GRANT CONTRACT
BETWEEN THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE
BY AND THROUGH
THE METROPOLITAN HOUSING TRUST FUND COMMISSION
AND
HABITAT FOR HUMANITY OF GREATER NASHVILLE

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 Habitat for Humanity of Greater Nashville, hereinafter referred to as the “Recipient,” is for the provision of the construction of affordable housing units as further defined in the "SCOPE OF PROGRAM." Habitat for Humanity of Greater Nashville will be adding 14 affordable housing units located at Map/Parcel No. 06000007000. 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 $1,980,000.

Additional Conditions for Rental Properties (Not Applicable):

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 one million nine hundred eighty thousand Dollars ($1,980,000). 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)**

- Site Work/Infrastructure Costs (Category Total $897,000 – 45.3%)
  - To be drawn upon invoice documentation of costs incurred.
- Construction Costs (Category Total: $742,000 – 37.5%)
  - To be drawn upon Building Permits and invoice documentation of costs incurred.
- Homebuyer Down-payment Assistance (Category Total: $161,000 – 8.1%)
  - To be drawn upon sale of properties, documented by homebuyer closing disclosures and Certificate of Eligibility.
- Developer Fee (Category Total: $180,000 – 9.1%)
  - To be drawn upon receipt of a Final Use & Occupancy letter from Metro Codes for each of the 14 properties (100% complete).

All draw requests except for third Down-payment Assistance Category 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 draw 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 September1, 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:

Habitat for Humanity of Greater Nashville
Danny Herron, President and Chief Executive Officer
414 Harding Place
Nashville, TN 37211
(615) 254-4663
dherron@habitatnashville.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:

Habitat for Humanity of Greater Nashville

By: ______________________

Title: President and Chief Executive Officer

Sworn to and subscribed to before me a Notary Public, this 24 day of August, 2022.

Notary Public

Jackie Russell

My Commission expires 5/19/26

JACKIE RUSSELL
STATE OF TENNESSEE
NOTARY
PUBLIC
DAVIDSON COUNTY
MY COMMISSION EXPIRES 5-9-2026

BARNES HOUSING TRUST FUND HOMEBUYER PROFORMA

Unit Address	North Nashville 37203 Sherwood Homes at Park Preserve (Addresses to be determined)				
Development Type	New Construction	New Construction			
Accessible Bus Line Routes	Yes, at Gwynnwood Dr & Ewing Drive	Yes, at Gwynnwood Dr & Ewing Drive			
Number of Bedrooms	3	4			
Number of Bathrooms	2	2			
Square Feet	1104	1257			
Number of Stories	1	1			
	Cost of 9 3-bedroom homes	**Cost of 5 4-bedroom homes**		***Totals***	
Acquisition Costs					
Vacant Land	202,367	112,426		*314,793*	
Land with Structure					
Title & Recording					
Legal					
Total	202,367	112,426		*314,793*	
Predevelopment Costs					
Appraisal	1,440	800		*2,240*	
Survey				-	
Relocation (if applicable)				-	
Insurance				-	
Architect				-	
Engineering	36,000	20,000		*56,000*	
Planning/Zoning	4,500	2,500		*7,000*	
Other: Homebuyer Education	90,000	50,000		*140,000*	
Total	131,940	73,300		*205,240*	
Construction Costs					
Structure					
Footer/Foundation	172,485	96,000		*268,485*	
Framing	252,000	160,000		*412,000*	
Electrical	99,000	59,500		*158,500*	

Plumbing	121,500	70,000		*191,500*	
Roofing	81,000	47,500		*128,500*	
HVAC	108,000	60,000		*168,000*	
Drywall/Insulation	85,500	52,500		*138,000*	
Paint/Stain	45,000	26,000		*71,000*	
Windows/Doors	40,500	23,500		*64,000*	
Floor Coverings	45,000	27,500		*72,500*	
Cabinets	45,000	25,000		*70,000*	
Brick/Siding	99,000	57,500		*156,500*	
Sub-Total	1,193,985	705,000		*1,898,985*	
Other					
Site Work	661,500	367,500		*1,029,000*	
Appliances	27,000	15,000		*42,000*	
Decks/Porches	14,400	8,000		*22,400*	
Side Walks/Driveways	76,500	42,500		*119,000*	
Landscaping	27,000	15,000		*42,000*	
Utility Hookups	5,400	3,000		*8,400*	
Building Permits/Fees	10,800	6,000		*16,800*	
Demolition	-	-		-	
Fees	18,000	10,000		*28,000*	
Materials and Labor Market Contingency Cost Overrun	*Habitat monitors status of project expenses monthly, and in the event of substantial cost overruns, would re-evaluate organizational spending and fundraising strategy, adjust project plans (in consultation with funders), or draw on reserves. We typically do not budget cost overruns as a project line item, but have taken into account the volatility of the materials/labor market throughout other line items.*				
Sub-Total	840,600	467,000	-	*1,307,600*	
Construction Contingency					
Profit (if organization has own construction crew)	270,000	150,000		*420,000*	
Sub-Total	270,000	150,000		*420,000*	
Total Construction Cost	2,304,585	1,322,000		*3,626,585*	
Cost per Unit	293,210	301,545			

BARNES HOUSING TRUST FUND HOMEBUYER PROFORMA

Developer's Fee (capped at 20%)	12,857	12,857		*180,000*	*Less than 10% of Barnes request*
Total Cost/Unit	306,067	314,402			
Total Debt Service	**Note: Debt Service Figures for Total Agency**			161,000	*Downpayment Assistance*
Debt Coverage Ratio	8.43				
Operating Reserve	14.33			***4,487,618***	***TOTAL PROJECT COST***

AMENDED AND RESTATED CHARTER
OF
NASHVILLE AREA HABITAT FOR HUMANITY, INC.

Pursuant to the provisions of Section 48-60-106 of the Tennessee Nonprofit Corporation Act, the undersigned corporation hereby submits this Amended and Restated Charter and states as follows:

ARTICLE I

The name of the corporation is Nashville Area Habitat for Humanity, Inc.

ARTICLE II

The text of its Amended and Restated Charter is as follows:

1. The name of the corporation is **Habitat for Humanity of Greater Nashville**.

2. This corporation is a public benefit corporation.

3. The street address of the registered office of the corporation is 2950 Kraft Drive, Suite 100, Nashville, Davidson County, Tennessee 37204, and the registered agent for the corporation at that office is Danny J. Herron.

4. The street address of the principal office of the corporation is 2950 Kraft Drive, Suite 100, Nashville, Davidson County, Tennessee 37204.

5. The corporation is not for profit.

6. The corporation will not have members.

7. The purposes for which the corporation is organized are to operate exclusively for charitable, educational and religious purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code, by assisting families in the life-changing opportunity for purchasing and owning quality, affordable homes using a team of enthusiastic volunteers and staff guided by Christian values; and generally to engage in any other lawful endeavor or activity in furtherance of any of the foregoing purposes.

8. 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)(3) 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.

9. 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)(3) 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.

ARTICLE III

The Amended and Restated Charter itself was duly adopted by the Board of Directors of the corporation on November 29, 2011.

ARTICLE IV

This Amended and Restated Charter supersedes the corporation's original Charter, any Amended and Restated Charters of the corporation, and all prior amendments thereto.

DATED this **5th day of March, 2013**

NASHVILLE AREA HABITAT FOR HUMANITY, INC.

By: ______________________

Name: **Gil Fuqua**
Title: Chairman

AMENDED AND RESTATED

Bylaws

Of

Habitat for Humanity of Greater Nashville, Inc.

ARTICLE I

NAME

Section 1. **Name of Corporation.** The affairs of the Corporation shall be conducted using the name *Habitat for Humanity of Greater Nashville, Inc., ("Habitat" or "HFHGN")* or such other name or names as the Board of Directors may from time to time authorize.

ARTICLE II

PURPOSE

Section 1. **Business Purpose.** The purpose of Habitat for Humanity of Greater Nashville, Inc. is to assist families in need with the life-changing opportunity of buying decent, affordable housing using a team of enthusiastic volunteers and staff, guided by Christian values.

ARTICLE III

OFFICES

Section 1. **Principal Office.** The principal office of the Corporation shall be located at 414 Harding Place, Nashville, TN 37211. The Corporation may also maintain offices at such other places as the Board of Directors may from time to time designate or as the affairs of the Corporation may from time to time require.

ARTICLE IV

MEMBERS

Section 1. **Members.** The Corporation is to have no members.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Management. All corporate powers shall be exercised by or under the authority of, and the affairs of the Corporation managed under the direction of the Board of Directors.

Section 2. Number. The number of Directors of the Corporation initially shall be twenty-one (21) and thereafter shall be as fixed from time to time by the Board of Directors. The number of Directors shall in no event be less than twelve (12).

