

**GRANT CONTRACT
 BETWEEN THE METROPOLITAN GOVERNMENT
 OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE
 BY AND THROUGH
 THE METROPOLITAN HOUSING TRUST FUND COMMISSION
 AND
 CROSSBRIDGE, INC.**

This Grant Contract issued and entered into by and between the Metropolitan Government of Nashville and Davidson County, a municipal corporation of the State of Tennessee hereinafter referred to as "Metro", and CrossBridge, Inc., hereinafter referred to as the "Recipient," is for the provision of the construction of affordable housing units and completion of onsite support service space as further defined in the "SCOPE OF PROGRAM." CrossBridge, Inc. will be adding 34 affordable housing units located at 31 and 39 Lindsley Avenue and completing onsite support services space located at 35 Lindsley Avenue. The recipient's budget request, financial statements or audit, 501(c)3 letter, and/or charter documents are incorporated herein. The Recipient is a nonprofit charitable or civic organization.

A. SCOPE OF PROGRAM:

- A.1. Each Property to which these grant funds are provided for shall be subject to a Declaration of Restrictive Covenants ("Declaration") imposing certain affordability requirements to encumber the Property and run with the land over a 30-year term. Terms defined in the Declaration shall have the same meanings when used in this Agreement.
- A.2. The Recipient shall use the funds under this grant in accordance with the affordable housing project submitted in the application and any of its amendments, which application is incorporated herein, and subject to the terms and conditions set forth herein.
- A.3. The Recipient, under this Grant Contract, will spend funds solely for the purposes set forth in their application or proposal for grant funding which is incorporated herein. These funds shall be expended consistent with the Grant Budget, included in Attachment A. Although some variation in line-item amounts for the Grant is consistent with the Grant Budget, any change greater than 20% of a line-item shall require the prior written approval of Metro. However, in no event will the total amount of the Grant funds provided to Recipient go above the awarded Grant amount of \$406,906.

Additional Conditions for Rental Properties:

- 1. Tenants must be income-eligible at the time of initial occupancy, and Recipient must certify all incomes annually and maintain a certified rent roll. In the event a tenant's income increases above the income-requirement for the unit, the tenant is not disqualified from remaining in the unit. However, the tenant's rent shall be adjusted to the corresponding AMI level for the next lease term.
- 2. The Recipient will provide Metro with a management plan program oversight which includes certification of the rents, utility allowances and tenant incomes. The Grantee shall also provide Metro an annual certification that Barnes rental requirements are being met throughout the compliance period.
- 3. The Grantee will allow Metro or a Metro-approved contractor to conduct on-site inspections of the grantee for compliance Barnes program requirements including, but not limited to, reviewing tenant income calculations, rent determinations and utility allowances.
- 4. Compliance restrictions on both tenant income and maximum rents shall apply for thirty (30) years from the date of issuance of the certificate of occupancy for the final building within the project. If a certificate of occupancy is not issued, the compliance period will begin on the date of recordation of the notice of completion for the project.

5. Recipient shall not increase rents during a lease term.

B. GRANT CONTRACT TERM:

B.1. Grant Contract Term. The term of this Grant shall be from execution of the grant agreement until Project completion, but in no way greater than 24 months from the execution of the grant agreement. Metro shall have no obligation for services rendered by the Recipient which are not performed within this term. Pursuant to Metropolitan Code of Laws § 2.149.040 (G), in the event the recipient fails to complete its obligations under this grant contract within twenty-four months from execution, Metro is authorized to rescind the contract and to reclaim previously appropriated funds from the organization.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of Metro under this Grant Contract exceed Four Hundred Six Thousand Nine Hundred Six Dollars (\$406,906). The Grant Budget, attached and incorporated herein as part of Attachment A, shall constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.

This amount shall constitute the Grant Amount and the entire compensation to be provided to the Recipient by Metro.

C.2. Compensation Firm. The maximum liability of Metro is not subject to escalation for any reason. The Grant Budget amount is firm for the duration of the Grant Contract and is not subject to escalation for any reason unless the grant contract is amended.

C.3. Payment Methodology. The Recipient shall be compensated for actual costs based upon the Grant Budget, not to exceed the maximum liability established in Section C.1. Upon execution of the Grant Contract and receipt of a request for payment, the Recipient may be eligible to receive reimbursement for milestones as completed based upon the Grant Budget.

a. Grant Draws

Before a draw can be made, there must be a physical inspection of the property by Metro or an approved designee. The inspection must confirm appropriate completion of the project.

1) Construction Grant Draw Schedule (% based on grant amount)

- 12.5% - upon receipt of the Building Permit (check property address and contractors name) and Builder's Risk Insurance sufficient to cover cost of construction and confirmation of acquisition (make sure Metro is listed as lien holder)
- 25% - footing framing and foundation completed (25% complete)
- 25% - roofing completed and the plumbing, electric and mechanical are roughed in and approved by local Codes (50% complete)
- 25% - cabinets, counters, drywall, trim and doors are installed (75% complete)

Balance of grant upon receipt of a Final Use & Occupancy from local Codes (100% complete).

All draw requests except for the first 12.5% draw must be inspected before funding.

The above is the preferred draw method. Metro may occasionally fund based on a true percentage of completion as noted in a Construction Inspection report or if the application requested funds for land acquisition, understanding that the initial 12.5% or acquisition draw may overfund the grant, requiring later draws to be reduced.

2) Construction Grant Draw Process

- Draw request is received from the Recipient. It should be requested by the contractor and approved by the Recipient.
- Complete property inspection
- Metro or approved designee approves the request.
- Payments should be made to the Recipient.

All invoices shall be sent to:

Barnes Housing Trust Fund
Planning Department – Housing Division
800 2nd Avenue South
Nashville, TN 37210
(615) 862-7190

Said payment shall not exceed the maximum liability of this Grant Contract.

Final invoices for the contract period should be received by Metro Payment Services by 24 months from the execution of the grant agreement. Any invoice not received by the deadline date will not be processed and all remaining grant funds will expire.

