or otherwise.

However, "abuse" does not include employment-related "sexual harassment".

b. "Foster care services" means the provisions of personal care or training to a "foster child" including but is not limited to activities of any insured or of any "temporary worker", licensee, subcontractor, independent contractor, vendor or others in investigation, evaluation, counseling, treatment, training, material aid, supervision or monitoring of individuals or families, with respect to placement of a "foster child" as required by any Federal, State, or local code, regulation or ordinance.

c. "Foster child" means a child whose care and upbringing are entrusted to an adult other than the child's natural or adoptive parents.

d. "Medical or healthcare services" means any type of treatment or services provided for physical, mental, veterinary or dental care, including but not limited to:

(1) Any type or form of psychiatric counseling;

- (2)** Any type or form of medical, dental, physiological, psychological, addiction, behavioral, chiropractic, holistic, hospice, veterinary or any other similar treatment; or
 - (3)** The operation of a hospital, clinic open to the general public, or other medical facility or laboratory; or
 - (4)** The providing, prescription, dispensing, or using of drugs or medical appliances or devices.
- e.** "Medically derived injury" means a physical, pathologic or psychiatric trauma resulting from "medical or healthcare services" provided by a "medical professional", including death resulting therefrom, to your care recipient. "Medically derived injury" includes an aggravation of a preexisting disease or mental disorder. "Medically derived injury" does not include "property damage", "personal and advertising injury", or any injury arising from "abuse", "sexual misconduct or sexual molestation" or "sexual harassment".
- f.** "Medical professional" means an anesthesiologist, chiropract, chiropractor, dentist, medical technician, midwife, nurse anesthetist, nurse, optometrist, pharmacist, physician, podiatrist, psychiatrist, psychologist, surgeon, veterinarian, x-ray therapist, or any other individual who provides preventative, curative, or rehabilitative health care services, and is licensed where required by law.
- g.** "Product recall" means the recall or withdrawal of "your product" from the market or from use by any other person or organization because of a known or suspected defect in "your product" which has or is reasonably expected to cause "bodily injury" or physical injury to tangible property other than "your product".
- h.** "Product recall expenses" mean those reasonable and necessary expenses paid and directly related to a "product recall".
- i.** "Professional services" means any service that:
 - (1)** Involves specialized education, knowledge, labor, judgment, and skill, and is predominantly mental or intellectual (as opposed to physical or manual) in nature; and
 - (2)** Is provided as part of the Named Insured's operations as a nonprofit or human services organization; and
 - (3)** Subject to Paragraphs **a.** and **b.** above, "professional services" includes but is not limited to the following:
 - (a)** Advice, guidance, or assistance;
 - (b)** Counseling;
 - (c)** "Social work";
 - (d)** Therapy;
 - (e)** Daycare;
 - (f)** "Foster care services"; and
 - (g)** Job training, job placement, job referral, or vocational services.

However, "professional services" does not include any of the following: "medical or healthcare services" or any person or organization acting in the capacity of a "medical professional", accountant, attorney, architect, engineer, real estate manager, immigration counselor, or investment manager.

- j.** "Sexual harassment" means unwelcome sexual advances, requests for sexual favors, or other verbal, visual or physical conduct of a sexual nature when such conduct:
 - (1)** Is linked implicitly or explicitly with a decision affecting a term or condition of any individual's employment;

- (2) Interferes with any individual's job performance;
- (3) Creates an intimidating, hostile or offensive working environment for any individual; or
- (4) Arises out of or is related to an unlawful employment practice as codified at 42 U.S.C. § 2000e, et seq., or any similar state, municipal or local code, regulation or ordinance.

k. "Sexual misconduct or sexual molestation" means any activity which is sexual in nature (whether permitted or not permitted); and includes, but is not limited to: sexual assault, sexual battery, sexual relations, sexual acts, sexual activity, sexual handling, sexual massage, sexual exploitation, sexual exhibition, sexual stimulation, fondling, intimacy, exposure of sexual organs, lewd or lascivious behavior or indecent exposure, fornication, unauthorized touching, or the photographic, video or other reproduction of sexual activity.

However, "sexual misconduct or sexual molestation" does not include employment-related "sexual harassment".

l. "Social work" means any activities or methods of any insured or your "employees", agents, representatives, "volunteer workers", "temporary workers", licensees, subcontractors, independent contractors, vendors or others providing social services, including but not limited to:

- (1) Investigation, treatment, or material aid for the economically, physically, mentally, or socially disadvantaged, or anyone else; and
- (2) Activities such as child welfare, community physical or mental health, adoption services, personal counseling services, recreational activities, temporary housing or shelters or other similar activities.

m. "Special Event" means a sporting, cultural, business or other type of unique activity, in a certain place occurring during a limited or fixed interval of time (one-time, annual) and presented to a live audience brought together to watch or to participate. "Special events" include, but are not limited to, street fairs, music festivals, revenue generating or public relations activities, regardless of the location or relationship to the operations of any insured.