Section 3. Selection and Term of Office. Successors to members of the Board of Directors shall be elected by the Board currently in office. The term of each director shall be three (3) years. The Directors shall be divided into three classes as equal in number as possible. Initially, one class of Directors shall serve for a period of one year, one class of Directors shall serve for a period of two years and one class of Directors shall serve for a period of three years. At each annual meeting of Directors, each Director elected to succeed a Director whose term expires shall be elected for a period of three years. Each Director shall hold office for the term for which the person was elected and until his or her successor has been elected. Members shall be eligible for re-election for one additional term of three (3) years. At the end of a second term as a member of the Board of Directors, a person shall not be eligible for re-election for a period of at least one (1) year. Any member elected to fill an unscheduled vacancy shall be elected for the remaining portion of the scheduled term of that vacancy. Should that period of time be less than 1.5 years, such partial term will not constitute a term of office for purposes of reelection to the Board. A Director's term of office shall not determine his or her term as Chairman of the Board or any other office to which the Board may elect him or her.

Section 4. Election. Persons nominated for the Board of Directors shall be elected by a majority vote of the then current members of the Board of Directors.

Section 5. Ex-Officio Members. The President and C.E.O. of HFHGN shall be an Ex-Officio member of the Board. The President and C.E.O. shall attend Board meetings at the discretion of the Board and the President and C.E.O. shall have a vote in the event the members of the Board present at any meeting of the Board shall reach a tie vote. The President and C.E.O. shall not constitute a member of the Board for determining the presence of a quorum and the President and C.E.O. shall not be present during the Board's discussion of matters related to the employment of the President and C.E.O.

Section 6. Removal of Directors. Any Director may be removed without cause by a vote of two-thirds of the Directors then in office.

Section 7. **<u>Resignation of a Director</u>.** A Director may resign by tendering notice in writing to the Board of Directors, Chairman or the President and C.E.O. A resignation shall be effective when notice thereof is so delivered, unless the notice specifies a later effective date.

Section 8. **<u>Vacancies and Newly Created Directorships</u>.** Any vacancy on the Board of Directors, whether occurring by reason of an increase in the number of Directors, a vacancy resulting from a removal with or without cause, or by any other reason, may be filled by a vote of the Directors then in office. If the Directors remaining in office constitute fewer than a quorum, they may fill the vacancy by the affirmative vote of all the Directors remaining in office. A Director shall be elected to hold office for the unexpired term of his or her predecessor, or if there is no predecessor, until the next regular or special meeting of the Board of Directors designated for the purpose of electing Directors.

Section 9. **<u>Reliance Upon Information, Opinions, Reports, or Statements.</u>** To the full extent allowed by law, a member of the Board of Directors, or a member of any committee of the Board of Directors, shall, in the performance of his or her duties, be protected in relying in good faith upon information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by

(a) one or more Officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;
(b) legal counsel, public accountants, or other persons as to matters the Director reasonably believes are within the person's professional or expert competence; or
(c) a committee of the Board of Directors of which he is not a member if the Director reasonably believes the committee merits confidence.

Section 10. **<u>Compensation</u>.** Directors, and members of any committee of the Board of Directors, shall not be entitled to any compensation for their services as Directors or members of any such committee. Directors and committee members may be reimbursed under special circumstances for expenses incurred in connection with their services as Directors or members of a committee. Such reimbursement shall be approved by a vote of the Board of Directors.

Section 11. **<u>Fidelity Bond.</u>** The Board of Directors may require any Officer, employee, or agent of the Corporation to give security for or to execute to the Corporation a bond in such sum, and with surety or sureties as the Board of Directors may direct conditioned upon the faithful performance of his or her duties to the Corporation, including responsibility for negligence and for the accounting for all property, funds, or securities of the Corporation which may come into his or her hands.

ARTICLE VI

MEETINGS

Section 1. Regular and Special Meetings. The Board of Directors may provide by resolution for the holding of regular meetings of the Board of Directors, and may fix the time and place thereof. Special meetings of the Board of Directors shall be held whenever called by the Chairman, Vice Chairman, or any three (3) Directors, at such place, date, and time as may be specified in the notice thereof. All meetings, whether regular or otherwise, of the Board of Directors shall be documented by minutes reflecting all business transactions of the Board. The last regular meeting scheduled in each calendar year shall be designated the annual meeting of the Board of Directors. Notice of the time and place for such meetings shall be given in accordance with Section 2, below.

Section 2. Notice. Except as provided below, regular meetings of the Board of Directors may be held without notice, and special meetings of the Board may be held upon at least two (2) days notice provided to each Director specifying the date, time, and place of the meeting. If the Board of Directors changes the place, date or time of a regular meeting, notice of such action shall be given to each Director who was not present at the meeting at which such action was taken. Any Board action to: remove a Director; amend the Bylaws; amend the Charter (other than a charter amendment to: (a) delete the name and address of the initial registered agent or registered office, if a statement of change is on file with the Secretary of State (b) change the address of the principal office of the Corporation; or (c) change the corporate name by substituting the word "corporation," "incorporated," "company," "limited," or the abbreviation "corp.," "inc.," or "ltd.," or a similar word or abbreviation in the name or by adding a geographical attribution to the name); approve a transaction in which a Director or Officer of the Corporation has a conflict of interest; authorize the indemnification of a Director, employee or agent of the Corporation; approve a plan of merger; approve a sale, lease, exchange or other disposition of all or substantially all of the Corporation's assets other than in the regular course of activities; or approve a dissolution of the Corporation requires that each Director be given at least seven (7) days written notice that the matter will be voted upon at a Directors' meeting. The notice of any meeting at which: a Bylaw amendment; charter amendment; plan of merger; plan for the sale, lease, exchange or other disposition of all or substantially all of the Corporation's assets; or plan of dissolution is to be voted upon, must state that the purpose, or one of the purposes, of the meeting is to consider such proposed amendment or plan and contain or be accompanied by a copy or summary of each amendment or plan.

Where reasonable under the circumstances, notice may be either written or oral, and may be communicated in person, by telephone, telegraph, teletype, or other form of wire or wireless communication, or by mail or private carrier. Written notice in a comprehensible form is effective at the earliest of the following:

(a) when received;
(b) five (5) days after its deposit in the United States mail, if mailed correctly addressed and with first-class postage affixed thereon;

(c) one the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and if the receipt is signed by or on behalf of the addressee; or

(d) twenty (20) days after its deposit in the United States mail, if mailed correctly addressed, and with other than first class, registered or certified postage affixed.

Notice of an adjourned meeting need not be given if the time and place to which such meeting is adjourned are fixed at the meeting at which the adjournment is taken and if the period of adjournment does not exceed one (1) month in any one (1) adjournment. At the adjourned meeting, the Board of Directors may transact any business which might have been transacted at the original meeting.

Section 3. **Waiver of Notice.** A Director may waive in writing any notice required by this Article VI, provided that the waiver must be signed by the Director entitled to the notice, and must be filed with the minutes or corporate records. A Director's attendance at or participation in a meeting waives any required notice to him or her of the meeting unless the Director at the beginning of the meeting (or promptly upon his or her arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 4. **Quorum and Vote.** Except as otherwise provided in this Article VI, a majority of the number of Directors then in office shall constitute a quorum for the transaction of business of the Corporation, provided that at no time shall a quorum consist of fewer than fifty per cent (50%) of the Directors duly elected and then serving in office. If a quorum is present when a vote is taken, the affirmative vote of a majority of Directors present is the act of the Board of Directors, except where the vote of a greater number is required by these Bylaws or by the Tennessee Nonprofit Corporation Act in connection with transactions involving director and Officer conflicts of interest; Bylaw amendments; charter amendments; mergers; and the sale, lease, exchange or other disposition of all or substantially all of the Corporation's assets other than in the regular course of activities. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any of those present.

A Director who is present at a meeting of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless:

(a) He or she objects at the beginning of the meeting (or promptly upon his or her arrival) to holding the meeting or transacting business at the meeting;

(b) His or her dissent or abstention from the action taken is entered in the minutes of the meeting; or

(c) He or she delivers written notice of his or her dissent or abstention to the presiding Officer of the meeting before its adjournment or to the Corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a Director who votes in favor of the action taken.

Section 5. <u>Executive Committee</u>. There shall be an Executive Committee of the Board of Directors, consisting of the elective Officers of the Corporation and the Past Chairman. The membership of the Executive Committee must be approved by the Board of Directors at its annual meeting. In addition, four other existing members of the Board of Directors will be selected by the Past Chairman and the elective Officers of the Corporation as At-Large members of the Executive Committee for a one year term. These At-Large members, in addition to any member filling a vacancy on the Executive Committee, shall be approved at the next scheduled meeting of the Board of Directors. Subject to any specific directions or restrictions given by the Board of Directors, the Executive Committee may exercise all the authority of the Board of Directors between meetings of the Board of Directors and majority vote of the members shall control. A majority of the members of the Executive Committee shall constitute a quorum for the purpose of transacting business. Meetings of the Executive Committee may be held by conference telephone call as long as a quorum is participating simultaneously. Any action required or permitted to be taken at a meeting of the Executive Committee may be taken without a meeting by consent in writing, setting forth the action so taken. Written consents and_signatures may be effected by electronic transmission. If all committee members consent to taking such action without a meeting, an affirmative vote of a majority of the Executive Committee, evidenced by their signatures on such written consent, shall have the same force and effect as a majority vote at a meeting of the Committee. Any action taken by the Executive Committee shall be reported to the Board of Directors at its next meeting. The Executive Committee shall not approve dissolution, merger or the sale, pledge, or transfer of all or substantially all of the Corporation's assets; elect, appoint, or remove Directors or fill vacancies on the Board of Directors or on any of its committees; or amend or repeal the charter of these bylaws or adopt new bylaws.