- C.4. Close-out Expenditure and Narrative Report. The Recipient must submit a final grant Close-out Expenditure and Narrative Report, to be received by the Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund within 45 days of the end of the Grant Contract. Said report shall be in form and substance acceptable to Metro and shall be prepared by a Certified Public Accounting Firm or the Chief Financial Officer of the Recipient Organization.
- C.5. Payment of Invoice. The payment of any invoice by Metro shall not prejudice Metro's right to object to the invoice or any matter in relation thereto. Such payment by Metro shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs included therein.
- C.6. Unallowable Costs. The Recipient's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by Metro, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs.
- C.7. Deductions. Metro reserves the right to adjust any amounts which are or shall become due and payable to the Recipient by Metro under this or any Contract by deducting any amounts which are or shall become due and payable to Metro by the Recipient under this or any Contract.
- C.8. Electronic Payment. Metro requires as a condition of this contract that the Recipient shall complete and sign Metro's form authorizing electronic payments to the Recipient. Recipients who have not already submitted the form to Metro will have thirty (30) days to complete, sign, and return the form. Thereafter, all payments to the Recipient, under this or any other contract the Recipient has with Metro, must be made electronically.
- C. 9. Recipient agrees and understands that procurement of goods and services for the grant project must comply with state and local law and regulations, including the Metropolitan Procurement Code. Recipient will provide Metro with all plans and specifications needed for these procurement purposes. Recipient will promptly review, and either approve or disapprove, in good

faith and with reasonable grounds all estimates, amendments to scope of work, and all work performed by a contractor prior to payment.

- C. 10. Public Meetings. At the reasonable request of Metro, Recipient agrees to attend public meetings, neighborhood meetings, and other events regarding this Project.
- C. 11. Recognition. Any signage, printed materials, or online publications erected at the applicable Project site or elsewhere regarding the Project shall include the following language or language acceptable by Metro acknowledging that the Project is partially funded with a grant from the Barnes Fund for Affordable Housing of the Metropolitan Government of Nashville and Davidson County:

This project funded in part by the Barnes Affordable Housing Trust Fund of the
Metropolitan Government of Nashville & Davidson County.

Metropolitan Housing Trust Fund Commission

John Cooper, Mayor

Metropolitan Council of Nashville and Davidson County

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. Metro is not bound by this Grant Contract until it is approved by the appropriate Metro representatives as indicated on the signature page of this Grant.
- D.2. Modification and Amendment. This Grant Contract may be modified only by a written amendment that has been approved in accordance with all Metro procedures and by appropriate legislation of the Metropolitan Council.
- D.3. Default and Termination for Cause. Any failure by Owner to perform any term or provision of this Grant Contract shall constitute a "Default" (1) if such failure is curable within 30 days and Recipient does not cure such failure within 30 days following written notice of default from Metro, or (2) if such failure is not of a nature which cannot reasonably be cured within such 30-day period and Recipient does not within such 30-day period commence substantial efforts to cure such failure or thereafter does not within a reasonable time prosecute to completion with diligence and continuity the curing of such failure. Should the Recipient Default under this Grant Contract or if the Recipient violates any terms of this Grant Contract, Metro shall have the right to immediately terminate the Grant Contract and the Recipient shall return to Metro any and all grant monies for services or projects under the grant not performed as of the termination date. The Recipient shall also return to Metro any and all funds expended for purposes contrary to the terms of the Grant. Such termination shall not relieve the Recipient of any liability to Metro for damages sustained by virtue of any breach by the Recipient.
- D.4. Subcontracting. The Recipient shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of Metro. Notwithstanding any use of approved subcontractors, the Recipient shall be considered the prime Recipient and shall be responsible for all work performed.
- D.5. Conflicts of Interest. The Recipient warrants that no part of the total Grant Amount shall be paid directly or indirectly to an employee or official of Metro as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Recipient in connection with any work contemplated or performed relative to this Grant Contract.

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

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

D.6. Nondiscrimination. The Recipient hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Recipient on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification which is in violation of applicable laws. The Recipient shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

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

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

D.8. Monitoring. The Recipient's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by Metro or Metro's duly appointed representatives. The Recipient shall make all audit, accounting, or financial records, notes, and other documents pertinent to this grant available for review by the Metropolitan Office of Financial Accountability, Internal Audit or Metro's representatives, upon request, during normal working hours.

D.9. Reporting. The Recipient must submit an Interim Program Report, to be received by the Metropolitan Housing Trust Commission / Barnes Housing Trust Fund, by no later than September 1, 2023 and a Final Program Report, to be received by the Metropolitan Housing Trust Fund Commission within 45 [forty-five] days of the end of the Grant Contract. Said reports shall detail the outcome of the activities funded under this Grant Contract in the form required by Metro.

D.10. Strict Performance. Failure by Metro to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not

be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment by the appropriate parties as indicated on the signature page of this Grant.