Section 6. <u>Other Committees</u>. The Board of Directors may create such other committees as may be determined to be helpful in discharging the Board's responsibilities. Each such committee shall be chaired by a Director, and consist of such persons, whether Directors or others, as may be approved by the Board of Directors, and each committee shall perform such functions as may be lawfully assigned to it by the Board of Directors.

Section 7. <u>Committee Actions</u>. So far as applicable, the provisions of this Article VI relating to meetings, notice and waiver of notice of meetings, and quorum voting requirements of the Board of Directors shall apply to the Executive Committee and other committees as well.

Section 8. <u>Telephone Board and Committee Meetings</u>. Members of the Board of Directors, or any committee of the Board of Directors, may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting may simultaneously hear each other during the meeting, and participation in such a meeting shall constitute presence in Person at such a meeting.

Section 9. **Consent of Directors in Lieu of Meeting.** Any action required or permitted to be taken at a meeting of the Board of Directors or a committee thereof may be taken without a meeting via one of two methods.

In the first method, if all Directors or committee members consent to taking such action without a meeting, the affirmative vote of the number of Directors or committee members that would be necessary to authorize or take such action at a meeting is the act of the Board of Directors or committee thereof, as the case may be. Such action must be evidenced by one (1) or more written consents describing the action taken, signed by each Director or committee member, and indicating each signing person's vote or abstention on the action, and such written consent or consents shall be included in the minutes or filed with the corporate records reflecting the action taken. Written consents and signatures may be effected by electronic transmission. Any action taken under this Section 9 shall be effective when the last Director or committee member signs the consent, unless the consent specifies a different effective date. A consent signed under this Section 9 shall have the effect of a meeting vote and may be described as such in any document.

As a second method, action may be taken without a meeting if the corporation delivers a ballot to every member entitled to vote on the matter. The ballot must (1) be in the form of a document, which may be an electronic transmission including email; (2) set forth each proposed action; (3) provide an opportunity to vote for, or withhold a vote for, each candidate for election as a director; and, (4) provide an opportunity to vote for or against or abstain from each proposed action. Approval by ballot pursuant to this section is valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by ballot must (1) indicate the number of responses needed to meet the quorum requirements; (2) state the percentage of approvals necessary to approve each matter other than election of directors; and, (3) specify the time by which a ballot must be received in order to be counted. A ballot may not be revoked. A ballot cast under this Section 9 shall have the effect of a meeting vote and may be described as such in any document.

This Section 9 shall not be used to approve dissolution, merger or the sale, pledge, or transfer of all or substantially all of the Corporation's assets; or amend or repeal the charter of these Bylaws or adopt new Bylaws.

Section 10. **Records.** The Board of Directors shall keep permanent records of all their proceedings. The Corporation shall also maintain appropriate accounting records. These records and the principal books of the Corporation shall be kept at the principal office of the Corporation, with the necessary books and records being kept at such place or places as the Board of Directors may from time to time determine. All of these books and records shall be subject to the inspection of any Director at any reasonable time of day.

The Corporation shall keep a copy of the following records at its principal office: (a) the charter or restated charter and all amendments currently in effect; (b) these Bylaws; (c) a list of the names and businesses or home addresses of its current Directors and Officers; and (d) its most recent annual report delivered to the Secretary of State.

ARTICLE VII

OFFICERS

Section 1. Elective Officers. The Elective Officers of the Corporation shall be a Chairman, Vice Chairman, Secretary and Treasurer. The Chairman of the Administration Committee will serve as the Secretary and the Chairman of the Finance Committee will serve as the Treasurer. The elective Officers shall be elected at the annual meeting of the Board. Elective Officers shall be members of the Board of Directors. The elective Officers of the Corporation shall exercise such powers and perform such duties as are specified in these Bylaws or are from time to time conferred by the Board of Directors.

Section 2. Term of Office. Each Officer shall serve at the pleasure of the Board. The term of office shall be for a period of one year, or until a successor shall have been elected, or until his or her death, resignation or removal.

Section 3. Removal. Any Officer may be removed from office by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby. Such removal shall not affect the contract rights, if any, of the person so removed. Appointment of an Officer shall not of itself create contract rights.

Section 4. Vacancies and Absences. Any vacancy in an office from any cause may be filled for the unexpired portion of the term by the Board of Directors. In the case of an absence of any Officer of the Corporation, or for any other reason that the Board may deem sufficient, the Board may delegate, for the time being, any of the powers and duties of such Officer to any other Officer or to any Director, provided a majority of the then current members of the Board concurs therein.

Section 5. Chairman. The Chairman shall serve as Chairman of the Board of Directors and the Executive Committee and shall preside at meetings of those bodies. The Chairman shall be an Ex-Officio member of all standing committees of the Board. The Chairman shall have general supervision over the active management of the affairs of the Corporation, and shall see that all orders and resolutions of the Board are carried into effect. The Chairman shall work closely with the President and C.E.O. in matters of policy, program and administration and shall perform such other duties as the Board of Directors may from time to time prescribe. The Chairman will become Past Chairman when the term as Chairman ends.

Section 6. Vice Chairman. The Vice Chairman, or Vice Chairmen in the order designated, in the event there be more than one Vice Chairman, shall assist the Chairman in the duties so assigned, perform the duties and possess and exercise the powers of the Chairman in the event of the Chairman's absence or disability, and perform such other duties as the Board of Directors or the Chairman may from time to time prescribe. Upon completion of the term as Vice Chairman, the Vice Chairman will become Chairman for a one year term.

Section 7. Secretary and Assistant Secretaries. The Secretary shall attend all meetings of the Board of Directors and Executive Committee and record all votes, attendance at the meetings and the minutes of all proceedings in a book, which shall be the property of the Corporation, to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors and shall keep a record of all members of the Board of Directors and the address to be used for each member for purposes of giving notice of meetings. The Secretary shall perform such other duties as may are generally performed by a secretary of a Corporation and such duties as may be prescribed from time to time by the Board of Directors or the Chairman. Any Assistant Secretary may, in the absence of the Secretary or in the event of his or her inability or refusal to act, perform the duties of the Secretary, and when so acting shall have the powers and be subject to all the restrictions upon the Secretary.

Section 8. Treasurer and Assistant Treasurers. The Treasurer shall have custody of the Corporation's funds and securities, shall keep or cause to be kept full and accurate account of financial transactions in books belonging to the Corporation, and shall deposit or cause to be deposited all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse or cause to be disbursed the funds of the Corporation as required in the ordinary course of business or as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the Chairman and Directors at the regular meetings of the Board, or whenever they may require it, an account of all financial transactions and the financial condition of the Corporation. The Corporation shall procure a bond or bonds covering the Treasurer and others appropriate in amounts satisfactory to the Board of Directors.

The Treasurer shall also perform such other duties as are generally performed by a treasurer of a corporation and such duties as may be prescribed by the Board of Directors or the Chairman. Any Assistant Treasurer may, in the event of his or her inability or refusal to act, perform the duties of the Treasurer, and when so acting shall have the powers and be subject to all the restrictions upon the Treasurer.

Section 9. Appointive Officers. The Board of Directors shall appoint a President and C.E.O., who shall be the chief operating Officer of the organization, and who will serve at the pleasure of the Board. The President and C.E.O. shall be responsible to the Board and shall supervise the affairs of the organization on a day-to-day basis. The President and C.E.O. shall serve as advisor to the Chairman and Committees of the Board, and shall assemble information and data and cause to be prepared regular and special reports as directed. The President and C.E.O. shall be an Ex-Officio member of the Board of Directors, the Executive Committee and of all committees.

The President and C.E.O. shall be responsible for hiring, directing, discharging and supervision of all employees. The President and C.E.O. may assign titles such as Vice President to one or more employees. The President and C.E.O. shall be responsible for the preparation of regular reports covering all activities of the organization, subject to approval of the Board of Directors. The President and C.E.O. shall also be responsible for all expenditures with approved budget allocation. The President and C.E.O. and other HFHGN employees shall not be eligible to serve as an Officer of the Board.

ARTICLE VIII

INDEMNIFICATION

Section 1. General. The Corporation shall have the power to indemnify any person authorized by the Tennessee Nonprofit Corporation Act, as the same may be amended from time to time, in the manner prescribed therein, to the full extent allowed thereby.

Section 2. Indemnification. A Director of the Corporation shall not be liable to the Corporation for monetary damages for breach of fiduciary duty as a director; provided, however, that this provision does not eliminate or limit the liability of a Director for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law.

Section 3. Indemnification Not Exclusive. The Corporation shall indemnify each present and future Director and Officer of the Corporation, and his or her heirs, executors and administrators, to the full extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted.

To the extent permitted by the Tennessee Nonprofit Corporation Act, as amended, the rights of indemnification provided in this Article VIII shall be in addition to any rights to which any such Director, Officer, employee, or other person may otherwise be entitled by contract or as a matter of law.

Section 4. Insurance. The Corporation shall have the power by action of the Board of Directors to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, or agent of the Corporation, or who, while a Director, Officer, employee, or agent of the Corporation, is or was serving at the request of the Corporation as a corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise against any liability asserted against him or incurred by him in any such capacity or arising out of his status as a Director, Officer, employee, or agent, whether or not the Corporation would have the power to indemnify him or her against such liability.

ARTICLE IX

CORPORATE ACTIONS

Section 1. Contracts. Unless otherwise required by these Bylaws or the Board of Directors, the President and C.E.O. shall execute contracts or other instruments on behalf of and in the name of the Corporation. In the event that the President and C.E.O. is unavailable to execute contracts or other instruments, any of the Elective Officers of the Board, or the most recent Past Chairman of the Board, in conjunction with either the Chief Financial Officer or the Chief Administrative Officer of the Corporation, may execute contracts and instruments in the ordinary course of business. The Board of Directors may from time to time authorize any other Officer or Officers or agent or agents to enter into any contract or execute any instrument in the name of and on behalf of the Corporation as it may deem appropriate, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Voting Securities Held by the Corporation. Unless otherwise required by the Board of Directors, the President and C.E.O. shall have full power and authority on behalf of the Corporation to attend any meeting of security holders, or to take action on written consent as a security holder, of other corporations in which the Corporation may hold securities. In connection therewith the President and C.E.O. shall possess and may exercise any and all rights and powers incident to the ownership of such securities which the Corporation possesses. The Board of Directors may, from time to time, confer like power upon any other person or persons and may revoke any such powers as granted at its pleasure.

ARTICLE X

FISCAL YEAR

Section 1. Fiscal Year and Leadership Year. The fiscal year of the Corporation shall be fixed by the Board of Directors from time to time, subject to applicable law. The leadership year of the Corporation shall be determined by the Board of Directors and in the absence of such determination shall be the calendar year.

ARTICLE XI

CORPORATE SEAL

Section 1. Corporate Seal. The corporate seal, if any, shall be in such form as shall be approved from time to time by the Board of Directors.

ARTICLE XII

DEPOSITORIES

Section 1. Depositories. The Board of Directors shall have the power to select depositories for the funds of the Corporation and power to direct the method and manner of signing checks, notes, and other instruments binding on the Corporation.

ARTICLE XIII

AMENDMENTS

Section 1. Amendments to Bylaws. Except as otherwise required by law, these Bylaws may be amended by a majority vote at any meeting of the Board of Directors, if notice of the proposed alteration is contained in the notice of the meeting.

ARTICLE XIV

INVALIDITY

Section 1. Invalidity. In the event any provision of these Bylaws is found invalid under the laws of the State of Tennessee or other competent jurisdiction, the invalid provision or provisions shall be deemed to be altered in such manner as is necessary to conform to the prevailing law. Notwithstanding such alterations, as may be necessary, all other provisions of these Bylaws shall remain in effect as written.

ARTICLE XV

AUTHORITY

Section 1. Authority. Roberts Rules of Order (latest revision) shall govern the meetings of the Board of Directors and committees of the Corporation in all cases in which they are applicable and in which they are not inconsistent with these Bylaws.

Adopted July 26, 2019

By Habitat for Humanity of Greater Nashville, Inc. Board of Directors
Mendy Mazzo, Chair

Mendy Mazzo, Board Chair
7/26/19

LUCILE HOUSEWORTH
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires 09-06-2022

Lucile Houseworth
7/26/19

IRS Department of the Treasury
Internal Revenue Service

P.O. Box 2508, Room 4010
Cincinnati OH 45201

In reply refer to: 4077350282
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BODC: TE

HABITAT FOR HUMANITY OF GREATER
NASHVILLE
% DANNY HERRON EXE
414 HARDING PL STE 100
NASHVILLE TN 37211-4581

041416

Employer ID Number: 58-1636286
Form 990 required: Yes

Dear Taxpayer:

This is in response to your request dated Oct. 09, 2017, regarding your tax-exempt status.

We issued you a determination letter in April 1995, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(03).

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

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

In the heading of this letter, we indicated whether you must file an annual information return. If a return is required, you must file Form 990, 990-EZ, 990-N, or 990-PF by the 15th day of the fifth month after the end of your annual accounting period. IRC Section 6033(j) provides that, if you don't file a required annual information return or notice for three consecutive years, your exempt status will be automatically revoked on the filing due date of the third required return or notice.

For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).

If you have questions, call 1-877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific Time).

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00020536

HABITAT FOR HUMANITY OF GREATER
NASHVILLE
% DANNY HERRON EXE
414 HARDING PL STE 100
NASHVILLE TN 37211-4581

Sincerely yours,

stephen a. martin

Stephen A. Martin
Director, EO Rulings & Agreements

Habitat for Humanity of Greater Nashville builds new, quality, affordable homes for hardworking men and women in a five county area: Davidson, Wilson, Cheatham, Dickson and Robertson counties.

Habitat Homeowners
Future Habitat for Humanity homeowners qualify for Habitat's homeownership program, meet income qualifications, attend education classes and work with their sponsor(s) and volunteers to build their homes. **Habitat homes are not free.** Habitat homeowners pay an affordable mortgage made possible because of our funding partners.

Funding
Habitat relies on government, corporate, faith and individual partnerships to strengthen lives through the opportunity to purchase affordable homes. Homeownership builds thriving communities and makes it possible for people to live in the communities where they work. Since 1985, Habitat of Greater Nashville has built or recycled more than 1,363 homes, nearly 1,000 locally, and served more than 3,429 family members including 2,160 children.

Construction
Habitat of Greater Nashville has received numerous awards for neighborhood revitalization, green building practices, and sustainability, earning the **14th consecutive Environmental Protection Agency's ENERGY STAR® Award for Sustained Excellence in Affordable Housing.**

Social Enterprise | ReStore
Habitat for Humanity helps fund its mission through its social enterprise, the ReStore. The ReStore sells new and gently used office and household items at a fraction of the cost. Habitat of Greater Nashville operates ReStores in Davidson and Dickson counties, with the Wilson ReStore re-opening soon.

- Departments
- Board of Directors
- Advisory Council
- 2022 Emeritus Members
- Financials and policies

HABITAT FOR HUMANITY OF GREATER NASHVILLE

FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2021

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

HABITAT FOR HUMANITY OF GREATER NASHVILLE
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Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

To the Board of Directors
Habitat for Humanity of Greater Nashville
Nashville, Tennessee

We have audited the accompanying financial statements of Habitat for Humanity of Greater Nashville (a nonprofit organization), which comprise the statement of financial position as of June 30, 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 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.

Auditor's 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 auditor's 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 Habitat for Humanity of Greater Nashville, as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, management has elected to change its policy for recording in-kind contributions in 2021. Our opinion is not modified with respect to that matter.

Cherry Bekaert LLP

Nashville, Tennessee
September 27, 2021

HABITAT FOR HUMANITY OF GREATER NASHVILLE

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

ASSETS	
Cash and cash equivalents, including escrow accounts of $585,080	$ 13,076,842
Grants receivable	401,506
Sponsor and other receivables, net of allowance of $69,977	172,011
Inventory - ReStores and other	705,455
Construction-in-progress - new homes	2,572,831
Property and equipment, net	7,911,698
Land held for development	2,698,089
Mortgage notes receivable, net of discounts of $26,791,831	34,381,745
New Markets Tax Credit intangible assets, net	159,213
New Markets Tax Credit joint venture investment	2,307,652
New Markets Tax Credit joint venture cash	76,115
Other assets	370,112
Total Assets	$ 64,833,269
LIABILITIES AND NET ASSETS	
Liabilities:	
Accounts payable and accrued expenses	$ 860,107
Deferred revenue	1,152,263
Escrow accounts	588,280
Deferred grant revenue - Paycheck Protection Program loan	746,625
Notes payable, secured by mortgages, net of unamortized discount	18,963,638
Note payable, secured by Harding Place property	3,142,475
Notes payable, unsecured	503,551
New Markets Tax Credit joint venture note payable, net of issuance costs	3,113,917
Unearned revenue on mortgage loans	3,985,314
Total Liabilities	33,056,170
Net Assets:	
Net assets without donor restrictions	16,615,430
Net assets with donor restrictions	15,161,669
Total Net Assets	31,777,099
Total Liabilities and Net Assets	$ 64,833,269