- D.11. Insurance. The Recipient shall maintain adequate public liability and other appropriate forms of insurance, including other appropriate forms of insurance on the Recipient's employees, and to pay all applicable taxes incident to this Grant Contract.
- D.12. Metro Liability. Metro shall have no liability except as specifically provided in this Grant Contract.
- D.13. Independent Contractor. Nothing herein shall in any way be construed or intended to create a partnership or joint venture between the Recipient and Metro or to create the relationship of principal and agent between or among the Recipient and Metro. The Recipient shall not hold itself out in a manner contrary to the terms of this paragraph. Metro shall not become liable for any representation, act, or omission of any other party contrary to the terms of this paragraph.
- D.14. Indemnification and Hold Harmless.
- (a) Recipient shall indemnify, defend, and hold harmless Metro, its officers, agents and employees from any claims, damages, penalties, costs and attorney fees for injuries or damages arising, in part or in whole, from the negligent or intentional acts or omissions of Recipient, its officers, employees and/or agents, including its sub or independent contractors, in connection with the performance of the contract, and any claims, damages, penalties, costs and attorney fees arising from any failure of Recipient, its officers, employees and/or agents, including its sub or independent contractors, to observe applicable laws, including, but not limited to, labor laws and minimum wage laws.
- (b) Metro will not indemnify, defend or hold harmless in any fashion the Recipient from any claims, regardless of any language in any attachment or other document that the Recipient may provide.
- (c) Recipient shall pay Metro any expenses incurred as a result of Recipient's failure to fulfill any obligation in a professional and timely manner under this Contract.
- (d) Grantee's duties under this section shall survive the termination or expiration of the grant.
- D.15. Force Majeure. The obligations of the parties to this Grant Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.16. State, Local and Federal Compliance. The Recipient agrees to comply with all applicable federal, state and local laws and regulations in the performance of this Grant Contract.
- D.17. Governing Law and Venue. The validity, construction and effect of this Grant Contract and any and all extensions and/or modifications thereof shall be governed by and construed in accordance with the laws of the State of Tennessee. The venue for legal action concerning this Grant Contract shall be in the courts of Davidson County, Tennessee.
- D.18. Attorney Fees. Recipient agrees that, in the event either party deems it necessary to take legal action to enforce any provision of the Grant Contract, and in the event Metro prevails, Recipient shall pay all expenses of such action including Metro's attorney fees and costs at all stages of the litigation.
- D.19. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings,

representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

- D. 20. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.
- D. 21. Licensure. The Recipient and its employees and all sub-grantees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses. Recipient will obtain all permits, licenses, and permissions necessary for the grant project.
- D. 22. Waiver. No waiver of any provision of this contract shall affect the right of any party thereafter to enforce such provision or to exercise any right or remedy available to it in the event of any other default.
- D. 23. Inspection. The Grantee agrees to permit inspection of the project and/or services provided for herein, without any charge, by members of the Grantor and its representatives.
- D. 24. Assignment—Consent Required. The provisions of this contract shall inure to the benefit of and shall be binding upon the respective successors and assignees of the parties hereto. Except for the rights of money due to Recipient under this contract, neither this contract nor any of the rights and obligations of Recipient hereunder shall be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer shall not release Recipient from its obligations hereunder. Notice of assignment of any rights to money due to Recipient under this Contract must be sent to the attention of the Metro Department of Finance.
- D.25. Gratuities and Kickbacks. It shall be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparations of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therefore. It shall be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or a person associated therewith, as an inducement for the award of a subcontract or order. Breach of the provisions of this paragraph is, in addition to a breach of this contract, a breach of ethical standards which may result in civil or criminal sanction and/or debarment or suspension from participation in Metropolitan Government contracts.
- D.26. Communications and Contacts. All instructions, notices, consents, demands, or other communications from the Recipient required or contemplated by this Grant Contract shall be in writing and shall be made by facsimile transmission, email, or by first class mail, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

Metro:

For contract-related matters and enquiries regarding invoices:

Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund
Planning Department – Housing Division
800 2nd Avenue South
Nashville, TN 37210
(615) 862-7190
Ashley.Brown2@Nashville.Gov

Recipient:

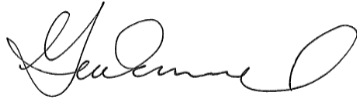
CrossBridge, Inc.
Tina Mitchell
35 Lindsley Ave.
Nashville, TN 37210
615-491-5850
tmitchell@crossbridgeinc.org

- D.27. Lobbying. The Recipient certifies, to the best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
 - b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this grant, loan, or cooperative agreement, the Recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - c. The Recipient shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all subcontractors of federally appropriated funds shall certify and disclose accordingly.
- D. 28 Effective Date. This contract shall not be binding upon the parties until it has been signed first by the Recipient and then by the authorized representatives of the Metropolitan Government and has been filed in the office of the Metropolitan Clerk. When it has been so signed and filed, this contract shall be effective as of the date first written above.

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THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON
COUNTY:

APPROVED AS TO PROGRAM SCOPE:



Gina Emmanuel, Chair,
Metropolitan Housing Trust Fund
Commission

APPROVED AS TO AVAILABILITY OF
FUNDS:

Kelly Flannery, Director
Department of Finance

APPROVED AS TO FORM AND
LEGALITY:

Assistant Metropolitan Attorney

APPROVED AS TO RISK AND
INSURANCE:

Director of Risk Management Services

APPROVED BY METROPOLITAN
GOVERNMENT OF NASHVILLE AND
DAVIDSON COUNTY:

Metropolitan Clerk

RECIPIENT:

CrossBridge, Inc.

By: Jane R. Mitchell

Title: Executive Director

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

August, 2022.

Notary Public

John R. Miller

John R. Miller
My Commission
expires _____



BARNES HOUSING TRUST FUND RENTAL BUDGET

Unit Address	31-39 Lindsley Avenue				
Development Type	Rental Development				
Accessible Bus Line Routes	Routes: 6, 15, 25, 27, 33, 34, 36, 37, 38, 44, 52, 55, 84, 86, 96	All routes within .2 miles of project			
Number of Studios	34 Housing Units				
Number of 1 Bedrooms					
Number of 2+ Bedrooms					
Square Feet	Total Project: 16,000 sf Housing: 10,500 sf Support ServicesSpace: 5,500 sf				
Number of Stories	3				
Acquisition Costs					
Vacant Land	\$0				
Land with Structure	\$0				
Title & Recording	\$0				
Legal	\$0				
Total	\$0				
Predevelopment Costs					
Appraisal	\$5,500				
Survey	\$2,500				
Security Lighting	\$23,000				
Insurance	\$26,000				
Architect	\$120,000				
Engineering	\$65,000				
Planning/Zoning	\$0				
Irrigation	\$23,000				
Total	\$265,000				
Construction Costs					