HABITAT FOR HUMANITY OF GREATER NASHVILLE
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Transfers to homeowners	$ 5,651,380	$ -	$ 5,651,380
Grant income	3,126,595	-	3,126,595
Contributions	2,260,845	80,100	2,340,945
ReStore sales	2,874,435	-	2,874,435
Mortgage loan discount amortization	1,582,774	-	1,582,774
Interest contributions	-	2,137,256	2,137,256
Other income	430,291	-	430,291
In-kind contributions	3,073,267	-	3,073,267
Interest income	43,950	-	43,950
New Markets Tax Credit investment income	17,541	-	17,541
	19,061,078	2,217,356	21,278,434
Net assets released from restrictions	1,968,618	(1,968,618)	-
Total Support and Revenue	21,029,696	248,738	21,278,434
Expenses:			
Program services	16,681,210	-	16,681,210
Supporting services	2,120,704	-	2,120,704
Total Expenses	18,801,914	-	18,801,914
Change in net assets from operations	2,227,782	248,738	2,476,520
Contribution of net assets from Robertson County Habitat for Humanity, Inc.	201,245	-	201,245
Change in net assets	2,429,027	248,738	2,677,765
Net assets, beginning of year	14,186,403	14,912,931	29,099,334
Net assets, end of year	$ 16,615,430	$ 15,161,669	$ 31,777,099

HABITAT FOR HUMANITY OF GREATER NASHVILLE
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	Program Services					Supporting Services			
	Construction	Homeowner Support and Educational Ministries	Discounts on Mortgage Originations	ReStore Operations	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total
Construction costs - new homes	$ 5,468,928	$ -	$ -	$ -	$ 5,468,928	$ -	$ -	$ -	$ 5,468,928
Costs of ReStore sales	-	-	-	2,736,899	2,736,899	-	-	-	2,736,899
Salaries and related expenses	858,341	767,118	-	1,300,820	2,926,279	952,526	448,666	1,401,192	4,327,471
Mortgage discounts	-	-	2,449,242	-	2,449,242	-	-	-	2,449,242
Interest and discount amortization	1,103,855	-	-	-	1,103,855	-	40,878	40,878	1,144,733
Depreciation	81,728	33,138	-	170,823	285,689	46,747	16,794	63,541	349,230
Down payment and mortgage assistance	-	248,147	-	-	248,147	-	-	-	248,147
Office expenses	46,716	56,592	-	142,950	246,258	63,123	27,072	90,195	336,453
Travel, meals, and entertainment	3,055	3,659	-	16,909	23,623	23,156	3,529	26,685	50,308
Repairs and maintenance	202,324	3,044	-	14,740	220,108	3,951	2,714	6,665	226,773
Other	21,913	22,109	-	11,399	55,421	2,429	27,190	29,619	85,040
Small tools and equipment	33,346	-	-	69,276	102,622	1,229	-	1,229	103,851
Legal and professional	135,830	25,102	-	680	161,612	-	107,182	107,182	268,794
Redevelopment costs	213,078	-	-	-	213,078	-	-	-	213,078
Lease expense	10,227	8,920	-	51,794	70,941	11,484	2,296	13,780	84,721
Printing and public relations	59	4,287	-	934	5,280	114,610	222	114,832	120,112
Taxes and insurance	42,907	16,743	-	50,192	109,842	18,713	6,894	25,607	135,449
Recruiting and training	5,877	1,559	-	4,575	12,011	53,865	15,378	69,243	81,254
Tithe to Habitat International	106,340	-	-	-	106,340	-	-	-	106,340
Bank and credit card fees	15,305	61	-	48,864	64,230	9,345	12,763	22,108	86,338
Vehicle expenses	28,101	50	-	23,366	51,517	1,684	-	1,684	53,201
Sponsor and volunteer appreciation	7,623	375	-	916	8,914	9,834	246	10,080	18,994
Advertising	1,328	1,238	-	7,808	10,374	16,359	350	16,709	27,083
New Markets Tax Credit amortization	-	-	-	-	-	-	34,560	34,560	34,560
Special events	-	-	-	-	-	44,915	-	44,915	44,915
	$ 8,386,881	$ 1,192,142	$ 2,449,242	$ 4,652,945	$ 16,681,210	$ 1,373,970	$ 746,734	$ 2,120,704	$ 18,801,914

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

HABITAT FOR HUMANITY OF GREATER NASHVILLE
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2021

Cash flows from operating activities:	
Change in net assets	$ 2,677,765
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Contribution of net assets from Robertson County	(166,018)
Interest contributions	(2,137,256)
Transfers to homeowners	(2,972,138)
Depreciation and amortization	383,790
Bad debt expense	717
Mortgage loan discount amortization	(1,582,774)
Amortization of discount on notes payable and issuance costs	1,121,538
New Markets Tax Credit investment income allocation	(17,541)
Changes in operating assets and liabilities:	
Grants receivable	651,497
Sponsor and other receivables	18,171
Construction-in-progress - new homes	(1,234,524)
Land held for development	589,723
Inventory - ReStores and other	(89,900)
Other assets	12,461
Accounts payable and accrued expenses	91,212
Deferred revenue	426,740
Escrow accounts	(62,567)
Net cash flows from operating activities	(2,289,104)
Cash flows from investing activities:	
Purchases of property and equipment	(121,395)
Mortgage payments received	3,945,021
New Markets Tax Credit joint venture investment net distribution	23,100
Net cash flows from investing activities	3,846,726
Cash flows from financing activities:	
Proceeds from issuance of notes payable	4,862,037
Repayments on notes payable	(3,077,753)
Net cash flows from financing activities	1,784,284
Net change in cash, restricted cash, and cash equivalents	3,341,906
Cash, restricted cash, and cash equivalents, beginning of year	9,811,051
Cash, restricted cash, and cash equivalents, end of year	$ 13,152,957

Note 1—Organization and purpose

Habitat for Humanity of Greater Nashville ("Habitat"), a nonprofit corporation, was chartered by the state of Tennessee on March 25, 1985. Habitat is an affiliate of Habitat for Humanity International, Inc. ("Habitat International"), a nondenominational Christian nonprofit organization whose purpose is to create decent, affordable housing for those in need and to make decent shelter a matter of conscience with people everywhere. Although Habitat International assists with information resources, training, publications, prayer support, and in other ways, Habitat is primarily and directly responsible for its own operations.

Note 2—Summary of significant accounting policies

Financial Statement Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with standards of accounting and reporting prescribed for not-for-profit organizations. Under these standards, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

> *Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of Habitat. These net assets may be used at the discretion of Habitat's management and the Board of Directors.
>
> *Net Assets With Donor Restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Habitat or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Net assets with donor restrictions represent unamortized discount on notes payable, contributions receivable and amounts available for programs.

Contributions – Contributions are recognized when the donor makes a promise to give to Habitat that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions based on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributed land and equipment are recorded at estimated fair value at the date of the donation. In-kind contributions (primarily Restore inventory, construction materials and land for development) are recorded based on their estimated value on the date of receipt.

No amounts have been reflected in the financial statements for donated labor by unskilled volunteers as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time to Habitat's program services.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using an interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met. Habitat determines an allowance for doubtful accounts based on historical experience, an assessment of economic conditions, and a review of subsequent collections.

Grants received from governmental agencies are generally recognized as related costs are incurred.

Income Taxes – Habitat is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code ("IRC") and is not a private foundation. Therefore, no provision for income taxes has been made.

Note 2—Summary of significant accounting policies (continued)

Habitat follows guidance that clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses and allocation of functional expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents – For purposes of the statements of cash flows, Habitat considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Liquidity – Assets are presented in the accompanying statements of financial position according to their nearness of conversion to cash and cash equivalents and liabilities are presented according to their maturing resulting in use of cash and cash equivalents.

Home Sales and Mortgage Notes Receivable – Transfers to homeowners are recorded at the gross amount of payments to be received over the lives of the mortgage notes receivable. These mortgage payments do not include interest and, accordingly, the mortgages have been discounted at various interest rates based upon prevailing market rates at the inception of the mortgages. Discounts are amortized over the lives of the mortgages. The discounted value of mortgages at the time of sale is generally less than the home's fair market value. Therefore, management believes that losses resulting from non-payment of mortgages are not reasonably probable and, accordingly, no allowance for mortgage notes receivable has been recorded. Past due status is based on contractual terms of the mortgage notes receivable. At 120 days past due, the mortgage notes receivable become subject to foreclosure.

Unearned revenue on mortgage notes receivable represents the discounted value of non-interest bearing second and third mortgage loans issued on Habitat homes. The homeowner is required to sign one or more additional mortgages for the difference between the estimated fair market value of the home and the payable mortgage balances as of the transfer date. Certain of these mortgages are fully forgiven if the homeowner lives in the home for a certain period of time and complies with all other covenants and restrictions per the deed of trust. In the event the homeowner does not comply with these restrictions, the mortgage balance will be recognized as income at the time it is collected. Habitat generally does not foresee collection of the non-payable second and third mortgage loans except in the event of sale, refinance, or foreclosure of the home.

Real Estate Held for Sale – Real estate assets acquired through or in lieu of loan foreclosure are recorded at fair value less estimated selling cost. Costs of property improvements are capitalized. Estimated gains at acquisition and net gains or losses realized on the sale are recorded in the statements of activities as gain on real estate held for sale.

Property and Equipment – Property and equipment is reported at cost at the date of purchase or at fair market value at the date of gift. Depreciation is computed using the straight-line method over the estimated useful lives of the assets which range from 3 to 39 years.

Note 2—Summary of significant accounting policies (continued)

Land Held for Development – Land held for development consists of land and improvements to be utilized as lots for future Habitat homeowners. Costs incurred to improve land are capitalized when incurred. Interest incurred on related debt during the construction period is capitalized as incurred. The total allocated cost of each lot is charged to construction-in-progress upon commencement of building activities.

Inventory – Inventory consists primarily of donated home furnishings and building and home improvement materials which are sold in the ReStores. In-kind inventory is recorded at its estimated market value when received.

Deferred Revenue – Deferred revenue consists of deposits received on conditional promises to give from sponsors of future home building and totaled $1,152,263 at June 30, 2021.

Grant Income – Grant funds are earned and reported as revenue when Habitat has incurred expenses in compliance with the specific restrictions of the grant agreement. Grant funds that are restricted for use in home construction are reflected as unrestricted revenue since these funds are generally received and spent during the same year.

Program Services – Program services include construction, ReStore operations, homeowner support, and educational ministries, and the discounts on mortgage originations. The cost of home building is charged to program services upon transfer to the homeowner. Program services include the cost of new homes transferred, which have an average cost of $182,298 for the year ended June 30, 2021.

Advertising – Advertising costs are charged to expense as incurred. Advertising expense totaled $27,083 for the year ended June 30, 2021.

Debt Issuance Costs – Costs relating to the issuance of notes payable are amortized to interest expense over the term of the debt, using the straight-line method. The unamortized amount is presented as a reduction of long-term debt on the statements of financial position.

Functional Allocation of Expenses – The costs of providing program and supporting services have been reported on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. While most costs have been directly assigned to a functional category, certain joint costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Expenses that are allocated consist primarily of salaries and wages expenses which was allocated based on time and effort.

Accounting Change – During the fiscal year ended June 30, 2021, Habitat began recording receipts of donated home furnishings and building and home improvement materials as contributions. Upon sale of the donated items, a corresponding charge to cost of ReStore sales is recorded. The change increased in-kind contribution revenue by approximately $2.7 million in fiscal 2021 with a corresponding increase to ReStore cost of sales. There was no effect on net assets or change in net assets at June 30, 2020 or for the year ended June 30, 2020. Habitat believes the change is preferable to more appropriately report contributions and costs of sales.

Recently Adopted Accounting Pronouncement – In May 2014, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 clarifies the principles for recognizing revenue and develops a common revenue standard under U.S. GAAP under which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Habitat adopted the provisions of ASU 2014-09 and the related ASUs as of July 1, 2020 using a modified retrospective approach, which resulted in no cumulative effect adjustment to net assets as of July 1, 2020. There was no change in the timing and amount of revenue recognition as a result of the adoption of this ASU.

Note 2—Summary of significant accounting policies (continued)

Accounting Policies for Future Pronouncement – In February 2016, FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right of use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the fiscal year ending June 30, 2023. Habitat is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Subsequent Events – Habitat evaluated subsequent events through September 27, 2021, when these financial statements were available to be issued. Management is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to the filing of this report that would have a material impact on the financial statements.

Note 3—Revenue recognition

On July 1, 2020, Habitat adopted Accounting Standards Codification ("ASC") 606 using the modified retrospective approach. Habitat determined that there was no cumulative effect adjustment to net assets upon adoption of the new revenue standard as of July 1, 2020. Under ASC 606, revenue is recognized when Habitat transfers the promised goods or services to a customer in an amount that reflects consideration that is expected to be received for those goods and services.

Performance Obligations and Revenue Recognition – A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under ASC 606. The transaction price is allocated to each distinct performance obligation and recognized as revenue, when, or as, the performance obligation is satisfied. The contract obligation for transfers to homeowners and ReStore sales is generally satisfied at the time these services are provided or when a good is transferred to the customer.

Home Sales – A portion of the Habitat's revenue is derived from home sales during the year. Due to the nature of contracts, there is no variable consideration and only one performance obligation. Such revenue is conditioned upon meeting a certain performance obligation, and amounts received are recognized as revenue once the requirement has been met. Once construction is complete on a home and closing procedures have been completed, buyers take possession of the home and the performance obligation is considered to have been met. Each house sold has a defined purchase price. Contracts are considered to have commercial substance as they all involve a cash down payment and a signed promissory note, which is paid in accordance with the note terms.

ReStore Revenues – A portion of Habitat's revenue is derived from ReStore sales during the year. Such revenue is conditioned upon meeting one performance obligation, the sale transaction is completed at a ReStore location, and amounts received are recognized as revenue once the sale has been made. Once the sale is made, customers take possession of the goods purchased. These transactions are considered to be contracts with customers as they have commercial substance through the transaction of cash payment in return for the goods purchased. Due to the nature of these transactions, there is no variable consideration and only one performance obligation.

Note 4—Liquidity and availability

Habitat regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, Habitat considers all expenditures related to its ongoing activities of bringing people together to build homes, communities, and hope, as well as the conduct of services undertaken to support those activities to be general expenditures. Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at June 30, 2021:

Financial assets:	
Cash and cash equivalents, less escrow accounts	$ 12,491,762
Grants receivable due in one year	401,506
Sponsor and other receivables	156,496
Total financial assets, at year-end	13,049,764
Less amounts unavailable for general expenditures within one year, due to:	
Net assets with donor restrictions	(234,766)
Financial assets available to meet cash needs for general expenditures within one year	$ 12,814,998

Note 5—Grants receivable

A summary of grants receivable as of June 30, 2021 is as follows:

Metropolitan Development and Housing Agency	$ 230,536
Federal Home Loan Bank	137,500
Foundations and other	33,470
	$ 401,506

Note 6—Unconditional promises to give

Habitat has included unconditional promises to give in sponsor and other receivables. Unconditional promises to give consist of the following at June 30, 2021:

Unconditional promises to give	$ 241,988
Less allowance for uncollectible contributions	(69,977)
Net unconditional promises to give	172,011
Less amounts receivable in less than one year, net	(172,011)
Receivable in one to five years, net	$ -

Note 7—Construction-in-progress – new homes

A summary of new home construction activity for 2021 is as follows:

	Number	Costs
New homes under construction, June 30, 2020	13	$ 1,338,307
Additional costs incurred on beginning inventory		894,947
New homes started in 2021	47	5,808,505
New homes closed in 2021	(30)	(5,468,928)
New homes under construction, June 30, 2021	30	$ 2,572,831

Note 8—Property and equipment

A summary of property and equipment as of June 30, 2021 is as follows:

Land and land improvements	$ 2,917,670
Buildings	5,495,928
Office equipment	441,235
Leasehold improvements	57,502
Vehicles and trailers	546,942
Other	335,065
	9,794,342
Less accumulated depreciation	(1,882,644)
	$ 7,911,698

Note 9—Land held for development

Land held for development consists of real property and incurred development costs for the purpose of future home construction. Land held for development consists of the following by area at June 30, 2021:

Hamilton Hills	$ 1,302,676
Village by the Creek	1,038,563
Hunters Point	224,322
Dickson County	89,245
Cheatham County	43,283
	$ 2,698,089

Note 10—Mortgage notes receivable

At June 30, 2021, Habitat holds mortgage notes receivable totaling $61,173,576, at face value generally with original maturities of 30 years. The notes are non-interest bearing mortgages, payable in equal monthly installments, and are secured by deeds of trust on the properties. The notes have been discounted at various interest rates ranging from 4.5% to 9% over the lives of the mortgages. Mortgages are reported net of unamortized discount.