BARNES HOUSING TRUST FUND RENTAL BUDGET

Structure					
Footer/Foundation	\$54,000				
Framing	\$119,000				
Electrical	\$93,000				
Plumbing	\$188,000				
Roofing	\$78,000				
HVAC	\$183,000				
Drywall/Insulation	\$93,000				
Paint/Stain	\$91,000				
Windows/Doors	\$86,000				
Floor Coverings	\$153,000				
Cabinets	\$112,000				
Sub-Total	\$1,250,000				
Other					
Fencing	\$139,000				
Appliances	\$112,000				
A/V-Technology-Security-CCTV	\$175,000				
Side Walks/Driveways	\$54,000				
Landscaping	\$24,000				
Furnishings	\$147,000				
Building Permits/Fees	\$35,000				
Demolition	\$32,000				
Materials and Labor Market Contingency Cost Overrun	\$125,000				
Sub-Total	\$843,000				
Construction Contingency	\$62,500				
Profit (if organization has own construction crew)	\$0				
Sub-Total	\$62,500				
Total Construction Cost	\$2,155,500				

BARNES HOUSING TRUST FUND RENTAL BUDGET

Total Project Cost	\$2,420,500				
Total Housing Cost	\$1,597,530	66% of Total Project Cost			
Cost per Unit	\$46,986				
Developer's Fee (capped at 20%)	\$37,000	10% of Barnes Request			
Total Cost/Unit	\$48,074	Barnes Cost/Unit \$11,968			

BARNES HOUSING TRUST FUND RENTAL OPERATING PROFORMA

	Annual Inflation Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
REVENUE										
Gross Rent	0.015	81600	82824	84066	85327	86607	87906	89225	90563	91922
Vacancy Rate 7%		5712	5798	5885	5973	6063	6153	6246	6339	6435
Adjusted Gross Income		75888	77026	78182	79354	80545	81753	82979	84224	85487
Other Income	0.05	164647	172879	181523	190599	200129	210136	220643	231675	243259
Operational Subsidies										
Gross Income		240535	249906	259705	269954	280674	291889	303622	315899	328746
Operating Expenses										
Administrative	0.03	78940	81308	83747	86260	88848	91513	94258	97086	99999
Maintenance/Upkeep		20000	20000	20000	20000	20000	20000	20000	20000	20000
Utilities/Trash	0.03	67000	69010	71080	73213	75409	77671	80002	82402	84874
Taxes		0	0	0	0	0	0	0	0	0
Insurance	0.03	17000	17510	18035	18576	19134	19708	20299	20908	21535
Legal		5000	5000	5000	5000	5000	5000	5000	5000	5000
Advertising		0	0	0	0	0	0	0	0	0
Supplies	0.03	11000	11330	11670	12020	12381	12752	13135	13529	13934
Exterminating	0.02	6000	6120	6242	6367	6495	6624	6757	6892	7030
Other		10000	10000	10000	10000	10000	10000	10000	10000	10000
Total Operating Expense		214940	220278	225775	231436	237266	243269	249450	255816	262372
Reserve for Replacement	0.02	10000	10200	10404	10612	10824	11041	11262	11487	11717
Net Operating Income		15595	19427	23526	27906	32584	37579	42910	48596	54657
DEBT SERVICE - Sources										
No Debt										
Total Debt Service		0								
Debt Coverage Ratio										
Operating Reserve		10000	10000	10000	10000	10000	10000	12000	15000	15000
TOTAL CASH FLOW		5595	9427	13526	17906	22584	27579	30910	33596	39657

BARNES HOUSING TRUST FUND RENTAL OPERATING PROFORMA

	Annual Inflation Rate	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19
REVENUE										
Gross Rent	0.015	94700	96121	97562	99026	100511	102019	103549	105102	106679
Vacancy Rate	0.07	6629	6728	6829	6932	7036	7141	7248	7357	7468
Adjusted Gross Income		88071	89392	90733	92094	93475	94878	96301	97745	99211
Other Income	0.05	268193	281602	295682	310466	325990	342289	359404	377374	396243
Operational Subsidies										
Gross Income		356264	370994	386415	402561	419465	437167	455705	475119	495454
Operating Expenses										
Administrative	0.03	106089	109271	112550	115926	119404	122986	126676	130476	134390
Maintenance/Upkeep		33000	33000	33000	33000	33000	33000	33000	33000	33000
Utilities/Trash	0.03	90042	92744	95526	98392	101344	104384	107515	110741	114063
Taxes		0	0	0	0	0	0	0	0	0
Insurance	0.03	22847	23532	24238	24965	25714	26485	27280	28098	28941
Legal		5000	5000	5000	5000	5000	5000	5000	5000	5000
Advertising		0	0	0	0	0	0	0	0	0
Supplies	0.03	14783	15227	15683	16154	16638	17138	17652	18181	18727
Exterminating	0.02	7314	7460	7609	7762	7917	8075	8237	8401	8569
Other		10000	10000	10000	10000	10000	10000	10000	10000	10000
Total Operating Expense		289075	296234	303606	311198	319017	327068	335359	343898	352691
Reserve for Replacement	0.02	12190	12434	12682	12936	13195	13459	13728	14002	14282
Net Operating Income		54999	62327	70127	78426	87254	96640	106617	117219	128481
DEBT SERVICE - Sources										
No Debt										
Total Debt Service										
Debt Coverage Ratio										
Operating Reserve		20000	20000	20000	20000	20000	20000	20000	20000	20000
TOTAL CASH FLOW		34999	42327	50127	58426	67254	76640	86617	97219	108481

BARNES HOUSING TRUST FUND RENTAL OPERATING PROFORMA

Year 10
93301
6531
86770
255422
342191
102999
20000
87420
0
22181
5000
0
14353
7171
10000
269123
11951
61117
20000
41117

BARNES HOUSING TRUST FUND RENTAL OPERATING PROFORMA

Year 20
108279
7580
100700
416055
516754
138422
33000
117485
0
29810
5000
0
19289
8741
10000
361746
14568
140441
20000
120441

CHARTER
OF
Crossbridges, Inc.

FILED
2006 MAR -1 PM 2:29
SECRETARY OF STATE

01
04
08
12
16
20

The undersigned, acting as the incorporator of a corporation under the Tennessee Nonprofit Corporation Act, adopts the following Charter for such corporation:

1. The name of the corporation is Crossbridges, Inc.
2. The corporation is a public benefit corporation.
3. The street address of the initial registered office of the corporation is 335 Murfreesboro Road, Nashville, Davidson County, Tennessee 37210, and the initial registered agent for the corporation at that office is Tina Mitchell.

4. The name and address of the incorporator is:

Tina Mitchell
335 Murfreesboro Road
Nashville, Tennessee 37210

5. The street address of the initial principal office of the corporation is:

335 Murfreesboro Road
Nashville, Tennessee 37210

6. The corporation is not for profit.
7. The corporation will not have members.
8. To the extent allowed by the laws of the State of Tennessee, no present or future director of the corporation (or his or her estate, heirs and personal representatives) shall be liable to the corporation for monetary damages for breach of fiduciary duty as a

director of the corporation. Any liability of a director (or his or her estate, heirs and personal representatives) shall be further eliminated or limited to the fullest extent allowed by the laws of the State of Tennessee, as may hereafter be adopted or amended.

9. With respect to claims or liabilities arising out of service as a director or officer of the corporation, the corporation shall indemnify and advance expenses to each present and future director and officer (and his or her estate, heirs and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.

10. The purposes for which the corporation is organized are: to operate exclusively for charitable and educational purposes within the meaning of Section 501(c) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code, and generally to engage in any other lawful endeavor or activity in furtherance of any of the foregoing purposes.

11. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its directors, officers, or other private individuals or persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for goods and services rendered and to make payments in furtherance of the purposes set forth in the paragraph just above. Notwithstanding any other provision of this Charter, the corporation shall not carry on any endeavors or activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code, or by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code.

12. Upon dissolution, after all creditors of the corporation have been paid, its assets shall be distributed to one or more organizations that qualify as exempt organizations under Section 501(c) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for exclusively public purposes.

DATED the 25th day of February, 2006.

A handwritten signature in blue ink that reads "Gina Mitchell". The signature is written in a cursive style and is positioned above a solid horizontal line.

Incorporator

0700.1120

Secretary of State
Division of Business Services
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, Tennessee 37243

DATE: 08/25/06
REQUEST NUMBER: 5824-0003
TELEPHONE CONTACT: (615) 741-2286
FILE DATE/TIME: 08/25/06 1228
EFFECTIVE DATE/TIME: 08/25/06 1630
CONTROL NUMBER: 0514704

TO:
CROSSBRIDGE, INC.
335 MURFREESBORO
ROAD
NASHVILLE, TN 37210

RE:
CROSSBRIDGE, INC.
ARTICLES OF AMENDMENT TO THE CHARTER

THIS WILL ACKNOWLEDGE THE FILING OF THE ATTACHED DOCUMENT WITH AN EFFECTIVE DATE AS INDICATED ABOVE.

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

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

FOR: ARTICLES OF AMENDMENT TO THE CHARTER

ON DATE: 08/25/06

FROM:
DAVID L KING, ATTORNEY (144 2ND AVE N)
144 SECOND AVE NORTH
STE 300
NASHVILLE, TN 37201-0000

RECEIVED: FEES \$20.00 \$0.00
TOTAL PAYMENT RECEIVED: \$20.00

RECEIPT NUMBER: 00004018808
ACCOUNT NUMBER: 00404612



Riley C. Darnell

RILEY C. DARNELL
SECRETARY OF STATE

State of Tennessee



Department of State
Corporate Filings
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

ARTICLES OF AMENDMENT
TO THE CHARTER
(Nonprofit)

RECEIVED
STATE OF TENNESSEE
For Office Use Only
2006 AUG 25 PM 12:28
RILEY
SECRETARY OF STATE
FILED

CORPORATE CONTROL NUMBER (IF KNOWN) 0514704
PURSUANT TO THE PROVISIONS OF SECTION 48-60-105 OF THE TENNESSEE NONPROFIT CORPORATION ACT, THE UNDERSIGNED CORPORATION ADOPTS THE FOLLOWING ARTICLES OF AMENDMENT TO ITS CHARTER:

1. PLEASE INSERT THE NAME OF THE CORPORATION AS IT APPEARS OF RECORD:

Crossbridges, Inc.
IF CHANGING THE NAME, INSERT THE NEW NAME ON THE LINE BELOW:

Crossbridge, Inc.

2. PLEASE MARK THE BLOCK THAT APPLIES:

- AMENDMENT IS TO BE EFFECTIVE WHEN FILED BY THE SECRETARY OF STATE.
- AMENDMENT IS TO BE EFFECTIVE, _____ (MONTH, DAY, YEAR)
(NOT TO BE LATER THAN THE 90TH DAY AFTER THE DATE THIS DOCUMENT IS FILED.) IF NEITHER BLOCK IS CHECKED, THE AMENDMENT WILL BE EFFECTIVE AT THE TIME OF FILING

3. PLEASE INSERT ANY CHANGES THAT APPLY:

- A. PRINCIPAL ADDRESS: _____ STREET ADDRESS
_____ CITY STATE / COUNTY ZIP CODE
- B. REGISTERED AGENT: _____
- C. REGISTERED ADDRESS: _____ STREET ADDRESS
_____ TN STATE ZIP CODE COUNTY
- D. OTHER CHANGES: _____

4. THE CORPORATION IS A NONPROFIT CORPORATION.

5. THE MANNER (IF NOT SET FORTH IN THE AMENDMENT) FOR IMPLEMENTATION OF ANY EXCHANGE, RECLASSIFICATION, OR CANCELLATION OF MEMBERSHIPS IS AS FOLLOWS:

6. THE AMENDMENT WAS DULY ADOPTED ON August 25, 2006 (MONTH, DAY, YEAR)
BY (Please mark the block that applies):

- THE INCORPORATORS WITHOUT MEMBER APPROVAL, AS SUCH WAS NOT REQUIRED.
- THE BOARD OF DIRECTORS WITHOUT MEMBER APPROVAL, AS SUCH WAS NOT REQUIRED.
- THE MEMBERS

7. INDICATE WHICH OF THE FOLLOWING STATEMENTS APPLIES BY MARKING THE APPLICABLE BLOCK:

- ADDITIONAL APPROVAL FOR THE AMENDMENT (AS PERMITTED BY §48-60-301 OF THE TENNESSEE NONPROFIT CORPORATION ACT) WAS NOT REQUIRED.
- ADDITIONAL APPROVAL FOR THE AMENDMENT WAS REQUIRED BY THE CHARTER AND WAS OBTAINED.