Mortgage notes receivable and the related discount are summarized as follows at June 30, 2021:

First mortgages	$ 45,823,089
Second mortgages	13,496,056
Third mortgages	1,854,431
	61,173,576
Less unamortized discount	(26,791,831)
	$ 34,381,745

Following is a table which includes an aging analysis of the recorded investment of past due mortgage notes receivable as of June 30, 2021:

31 - 60 days past due	$ 350,588
61 - 90 days past due	56,811
Greater than 90 days past due	8,754
Total past due	416,153
Current	60,757,423
	$ 61,173,576

Principal payments due on mortgage notes receivable are as follows:

Years Ending June 30,	
2022	$ 2,190,649
2023	2,430,702
2024	2,452,759
2025	2,460,390
2026	2,475,454
Thereafter (including non-paying second and third mortgages of $5,323,979)	49,163,622
Notes receivable at face value	61,173,576
Less unamortized discount	(26,791,831)
	$ 34,381,745

Note 11—New Markets Tax Credit intangible assets

Habitat incurred $27,125 in guarantor fees, $13,333 in audit fees, $64,400 in asset management fees, and $26,250 in consulting fees related to its New Markets Tax Credit (“NMTC”) financing in December 2017, to be amortized over seven years, the period to which the assets apply. Habitat incurred $13,971 in qualified active low income community business (“QALICB”) services, $20,000 in audit fees, $53,554 in asset management fees, and $23,284 in consulting fees related to its NMTC financing in June 2020, to be amortized over seven years, the period to which the assets apply. The intangible assets represent fees paid to the third-party administrator in the transaction, who is responsible for ensuring that Habitat performs and complies with all aspects of the transaction requirements.

As of June 30, 2021, the balances of NMTC intangible assets and accumulated amortization are as follows:

QALICB guarantor fee	$ 41,096
CDE audit fee	33,333
Asset management fee	117,954
Consulting fee	49,534
Total intangible assets	241,917
Accumulated NMTC amortization	(82,704)
NMTC intangible assets, net	$ 159,213

In December 2017, Habitat invested, along with five other Habitat affiliates, in a partnership, Harbor Habitat Leverage II, LLC (“HHL”), with 16.6667% ownership to take advantage of NMTC financing. Habitat invested a combination of cash and construction in progress totaling $1,207,410, enabling it to secure a 20-year loan in the amount of $1,715,000 payable to Harbor Community Fund XIII, LLC (“HCF”), a community development entity. The loan proceeds are to be used solely for the purpose of constructing and selling qualified housing properties to low-income residents.

The investment in partnership is accounted for using the equity method and the carrying amount of the investment is increased for Habitat’s proportionate share of the joint venture’s earnings and decreased for Habitat’s proportionate share of the joint venture’s losses.

The activity of the NMTC joint venture investment during the year ended June 30, 2021 is as follows:

Beginning balance	$ 1,201,374
Capital contributed	-
Distributions received	(12,074)
Share of income	12,074
Ending balance	$ 1,201,374

In June 2020, Habitat invested, along with three other Habitat affiliates, in a partnership, HHL, with 25% ownership to take advantage of NMTC financing. Habitat invested a combination of cash and construction in progress totaling $1,111,837, enabling it to secure a 20-year loan in the amount of $1,521,250 payable to HCF, a community development entity. The loan proceeds are to be used solely for the purpose of constructing and selling qualified housing properties to low-income residents.

Note 11—New Markets Tax Credit intangible assets (continued)

The investment in partnership is accounted for using the equity method and the carrying amount of the investment is increased for Habitat's proportionate share of the joint venture's earnings and decreased for Habitat's proportionate share of the joint venture's losses.

The activity of the NMTC joint venture investment during the year ended June 30, 2021 is as follows:

Beginning balance	$ 1,111,837
Capital contributed	-
Distributions received	(11,026)
Share of income	5,467
Ending balance	$ 1,106,278

The major assets of Harbor Habitat Leverage II, LLC and Harbor Habitat Leverage III, LLC at June 30, 2021 are as follows:

	June 30, 2021	
	Harbor Habitat Leverage II, LLC	Harbor Habitat Leverage III, LLC
Assets:		
Notes receivable	$ 7,244,463	$ 4,447,352
Total assets	$ 7,244,463	$ 4,447,352

At June 30, 2021, both Harbor Habitat Leverage II, LLC and Harbor Habitat Leverage III, LLC had no liabilities and minimal activity.

Note 12—Notes payable

Notes payable to Tennessee Housing Development Agency, non-interest bearing, payable in monthly principal installments totaling $99,309 (at June 30, 2021) with varying maturities through March 2050, secured by non-interest bearing first mortgages held by Habitat, with a discounted value of $12,687,261. The notes have an undiscounted balance outstanding of $23,700,026 at June 30, 2021. Discount rates ranging from 4.5% to 5.25% were applied to arrive at net present value of the notes payable at issuance. Contribution revenue of $950,420 has been recognized in 2021 to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2021 amounted to $10,832,765.	$ 12,867,261

Note 12—Notes payable (continued)

Notes payable to bank secured by mortgages receivable, non-interest bearing, payable in monthly principal installments totaling $14,478, maturing at various times through December 2045. The notes have been discounted using a rate of 4.5%. The notes have an undiscounted balance outstanding of $3,051,556 at June 30, 2021. Contribution revenue of $1,959,239 was recognized in 2016 to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2021 amounted to $1,230,423.	$ 1,821,133
Notes payable to Habitat International, non-interest bearing, payable in monthly principal installments ranging from $75 to $1,861 through June 2027.	413,551
Notes payable to The Housing Fund, Inc. secured by certain real property, non-interest bearing, payable in 120 to 180 equal monthly principal installments of $244 to $617, through June 2030. The notes have been discounted using a rate of 4.5%. Contribution revenue of $104,819 was recognized in 2018 to present the difference between the present value of the notes payable and their undiscounted balances of $915,707 at June 30, 2021. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2021 amounted to $194,474.	721,233
Notes payable to bank secured by mortgages receivable, non-interest bearing, payable in monthly principal installments totaling $4,638, maturing at various times through August 2049. The notes payable have been discounted using a rate of 4.5%. The notes have an undiscounted balance outstanding at June 30, 2021 of $1,244,525. Contribution revenue of $117,601 was recognized in 2021 to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2021 amounted to $505,554.	738,971

Note 12—Notes payable (continued)

Notes payable to bank secured by mortgages receivable, non-interest bearing, payable in monthly principal installments totaling $2,440, maturing at various times through July 2047. The notes have been discounted using a rate of 4.5%. The notes have an undiscounted balance outstanding at June 30, 2021 of $725,897. Contribution revenue of $440,844 was recognized in 2018 to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2021 amounted to $316,623.	$	409,274
Notes payable to bank secured by mortgages receivable, non-interest bearing, payable in monthly principal installments totaling $1,757, maturing at various times through June 2047. The notes have been discounted using a rate of 4.5%. The notes have an undiscounted balance outstanding at June 30, 2021 of $480,689. Contribution revenue of $231,484 was recognized in 2018 to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2021 amounted to $200,718.		279,971
Note payable to bank, unsecured at a variable interest rate of 4% below prime (0.0% at June 30, 2021), maturing in June 2022.		90,000
Note payable to bank, secured by certain real property with a net book value of $7,294,252 at June 30, 2021, at a variable interest rate of 4% below prime (0.0% at June 30, 2021), with a 20-year amortization maturing in October 2023.		3,142,475
Notes payable to bank secured by mortgages receivable, non-interest bearing, payable in monthly principal installments totaling $3,052, maturing at various times through November 2047. The notes have been discounted using a rate of 4.5%. The notes have an undiscounted balance outstanding at June 30, 2021 of $898,963. Contribution revenue of $417,299 was recognized in 2019 to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2021 amounted to $377,682.		521,281

Note 12—Notes payable (continued)

Notes payable to bank secured by mortgages receivable, non-interest bearing, payable in monthly principal installments totaling $2,988, maturing at various times through April 2051. The notes have been discounted using a rate of 4.5%. The notes have an undiscounted balance outstanding at June 30, 2021 of $1,007,807. Contribution revenue of $229,445 was recognized in 2021 to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2021 amounted to $445,733.	$ 562,074
Notes payable to bank secured by mortgages receivable, non-interest bearing, payable in monthly principal installments totaling $5,445, maturing at various times through April 2050. The notes have been discounted using a rate of 4.5%. The notes have an undiscounted balance outstanding at June 30, 2021 of $1,865,371. Contribution revenue of $839,790 was recognized in 2021 to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2021 amounted to $822,931.	1,042,440
	$ 22,609,664

Notes payable are presented in the statements of financial position as follows at June 30, 2021:

Notes payable, secured by mortgages, net of unamortized discount	$ 18,963,638
Note payable, secured by Harding Place property	3,142,475
Notes payable, unsecured	503,551
	$ 22,609,664

Note 12—Notes payable (continued)

Future principal maturities of notes payable are as follows:

Years Ending June 30,	
2022	$ 2,252,722
2023	2,181,634
2024	4,371,894
2025	1,747,369
2026	1,717,282
Thereafter	25,291,046
Total principal maturities	37,561,947
Debt issuance costs	(25,380)
Amounts representing imputed interest	(14,926,903)
	$ 22,609,664

Note 13—Line of credit

Habitat has a $950,000 line of credit agreement with a bank bearing interest at the bank's index rate plus 1% (4.25% at June 30, 2021). The line of credit is secured by real estate. The line of credit has a maturity date of January 2022. At June 30, 2021, no borrowings were outstanding under the line of credit agreement.