Officer
SIGNER'S CAPACITY

8-25-06
DATE

Tina Mitchell
SIGNATURE

Tina Mitchell
NAME OF SIGNER (TYPED OR PRINTED)

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

DEPARTMENT OF THE TREASURY

Date:

JUL 31 2012

CROSSBRIDGE INC
335 MURFREESBORO RD
NASHVILLE, TN 37210

Employer Identification Number:
16-1755991
DLN:
17053301390001
Contact Person:
DAVID L. SLAUGHTER ID# 31188
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
May 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
October 26, 2011
Contribution Deductibility:
Yes
Addendum Applies:
Yes

Dear Applicant:

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

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

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

Letter 947 (DO/CG)

CROSSBRIDGE INC

Sincerely,

A handwritten signature in black ink that reads "Holly O. Paz". The signature is written in a cursive, slightly slanted style.

Holly O. Paz
Director, Exempt Organizations
Rulings and Agreements

Enclosure: Publication 4221-PC

CROSSBRIDGE INC

We approved your request for reinstatement under Notice 2011-44 and you agreed to the postmark date of your application as the effective date for reinstatement.

CrossBRIDGE was created to disrupt destructive cycles.

CrossBRIDGE connects those trapped in destructive cycles with effective solutions for comprehensive transformation, responsible freedom and expanded opportunity.

The CrossBRIDGE Mission is built upon six core purposes:

Building future leaders;

Restoring lives impacted by addiction;

Inviting people into healthy relationships;

Developing life skills;

Giving back through community reinvestment/service;

Expanding opportunities.

We employ a three-pronged approach to accomplish our mission. Our flagship programs are *restorative* (Restoration House), *preventative* (KidPOWER), and *supportive* (CrossBRIDGE Catering).

Restoration House and KidPOWER provide multi-faceted preventative and restorative programming to break destructive cycles of addiction, incarceration, and generational poverty.

CrossBRIDGE Catering provides a revenue stream other than donations and grants to diversify support for our programming.

Restoration House is our residential recovery support services program offering men and women the opportunity to leave a life ruled by destructive behavior and lead responsible, productive lives.

KidPOWER is our afterschool mentoring program for children and youth in the Napier-Sudekum community. Designed to counter the devastating combination of Adverse Childhood Experiences (ACEs) multiplied by generational poverty, addiction, and incarceration, KidPOWER creates hope and real opportunity for an altogether different future.

CrossBRIDGE Catering expands organizational funding diversity while offering Restoration House participants opportunities to earn additional income and learn marketable skills.

CROSSBRIDGE, INC.
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
YEAR ENDED MAY 31, 2021

CROSSBRIDGE, INC.
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
YEAR ENDED MAY 31, 2021

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2715 Bransford Avenue, Nashville, TN 37204 | 615-242-0067
 701 West 7th Street, Columbia, TN 38401 | 931-388-3008
 3050 Business Park Circle Ste. 501, Goodlettsville, TN 37072 | 615-851-6160

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
 CrossBridge, Inc.

We have audited the accompanying financial statements of CrossBridge, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of May 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of May 31, 2021, and the changes in its net assets, functional expenses and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Brown & Maguire CPAs, PLLC

Brown & Maguire CPAs, PLLC
 October 22, 2021

CROSSBRIDGE, INC.
STATEMENT OF FINANCIAL POSITION
AS OF MAY 31, 2021

ASSETS

Current Assets:

Cash – operating	\$ 330,756
Cash – internally restricted by Board resolution	1,230,215
Grant receivables	41,311
Deposits and other current assets	<u>6,715</u>
Total current assets	<u>1,608,997</u>

Property and Vehicles:

Land	282,575
Building	213,868
Vehicles	154,348
Construction in progress	3,284,556
Less: accumulated depreciation	<u>(99,992)</u>
Total property and vehicles, net	<u>3,835,355</u>

Total assets	<u>\$ 5,444,352</u>
--------------	---------------------

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 234,584
Second PPP loan	91,100
Deposits payable	<u>190</u>
Total current liabilities	325,874

Construction loan	<u>2,544,230</u>
-------------------	------------------

Total liabilities	<u>2,870,104</u>
-------------------	------------------

Net Assets:

Without donor restrictions	2,435,727
With donor restrictions	<u>138,521</u>
Total net assets	<u>2,574,248</u>

Total liabilities and net assets	<u>\$ 5,444,352</u>
----------------------------------	---------------------

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

CROSSBRIDGE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Building funds	\$ 1,406,742	\$ -	\$ 1,406,742
Restoration House	294,571	-	294,571
Special events, net of direct costs of \$2,362	144,569	96,234	240,803
Grants	125,481	40,000	165,481
First PPP loan forgiveness.....	91,100	-	91,100
Contributions.....	70,198	-	70,198
Catering	4,300	-	4,300
Interest income	1,018	-	1,018
Net assets released from restrictions	78,384	(78,384)	-
Total support and revenue.....	<u>2,216,363</u>	<u>57,850</u>	<u>2,274,213</u>
Expenses:			
Program services	519,491	-	519,491
Management and general	172,013	-	172,013
Fundraising.....	43,526	-	43,526
Total expenses.....	<u>735,030</u>	<u>-</u>	<u>735,030</u>
Change in net assets.....	1,481,333	57,850	1,539,183
Net assets at beginning of year	954,394	80,671	1,035,065
Net assets at end of year	<u>\$ 2,435,727</u>	<u>\$ 138,521</u>	<u>\$ 2,574,248</u>