Note 14—New Markets Tax Credit joint venture note payable

Habitat has a loan payable to HCF, dated December 20, 2017, as part of a NMTC transaction. It is a 20-year loan bearing interest at 0.70% with semi-annual interest-only payments commencing on June 5, 2018 and continuing until June 5, 2025. Principal and interest payments are to commence on June 5, 2025, due semi-annually to then fully amortize the principal balance over a 12-year period, maturing December 20, 2037.

The loan is secured by substantially all the assets acquired by Habitat from the project loan proceeds. The debt is associated with a put option feature under an option agreement between the partnership's related parties that is expected to be exercised in 2025 that will effectively extinguish the liability from Habitat. The balance of the note payable at June 30, 2021 is $1,715,000, net of issuance costs of $43,842. Debt issuance costs of $53,253 are being amortized to interest expense over the 20-year term of the loan.

Simultaneous with these transactions, HHL entered into an option agreement (the "Option Agreement") with USBCDC, who is the sole-member of Twain Investment Fund 296, LLC (the "Twain Fund"), and the upstream effective owner of HCF. Under the terms of the Option Agreement, USBCDC is expected to put its ownership interest into the Twain Fund for $1,000, during the six-month put period beginning December 20, 2024.

Exercise of this option will effectively extinguish Habitat's outstanding debt owed to HCF. Habitat will recognize income on the forgiveness of debt in an amount approximating the difference in the book value of the investment and the debt. The investment and debt will then come off Habitat's books. All entities including Habitat Harbor Leverage II, LLC, will then be dissolved effectively ending the structured financing deal.

Note 14—New Markets Tax Credit joint venture note payable (continued)

Pursuant to the agreement, Habitat is required to comply with the NMTC requirements as generally set forth in the IRC Section 45D, including that Habitat maintain a separate part of business such that the separate business will qualify as a qualified active low-income community business as defined in IRC Section 45D. Only the separate part of business assets of Habitat was pledged as security under the agreement with HCF.

Habitat has a loan payable to HCF, dated June 4, 2020, as part of a NMTC transaction. It is a 20-year loan bearing interest at 0.730945% with semi-annual interest-only payments commencing on December 5, 2020, and continuing until June 5, 2027. Principal and interest payments are to commence on December 5, 2027, due semi-annually to then fully amortize the principal balance over a 12-year period, maturing June 3, 2040.

The loan is secured by substantially all the assets acquired by Habitat from the project loan proceeds. The debt is associated with a put option feature under an option agreement between the partnership's related parties that is expected to be exercised in 2027 that will effectively extinguish the liability from Habitat. The balance of the note payable at June 30, 2021 was $1,521,250 net of issuance costs of $78,491. Debt issuance costs of $82,986 are being amortized to interest expense over the 20-year term of the loan.

Simultaneous with these transactions, HHL entered into an option agreement (the "Option Agreement") with USBCDC, who is the owner of USBCDC (the "USBCDC Fund"), and the upstream effective owner of HCF. Under the terms of the Option Agreement, USBCDC Endowment Fund is expected to put its ownership interest in HCF to HHL for $1,000, during the six-month put period beginning June 4, 2027.

Exercise of this option will effectively extinguish Habitat's outstanding debt owed to HCF. Habitat will recognize income on the forgiveness of debt in an amount approximating the difference in the book value of the investment and the debt. The investment and debt will then come off Habitat's books. All entities including Habitat Harbor Leverage II, LLC, will then be dissolved effectively ending the structured financing deal.

Pursuant to the agreement, Habitat is required to comply with the NMTC requirements as generally set forth in the IRC Section 45D, including that Habitat maintain a separate part of business such that the separate business will qualify as a qualified active low-income community business as defined in IRC Section 45D. Only the separate part of business assets of Habitat was pledged as security under the agreement with HCF.

Note 15—Paycheck Protection Program

In April 2020, Habitat received a Paycheck Protection Program ("PPP") loan of $746,625 under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") through its primary banking institution. PPP loans are considered conditional contributions under ASC 958-605, *Not-for-Profit Entities – Revenue Recognition.* The loan must be repaid if Habitat does not overcome certain barriers within the CARES Act. The barriers under the program include the requirement to maintain employee headcount, spend up to 60% of the loan proceeds on certain payroll and employee benefits, and restricts other loan proceeds to be used for other qualifying expenses such as mortgage interest, rent, and utilities. Habitat completed the forgiveness application process upon completion of the applicable 24-week period and reflected the original loan amounts as revenues from government grants on the statement of activities for the year ended June 30, 2021.

In February 2021, Habitat obtained a second PPP loan in the amount of $746,625 under substantially the same terms as the initial PPP loan. This loan is included in deferred grant revenue on the statement of financial position for the year ended June 30, 2021.

Note 16—Net assets with donor restrictions

Net assets with donor restrictions consist principally of contributions restricted for future programs or improvements to existing programs. Significant components include the following at June 30, 2021:

Unamortized discount on notes payable	$ 14,926,903
Donor restricted contributions	231,526
Unconditional promises to give, net	3,240
	$ 15,161,669

Note 17—Concentrations

Habitat maintains its cash in bank accounts that at times may exceed federally insured limits. Habitat has not experienced any losses in such accounts. Deposits are insured by the Federal Deposit Insurance Corporation. Management believes Habitat is not exposed to any significant credit risk on its cash balances. Uninsured balances at June 30, 2021 totaled $335,688.

Note 18—Commitments and contingencies

In connection with the development of Park Preserve, Edison Park, and Hallmark subdivisions, Habitat has obtained letters of credit totaling $1,432,500 at June 30, 2021, respectively, securing the completion of certain improvements. Habitat had no outstanding borrowings associated with these letters of credit at June 30, 2021. The letters of credit expire through April 2022.

Habitat leases certain office and warehouse space and equipment under leasing arrangements classified as operating leases. Rent expense under such arrangements amounted to $85,083 for the year ended June 30, 2021. A summary of future minimum rental payments as of June 30, 2021 is as follows:

Years Ending June 30,	
2022	$ 40,568
2023	2,969
2024	615
	$ 44,152

From time to time, Habitat is involved in litigation. In the opinion of management, no current or threatened litigation will have a material effect on Habitat's financial position or activities.

Note 19—In-kind contributions

In-kind contributions received by Habitat are recorded based on their estimated value. A summary of in-kind contributions is as follows for the year ended June 30, 2021:

ReStore donations	$ 2,834,746
Building supplies and home appliances	140,680
Mortgage servicing	95,376
Operating supplies	2,465
	$ 3,073,267

Approximately 2,650 individuals contributed significant amounts of time to Habitat's activities during the year ended June 30, 2021. The financial statements do not reflect the value of these services because they do not meet the recognition criteria prescribed by U.S. GAAP.

Note 20—Retirement plan

Habitat has a defined contribution retirement plan for its employees, which was established as a Simple IRA. As described in the plan document, substantially all full-time employees are eligible to participate in the plan. Discretionary contributions may be made at the option of the Board of Directors. Habitat recognized retirement plan expense of $72,241 for the year ended June 30, 2021.

Note 21—Supplemental cash flow information

The following is supplemental cash flow information required by U.S. GAAP.

Supplemental Cash Flow Information:

Interest paid	$ 23,102

Supplemental Schedule of Noncash Investing and Financing Activities:

Issuance of non-interest bearing mortgage loans	$ 5,421,380
Discount on non-interest bearing mortgage loans	(2,449,242)
Transfers to homeowners subject to non-interest bearing mortgage loans	$ 2,972,138

Note 22—Related parties

At June 30, 2021, Habitat owed notes payable, net of discounts, totaling approximately $9,115,829 to financial institutions which have executives who serve on Habitat's Board of Directors.

Habitat receives voluntary contributions, house sponsorship funding, in-kind contributions, and volunteer labor from various board members and their companies throughout the year. Some professional services are also purchased from board members and their companies throughout the course of the year. None of these transactions are considered to be individually significant to Habitat's financial statements.

Note 22—Related parties (continued)

Habitat annually remits a portion of its unrestricted contributions (excluding in-kind contributions) to Habitat International. These funds are used to construct homes in economically depressed areas around the world. For the year ended June 30, 2021, Habitat contributed $106,340 to Habitat International.

Habitat has received Self-Help Homeownership Opportunity Program funds from Habitat International. Of the funds received, 75% were in the form of a grant with the remaining 25% repayable under non-interest bearing four-year notes payable. During the year ended June 30, 2021, Habitat was granted $286,945. At June 30, 2021, the balances of the loans totaled $413,551.

Note 23—Uncertainty

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in the financial markets. The coronavirus outbreak and government responses are creating disruption to global supply chains and adversely impacting many industries. The outbreak has caused a material, adverse impact on the economic and market conditions. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material, adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to Habitat, its performance, and its financial results.