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

CROSSBRIDGE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MAY 31, 2021

	Supporting Services			
	Program Services	Management and General	Fundraising	Total
Staff	\$ 251,532	\$ 134,267	\$ 34,089	\$ 419,888
Building	174,020	-	-	174,020
Insurance	14,010	11,208	2,802	28,020
Depreciation	25,673	-	-	25,673
Communications	21,611	1,718	430	23,759
Program	11,559	9,248	2,312	23,119
Office	11,240	8,553	2,138	21,931
Other	3,728	2,982	745	7,455
Vehicle	1,918	1,534	384	3,836
Professional	1,600	1,280	320	3,200
Assistance	1,056	845	211	2,112
Advertising	585	378	95	1,058
Catering	959	-	-	959
	\$ 519,491	\$ 172,013	\$ 43,526	\$ 735,030
Total expenses	\$ 519,491	\$ 172,013	\$ 43,526	\$ 735,030

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

CROSSBRIDGE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MAY 31, 2021

Cash flows from operating activities:	
Increase in net assets	\$ 1,539,183
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	25,673
Increase in grant receivables	(34,661)
Increase in deposits and other current assets	(1,023)
Increase in accounts payable	234,584
Decrease in deposits payable	<u>(846)</u>
Net cash provided by operating activities	<u>1,762,910</u>
Cash flows from investing activities:	
Investment in construction in progress	(2,809,622)
Purchase of a vehicle	<u>(20,200)</u>
Net cash used in investing activities	<u>(2,829,822)</u>
Cash flows from financing activities:	
Proceeds from second PPP loan	91,100
Forgiveness of first PPP loan	(91,100)
Borrowings under construction loan, net of repayments	<u>2,106,534</u>
Net cash provided by financing activities	<u>2,106,534</u>
Net increase in cash and cash equivalents	1,039,622
Cash and cash equivalents, at beginning of the period	<u>521,349</u>
Cash and cash equivalents, at end of the period	<u>\$ 1,560,971</u>
Cash paid for interest	<u>\$ -</u>
Cash paid for taxes	<u>\$ -</u>
Supplemental noncash activities:	
Forgiveness of first PPP loan	<u>\$ 91,100</u>

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

CROSSBRIDGE, INC.
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MAY 31, 2021

1. Description of the Organization and Summary of Significant Accounting Policies

CrossBridge, Inc. (the “Organization”) serves a Nashville, Tennessee community struggling with the devastating effects of generational poverty. Drugs, prostitution and violent crime make the Organization’s south Nashville service area a toxic neighborhood of single-parent households, whose children encounter real dangers in and out of their homes on a continual basis. The Organization was created to break this destructive cycle with effective, real-world solutions via programs such as Restoration House and KidPower.

Restoration House provides recovery housing, healthy boundaries and integrated programming for adults trapped in the bondage of addiction. KidPower is designed to give at-risk children the tools needed to avoid that bondage altogether. The Organization’s goal is to help them remain drug-free, learn healthy conflict resolution skills, delay parenthood until marriage, graduate from high school, earn a post-secondary degree and become servant leaders giving back to their community.

Basis of Presentation

The accompanying financial statements were prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all cash funds and cash bank accounts with an original maturity of three months or less to be cash and cash equivalents.

Fair Values of Financial Instruments

Financial instruments of the Organization include cash, short-term program accounts receivable, and program accounts payable. Management estimates that the fair value of all financial instruments at fiscal year-end does not differ materially from the carrying values of the financial instruments recorded in the accompanying financial statement of financial position.

Contributions and Support

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

CROSSBRIDGE, INC.
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MAY 31, 2021

Property and Depreciation

Property and equipment are recorded at cost or at fair value as of the date purchased or contributed. Costs of maintenance and repairs are charged to expense as incurred. Depreciation is provided on the straight-line method over the estimated lives of the respective assets. Vehicles are depreciated over seven years.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Donated Materials and Services

Donated materials and equipment, if any, are reflected as contributions in the accompanying statements at their estimated values at the date of receipt. Contributions of donated services that create or enhance nonfinancial assets, or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Additionally, a number of unpaid volunteers have made significant contributions of their time to assist in tutoring, fund-raising and special projects. However, these services do not meet the requirements above and have not been recorded.

Income Taxes

The Organization, which is not a private foundation, is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made. Additionally, as of May 31, 2021, the Organization has accrued no interest and no penalties related to uncertain tax positions. It is the Organization's policy to recognize interest and/or penalties related to income tax matters in income tax expense.

Program and Supporting Services

The following program and supporting services were included in the accompanying financial statements.

Program Services—Includes activities carried out to fulfill the Organization's goals as they related to Restoration House and KidPower.

Management and General—Includes the functions necessary to ensure an adequate working environment and costs not identifiable with a single program. Includes costs associated with providing coordination and articulation of the Organization's program strategy, business management, general record keeping, budgeting and related purposes.

CROSSBRIDGE, INC.
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MAY 31, 2021

Fundraising—Includes costs of activities directed toward appeals for financial support, including special events. Other activities include the cost of solicitation and creation and distribution of fundraising materials.

Allocation of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis as program, management or fundraising in the statement of functional expenses. Additionally, the statement of activities and functional expense reports certain expenses as being attributable to program, management and fundraising functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses are allocated on the basis of estimates of time and effort.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs for the year ended May 31, 2021 were \$1,058.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management of the Organization to make estimates and assumptions that affect the reported assets and liabilities and contingency disclosures at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

2. Construction In Progress / Construction Loan

During April 2020 the Organization officially broke ground on the construction of 50 affordable housing units at 35 Lindsley Avenue in Nashville, TN (the “Lindsley Building”). The construction project is expected to take approximately one year to complete. The total cost incurred as of May 31, 2021 was \$3,284,556 and has been capitalized in the accompanying state of financial position as construction in progress.

The Organization has received two grants to assist with the construction cost of the Lindsley Building. The Organization was notified of a \$500,000 grant in May 2020 from the State of Tennessee, Tennessee Housing Development Agency (“THDA”) to cover certain cost incurred between June 1, 2020 and May 31, 2023 related to the construction of the Lindsley Building. Additionally, the Organization was notified in June 2019 of a \$1,800,000 grant from the Metropolitan Government of Nashville and Davidson County (“Metro”) to cover certain cost related to the construction of the Lindsley Building incurred within 24 months from the execution date of the agreement with Metro.

CROSSBRIDGE, INC.
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MAY 31, 2021

Both the THDA and Metro grants have specific requirements and guidelines that must be met before funds are available under the grants. As of May 31, 2021, the Organization has requested and received funding of \$1,375,000 under the terms of the THDA and Metro grants, collectively.

In addition to being awarded the THDA and Metro grants, the Organization obtained a construction loan with Regions Bank in August 2019 to cover any additional cost related to the Lindsley Building (the “Construction Loan”). Under the terms of the Construction Loan, the Organization can borrow up to \$2,646,000 but not to exceed 50% of the loan to value of the Lindsley Building. The Construction Loan is secured by the land and building related to the Lindsley Building. On or before August 2022, the Construction Loan must be converted to a term loan with monthly installment payments of principal and interest to be paid over 240 months. Upon conversion of the Construction Loan, the maturity date of the new term loan will be 60 months from the conversion date. Interest on the Construction Loan is prime minus 4%. As of May 31, 2021 the interest rate on the Construction Loan was zero. As of May 31, 2021, \$2,544,230 was outstanding under the Construction Loan.

3. PPP Loan

On April 22, 2020, the Organization was granted a loan (the “First Loan”) from Regions Bank. in the aggregate amount of \$91,100, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The Loan, which was in the form of a note entered into in April 2020 issued to the Organization, matured in April 2022 and bore interest at a rate of 1% per annum, payable monthly commencing in November 2020. The Loan could have been prepaid by the Organization at any time prior to maturity with no prepayment penalties. Proceeds from the First Loan were available to be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. In December 2020, the Organization was granted forgiveness on the entire amount of the First Loan. The First Loan forgiveness was reflected in the Organization’s Statement of Activities for the year ended May 31, 2021.

In March 2021, the Organization was granted a Second Draw PPP Loan (the “Second Loan”), in the aggregate amount of \$91,100, with the same general terms as the First Loan. The Second Loan matured in March 2023 and bore interest at a rate of 1% per annum, payable monthly commencing November 2021. Like the First Loan, the full amount of the Second Loan was forgiven in August 2021, which was subsequent to year end. The Second Loan forgiveness will be reflected in the Organization’s Statement of Activities for the year ended May 31, 2022.

CROSSBRIDGE, INC.
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MAY 31, 2021

4. Long-Term Debt

As of May 31, 2021 long-term debt obligations consisted of the following:

Construction loan, see terms in Note 2	\$ 2,544,230
Second PPP loan, see terms in Note 3	91,100
	2,635,330
Less: current portion.....	(91,100)
Long-term debt.....	\$ 2,544,230

Future maturities of long-term debt obligations are as follows for the years ending May 31:

2022	\$ 91,100
2023	-
2024	-
2025	-
2026	-
Thereafter.....	2,544,230
	2,635,330
Current portion of long-term debt.....	(91,100)
Long-term debt	\$ 2,544,230

5. Net Assets With Donor Restrictions

Changes in net assets with donor restrictions for the year ended May 31, 2021 were as follows:

	Beginning of Year	Contributions With Donor Restrictions	Released Contributions with Donor Restrictions	End of Year
Annual Fundraiser ...	\$ 45,684	\$ 96,234	\$ (45,684)	\$ 96,234
Program Services.....	34,987	40,000	(32,700)	42,287
	\$ 80,671	\$ 136,234	\$ (78,384)	\$ 138,521

Additionally, by prior resolution of the Board of Directors, a portion of the net assets were designated as a reserve for program services, including the construction of a building. As of May 31, 2021, the program reserve was \$1,230,215. The Board of Directors reserves the right to assign amounts as needed.

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6. Operating Lease Commitments

The Organization leases certain one group home under non-cancelable operating lease. Future minimum lease commitments under this lease agreement are as follows:

2022	\$ 8,500
2023	-
2024	-
2025	-
2026	-
Thereafter	-
	\$ 8,500

All other group homes leased by the Organization as of May 31, 2021 were on a month-to-month term.

7. Liquidity and Availability of Financial Assets

The following reflects the Organization’s financial assets as of May 31, 2021, reduced by any amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date:

Financial assets	\$ 1,560,971
Financial assets available to meet cash needs for general expenditures within one year.....	\$ 330,756

As part of the Organization’s liquidity management, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

8. Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (“FASB”) issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this Accounting Standards Update (“ASU”) supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Organization is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

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9. Uncertainties

In March 2020, the novel coronavirus (or “COVID-19”) was deemed a global pandemic by the World Health Organization. COVID-19 has adversely affected, and may continue to adversely affect economic activity globally, nationally and locally. The resulting regulations instituted across the United States to curb COVID-19 have resulted in restrictions on the operations of businesses and has directly impacted operations of the Organization. The implications of COVID-19 to the Organization’s operations are still being evaluated and the duration and intensity of its impact is uncertain.

10. Subsequent Events

The Organization has evaluated all events or transactions that occurred after May 31, 2021, through October 22, 2021, the date these financial statements were issued. During this period the Organization did not have any material recognizable events that required recognition in the disclosures to the May 31, 2021 financial statements.
